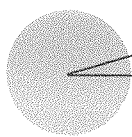


**MANITOBA FOOD CHARTER INC.**

**Financial Statements**

**March 31, 2013**



June 28, 2013

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## INDEPENDENT AUDITORS' REPORT

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**To the Members of  
Manitoba Food Charter Inc.**

We have audited the accompanying financial statements of Manitoba Food Charter Inc., which comprise the statement of financial position as at March 31, 2013, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*Basis for Qualified Opinion*

In common with many not-for-profit organizations, this Organization derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and therefore we were not able to determine whether any adjustments might be necessary to other revenues, excess of revenues over expenses, assets and net assets.

*(continues)*

# MANITOBA FOOD CHARTER INC

## Notes to Financial Statements

As at March 31, 2013

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Independent Auditors' Report to the Members of Manitoba Food Charter Inc. *(continued)*

### *Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly in all material respects of the financial position of the Manitoba Food Charter Inc. as at March 31, 2013 and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

### *Comparative Information*

Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes that Food Matters Manitoba adopted Canadian Accounting Standards for Not-for-Profit Organizations on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at March 31, 2012 and April 1, 2011 and the statements of revenues and expenditures, changes in net assets and cash flows for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

*Craig & Ross*

Chartered Accountants

**MANITOBA FOOD CHARTER INC.**


**Statement of Financial Position**

**March 31, 2013**

	March 31 2013	March 31 2012	April 1 2011
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash	\$ 334,540	\$ 201,476	\$ 317,217
Accounts receivable	150,168	133,204	62,405
Goods and services tax recoverable	5,125	4,930	3,811
Prepaid expenses	2,805	2,352	1,083
	<u>\$ 492,638</u>	<u>\$ 341,962</u>	<u>\$ 384,516</u>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Accounts payable and accrued liabilities	21,638	33,377	48,762
Employee deductions payable	-	-	5,336
Deferred income (Note 3)	327,669	293,346	320,359
	<u>349,307</u>	<u>326,723</u>	<u>374,457</u>
<b>NET ASSETS</b>	<u>143,331</u>	<u>15,239</u>	<u>10,059</u>
	<u>\$ 492,638</u>	<u>\$ 341,962</u>	<u>\$ 384,516</u>

APPROVED BY THE BOARD:

 \_\_\_\_\_ Director

 \_\_\_\_\_ Director

**MANITOBA FOOD CHARTER INC.**

**Statement of Operations**

**Year Ended March 31, 2013**

	<b>2013</b>	<b>2012</b>
<b>REVENUES</b>		
Grants	\$ 617,222	\$ 590,706
Other income	93,163	63,147
Event income	65,898	78,552
Donations	29,480	10,709
	<u>805,763</u>	<u>743,114</u>
<b>EXPENSES</b>		
Personnel and contracts	324,233	330,205
Other program expenses	135,532	122,855
Materials & supplies	111,717	97,427
Travel, meals, accommodations	89,913	83,819
Meetings & workshops	50,211	42,798
Office expenses	45,868	46,257
Training	45,195	14,573
	<u>802,670</u>	<u>737,934</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 3,092</u>	<u>\$ 5,180</u>

MANITOBA FOOD CHARTER INC.

Statement of Changes in Net Assets

Year Ended March 31, 2013

	Internally Restricted Net Assets	Unrestricted Net Assets	2013	2012
NET ASSETS - BEGINNING OF YEAR	\$ -	\$ 15,239	\$ 15,239	\$ 10,059
EXCESS OF REVENUES OVER EXPENSES	-	3,092	3,092	5,180
TRANSFERS	125,000	-	125,000	-
NET ASSETS - END OF YEAR	\$ 125,000	\$ 18,331	\$ 143,331	\$ 15,239

**MANITOBA FOOD CHARTER INC.**

**Statement of Cash Flows**

**Year Ended March 31, 2013**

	<b>2013</b>	<b>2012</b>
<b>CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	<b>\$ 3,092</b>	<b>\$ 5,180</b>
Changes in working capital accounts		
Accounts receivable	<b>(16,964)</b>	<b>(70,800)</b>
Goods and services tax recoverable	<b>(195)</b>	<b>(1,119)</b>
Prepaid expenses	<b>(453)</b>	<b>(1,269)</b>
Accounts payable and accrued liabilities	<b>(11,739)</b>	<b>(20,722)</b>
Deferred contributions	<b>34,322</b>	<b>(27,011)</b>
Transfers	<b>125,000</b>	<b>-</b>
	<b>129,972</b>	<b>(120,921)</b>
<b>INCREASE (DECREASE) IN CASH RESOURCES</b>	<b>133,064</b>	<b>(115,741)</b>
<b>CASH RESOURCES - BEGINNING OF YEAR</b>	<b>201,476</b>	<b>317,217</b>
<b>CASH RESOURCES - END OF YEAR</b>	<b>\$ 334,540</b>	<b>\$ 201,476</b>

# MANITOBA FOOD CHARTER INC

## Notes to Financial Statements

As at March 31, 2013

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### 1. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the organization adopted Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPPO). These financial statements are the first prepared in accordance with these standards. The changes have been applied retrospectively, resulting in some changes to the presentation and disclosure on the balance sheet.

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### 2. 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:

#### Organization's Purpose and Status

The purpose of the organization is to educate Manitobans about food security and sustainability of the food systems in Manitoba.

