



Manitoba Cattle Enhancement Council



2010 ANNUAL REPORT

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## CHAIR'S MESSAGE

The North American cattle industry showed signs of recovery in 2010 even as the spectre of higher transportation and feed costs began to reappear. Aside from the ever present possibility of some new trade disruption, the higher input costs remain among the bigger threats to the cattle industry in Manitoba.

These trends are nothing new. In fact, extreme market volatility has been the norm since the Manitoba Cattle Enhancement Council was founded in 2006 in the wake of the BSE crisis that closed the U.S. border to Canadian beef. Since then we have faced a boom in commodity prices along with its subsequent collapse and reflation following the financial crisis.

These market conditions have reinforced our belief in the urgent need to develop federally-inspected beef slaughter and processing capacity here in Manitoba. Only plants that are licensed by the Canadian Food Inspection Agency are permitted to export their beef outside of the province.

It will only be through local plants that we can help mitigate transportation costs, for example. And only access to local plants can give our industry the diversification needed to withstand another serious trade disruption. But those are reactive reasons and we also believe that having a number of small and mid-sized plants offer the best hope for a more prosperous future for our provincial beef producers. Additionally, the development of new local plants should help spark millions of dollars in new private investment in the value chain from our farms to our stores and our export markets.

Our council has continued to work closely with Agriculture and Agri-Food Canada to press the case for the need for regional plant capacity. We are pleased that Ottawa has so far conditionally approved three Manitoba plants for funding under its Slaughter Improvement Program. We believe MCEC can and should be operating in synergy with the SIP program and continue to pursue that as a major goal.

We have also forged strong relationships with Manitoba Agriculture, Food and Rural Initiatives, as well as numerous producers and producer groups across the province and the country.

I want to thank our council members for their continued efforts on behalf of MCEC. They have worked tirelessly as ambassadors for the council over the past year and have capably handled the many challenges we've been given.

The council is also well served by its staff who need to play the dual roles of running a very unique investment fund while also meeting the needs of the producers that we serve.

Thank you,

Barry Todd, Chair

## REPORT FROM EXECUTIVE DIRECTOR

As MCEC looks back on another year of activity, it's a time to reflect on how far we've come as a highly unique investment fund for the Manitoba cattle industry. Since the council's formation in 2006, one of our ongoing challenges has been to define ourselves and the role we should play.

From the outset, MCEC has been different. We were formed to act as a kind of venture capital fund for the province's beef industry. At the same time, the fund we manage and administer is fed by producers' levies and matched by the provincial government. As a result, we've always been very determined to listen to producers and - first and foremost -to act on their behalf when we make investment decisions.

In late 2009, we held our first annual producer forum where we asked the cattle men and women of Manitoba for their help in better delineating the council's activities. Using that feedback, we developed a revised mission statement:

*To make strategic investments in beef processing, supported by marketing and research to enhance opportunities in the Manitoba cattle industry for the benefit of producers.*

And in 2010, we forged ahead with that mission by overseeing our previous investment in Winnipeg where a former pork plant is being converted and upgraded into a mid-sized beef plant focused on global premium, niche markets. We welcomed the plant's new management team to our second producer forum in December where they had an opportunity talk to the farmers who will supply the plant. Management has the international experience required to make the plant a success and we continue to support the project.

On the one hand, we were very pleased that a number of international beef distributors have said they are looking forward to accepting product from the plant when it is fully operational. This illustrates the pent up demand for beef products targeting niche markets such as Kosher beef. We were equally pleased to see the plant received endorsements from a number of producer groups as well as prominent business organizations, which shows a corresponding demand from input side of the business. With all of this, it was not surprising we were able to attract commercial financing interest as well for this project.

In addition, we gave two other projects conditional approval for financing in 2010. These projects would upgrade existing provincially-inspected facilities to federal standards. Both of these projects are also smartly targeting niche markets where value-added production here in Manitoba can help them secure new markets for local beef. As these projects progress and satisfy financial, governance and environmental conditions, we expect to make more information about them public.

