

MANITOBA FOOD CHARTER INC.

Financial Statements

March 31, 2014

May 30, 2014

INDEPENDENT AUDITORS' REPORT

**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, 2014, 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)

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, 2014 and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Craig & Ross

Chartered Accountants

MANITOBA FOOD CHARTER INC.

Statement of Financial Position

March 31, 2014

	March 31 2014	March 31 2013
ASSETS		
CURRENT		
Cash	\$ 463,970	\$ 334,540
Accounts receivable	186,229	150,168
Goods and services tax recoverable	6,944	5,125
Prepaid expenses	2,868	2,805
	\$ 660,011	\$ 492,638
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	35,767	21,638
Deferred income (Note 3)	362,078	327,669
	397,845	349,307
NET ASSETS	262,166	143,331
	\$ 660,011	\$ 492,638

APPROVED BY THE BOARD:

Director

Director

MANITOBA FOOD CHARTER INC.

Statement of Operations

Year Ended March 31, 2014

	2014	2013
REVENUES		
Grants	\$ 995,549	\$ 617,222
Other income	168,430	93,163
Event income	68,889	65,898
Donations	63,696	29,480
	<u>1,296,564</u>	<u>805,763</u>
EXPENSES		
Personnel and contracts	596,353	324,233
Other program expenses	276,668	135,532
Materials & supplies	173,245	111,717
Travel, meals, accommodations	104,439	89,913
Meetings & workshops	84,850	50,211
Office expenses	42,484	45,868
Training	14,690	45,195
	<u>1,292,729</u>	<u>802,670</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 3,835</u>	<u>\$ 3,092</u>

MANITOBA FOOD CHARTER INC.

Statement of Changes in Net Assets

Year Ended March 31, 2014

	Internally Restricted Net Assets	Unrestricted Net Assets	2014	2013
NET ASSETS - BEGINNING OF YEAR	\$ 125,000	\$ 18,331	\$ 143,331	\$ 15,239
EXCESS OF REVENUES OVER EXPENSES	-	3,835	3,835	3,092
TRANSFERS	115,000	-	115,000	125,000
NET ASSETS - END OF YEAR	\$ 240,000	\$ 22,166	\$ 262,166	\$ 143,331

MANITOBA FOOD CHARTER INC.

Statement of Cash Flows

Year Ended March 31, 2014

	2014	2013
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 3,835	\$ 3,092
Changes in working capital accounts		
Accounts receivable	(36,061)	(16,964)
Goods and services tax recoverable	(1,819)	(195)
Prepaid expenses	(63)	(453)
Accounts payable and accrued liabilities	14,127	(11,739)
Deferred contributions	149,409	34,322
Transfers	-	125,000
	<u>125,593</u>	<u>129,972</u>
INCREASE (DECREASE) IN CASH RESOURCES	129,428	133,064
CASH RESOURCES - BEGINNING OF YEAR	334,540	201,476
CASH RESOURCES - END OF YEAR	\$ 463,970	\$ 334,540

MANITOBA FOOD CHARTER INC

Notes to Financial Statements

As at March 31, 2014

1. DESCRIPTION OF THE ORGANIZATION

Manitoba Food Charter Inc. (Food Matters Manitoba) is a registered charity from April 01, 2008, which works on over 35 projects helping newcomers, northerners, farmers, and families to grow, share, and prepare good food. It engages Manitobans toward healthy, fair, sustainable food for all, values healthy communities, access to nutritious food for all and values an economically viable, diverse, and ecologically sustainable food system.

Some of its goals are to educate Manitobans about food security and the sustainability of food systems in Manitoba, provide a common focus for action for food system stakeholders through the Manitoba Food Charter, raise public awareness about food and food systems, strengthen networks and partnerships to work together to address local food security issues and strengthen the capacity of our organization and to advance food security work across Manitoba.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) 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.

