

**MANITOBA FOOD CHARTER INC.**

**Financial Statements**

**March 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT

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

*Qualified Opinion*

We have audited the financial statements of Manitoba Food Charter Inc. (the Organization), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly in all material respects, the financial position of the Organization as at March 31, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Basis for Qualified Opinion*

In common with many not-for-profit organizations, the 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 we were not able to determine whether any adjustments might be necessary to donations, excess of revenues over expenses, assets and net assets. Our audit opinion on the financial statements for the year ended March 31, 2022 was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*Emphasis of Matter*

We draw your attention to Note 2 of the financial statements which indicates that the Organization is economically dependent on government grants, and individual and corporate donations to maintain its operations. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Organization's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

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

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

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has not realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants  
1515 One Lombard Place  
Winnipeg, MB R3B 0X3  
August 17, 2022

# MANITOBA FOOD CHARTER INC.

## Statement of Financial Position

March 31, 2022

	2022	2021
<b>ASSETS</b>		
CURRENT		
Cash	\$ 264,134	\$ 283,520
Accounts receivable	102,244	30,984
Goods and services tax recoverable	8,617	4,084
Prepaid expenses	3,794	2,132
	<b>378,789</b>	320,720
EQUIPMENT (Note 4)	12,542	15,419
	<b>\$ 391,331</b>	\$ 336,139
<b>LIABILITIES</b>		
CURRENT		
Accounts payable and accrued liabilities	\$ 136,961	\$ 64,730
Deferred contributions (Note 5)	192,863	173,893
	<b>329,824</b>	238,623
<b>NET ASSETS</b>	<b>61,507</b>	97,516
	<b>\$ 391,331</b>	\$ 336,139

APPROVED BY THE BOARD:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# MANITOBA FOOD CHARTER INC.

## Statement of Operations

Year Ended March 31, 2022

	2022	2021
<b>REVENUES</b> <i>(Schedule 1)</i>		
Grants	\$ 899,657	\$ 995,983
Other income	7,147	10,316
Donations	20,449	30,112
	<u>927,253</u>	<u>1,036,411</u>
<b>EXPENSES</b>		
Amortization	3,972	4,042
Personnel and contracts	457,024	434,833
Other program expenses	34,886	9,332
Materials & supplies	340,093	418,477
Travel, meals, accommodations	60,747	46,376
Meetings & workshops	800	-
Office expenses	63,660	61,504
Training	2,080	1,249
	<u>963,262</u>	<u>975,813</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ (36,009)</u>	<u>\$ 60,598</u>

# MANITOBA FOOD CHARTER INC.

## Statement of Changes in Net Assets

Year Ended March 31, 2022

	Internally			
	Restricted	Unrestricted	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 130,000	\$ (32,484)	\$ 97,516	\$ 36,918
EXCESS OF REVENUES OVER EXPENSES	-	(36,009)	(36,009)	60,598
INTERFUND TRANSFERS	(36,009)	36,009	-	-
NET ASSETS - END OF YEAR	\$ 93,991	\$ (32,484)	\$ 61,507	\$ 97,516

**MANITOBA FOOD CHARTER INC.****Statement of Cash Flows****Year Ended March 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	<b>\$ (36,009)</b>	<b>\$ 60,598</b>
Items not affecting cash:		
Amortization	<b>3,972</b>	<b>4,042</b>
	<b>(32,037)</b>	<b>64,640</b>
Changes in working capital accounts:		
Accounts receivable	<b>(71,260)</b>	<b>45,498</b>
Goods and services tax recoverable	<b>(4,533)</b>	<b>(348)</b>
Prepaid expenses	<b>(1,662)</b>	<b>-</b>
Accounts payable and accrued liabilities	<b>72,231</b>	<b>11,659</b>
Deferred contributions	<b>18,970</b>	<b>(64,857)</b>
	<b>13,746</b>	<b>(8,048)</b>
Cash flows from (used by) operating activities	<b>(18,291)</b>	<b>56,592</b>
<b>INVESTING ACTIVITY</b>		
Purchase of equipment	<b>(1,095)</b>	<b>(11,540)</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>(19,386)</b>	<b>45,052</b>
CASH - BEGINNING OF YEAR	<b>283,520</b>	<b>238,468</b>
CASH - END OF YEAR	<b>\$ 264,134</b>	<b>\$ 283,520</b>

# MANITOBA FOOD CHARTER INC

## Notes to Financial Statements

As at March 31, 2022

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### 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.

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### 2. ECONOMIC DEPENDENCE

In common with many registered charities, the Organization is economically dependent on government grants, and individual and corporate donations to maintain its operations. These financial statements have been prepared on a going concern basis which assumes the realization of assets and liquidation of liabilities in the normal course of business. Management is of the opinion that sufficient working capital will be obtained from operations to meet the Organization's liabilities as they come due.