So how many plants is the right number for MCEC and Manitoba? For our part, every investment we consider must meet strict standards. They need to clearly identify differentiated markets for supply and sales, and they also need to demonstrate management experience to execute their business plan. And because MCEC is not interested in being the sole investor in a project, they also need to be able to bring other sources of financing to the table. In the end, for projects to be successful, they need all of those elements - demonstrated supply and ready

customers along with adequate financing and a solid plan backed by strong management. Because in the end, it is the markets that will decide the right number of plants.

We continue to believe that Manitoba is positioned to take advantage of current economic trends such as the growing demand for quality, nutritional foods in North America and in emerging markets in Asia. We have all the ingredients for success: a history of agricultural excellence, plenty of land, clean air, fresh water and a legacy of leadership in food processing. We also have a stable labour force and a central location that can reach international markets quickly by road, rail, air and sea.

Even still, we recognize that the beef business is extremely capital intensive and competitive. As we move into 2011, we will continue to make every effort to be prudent investors and stewards of the investment fund.

We thank the cattle producers of Manitoba for their ongoing support of our efforts to diversify their industry to give them new markets and better opportunities. It's because of that support that we are able to move forward confidently, optimistic that the challenges we face today will be transformed into successes tomorrow.

Sincerely,

Kathleen Butler, Executive Director

## ABOUT MCEC

### MISSION STATEMENT

*To make strategic investments in beef processing, supported by marketing and research to enhance opportunities in the Manitoba cattle industry for the benefit of producers.*

### MANDATE

The Manitoba Cattle Enhancement Council (the “Council”) has been established by the Province of Manitoba to implement a plan to:

1. initiate, promote, support conduct and manage research and programs, including research or programs relating to financing or processing, that enhance value-added marketing activities relating to cattle;
2. gather, compile and distribute information related to the cattle industry.

The mandate of the Council is to expand the beef processing industry in the Province, with the involvement of producers. The Council will administer an investment fund capitalized through a cattle levy and matching Government contributions, which will be used to finance new or expanding, slaughter/processing facilities in the Province. The Council will also undertake such activities that will assist in the overall expansion of the beef processing industry.

### MCEC COUNCIL Members & Staff

Barry Todd	Chair
Gaylene Dutchyshen	Vice-Chair
Albert Todosichuk	Treasurer
David Wiens	Council Member
Charles Gall	Council Member
Kathleen (Kate) Butler	Executive Director
Rachel Wells	Executive Assistant
Barbara Bednarski	Office Manager/Administrative Assistant

### INVESTMENT ADVISORY COMMITTEE MEMBERS

John E. MacDonald, FCA – Chair  
Joe Mulligan, P. Ag.  
Ken Ross

### LEVY AMOUNTS RECEIVED AND REFUNDED IN 2010

Total Levy Received	Total Levy Refunded	Refund Percentage
\$1,319,390.00*	\$415,605.00*	32%

\*2010 Year End Financial Statements

## WEBSITE SUMMARY

### **1. Who We Are:**

- Responding to Producer Demands
- Industry Focused, Producer Responsive
- How are Levies Collected?
- Levy Facts at a Glance
- What do you get for you \$2 per head?
- Board of Directors

### **2. Funding Opportunities:**

- The Need for Self-Sufficiency
- An Invitation to Innovators

### **3. Refunds:**

- Cattle Enhancement Fee Regulation Amendment No. 169/2007
- New Refund Application Deadline – Effective January 1, 2008
- Application for Refund of MCEC Fee

### **5. Applications, Forms & Resources:**

- Project Application Form
- Application for Refund of MCEC Fee
- Monthly Cattle Fee Remittance Form
- 2006, 2007, 2008 & 2009 Annual Report
- Cattle Enhancement Fee Regulation No. 172/2006
- Cattle Enhancement Fee Regulation Amendment No. 169/2007
- Cattle Enhancement Information Order No. 171/2006
- Cattle Enhancement Information Order Amendment No. 81/2007

