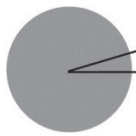


MANITOBA FOOD CHARTER INC.

Financial Statements

March 31, 2017



September 7, 2017

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, 2017, 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.

(continues)

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, 2017 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 black ink that reads "Craig & Ross". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

MANITOBA FOOD CHARTER INC.

Statement of Financial Position

March 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 343,703	\$ 558,472
Accounts receivable	191,335	56,978
Goods and services tax recoverable	5,817	6,491
Prepaid expenses (Note 6)	25,509	4,592
	<u>\$ 566,364</u>	<u>\$ 626,533</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 17,269	\$ 34,215
Deferred contributions (Note 3)	222,814	268,988
	<u>240,083</u>	<u>303,203</u>
NET ASSETS	<u>326,281</u>	<u>323,330</u>
	<u>\$ 566,364</u>	<u>\$ 626,533</u>

APPROVED BY THE BOARD:



Director



Director

MANITOBA FOOD CHARTER INC.

Statement of Operations

Year Ended March 31, 2017

	2017	2016
REVENUES		
Grants	\$ 785,567	\$ 932,038
Other income	333,589	296,966
Event income	5,601	29,086
Donations	35,285	14,244
	<u>1,160,042</u>	<u>1,272,334</u>
EXPENSES		
Personnel and contracts	665,141	625,544
Other program expenses	156,728	197,972
Materials & supplies	158,685	200,263
Travel, meals, accommodations	94,616	127,804
Meetings & workshops	23,792	20,970
Office expenses	53,704	62,396
Training	4,425	27,411
	<u>1,157,091</u>	<u>1,262,360</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 2,951</u>	<u>\$ 9,974</u>

MANITOBA FOOD CHARTER INC.

Statement of Changes in Net Assets

Year Ended March 31, 2017

	Internally		2017	2016
	Restricted	Unrestricted		
NET ASSETS - BEGINNING OF YEAR	\$ 290,000	\$ 33,330	\$ 323,330	\$ 263,356
EXCESS OF REVENUES OVER EXPENSES	-	2,951	2,951	9,974
TRANSFERS (Note 4)	-	-	-	50,000
NET ASSETS - END OF YEAR	\$ 290,000	\$ 36,281	\$ 326,281	\$ 323,330

MANITOBA FOOD CHARTER INC.

Statement of Cash Flows

Year Ended March 31, 2017

	2017	2016
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Excess of revenues over expenses	<u>\$ 2,951</u>	<u>\$ 9,974</u>
Changes in working capital accounts		
Accounts receivable	(134,357)	23,470
Goods and services tax recoverable	674	921
Prepaid expenses	(20,917)	(1,352)
Accounts payable and accrued liabilities	(16,946)	600
Deferred contributions	(46,174)	(9,354)
Transfers <i>(Note 4)</i>	-	50,000
	<u>(214,769)</u>	<u>74,259</u>
INCREASE (DECREASE) IN CASH	(214,769)	74,259
CASH - BEGINNING OF YEAR	<u>558,472</u>	<u>484,213</u>
CASH - END OF YEAR	<u>\$ 343,703</u>	<u>\$ 558,472</u>

MANITOBA FOOD CHARTER INC

Notes to Financial Statements

As at March 31, 2017

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, 2017

3. DEFERRED CONTRIBUTIONS

	2017	2016
Aboriginal and Northern Affairs – Shamattawa	\$ 13,541	\$ 7,875
Aboriginal and Northern Affairs – Grow North	18,789	25,000
Aboriginal and Northern Affairs – Winter Road	-	10,000
Ace Bakery Funds	-	3,000
Anonymous Donor	45,469	45,798
Assiniboine Credit Union – Growing Roots	-	1,912
Community Tables	100	-
Cost Recovery – Administration	-	6,000
CSA Funds (through Heifer project)	1,488	5,033
Donations for Northern Programming (NHFI)	5,009	2,863
Event Revenue – Manitoba Garden Makeover	-	21,500
Farmers Feast	-	6,317
Food Policy Council	6,612	6,906
Government of Canada – HRDC	-	25,000
Government of Canada – PHAC (Note 6)	23,166	-
Growing Local Sponsorship Conference – U of M	-	6,509
Manitoba Community Services Council – Social Marketing	-	8,000
Manitoba Hydro	-	990
Manitoba Liquor and Lotteries	-	2,225
McConnell Grant	-	5,378
NECRC	111	-
Newcomer Programming Donations	870	-
Province of Manitoba – ANA	24,822	32,476
Province of Manitoba – ANA Food Policy	35,000	-
Province of Manitoba – ANA Insurance	4,000	-
Province of Manitoba – Health	1,295	-
Province of Manitoba – WRAPP	6,790	11,990
Province of Manitoba – WRHA	2,700	2,476
Royal Bank Canada	-	5,352
TD Friends of the Environment	3,340	-
TIDES	-	1,982
TIDES – Brochet	10,000	10,400
TIDES – Cross Lake Cooking	5,000	-
TIDES – Northern Ice Fishing	518	5,535
TIDES – Pukatawagan Chickens	5,000	-
TIDES – Sherridon	-	5,000
Thomas Sill Foundation	-	1,771
Whole Kids Foundation	2,616	-
Winnipeg Foundation – Food Share	-	1,700
Winnipeg Foundation – Growing Roots	6,578	-
	\$ 222,814	\$ 268,988