#### Contributed Services

Manitoba Food Charter Inc. acknowledges the substantial services provided by volunteers in assisting the organization in carrying out its activities. Due to the difficulty in determining their value, these services are not reported in the financial statements.

#### Revenue Recognition

Manitoba Food Charter Inc. follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenues in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received if the amount to be received can be reasonably estimated and collection can be reasonably assured.

#### Capital Assets

Manitoba Food Charter Inc., in common with accounting practices of other non-profit organizations, expenses the cost of capital asset additions and replacements in the year incurred. This is done when capital assets are purchased with restricted funds of a short-term program. The capital assets are accounted for on the balance sheet with an offsetting entry to invest in capital assets.

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# MANITOBA FOOD CHARTER INC

## Notes to Financial Statements

As at March 31, 2013

### 3. DEFERRED CONTRIBUTIONS

	2013	2012
Aboriginal and Northern Affairs - Shamattawa	\$ 16,780	\$ 13,810
Aboriginal and Northern Affairs – Traditional Food	21,746	-
Aboriginal and Northern Affairs - NHFI	-	6,000
Aboriginal and Northern Affairs - Grow North	25,000	25,000
Assiniboine Credit Union - Social Marketing	4,267	4,000
Comic Contest	-	812
Core/General Fund	50,000	160,000
Farmers Feast	5,155	5,957
Good Food Box	-	1,468
Growing Local Conference	6,006	9,441
Heifer Project	49,732	9,467
Manitoba Community Services Council - Social Marketing	410	6,000
McConnel Grant - Regional Food Assessment	-	15,000
Other Income - Food Share	-	2,095
Province of Manitoba - Sustainable Development Innovation Fund	-	6,121
Prov. Of Manitoba - WRAPP	15,342	-
Province of Manitoba - Workplace in Motion	-	1,510
Anonymous Donor	41,709	-
Stewartedge	8,480	-
TD Friends of the Environment	491	-
MAFRA	3,907	-
Royal Bank Canada	12,780	-
Winnipeg Foundation - Food Share	-	14,892
Winnipeg Foundation – Community Liaison	3,614	-
Winnipeg Foundation – Dig In	5,950	-
Winnipeg Foundation - Social Marketing	-	6,431
Winnipeg Foundation – Community Food Assessment	56,300	-
Winnipeg Foundation - Community Food Assessment	-	5,342
	\$ 327,669	\$ 293,346

During the year, the Board of Directors made a motion to transfer \$125,000 from Core/General Fund to Internally Restricted Net Assets (restricted for funding shortages).

**MANITOBA FOOD CHARTER INC**

**Notes to Financial Statements**

**As at March 31, 2013**

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4. PUBLIC SECTOR COMPENSATION DISCLOSURE

Based on our audit, no employee, officer or board member received aggregate compensation in excess of \$50,000.

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5. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

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MANITOBA FOOD CHARTER INC.

Schedule 1

Schedule of Administration Revenues and Expenses

Year Ended March 31, 2013

	2013	2012
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>REVENUES</b>		
Grants	\$ 30,761	\$ 33,527
Event income	4,833	4,401
Other income	72,016	56,034
Donations	22,823	9,536
	<u>130,433</u>	<u>103,498</u>
<b>EXPENSES</b>		
Personnel and contracts	47,941	34,401
Materials & supplies	26,344	17,554
Meetings & workshops	8,095	10,762
Office expenses	21,121	30,879
Other program expenses	13,797	1,289
Training	1,998	2,097
Travel, meals, accommodation	8,044	1,336
	<u>127,341</u>	<u>98,318</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 3,092</u>	<u>\$ 5,180</u>



MANITOBA FOOD CHARTER INC.

Schedule 3

Funding Sources

Year Ended March 31, 2013

	2013	2012
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
GRANTS		
Province of Manitoba		
Aboriginal & Northern Affairs	\$ 190,242	\$ 168,621
Housing and Community Development	1,468	1,389
Healthy Living, Youth and Seniors	31,610	36,681
Neighbourhoods Alive!	10,000	-
Sustainable Development Innovations Fund	6,121	815
WRAPP	4,658	-
Government of Canada		
Human Resources Development Canada	63,940	40,171
Health Canada	-	35,000
Public Health Agency of Canada	106,899	162,391
Rural Secretariat	-	19,437
Other		
Ace Bakery	4,000	-
Assiniboine Credit Union	9,233	-
Heifer International	81,160	71,682
Manitoba Community Services Council	13,590	2,000
TD Friends of the Environment	3,009	2,000
MAFRA	4,950	-
Manitoba Hydro	7,363	-
McConnell	15,000	-
North End Revitalization Inc.	-	1,846
Winnipeg Foundation	58,231	48,673
RBC Foundation	2,220	-
Anonymous Donor	14,163	-
Public Health Association of BC	3,005	-
Stewardedge Inc.	4,520	-
OTHER INCOME		
Event and Sponsorship Revenue	57,065	78,552
Recovery of Overhead Costs	84,101	56,638
Charitable Donations	10,870	10,709
Other Donations & Gifts & Small Grants	13,280	-
Interest	2,569	2,356
Sales/Fees for Services	2,493	4,152
	<u>\$ 805,763</u>	<u>\$ 743,113</u>