### **6. News & Industry Studies:**

- News Releases
- News Coverage
- Newsletters
- Brochure
- Publications

### **7. Links:**

- The Farm Products Marketing Act C.C.S.M. F47
- Manitoba Agriculture, Food and Rural Initiatives (“MAFRI)
- Keystone Processors
- George Morris Centre
- Dooley Communications
- Manitoba Forage Council
- Agriculture and Agri-Food Canada

**MANITOBA CATTLE ENHANCEMENT COUNCIL**  
**Financial Statements**  
**Year Ended December 31, 2010**

MANITOBA CATTLE ENHANCEMENT COUNCIL

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Year Ended December 31, 2010

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INDEPENDENT AUDITOR'S REPORT

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To the Directors of Manitoba Cattle Enhancement Council

We have audited the accompanying financial statements of Manitoba Cattle Enhancement Council, which comprise the statement of financial position as at December 31, 2010, and the statements of revenues and expenditures, changes in net assets and cash flow 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 generally accepted accounting principles, 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.

*Auditor's 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 statements.

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

*Basis for Qualified Opinion*

Note 2 describes the revenue and related refunds recognition policy with respect to the revenue derived from producer levies and the related refunds. The note indicates that the organization is reporting producer levy revenue and the related refunds on a cash basis. In this respect, the financial statements are not in accordance with Canadian generally accepted accounting principles. Due to their nature, producer levy revenue and related refunds are not susceptible to a reasonable estimate on an accrual basis. Therefore, the effects of this departure from Canadian generally accepted accounting principles have not been determined.

(continues)

Independent Auditor's Report to the Directors of Manitoba Cattle Enhancement Council *(continued)*

*Qualified Opinion*

In our opinion, except for the effects of the inability to report producer levy revenue and the related refunds on an accrual basis as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The image shows a handwritten signature in black ink that reads "Lazer Grant LLP". The signature is written in a cursive, flowing style.

Winnipeg, MB  
April 13, 2011

CHARTERED ACCOUNTANTS

**MANITOBA CATTLE ENHANCEMENT COUNCIL**

**Statement of Financial Position**

**December 31, 2010**

	2010	2009
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 32,119	\$ 121,598
Accounts receivable	602,154	310,389
Prepaid expenses	4,425	4,425
Loans and notes receivable (Note 4)	4,142,638	3,138,789
	<b>4,781,336</b>	<b>3,575,201</b>
CAPITAL ASSETS (Note 6)	7,379	7,852
LONG TERM INVESTMENTS (Note 5)	450,000	450,000
RESTRICTED CASH (Note 7)	1,000,000	1,150,000
	<b>\$ 6,238,715</b>	<b>\$ 5,183,053</b>

**LIABILITIES AND NET ASSETS**

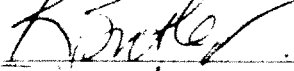
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 99,185	\$ 38,820


<b>NET ASSETS</b>		
Unrestricted	5,132,151	3,986,381
Invested in capital assets	7,379	7,852
Internally restricted fund (Note 7)	1,000,000	1,150,000
	<b>6,139,530</b>	<b>5,144,233</b>
	<b>\$ 6,238,715</b>	<b>\$ 5,183,053</b>

LEASE COMMITMENTS (Note 11)

COMMITMENTS (Note 14)

