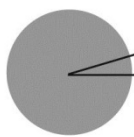


MANITOBA FOOD CHARTER INC.

Financial Statements

March 31, 2018



September 27, 2018

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, 2018, 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 auditors consider 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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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, 2018 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, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 177,002	\$ 343,703
Accounts receivable	64,077	191,335
Goods and services tax recoverable	3,657	5,817
Prepaid expenses (Note 5)	4,147	25,509
	<u>248,883</u>	<u>566,364</u>
EQUIPMENT (Note 3)	<u>8,825</u>	-
	<u>\$ 257,708</u>	<u>\$ 566,364</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 34,760	\$ 17,269
Deferred contributions (Note 4)	56,958	222,814
	<u>91,718</u>	<u>240,083</u>
NET ASSETS	<u>165,990</u>	<u>326,281</u>
	<u>\$ 257,708</u>	<u>\$ 566,364</u>

APPROVED BY THE BOARD:

Director

Director

MANITOBA FOOD CHARTER INC.

Statement of Operations

Year Ended March 31, 2018

	2018	2017
REVENUES		
Grants	\$ 1,151,287	\$ 785,567
Other income	75,172	333,589
Event income	1,025	5,601
Donations	35,883	35,285
	<u>1,263,367</u>	<u>1,160,042</u>
EXPENSES		
Amortization	1,580	-
Personnel and contracts	890,118	665,141
Other program expenses	157,988	156,728
Materials & supplies	183,415	158,685
Travel, meals, accommodations	103,802	94,616
Meetings & workshops	14,760	23,792
Office expenses	56,536	53,704
Training	15,459	4,425
	<u>1,423,658</u>	<u>1,157,091</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (160,291)</u>	<u>\$ 2,951</u>

MANITOBA FOOD CHARTER INC.

Statement of Changes in Net Assets

Year Ended March 31, 2018

	Internally		2018	2017
	Restricted	Unrestricted		
NET ASSETS - BEGINNING OF YEAR	\$ 290,000	\$ 33,330	\$ 326,281	\$ 323,330
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	-	(160,291)	(160,291)	2,951
TRANSFER (<i>Note 6</i>)	(160,000)	160,000	-	-
NET ASSETS - END OF YEAR	\$ 130,000	\$ 33,039	\$ 165,990	\$ 326,281

MANITOBA FOOD CHARTER INC.

Statement of Cash Flows

Year Ended March 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (160,291)	\$ 2,951
Items not affecting cash		
Amortization	1,580	-
	<u>(158,711)</u>	2,951
Changes in working capital accounts		
Accounts receivable	127,258	(134,357)
Goods and services tax recoverable	2,160	674
Prepaid expenses	21,362	(20,917)
Accounts payable and accrued liabilities	17,492	(16,946)
Deferred contributions	(165,856)	(46,174)
	<u>2,416</u>	(217,720)
Cash flow used by operating activities	<u>(156,295)</u>	(214,769)
INVESTING ACTIVITY		
Purchase of equipment	(10,406)	-
DECREASE IN CASH	(166,701)	(214,769)
CASH - BEGINNING OF YEAR	<u>343,703</u>	558,472
CASH - END OF YEAR	\$ 177,002	\$ 343,703

MANITOBA FOOD CHARTER INC

Notes to Financial Statements

As at March 31, 2018

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, 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:

Equipment

Equipment is stated at cost less accumulated amortization. Equipment is amortized over the estimated useful life at the following rates and methods:

Computer equipment	55%	declining balance method
Furniture and fixtures	20%	declining balance method

The Organization regularly reviews its equipment to eliminate obsolete items.

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.

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MANITOBA FOOD CHARTER INC

Notes to Financial Statements

As at March 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

3. EQUIPMENT

	2018		2017	
	Cost	Accumulated amortization	Cost	Accumulated Amortization
Computer equipment	\$ 3,083	\$ 732	\$ -	\$ -
Furniture and fixtures	7,323	849	-	-
	\$ 10,406	\$ 1,581	\$ -	\$ -
Net book value	\$ 8,825		\$ -	

MANITOBA FOOD CHARTER INC

Notes to Financial Statements

As at March 31, 2018

4. DEFERRED CONTRIBUTIONS

	2018	2017
Aboriginal and Northern Affairs – Shamattawa	\$ -	\$ 13,541
Aboriginal and Northern Affairs – Grow North	15,804	18,789
Anonymous Donor	-	45,469
Community Tables	3,915	100
CSA Funds (through Heifer project)	1,488	1,488
Donations for Northern Programming (NHFI)	2,450	5,009
Food Policy Council	-	6,612
Government of Canada – PHAC (Note 5)	-	23,166
NECRC	854	111
Newcomer Programming Donations	601	870
Northern Social Enterprise Profit from Market	450	-
Province of Manitoba – ANA	475	24,822
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
Province of Manitoba – WRHA	-	2,700
TD Friends of the Environment	2,038	3,340
TIDES – Bunibonibee Freezer Project	6,500	-
TIDES – Brochet	3,271	10,000
TIDES – Cross Lake Cooking	1,942	5,000
TIDES – Mooselake Garden	5,000	-
TIDES – Northern Ice Fishing	-	518
TIDES – Pukatawagan Chickens	-	5,000
Thomas Sill Foundation	9,895	-
Whole Kids Foundation	2,275	2,616
Winnipeg Foundation – Growing Roots	-	6,578
	\$ 56,958	\$ 222,814

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

As at March 31, 2017, the Organization had 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 were classified as a prepaid expense and the corresponding portion of funding was classified as a deferred contribution in the prior year.

6. TRANSFER

During the year, the Board of Directors approved a transfer of \$160,000 from the internally restricted net assets into the unrestricted net assets to cover the current year operating deficit.

MANITOBA FOOD CHARTER INC.**Schedule 1****FUNDING SOURCES**
March 31, 2018

	<u>\$</u>
	<i>(Unaudited)</i>
GRANTS	
Province of Manitoba	
Aboriginal & Northern Affairs	195,578
Neighborhoods Alive!	1,166
WRAPP	8,600
Government of Canada	
Human Resources Development Canada	140,241
Public Health Agency of Canada	485,000
Other	
Programming Deferred Revenue	142,541
Anonymous Donor	58,000
LUSH	4,971
Manitoba Community Service Council	2,000
McConnell	10,800
Thomas Sill	2,105
TIDES	82,908
Whole Kids Foundation	340
Winnipeg Foundation	13,596
Winnipeg Jewish Foundation	3,441
	<u>1,151,287</u>
OTHER INCOME, EVENT INCOME, AND DONATIONS	
Event and sponsorship revenue	70
Recovery of overhead costs	59,538
Charitable donations	27,970
Other donations & gifts & small grants	8,986
Rental	1,750
Interest	4,186
Sales/fees for services	9,580
	<u>112,080</u>
Total	<u><u>1,263,367</u></u>