

MANITOBA FOOD CHARTER INC.

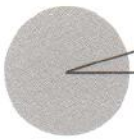
Financial Statements

March 31, 2016



CRAIG & ROSS

CHARTERED ACCOUNTANTS



July 27, 2016

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, 2016, 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 donations, excess of revenues over expenses, assets and net assets.

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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, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

A handwritten signature in cursive script that reads "Craig & Ross".

Chartered Professional Accountants

MANITOBA FOOD CHARTER INC.

Statement of Financial Position

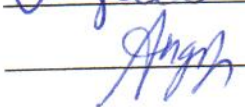
March 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 558,472	\$ 484,213
Accounts receivable	56,978	80,448
Goods and services tax recoverable	6,491	7,412
Prepaid expenses	4,592	3,240
	<u>\$ 626,533</u>	<u>\$ 575,313</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 34,215	\$ 33,615
Deferred contributions (Note 3)	268,988	278,342
	<u>303,203</u>	<u>311,957</u>
NET ASSETS	<u>323,330</u>	<u>263,356</u>
	<u>\$ 626,533</u>	<u>\$ 575,313</u>

APPROVED BY THE BOARD:



Director



Director

MANITOBA FOOD CHARTER INC.

Statement of Operations

Year Ended March 31, 2016

	2016	2015
REVENUES		
Grants	\$ 932,040	\$ 1,086,164
Other income	267,878	135,710
Event income	33,080	34,360
Donations	39,336	98,921
	<u>1,272,334</u>	<u>1,355,155</u>
EXPENSES		
Personnel and contracts	625,544	670,254
Other program expenses	197,972	232,692
Materials & supplies	200,263	176,844
Travel, meals, accommodations	127,804	109,374
Meetings & workshops	20,970	83,657
Office expenses	62,396	53,357
Training	27,411	27,789
	<u>1,262,360</u>	<u>1,353,967</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 9,974</u>	<u>\$ 1,188</u>

MANITOBA FOOD CHARTER INC.

Statement of Changes in Net Assets

Year Ended March 31, 2016

	Internally Restricted	Unrestricted	2016	2015
NET ASSETS - BEGINNING OF YEAR	\$ 240,000	\$ 23,355	\$ 263,356	\$ 262,168
EXCESS OF REVENUES OVER EXPENSES	-	9,974	9,974	1,188
TRANSFERS (Note 4)	50,000	-	50,000	-
NET ASSETS - END OF YEAR	\$ 290,000	\$ 33,329	\$ 323,330	\$ 263,356

MANITOBA FOOD CHARTER INC.

Statement of Cash Flows

Year Ended March 31, 2016

	2016	2015
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 9,974	\$ 1,188
Changes in working capital accounts		
Accounts receivable	23,470	105,781
Goods and services tax recoverable	921	(468)
Prepaid expenses	(1,352)	(372)
Accounts payable and accrued liabilities	601	(2,151)
Deferred contributions	(9,354)	(83,736)
Transfers	50,000	-
INCREASE IN CASH	74,259	20,243
CASH - BEGINNING OF YEAR	484,213	463,970
CASH - END OF YEAR	\$ 558,472	\$ 484,213

MANITOBA FOOD CHARTER INC

Notes to Financial Statements

As at March 31, 2016

1. DESCRIPTION OF THE ORGANIZATION

Manitoba Food Charter Inc. (operating as Food Matters Manitoba) is a registered charity that incorporated on April 1, 2008, and 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:

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.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, all financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to any significant credit, interest or currency risks arising from their financial instruments.

The fair value of the Organization's financial instruments approximates carrying value due to the short-term maturity of these instruments.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

MANITOBA FOOD CHARTER INC

Notes to Financial Statements

As at March 31, 2016

3. DEFERRED CONTRIBUTIONS

	2016	2015
Aboriginal and Northern Affairs – Shamattawa	\$ 7,875	\$ 11,130
Aboriginal and Northern Affairs – Traditional Food	-	19,500
Aboriginal and Northern Affairs – Grow North	25,000	25,000
Aboriginal and Northern Affairs – Winter Road	10,000	23
Ace Bakery Funds	3,000	-
Anonymous Donor	28,448	41,935
Assiniboine Credit Union – Fresh Ed	-	700
Assiniboine Credit Union – Growing Roots	1,912	-
Cost Recovery – Administration	-	52,191
CSA Funds (through Heifer project)	5,033	-
Donations for Northern Programming (NHFI)	2,863	24
Event Revenue – Manitoba Garden Makeover	21,500	473
Event Revenue – Manitoba Food Policy	-	228
Farmers Feast	12,104	6,317
Food Policy Council	7,119	-
Government of Canada – HRDC	25,000	-
Growing Local Sponsorship Conference – U of M	6,509	4,000
Heifer Project	-	46,268
HW Siebens Charitable Foundation	17,350	18,152
Manitoba Community Services Council – Social Marketing	8,000	-
Manitoba Hydro	990	4,308
Manitoba Liquor and Lotteries	2,225	-
McConnell Grant	5,378	15,982
Province of Manitoba – ANA	32,476	-
Province of Manitoba – Local Procurement	-	2,651
Province of Manitoba – WRAPP	11,990	-
Province of Manitoba – WRHA	2,476	-
Province of Manitoba – Agricultural Growth Rural	-	2,398
Royal Bank Canada	5,352	8,040
TIDES	1,982	-
TIDES – Northern Ice Fishing	5,535	3,128
TIDES – Brochet	10,400	-
TIDES – Sherridon	5,000	7,894
Thomas Sill Foundation	1,771	-
Winnipeg Foundation – Food Share	1,700	-
Winnipeg Foundation – Fresh Ed	-	8,000
	\$ 268,988	\$ 278,342