ON BEHALF OF THE BOARD

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

**MANITOBA CATTLE ENHANCEMENT COUNCIL**

**Statement of Revenues and Expenditures**

**Year Ended December 31, 2010**

	Budget 2010	2010	2009
<b>REVENUES</b>			
Producer levies	\$ 1,320,000	\$ 1,319,390	\$ 1,218,303
Provincial levy match (Note 8)	1,000,000	903,785	771,063
Start up costs grant	-	-	149,042
Levy refunds	(315,000)	(415,605)	(447,240)
	<b>2,005,000</b>	<b>1,807,570</b>	<b>1,691,168</b>
<b>EXPENSES</b>			
Advertising and promotion	50,000	47,546	62,159
Amortization	3,900	2,301	2,517
Computer costs	4,500	3,140	3,742
Council remuneration - per diem (Note 12)	42,000	23,199	42,046
Equipment rentals	8,580	6,278	7,367
Grants to proponents	4,000	4,034	14,233
Insurance	1,377	1,338	2,814
Interest and bank charges	2,040	1,998	1,840
Investment advisory committee fees	24,000	34,827	11,764
Levy commissions	28,613	23,043	22,643
Meals and entertainment (Note 12)	7,800	5,388	8,048
Memberships	3,600	3,961	3,454
Office	8,800	13,048	14,625
Producer forum	14,980	10,895	11,977
Professional fees	58,600	39,736	37,676
Project expenses	-	302,840	-
Rent	28,350	25,644	14,148
Repairs and maintenance	6,420	5,376	1,173
Sub-contracts	20,000	14,783	14,049
Telephone	7,960	4,811	5,822
Travel (Note 12)	21,600	21,956	35,459
Wages and employee benefits (Note 10)	255,042	235,711	234,028
	<b>602,162</b>	<b>831,853</b>	<b>551,584</b>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>1,402,838</b>	<b>975,717</b>	<b>1,139,584</b>
<b>OTHER INCOME</b>			
Gain on disposal of assets	-	53	-
Interest income	41,800	19,527	21,937
	<b>41,800</b>	<b>19,580</b>	<b>21,937</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 1,444,638</b>	<b>\$ 995,297</b>	<b>\$ 1,161,521</b>

**MANITOBA CATTLE ENHANCEMENT COUNCIL**

**Statement of Changes in Net Assets**

**Year Ended December 31, 2010**

	Unrestricted	Invested in capital assets	Internally restricted fund (Note 7)	2010	2009
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 3,986,381	\$ 7,852	\$ 1,150,000	\$ 5,144,233	\$ 3,982,712
Excess of revenues over expenses	997,598	(2,301)	-	995,297	1,161,521
Transfer from internally restricted fund	150,000	-	(150,000)	-	-
Purchase of capital assets	(2,074)	2,074	-	-	-
Disposal of capital assets	246	(246)	-	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 5,132,151	\$ 7,379	\$ 1,000,000	\$ 6,139,530	\$ 5,144,233

**MANITOBA CATTLE ENHANCEMENT COUNCIL**

**Statement of Cash Flow**

**Year Ended December 31, 2010**

	2010	2009
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 995,297	\$ 1,161,521
Items not affecting cash:		
Amortization	2,301	2,517
Gain on disposal of assets	(53)	-
	<b>997,545</b>	<b>1,164,038</b>
Changes in non-cash working capital:		
Accounts receivable	(291,765)	113,680
Accounts payable and accrued liabilities	60,364	(6,746)
Prepaid expenses	-	(4,425)
Loans and notes receivable	(1,003,849)	(1,583,598)
	<b>(1,235,250)</b>	<b>(1,481,089)</b>
Cash flow used by operating activities	<b>(237,705)</b>	<b>(317,051)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(2,074)	(289)
Proceeds on disposal of capital assets	300	-
Long term note receivable	-	38,180
Cash flow from (used by) investing activities	<b>(1,774)</b>	<b>37,891</b>
<b>DECREASE IN CASH</b>	<b>(239,479)</b>	<b>(279,160)</b>
Cash - beginning of year	1,271,598	1,550,758
<b>CASH - END OF YEAR</b>	<b>\$ 1,032,119</b>	<b>\$ 1,271,598</b>
<b>CASH FLOW SUPPLEMENTARY INFORMATION</b>		
Interest received	\$ (19,527)	\$ (21,937)
<b>CASH CONSISTS OF:</b>		
Cash	\$ 32,119	\$ 121,598
Restricted cash	1,000,000	1,150,000
	<b>\$ 1,032,119</b>	<b>\$ 1,271,598</b>

# MANITOBA CATTLE ENHANCEMENT COUNCIL

## Notes to Financial Statements

Year Ended December 31, 2010

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### 1. DESCRIPTION OF BUSINESS

The Manitoba Cattle Enhancement Council was established by Regulation 83/2006 under the Farm Products Marketing Act, Manitoba Cattle Enhancement Marketing Plan Regulation dated March 30, 2006.