MANITOBA FOOD CHARTER INC

Notes to Financial Statements

As at March 31, 2014

3. DEFERRED CONTRIBUTIONS

	2014	2013
Aboriginal and Northern Affairs - Shamattawa	\$ 7,775	\$ 16,780
Aboriginal and Northern Affairs – Traditional Food	-	21,746
Aboriginal and Northern Affairs - NHFI Regional Partnerships	901	-
Aboriginal and Northern Affairs - Grow North	25,000	25,000
Anonymous Donor	63,148	41,709
Assiniboine Credit Union - Social Marketing	-	4,267
Core/General Fund	-	50,000
Cost Recovery - Administration	10,000	-
Cost Recovery - BON	6,082	-
CSA funds (through Heifer project)	1,139	-
Farmers Feast	4,168	5,155
Growing Local Conference	4,986	6,006
Heifer Project	54,334	49,732
MAFRA	3,287	3,907
Manitoba Community Services Council - Social Marketing	-	410
Province of Manitoba – Growing Roots	24,980	-
Province of Manitoba – Local Procurement	56,681	-
Province of Manitoba - WRAPP	12,774	15,342
Royal Bank Canada	10,594	12,780
Seed of Diversity – Seed Savings	1,426	-
Stewartedge	-	8,480
TD Friends of the Environment	-	491
TIDES – Seed Savings	5,000	-
TIDES - Brochet	4,930	-
TIDES - Sherridon	17,217	-
USC Grant – Seed Savings	4,000	-
Winnipeg Foundation – Community Food Assessment	8,126	56,300
Winnipeg Foundation – Community Liaison	-	3,614
Winnipeg Foundation – Dig In	-	5,950
Winnipeg Foundation – Emerging Leaders	10,000	-
Winnipeg Foundation - Food Share	13,009	-
Winnipeg Foundation – Fruit Share	12,521	-
	\$ 362,078	\$ 327,669

During the year, the Board of Directors made a motion to transfer \$115,000 from Core/General Fund and Cost Recovery – Administration to Internally Restricted Net Assets (restricted for funding shortages).

MANITOBA FOOD CHARTER INC

Notes to Financial Statements

As at March 31, 2014

4. PUBLIC SECTOR COMPENSATION DISCLOSURE

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

5. COMPARATIVE FIGURES

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

MANITOBA FOOD CHARTER INC.**Schedule 1****Schedule of Administration Revenues and Expenses****Year Ended March 31, 2014**

	2014	2013
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
REVENUES		
Grants	\$ (84,440)	\$ 30,761
Event income	103,451	4,833
Other income	66,409	72,016
Donations	60,016	22,823
	<u>145,437</u>	<u>130,433</u>
EXPENSES		
Personnel and contracts	52,352	47,941
Materials & supplies	130,636	26,344
Meetings & workshops	154,313	8,095
Office expenses	71,209	21,121
Other program expenses	(194,658)	13,797
Training	30,681	1,998
Travel, meals, accommodation	(102,931)	8,044
	<u>141,602</u>	<u>127,341</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 3,835</u>	<u>\$ 3,092</u>

MANITOBA FOOD CHARTER INC.

Schedule 3

Funding Sources

Year Ended March 31, 2014

	2014	2013
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
GRANTS		
Province of Manitoba		
Aboriginal & Northern Affairs	\$ 210,000	\$ 190,242
Agriculture, Food and Rural Development	24,602	-
Housing and Community Development	-	1,468
Healthy Living, Youth and Seniors	30,100	31,610
Neighbourhoods Alive!	10,000	10,000
Sustainable Development Innovations Fund	-	6,121
WRAPP	22,567	4,658
WRHA	2,660	-
Government of Canada		
Human Resources Development Canada	59,067	63,940
Health Canada	-	-
Public Health Agency of Canada	396,226	106,899
Rural Secretariat	-	-
Other		
Ace Bakery	2,000	4,000
Assiniboine Credit Union	4,267	9,233
Brokenhead Ojibway Nation	55,652	-
Canadian CEDNet	10,000	-
Central Neighbourhood Development Corp.	1,000	-
Heifer International	104,023	81,160
Manitoba Community Services Council	410	13,590
Seeds of Diversity	2,574	-
TD Friends of the Environment	971	3,009
Thomas Sill Foundation	8,635	-
TIDES	12,812	-
MAFRA	6,995	4,950
Manitoba Hydro	8,000	7,363
McConnell	15,541	15,000
North End Revitalization Inc.	-	-
Winnipeg Foundation	76,325	58,231
RBC Foundation	2,186	2,220
Anonymous Donor	35,661	14,163
Public Health Association of BC	1,495	3,005
Stewardedge Inc.	8,480	4,520
United Way	1,000	-
USC Grant	1,000	-
OTHER INCOME		
Event and Sponsorship Revenue	65,729	57,065
Recovery of Overhead Costs	91,856	84,101
Charitable Donations	13,473	10,870
Other Donations & Gifts & Small Grants	4,909	13,280
Interest	3,320	2,569
Sales/Fees for Services	3,028	2,493
	\$ 1,296,564	\$ 805,763