

**S.H.A.R.E. AGRICULTURE FOUNDATION**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED OCTOBER 31, 2023**

**S.H.A.R.E. AGRICULTURE FOUNDATION**

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**YEAR ENDED OCTOBER 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of: S.H.A.R.E. Agriculture Foundation

### Qualified Opinion

We have audited the accompanying financial statements of S.H.A.R.E. Agriculture Foundation, which comprise the statement of financial position as at October 31, 2023 and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of S.H.A.R.E. Agriculture Foundation as at October 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

### Basis for Qualified Opinion

In common with many not for profit organizations, the foundation derives some of its revenues from cash sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the foundation and we were not able to determine whether any adjustments might be necessary to revenues, deficiency of revenues over expenditures and cash flows from operations for the years ended October 31, 2023 and 2022, current assets as at October 31, 2023 and 2022, and net assets as at November 1 and October 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended October 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of S.H.A.R.E. Agriculture Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not for profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the foundation's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the foundation's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

This description forms part of our auditor's report. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Guelph, Ontario  
February 26, 2024

Chartered Professional Accountants  
Licensed Public Accountants

**S.H.A.R.E. AGRICULTURE FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT OCTOBER 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 58,518	\$ 306,872
Accounts receivable	12,383	16,301
Prepaid expenses	<u>3,704</u>	<u>4,492</u>
	<u>74,605</u>	<u>327,665</u>
<b>ENDOWMENT</b>		
Cash	61,337	289
Investments (note 4)	<u>336,849</u>	<u>389,269</u>
	398,186	389,558
<b>INVESTMENTS</b> (note 4)	324,037	180,000
<b>INTANGIBLE ASSETS</b> (note 5)	<u>15,279</u>	<u>20,372</u>
	<u>\$ 812,107</u>	<u>\$ 917,595</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 9,102	\$ 7,051
<b>DEFERRED CONTRIBUTIONS</b> (note 7)	<u>44,283</u>	<u>75,123</u>
	<u>53,385</u>	<u>82,174</u>
<b>NET ASSETS</b>		
<b>UNRESTRICTED NET ASSETS</b>	360,536	445,863
<b>ENDOWMENT FUND</b>	292,466	289,558
<b>SCHOLARSHIP ENDOWMENT FUND</b>	<u>105,720</u>	<u>100,000</u>
	<u>758,722</u>	<u>835,421</u>
	<u>\$ 812,107</u>	<u>\$ 917,595</u>

**S.H.A.R.E. AGRICULTURE FOUNDATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED OCTOBER 31, 2023**

	<b>Unrestricted Fund</b>	<b>Endowment Fund</b>	<b>Scholarship Endowment Fund</b>	<b>2023</b>	<b>2022</b>
<b>NET ASSETS, beginning of year</b>	\$ 445,863	\$ 289,558	\$ 100,000	\$ 835,421	\$ 747,845
(Deficiency) surplus of revenues over expenditures for the year	(98,980)	16,561	5,720	(76,699)	(12,424)
Transfers	13,653	(13,653)	0	0	0
Endowment contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u>
<b>NET ASSETS, end of year</b>	<b><u>\$ 360,536</u></b>	<b><u>\$ 292,466</u></b>	<b><u>\$ 105,720</u></b>	<b><u>\$ 758,722</u></b>	<b><u>\$ 835,421</u></b>

**S.H.A.R.E. AGRICULTURE FOUNDATION**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED OCTOBER 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>		
Donations	\$ 677,604	\$ 803,200
Fundraising	43,522	32,870
Investment income	28,197	13,563
	<u>749,323</u>	<u>849,633</u>
<b>EXPENDITURES</b>		
Projects (schedule 1)	762,358	817,685
Fundraising	30,482	16,883
Professional fees	9,482	8,341
Advertising	7,135	3,016
Newsletter	6,536	7,818
Amortization	5,093	5,093
Office	4,246	2,801
Development and education	690	420
	<u>826,022</u>	<u>862,057</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES for the year</b>	<u>\$ (76,699)</u>	<u>\$ (12,424)</u>