The purposes of this plan are to

(a) initiate, promote, support conduct and manage research and programs, including research or programs relating to financing or processing, that enhance value-added marketing activities relating to cattle in Manitoba; and

(b) gather, compile and distribute information related to the cattle industry.

The organization is a not for profit organization that is exempt from income taxes under Section 149 (1)(e) of the Income Tax Act.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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. Actual results could differ from these estimates.

#### Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Computer equipment	30%	declining balance method
Computer software	100%	declining balance method
Furniture and fixtures	20%	declining balance method
Signs	20%	declining balance method
Telephone equipment	20%	declining balance method

The company regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

One-half the normal rate of amortization is recorded in the year of acquisition.

#### Long term investments

Investments not subject to significant influence are recorded at cost.

Investments subject to significant influence are accounted for using the equity method. Accordingly, the investment is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and dividends received.

*(continues)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Net assets

Net assets are segregated based upon the purpose to which they relate, which include those internally restricted, invested in capital assets and unrestricted.

Revenue recognition

The organization follows the deferral method of accounting for contributions and grants. Restricted contributions and grants are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and grants are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Producer levies are reported on a cash basis upon receipt of funds.

Interest income is recognized as revenue when earned.

3. FINANCIAL INSTRUMENTS

Fair Value

The organization's carrying value of cash, accounts receivable, and accounts payable and accrued liabilities approximates its fair value due to the immediate or short term maturity of these instruments.

The organization has long term investments recorded at cost. As there is no recognized market value for these investments the fair value and the exposure to related risk cannot be determined with any degree of certainty, and the amounts are therefore reported at their carrying value.

The organization has loans and notes receivable that are initially recognized at their fair value, which is approximated by the instrument's initial cost in the transaction between the parties.

Loans and notes receivable are subsequently measured at their amortized cost. Amortized cost is the amount at which the financial asset is measured at initial recognition less any reduction for impairment or uncollectability. Net gains and losses arising from changes in fair value are recognized in net income upon impairment.

**MANITOBA CATTLE ENHANCEMENT COUNCIL**

**Notes to Financial Statements**

**Year Ended December 31, 2010**

**4. LOANS AND NOTES RECEIVABLE**

	<b>2010</b>	<b>2009</b>
Natural Prairie Beef Inc. promissory note, due on demand, bearing interest at prime plus 2%	<b>\$ 45,000</b>	\$ 45,000
Natural Prairie Beef Inc. promissory notes, due on demand, bearing interest at Prime plus 2% calculated from the date of demand and convertible to Class C preferred shares	<b>200,000</b>	200,000
5604754 Manitoba Ltd. (a related party under significant influence) mortgage, due on demand, bearing interest at prime plus 2% calculated from the date of demand. The mortgage has a maximum of \$5.5 million and is secured by a first charge over all present and future property and assets, a guarantee by the debtor, an assignment of all obligations owed to the debtor by Natural Prairie Beef Inc, an assignment of insurance proceeds, and are convertible to Class C Preferred shares	<b>3,897,638</b>	2,893,789
	<b>\$ 4,142,638</b>	\$ 3,138,789

**5. LONG TERM INVESTMENTS**

	<b>2010</b>	<b>2009</b>
Natural Prairie Beef Inc. 350,000 Class C voting preferred shares entitled to non-cumulative dividends of not less than 1% and not more than 12% of the issue price per annum	<b>\$ 350,000</b>	\$ 350,000
5604754 Manitoba Ltd. 100,000 Class C voting preferred shares entitled to non-cumulative dividends of not less than 1% and not more than 12% of the issue price per annum	<b>100,000</b>	100,000
	<b>\$ 450,000</b>	\$ 450,000

