

Financial Statements of

**CHILD NUTRITION COUNCIL
OF MANITOBA**

And Independent Auditor's Report thereon

Year ended March 31, 2023



KPMG LLP
1900 - 360 Main Street
Winnipeg MB
R3C 3Z3

Telephone (204) 957-1770
Fax (204) 957-0808
www.kpmg.ca

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Child Nutrition Council of Manitoba

Opinion

We have audited the financial statements of Child Nutrition Council of Manitoba (the "Entity"), which comprise the statement of financial position as at March 31, 2023, the statements of operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian accounting standards for not-for-profit organizations. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Entity'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 of 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment 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 Entity'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 Entity'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 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Winnipeg, Canada

June 15, 2023

CHILD NUTRITION COUNCIL OF MANITOBA

Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Current assets:		
Cash	\$ 123,147	\$ 53,402
Accounts receivable	12,181	9,088
	<u>135,328</u>	<u>62,490</u>
Investments (note 3)	334,758	330,691
	<u>\$ 470,086</u>	<u>\$ 393,181</u>

Liabilities and Deferred Contributions

Current liabilities:		
Accounts payable and accrued liabilities	\$ 25,373	\$ 14,698
Deferred contributions (note 4):		
Expenses related to future periods	444,713	378,483
	<u>\$ 470,086</u>	<u>\$ 393,181</u>

See accompanying notes to financial statements.

On behalf of the Board:

Mindy Bloomfield Director

K. Munnell Director

CHILD NUTRITION COUNCIL OF MANITOBA

Statement of Operations

Year ended March 31, 2023, with comparative information for 2022

	Nourishment program	Administration	2023 Total	2022 Total
Revenue:				
Grants and donations:				
Province of Manitoba	\$ 2,243,899	\$ 265,721	\$ 2,509,620	\$ 1,319,104
Moffat Family	–	–	–	10,000
Nutrition Program Grant	280,000	–	280,000	–
The Winnipeg Foundation	–	23,583	23,583	–
Other	147,313	41,805	189,118	77,110
	<u>2,671,212</u>	<u>331,109</u>	<u>3,002,321</u>	<u>1,406,214</u>
Expenses:				
Program	2,671,212	–	2,671,212	1,169,780
Salaries and wages	–	295,867	295,867	216,139
Meetings and travel	–	8,767	8,767	4,660
Professional fees	–	7,304	7,304	6,251
Other	–	13,719	13,719	7,404
Office supplies	–	3,548	3,548	1,022
Website	–	1,904	1,904	958
	<u>2,671,212</u>	<u>331,109</u>	<u>3,002,321</u>	<u>1,406,214</u>
Excess of revenue over expenses	\$ –	\$ –	\$ –	\$ –

See accompanying notes to financial statements.

CHILD NUTRITION COUNCIL OF MANITOBA

Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ -	\$ -
Changes in non-cash operating working capital:		
Accounts receivable	(3,093)	(51)
Accounts payable and accrued liabilities	10,675	(7,789)
Net change in deferred contributions	66,230	(38,329)
	73,812	(46,169)
Investing activities:		
Disposal (purchase) of investments, net	(4,067)	62,104
Increase in cash	69,745	15,935
Cash, beginning of year	53,402	37,467
Cash, end of year	\$ 123,147	\$ 53,402

See accompanying notes to financial statements.

CHILD NUTRITION COUNCIL OF MANITOBA

Notes to Financial Statements

Year ended March 31, 2023

1. General:

Child Nutrition Council of Manitoba (the "Council") is a registered charity which was incorporated on September 8, 2008 (established in 2001) to provide and improve the nutritional health and well-being of Manitoba school children through education, funding and promotion of best practices.

The Council is exempt from tax under Section 149 of the *Income Tax Act*.

2. Significant accounting policies:

(a) Revenue recognition:

The Council follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Council has elected to carry all investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

CHILD NUTRITION COUNCIL OF MANITOBA

Notes to Financial Statements (continued)

Year ended March 31, 2023

2. Significant accounting policies (continued):

(c) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

3. Investments:

	2023	2022
Guaranteed investment certificates	\$ 304,197	\$ 251,450
Mutual funds	30,561	79,241
	<u>\$ 334,758</u>	<u>\$ 330,691</u>

The guaranteed investment certificates mature between fiscal 2024 and fiscal 2025. Guaranteed investment certificates bear a weighted average yield of 2.90 percent (2022 - 1.19 percent).

4. Deferred contributions:

Deferred contributions represent the portion of the provincial grant and other contributions that pertain to expenditures of the following year or other specific purposes to be paid in future years and are comprised of the following:

	2023	2022
Province of Manitoba	\$ 94,454	\$ 104,074
Other	350,259	274,409
	<u>\$ 444,713</u>	<u>\$ 378,483</u>

CHILD NUTRITION COUNCIL OF MANITOBA

Notes to Financial Statements (continued)

Year ended March 31, 2023

4. Deferred contributions (continued):

The change in deferred contributions is as follows:

	2023	2022
Balance, beginning of year	\$ 378,483	\$ 416,812
Add amounts received during the year	3,057,238	1,363,367
Less amounts recognized as revenue during the year	(2,991,008)	(1,401,696)
Balance, end of year	\$ 444,713	\$ 378,483

5. Financial risks and concentration of risk:

The Council believes that it is not exposed to significant interest rate, market, credit or cash flow risk arising from its financial instruments.

Additionally, the Council believes it is not exposed to significant liquidity risk as all investments are held in instruments that are highly liquid and can be disposed of to settle commitments.