**S.H.A.R.E. AGRICULTURE FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED OCTOBER 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenditures for the year	\$ (76,699)	\$ (12,424)
Items not requiring an outlay of cash		
Amortization	5,093	5,093
Scholarship endowment fund	0	100,000
In-kind donations	<u>(57,606)</u>	<u>(13,506)</u>
	(129,212)	79,163
Changes in non-cash working capital		
Accounts receivable	3,918	(139)
Prepaid expenses	788	(2,294)
Investments	52,420	0
Accounts payable and accrued liabilities	2,051	(9,232)
Deferred contributions	<u>(30,840)</u>	<u>(166,730)</u>
	<u>(100,875)</u>	<u>(99,232)</u>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		
Net investments (purchased) redeemed	(86,431)	30,729
Increase in endowment cash	<u>(61,048)</u>	<u>0</u>
	<u>(147,479)</u>	<u>30,729</u>
<b>NET DECREASE IN CASH</b>	(248,354)	(68,503)
<b>NET CASH, BEGINNING OF YEAR</b>	<u>306,872</u>	<u>375,375</u>
<b>NET CASH, END OF YEAR</b>	<u><u>\$ 58,518</u></u>	<u><u>\$ 306,872</u></u>



**S.H.A.R.E. AGRICULTURE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED OCTOBER 31, 2023**

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**1. NATURE OF FOUNDATION**

S.H.A.R.E. Agriculture Foundation is a not for profit foundation incorporated under the laws of Canada without share capital and is a registered charity under the Income Tax Act. S.H.A.R.E. Agriculture Foundation is exempt from income tax. Its purpose is to enable impoverished communities in developing countries to improve their quality of life with projects that contribute to economic, social and environmental development and sustainability. S.H.A.R.E. believes in a "hand up" rather than a "hand out." Communities that receive assistance from S.H.A.R.E. must in turn share the benefits of these projects with others.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

(a) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost and amortized on the basis of their estimated useful life using the following methods and rates:

Office equipment	- 100 % declining balance basis
Computer software	- 100 % declining balance basis

(b) INTANGIBLE ASSETS

Intangible assets are amortized on the basis of their useful life using the straight-line method at the following rates:

Website	- 5 years
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(c) FOREIGN OPERATIONS, ASSETS AND MEASUREMENT UNCERTAINTY

The foundation has consistently followed the policy of expensing all costs for overseas operations, and property and equipment, through its overseas project expenditures, unless these amounts represent advances that are to be repaid to the organization. This policy is based on the practice that such assets, while generally redeployable under the direction of the foundation's board, are not always accessible for redeployment due to foreign property titling regulations and international fund transfer and foreign currency exchange limitations. While the foundation may specifically assign title to national overseas partners, it generally retains control of title while considering an orderly transfer of assets to stable national overseas partners. Accordingly, these assets and operations are not included in the financial statements.

(d) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

**S.H.A.R.E. AGRICULTURE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED OCTOBER 31, 2023**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(e) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The foundation initially measures its financial assets and liabilities at fair value. The foundation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in mutual funds and securities, which are measured at fair value. Changes in fair value are recognized in excess of revenues over expenditures.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in excess of revenues over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenditures.

Transaction costs

The foundation recognizes its transaction costs in excess of revenues over expenditures in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(f) CONTRIBUTED MATERIALS AND SERVICES

During the year, volunteers contributed 13,000 hours (2022 - 13,100) to the foundation. Because of the difficulty in determining the fair value, contributed services are not recorded in the financial statements.

Contributed materials, used in the normal course of operations, are recognized in the financial statements when the fair value can be reasonably estimated and the materials would otherwise have been purchased. Contributed materials include in kind stock donations of \$57,673 (2022 - \$13,506).

(g) ENDOWMENT FUNDS

Endowment fund

The endowment fund reports investments that are to be held as permanent endowments whose annual interest is available to fund administrative costs of the foundation. This fund is externally restricted.

Scholarship endowment fund

The scholarship endowment fund reports funds that are to be held as permanent endowments whose annual interest funds scholarships and other education initiatives. If the foundation ceases to exist, the funds will be given to Bethel House with no restrictions. This fund is externally restricted.

**S.H.A.R.E. AGRICULTURE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED OCTOBER 31, 2023**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(h) REVENUE RECOGNITION

The foundation follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets in the year.

Fundraising revenues are recognized when the event has occurred and collectibility is reasonably assured.

Investment income, which includes foreign exchange gains and losses, interest income, and realized and unrealized investment gains and losses, is recognized as revenue when earned.

**3. FINANCIAL INSTRUMENTS**

Unless otherwise noted, it is management's opinion that the foundation is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments. The extent of the foundation's exposure to these risks did not change in 2023 compared to the previous period.