MANITOBA FOOD CHARTER INC

Notes to Financial Statements

As at March 31, 2017

4. TRANSFERS

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

5. CONTINGENCY

As a result of an audit undertaken by one of the Organization's funders, the Organization will be required to pay back funds received in prior years. Management estimates the repayment to be approximately \$20,000 but final confirmation has not been received as of the date of these financial statements. The amount is expected to be repaid in next fiscal year.

6. GOVERNMENT OF CANADA – PUBLIC HEALTH AGENCY OF CANADA PROGRAM

As at March 31, 2017 the Organization has received the full amount of funding for this program in the amount of \$321,123, however certain program costs, while paid at March 31, 2017, relate to the March 31, 2018 year-end. Therefore, these costs have been classified as a prepaid expense and the corresponding portion of funding has been classified as a deferred contribution at year-end.

7. COMPARATIVE FIGURES

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

**MANITOBA FOOD CHARTER INC.
SCHEDULE OF PROGRAMMING
FOR THE YEAR ENDED MARCH 31, 2017**

	Aboriginal & Northern Affairs Programming	Other Northern Programming	Public Health Agency Canada Programming	Program related to 34 Other Funds	Development and Communication Grant	Other Small Programming	Hosted Programs	Tides Programming	Food Policy	Growing Roots New not PY	Internship Service Canada	Total Programming (Unaudited)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Grants/Deferred from PY	209,221	45,114	297,957	7,000	27,115	7,878	37,186	22,399	49,836	29,481	182,125	915,312
Event Income	-	-	-	-	-	-	-	-	-	4,521	-	4,521
Other Income	14,437	4,167	50	-	-	-	-	-	-	1,180	-	19,834
Donations	9	-	-	-	-	-	-	-	-	6,478	-	6,487
Total Revenues	223,667	49,281	298,007	7,000	27,115	7,878	37,186	22,399	49,836	41,660	182,125	946,154
EXPENSES												
Personnel	49,378	33,296	198,071	6,014	12,614	5,625	-	-	38,031	17,146	166,841	527,016
Materials & Supplies	67,829	6,654	40,196	436	5	-	-	7,771	338	15,352	-	138,581
Meetings & Workshops	13,181	400	457	-	-	800	-	-	620	2,731	-	18,189
Office Expenses	166	-	1,145	-	-	-	-	-	-	-	4,000	5,311
Other Program Expenses	33,782	5,626	37,027	750	14,355	790	37,186	14,053	8,797	5,866	4,000	162,232
Training	(234)	191	1,293	-	-	(135)	-	-	1,384	-	284	2,783
Travel, Meals, Accommodation	59,565	3,093	19,868	47	141	798	-	575	666	541	7,000	92,294
Total Expenses	223,667	49,260	298,057	7,247	27,115	7,878	37,186	22,399	49,836	41,636	182,125	946,406
Excess (Deficiency)	-	21	(50)	(247)	-	-	-	-	-	24	-	(252)

MANITOBA FOOD CHARTER INC.
FUNDING SOURCES
March 31, 2017

\$

(Unaudited)

GRANTS

Province of Manitoba	
Aboriginal & Northern Affairs	168,171
Health	74,301
WRHA	300
Government of Canada	
Human Resources Development Canada	182,125
Public Health Agency of Canada	297,957
Other	
Anonymous Donor	2,123
Assiniboine Credit Union	700
LITE	4,500
Manitoba Community Service Council	1,500
McConnell	2,500
TD Friends of the Environment	660
United Way	5,000
Winnipeg Foundation	45,730
	785,567

OTHER INCOME, EVENT INCOME, AND DONATIONS

Event and Sponsorship Revenue	5,601
Recovery of Overhead Costs	99,449
Charitable Donations	33,085
Other Donations & Gifts & Small Grants	8,656
Rental	4,200
Interest	7,175
Programming Deferred Revenue	196,457
Sales/Fees for Services	19,852
	374,475

Total	1,160,042
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