MANITOBA FOOD CHARTER INC

Notes to Financial Statements

As at March 31, 2016

4. TRANSFERS

During the year, the Board of Directors approved a transfer of funds of \$50,000 from deferred contributions into the restricted net assets to assist in building an internal reserve to cover future operating costs.

5. COMPARATIVE FIGURES

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

MANITOBA FOOD CHARTE/
SCHEDULE OF PROGRAMS/
FOR THE YEAR ENDED MARCH

	Aboriginal & Northern Affairs Programming	Other Northern Programming	Heifer International Programming	Human Resource Development Canada Programming	Public Health Agency Canada Programming	Development and Communication Grant
	\$	\$	\$	\$	\$	\$
REVENUE						
Grants/Deferred from PY	196,117	87,293	86,522	11,787	387,852	71,577
Event Income	-	-	-	-	879	-
Other Income	-	330	-	-	-	-
Donations	436	-	-	-	-	-
Total Revenues	196,553	87,623	86,522	11,787	388,731	71,577
EXPENSES						
Personnel	58,272	59,486	9,555	11,787	274,236	47,295
Materials & Supplies	38,662	7,500	17,417	-	64,787	2,597
Meetings & Workshops	8,989	124	15,680	-	300	-
Office Expenses	14,539	10,501	11,652	-	15,501	12,597
Other Program Expenses	9,150	1,460	21,750	-	3,879	6,922
Training	128	-	-	-	2,493	955
Travel, Meals, Accommodation	66,813	8,553	10,470	-	27,535	1,211
Total Expenses	196,553	87,623	86,522	11,787	388,731	71,577
Excess (Deficiency)	-	-	-	-	-	-

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1 31, 2016

Other Small Programming	Local Procurement	Hosted Programs	Tides Programming	Food Policy	Growing Roots New not PY	Total Programming (Unaudited)
\$	\$	\$	\$	\$	\$	\$
23,975	48,934	52,527	33,778	12,339	29,562	1,042,263
-	-	27,753	-	-	-	28,632
-	528	-	-	-	-	858
-	-	-	-	-	-	436
23,975	49,461	80,280	33,778	12,339	29,562	1,072,189
4,134	33,796	-	-	12,023	10,995	521,578
1,222	2,345	41,394	20,524	-	4,587	201,035
636	-	8,664	238	-	553	35,184
6,082	3,988	4,626	4,614	290	6,350	90,741
1,958	7,755	25,513	6,244	-	4,610	89,241
4,916	-	20	-	-	-	8,511
5,026	1,577	62	2,158	26	2,467	125,899
23,975	49,461	80,280	33,778	12,339	29,562	1,072,189
-	-	-	-	-	-	-

MANITOBA FOOD CHARTER INC.
FUNDING SOURCES
March 31, 2016

\$
(Unaudited)

GRANTS

Province of Manitoba	
Aboriginal & Northern Affairs	215,064
Agriculture, Food and Rural Development	46,283
WRHA	524
WRAPP	14,260
Government of Canada	
Human Resources Development Canada	11,787
Public Health Agency of Canada	387,852
Other	
Assiniboine Credit Union	2,588
Heifer International	44,500
Manitoba Liquor and Lotteries	775
Manitoba ELCIC	3,949
McConnell	3,420
Winnipeg Foundation	75,897
Anonymous Donor	25,092
Winnipeg Jewish Foundation	1,445
TIDES	25,884
HW Siebens Charitable Foundation	52,650
Thomas Sill Foundation	3,229
YMCA - Toronto Internship Grant	16,841
	932,038

OTHER INCOME, EVENT INCOME, AND DONATIONS

Event and Sponsorship Revenue	23,946
Recovery of Overhead Costs	114,593
Charitable Donations	12,238
Other Donations & Gifts & Small Grants	5,438
Rental	3,775
Interest	9,699
Programming Deferred Revenue	163,988
Sales/Fees for Services	6,618
	340,296

Total

1,272,334