**6. CAPITAL ASSETS**

	Cost	Accumulated amortization	<b>2010 Net book value</b>	2009 Net book value
Computer equipment	\$ 1,942	\$ 990	<b>\$ 952</b>	\$ 1,359
Computer software	2,116	1,715	<b>401</b>	145
Furniture and fixtures	8,958	3,952	<b>5,006</b>	5,074
Signs	2,563	1,618	<b>945</b>	1,181
Telephone equipment	203	128	<b>75</b>	93
	<b>\$ 15,782</b>	<b>\$ 8,403</b>	<b>\$ 7,379</b>	\$ 7,852

MANITOBA CATTLE ENHANCEMENT COUNCIL

Notes to Financial Statements

Year Ended December 31, 2010

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7. INTERNALLY RESTRICTED FUND

The board of directors have decided to establish a restricted fund for further investments in MCEC projects and to fund future commitments in the event of an organizational closure. The Council understands that these funds would come from unrestricted net assets and any proceeds on the realization of net assets invested in capital assets. For 2010 the Council set the estimate at \$1,000,000 (2009 - \$1,150,000).

8. PROVINCIAL LEVY MATCH

Provincial levy match revenue represents Provincial funding equal to the amount of levies, net of refunds, retained by the organization.

There is no formal agreement in place defining the terms of this funding. The levy match funding is currently a significant factor in the organization's ability to continue investment in the cattle industry in the future.

9. LOAN FACILITY

The organization has a loan facility available in the amount of \$10,000,000 with the Manitoba Agricultural Services Corporation. As at December 31, 2010 this loan facility remained unused.

10. PENSION PLAN

The organization participates in the Civil Service Superannuation Plan. The plan is a defined contribution plan. Total payments for future employee benefits for 2010 were \$12,113 (2009 - \$12,044).

11. LEASE COMMITMENTS

The company has long term leases with respect to its premises and office equipment. Future minimum lease payments as at year end are as follows:

2011	\$	22,256
2012		22,256
2013		20,097
2014		18,329
2015		2,806
		<hr/>
	\$	<u>85,744</u>

# MANITOBA CATTLE ENHANCEMENT COUNCIL

## Notes to Financial Statements

Year Ended December 31, 2010

### 12. COUNCIL'S REMUNERATION

The Council's meeting expenditures are paid on the basis of approved rates as follows:

- 1) Per diem remuneration: Chairperson \$336 for full day/\$191 for half day  
Council Member \$193 for full day/\$109 for half day
- 2) Expense allowance: \$50 per day
- 3) Mileage and Accommodation: \$0.50 per kilometre  
Increased to \$0.46/km effective April 21, 2008  
Increased to \$0.50/km effective August 15, 2008
- 4) Long distance and cell phone: \$35 per month

The Council Members' remuneration for the period ending December 31, 2010 is as follows:

Name	Per Diem Remuneration	Meal Allowance	Mileage and Accommodation	Total
Bary Todd, Chair	\$ -	\$ -	\$ -	\$ -
Gaylene Dutchyshen, Vice-Chair	\$ 4,598	\$ 650	\$ 6,769	\$ 12,017
Albert Todosichuk, Treasurer	\$ 8,876	\$ 927	\$ 5,510	\$ 15,313
Charles Gall, Council Member	\$ 5,211	\$ 335	\$ 4,757	\$ 10,303
David Wiens, Council Member	\$ 4,514	\$ 120	\$ 1,835	\$ 6,469
	<u>\$ 23,199</u>	<u>\$ 2,032</u>	<u>\$ 18,871</u>	<u>\$ 44,102</u>

### 13. COMMITMENTS

At year end the organization had an outstanding offer to loan \$920,429 to a proponent for an approved project subject to the proponent meeting all the conditions in the offer.

### 14. SUBSEQUENT EVENTS

Subsequent to year end the organization acquired control of 5604754 Manitoba Ltd. through a reorganization of the share capital of 5604754 Manitoba Ltd.