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

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

#### Fund accounting

Revenues and expenses related to projects are reported in the Unrestricted Fund.

The Organization has established an internal reserve to maintain an adequate level of net assets to support the day-to-day operations in the event of unforeseen shortfalls.

#### 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.

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# MANITOBA FOOD CHARTER INC

## Notes to Financial Statements

As at March 31, 2022

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### 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.

### 4. EQUIPMENT

	2022		2021	
	Cost	Accumulated amortization	Cost	Accumulated Amortization
Computer equipment	\$ 8,674	\$ 7,126	\$ 7,579	\$ 5,903
Furniture and fixtures	18,862	7,868	18,862	5,119
	<b>\$ 27,536</b>	<b>\$ 14,994</b>	<b>\$ 26,441</b>	<b>\$ 11,022</b>
Net book value	<b>\$ 12,542</b>		<b>\$ 15,419</b>	

# MANITOBA FOOD CHARTER INC

## Notes to Financial Statements

As at March 31, 2022

### 5. DEFERRED CONTRIBUTIONS

	2022	2021
Anonymous donor	\$ 40,000	\$ 40,000
Community Food Centres Canada	33,068	10,000
Community Foundations of Canada	-	3,933
CSA Manitoba Funds	-	1,488
Gift Cards (received and unused)	2,625	-
NIB Trust Fund	-	11,460
Province of Manitoba – INR (formerly ANA) Grow North	418	-
Province of Manitoba – INR (formerly ANA) Northern Healthy Foods Initiative	280	4,962
Province of Manitoba – INR (formerly ANA) Spring Harvest	1,681	-
Province of Manitoba – Municipal Relations Open Air Learning	20,400	-
Province of Manitoba – WRHA	-	2,300
Queens University - Food Action Hub	2,500	-
MakeWay Foundation (formerly TIDES) – Bunibonibee Freezer Project	-	3,890
MakeWay Foundation (formerly TIDES) – Brochet Food Planning	1,498	1,498
MakeWay Foundation (formerly TIDES) – Buninonibee	1,723	-
MakeWay Foundation (formerly TIDES) – Cross Lake	20,185	-
MakeWay Foundation (formerly TIDES) – Dallas Red-Rose	4,189	9,079
MakeWay Foundation (formerly TIDES) – LaRonge Support	1,260	8,098
MakeWay Foundation (formerly TIDES) – NCN	-	1,400
MakeWay Foundation (formerly TIDES) – NHFI Support	49,475	-
MakeWay Foundation (formerly TIDES) – Northern Covid Response	-	24,750
MakeWay Foundation (formerly TIDES) – Norway House	5,000	-
MakeWay Foundation (formerly TIDES) – Pinaymmtang	-	1,035
MakeWay Foundation (formerly TIDES) – Shamattawa	8,561	-
Winnipeg Foundation – Beyond our Plate	-	25,000
Winnipeg Foundation – CSA Programming	-	25,000
	<b>\$ 192,863</b>	<b>\$ 173,893</b>

### 6. COMMITMENTS

The Organization has entered into an agreement with Teamworks Care Inc. to rent premises at 422 Notre Dame Avenue in Winnipeg for a term of 5 years at an annual base rent of \$21,780 and increasing by \$396 annually.

# **MANITOBA FOOD CHARTER INC**

## **Notes to Financial Statements**

**As at March 31, 2022**

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### **7. COVID-19 UNCERTAINTY**

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the Organization's future operations as at the date of these financial statements.

The Organization continues to take measures to mitigate the effects of the current crisis. The Organization determined it had qualified for the Canada Emergency Wage Subsidy Program and Canada Emergency Rent Subsidy Program introduced by the federal government and accordingly applied and received \$39,847 in total to March 31, 2022.

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**MANITOBA FOOD CHARTER INC.****Schedule 1****FUNDING SOURCES****March 31, 2022**

	<u>\$</u> <i>(Unaudited)</i>
<b>GRANTS</b>	
Province of Manitoba	
Indigenous and Northern Relations	249,092
Manitoba Health, Seniors and Active Living	30,100
Government of Canada	
Canada Emergency Rent Subsidy	2,298
Canada Emergency Wage Subsidy and Temporary Wage Subsidy	37,549
Other	
Anonymous donor	80,000
Community Food Centres Canada	26,932
Community Foundations of Canada	3,933
Community Supported Agriculture Manitoba	1,488
NIB Trust Fund	60,718
MakeWay Foundation (formerly known as TIDES)	287,547
Telus Foundation	20,000
Winnipeg Foundation	100,000
	<u>899,657</u>
<b>OTHER INCOME, EVENT INCOME, AND DONATIONS</b>	
Charitable donations	20,449
Interest	797
Fees for services & subscriptions	5,700
Other miscellaneous	650
	<u>27,596</u>
Total	<u>927,253</u>