

MANITOBA DEVELOPMENT CORPORATION

Financial Statements
Table of Contents

Year ended March 31, 2017

	Page
Management's Responsibility for Financial Reporting	1
Independent Auditors' Report.....	2
Statement of Financial Position.....	3
Statement of Operations and Accumulated Surplus	4
Statement of Changes in Net Financial Assets.....	5
Statement of Cash Flows	6
Notes to Financial Statements	7
Schedule A - Operations and Accumulated Surplus - PNP-B.....	20
Schedule B - Operations and Accumulated Surplus - Business Support	21
Schedule C - Operations and Accumulated Surplus - MTI	22
Schedule D - Report of Assistance Granted or to be Granted.....	23



KPMG LLP
Suite 2000 - One Lombard Place
Winnipeg MB R3B 0X3
Canada

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

Page 2

INDEPENDENT AUDITORS' REPORT

To the Shareholder of Manitoba Development Corporation

We have audited the accompanying financial statements of Manitoba Development Corporation, which comprise the statement of financial position as at March 31, 2017, the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information, including Schedules A to D.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we 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 statements.

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



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Manitoba Development Corporation as at March 31, 2017, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants

September 20, 2017

Winnipeg, Canada

MANITOBA DEVELOPMENT CORPORATION

Statement of Financial Position

March 31, 2017, with comparative information for 2016

	PNP-B	Business support	MTI	2017 Total	2016 Total
Assets					
Cash and cash equivalents	\$ 42,293,436	\$ 1,516,949	\$ 219,805	\$ 44,030,190	\$ 36,336,538
Accounts receivable (note 3)	253,168	17,705	6,816	277,689	295,756
Loans receivable (note 4)	—	54,382,578	—	54,382,578	73,295,947
Portfolio investments (note 5)	12,306,252	4,250,000	500,000	17,056,252	21,296,105
Restricted funds (note 8)	63,672,652	—	—	63,672,652	53,785,759
Prepaid expenses	—	—	237,830	237,830	—
	<u>\$ 118,525,508</u>	<u>\$ 60,167,232</u>	<u>\$ 964,451</u>	<u>\$ 179,657,191</u>	<u>\$ 185,010,105</u>
Liabilities and Surplus					
Liabilities:					
Accounts payable and accrued liabilities	\$ 4,820,275	\$ 397,094	\$ 3,767	\$ 5,221,136	\$ 5,195,217
Deferred revenue (note 6)	—	324,583	16,500	341,083	398,536
Operating advance payable (note 7)	—	—	500,000	500,000	500,000
Funds provided by the Province of Manitoba	—	54,382,578	—	54,382,578	73,295,947
Deposits payable (note 8)	63,672,652	—	—	63,672,652	53,785,759
	<u>68,492,927</u>	<u>55,104,255</u>	<u>520,267</u>	<u>124,117,449</u>	<u>133,175,459</u>
Accumulated surplus (note 9)	50,032,581	5,062,977	444,184	55,539,742	51,834,646
Contingencies (note 10)					
Commitments (note 11)					
	<u>\$ 118,525,508</u>	<u>\$ 60,167,232</u>	<u>\$ 964,451</u>	<u>\$ 179,657,191</u>	<u>\$ 185,010,105</u>

See accompanying notes to financial statements.

On behalf of the Board:

Original Signed By Jeff Hodge Director

Original Signed By James Wilson Director