The foundation does not have a significant exposure to any individual customer or counterpart.

Transacting in financial instruments exposes the foundation to certain financial risks and uncertainties. These risks include:

Currency risk

The currency risk refers to the risk that the fair value of the financial instruments or future cash flows associated with them will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The foundation is exposed to United States currency rate risk on foreign cash account balances in the amount of \$2,977 (2022 - \$4,782).

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The foundation is exposed to other price risk on investments, which include securities and mutual funds.

**S.H.A.R.E. AGRICULTURE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED OCTOBER 31, 2023**

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**4. INVESTMENTS**

Investments consist of:

	<b>2023</b>	<b>2022</b>
<u>UNRESTRICTED</u>		
Queensbury Securities Inc. (at fair value)	\$ 90,000	\$ 0
Veritas Foundation (at fair value)	1,698	0
RBC GIC bearing interest of 4.75%, due September 14, 2024	175,000	0
Meridian GIC bearing interest of 2.60%, due August 31, 2024	57,339	57,339
Queensbury Securities Inc. GIC bearing interest of 3.35%, due October 30, 2023	0	90,000
Queensbury Securities Inc. GIC bearing interest of 2.87%, due April 28, 2023	<u>0</u>	<u>32,661</u>
	<u>\$ 324,037</u>	<u>\$ 180,000</u>

ENDOWMENT FUND

Queensbury Securities Inc. (at fair value)	\$ 163,683	\$ 158,986
RBC Mutual Funds (at fair value)	222	0
RBC GIC bearing interest of 5.34%, due August 31, 2026	54,500	0
Home Equity Bank GIC bearing interest of 1.70%, due September 2, 2025	57,442	57,442
HSBC Bank GIC bearing interest of 4.55%, due October 1, 2024	61,002	61,002
Manulife Bank GIC bearing interest of 3.15%, due August 30, 2023	0	54,500
Queensbury Securities Inc. GIC bearing interest of 2.87%, due April 28, 2023	<u>0</u>	<u>57,339</u>
	<u>\$ 336,849</u>	<u>\$ 389,269</u>

**5. INTANGIBLE ASSETS**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2023</b>	<b>Net 2022</b>
Website	\$ <u>25,465</u>	\$ <u>10,186</u>	\$ <u>15,279</u>	\$ <u>20,372</u>

**6. COMMITMENTS**

The foundation has committed to future expenditures for the Families and Land project as follows:

2023-2024	\$ 650,000
2024-2025	<u>450,264</u>
	<u>\$ 1,100,264</u>

Private foundations have committed to provide \$250,000 in further funding related to the Families and Land Project in 2023-2024 and 2024-2025.

**S.H.A.R.E. AGRICULTURE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED OCTOBER 31, 2023**

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**7. DEFERRED CONTRIBUTIONS**

Deferred contributions, which consist of the unexpended portion of contributions received that relates to future periods less related expenditures, are as follows:

	<b>2023</b>	<b>2022</b>
Balance, beginning of the year	\$ 75,123	\$ 241,853
Less amount recognized as revenue in the year	(283,672)	(468,147)
Plus amount received during the year	<u>252,832</u>	<u>301,417</u>
Balance, end of year	<u>\$ 44,283</u>	<u>\$ 75,123</u>

Deferred contributions relate to the following projects and events:

Education Fund	\$ 44,013	\$ 30,755
Dinner Dance	270	7,200
Families and Land	<u>0</u>	<u>37,168</u>
	<u>\$ 44,283</u>	<u>\$ 75,123</u>

**S.H.A.R.E. AGRICULTURE FOUNDATION**  
**SCHEDULE OF PROJECT COSTS**  
**FOR THE YEAR ENDED OCTOBER 31, 2023**

*Schedule 1*

	Direct Costs	Monitoring & Overhead	Total 2023	Total 2022
Belize	\$ 422	\$ 0	\$ 422	\$ 2,055
Bolivia	78,404	3,019	81,423	78,458
Cambodia	0	0	0	48,445
El Salvador	233,444	1,744	235,188	235,470
Guatemala	130,110	7,422	137,532	202,468
Haiti	103,479	0	103,479	81,990
Honduras	<u>204,314</u>	<u>0</u>	<u>204,314</u>	<u>168,799</u>
Total project costs	<u>\$ 750,173</u>	<u>\$ 12,185</u>	<u>\$ 762,358</u>	<u>\$ 817,685</u>