

**MANITOBA HOSPICE
FOUNDATION INC.**
o/a Palliative Manitoba

Financial Statements
For the year ended March 31, 2021

MANITOBA HOSPICE FOUNDATION INC.

Financial Statements

For the year ended March 31, 2021

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Independent Auditor's Report

To the members of Manitoba Hospice Foundation Inc.

Qualified Opinion

We have audited the accompanying financial statements of Manitoba Hospice Foundation Inc. (the Foundation), which comprise the statement of financial position as at March 31, 2021, and the statements of changes in net assets, operations, 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 Foundation as at March 31, 2021, and 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 Foundation derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, revenues over expenses, and cash flows from operations for the years ended March 31, 2021 and 2020, current assets as at March 31, 2021 and 2020, and net assets as at April 1 and March 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation in 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 Foundation 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 qualified audit opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 these 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 Foundation'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 Foundation'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 Foundation 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.

BDO Canada LLP

Chartered Professional Accountants

Winnipeg, Manitoba
July 5, 2021


MANITOBA HOSPICE FOUNDATION INC.
Statement of Financial Position


March 31	2021	2020
Assets		
Current Assets		
Cash	\$ 121,493	\$ 91,739
Short-term investments (Note 2)	86,331	77,382
GST receivable	834	1,377
Accounts receivable	3,000	4,120
Prepaid expenses	2,629	729
	214,287	175,347
Investment (Note 3)	40,000	40,000
Capital assets (Note 4)	24,472	17,561
	\$ 278,759	\$ 232,908

Liabilities and Net Assets

Current Liabilities		
Accounts payable and accrued liabilities	\$ 25,253	\$ 21,783
Government remittances payable	1,163	4,291
Deferred revenue	24,323	11,795
	50,739	37,869
Deferred contributions related to capital assets (Note 5)	15,345	15,464
	66,084	53,333
Net Assets		
Unrestricted	126,344	102,193
Internally restricted (Note 6)	86,331	77,382
	212,675	179,575
	\$ 278,759	\$ 232,908

Approved on behalf of the Board:


 _____ Director


 _____ Director

MANITOBA HOSPICE FOUNDATION INC.
Statement of Changes in Net Assets

For the year ended March 31

	Unrestricted	Internally Restricted	2021 Total	2020 Total
Balance, beginning of year	\$ 102,193	\$ 77,382	\$ 179,575	\$ 172,600
Transfer to internally restricted	(6,000)	6,000	-	-
Revenue over expenses	30,151	2,949	33,100	6,975
Balance, end of year	\$ 126,344	\$ 86,331	\$ 212,675	\$ 179,575

The accompanying notes are an integral part of these financial statements.

MANITOBA HOSPICE FOUNDATION INC.
Statement of Operations

For the year ended March 31	2021	2020
Revenue		
Grants (Note 7)	\$ 340,107	\$ 246,954
Provincial conference (Page 13)	-	95,116
Fundraising	39,112	52,674
Donations	43,314	72,212
Education	19,675	9,958
Investment	3,990	3,939
Membership	730	1,150
Amortization of deferred contributions related to capital assets	10,119	8,119
	457,047	490,122
Expenses		
Advertising and promotion	4,734	1,127
Amortization	12,770	8,834
Equipment and furnishings	18,847	12,722
Fundraising	3,209	8,131
Insurance	4,339	4,278
Interest and bank charges	3,378	4,187
Meetings and seminars	1,624	2,004
Membership dues and subscriptions	350	350
Miscellaneous	-	334
Office	3,164	6,018
Professional development	1,225	2,694
Professional fees	7,900	7,596
Program	13,611	19,798
Provincial conference (Page 13)	(1,452)	60,450
Rent	2,215	2,126
Salaries and employee benefits	344,721	337,544
Telephone	2,886	3,432
Volunteer support cost	426	1,522
	423,947	483,147
Revenue over expenses	\$ 33,100	\$ 6,975

The accompanying notes are an integral part of these financial statements.

MANITOBA HOSPICE FOUNDATION INC.
Statement of Cash Flows

For the year ended March 31	2021	2020
Cash Flows from Operating Activities		
Revenue over expenses	\$ 33,100	\$ 6,975
Adjustments for items not affecting cash		
Amortization of capital assets	12,770	8,834
Amortization of deferred contributions related to capital assets	(10,119)	(8,119)
Unrealized (gain) loss on investments	(2,148)	154
	<u>33,603</u>	<u>7,844</u>
Changes in non-cash working capital		
GST receivable	543	161
Accounts receivable	1,120	(4,120)
Prepaid expenses	(1,900)	7,639
Accounts payable and accrued liabilities	3,470	3,059
Government remittances payable	(3,128)	499
Deferred revenue	12,528	3,445
	<u>46,236</u>	<u>18,527</u>
Cash Flows from Investing Activities		
Purchase of capital assets	(19,682)	-
Purchase of investments	(63,681)	(37,809)
Proceeds on sale of investments	56,881	30,095
	<u>(26,482)</u>	<u>(7,714)</u>
Cash Flows from Financing Activities		
Deferred contributions related to capital assets	10,000	-
Increase in cash	<u>29,754</u>	<u>10,813</u>
Cash, beginning of year	<u>91,739</u>	<u>80,926</u>
Cash, end of year	<u>\$ 121,493</u>	<u>\$ 91,739</u>

The accompanying notes are an integral part of these financial statements.

MANITOBA HOSPICE FOUNDATION INC.

Notes to Financial Statements

For the year ended March 31, 2021

1. Nature of Business and Summary of Significant Accounting Policies

Nature of Business

Manitoba Hospice Foundation Inc. (the Foundation) is a non-profit organization incorporated without share capital under the Corporations Act of Manitoba in 1983. Manitoba Hospice Foundation Inc. operates as Palliative Manitoba which provides development of hospice palliative care for the people of Manitoba.

As a registered charity, Manitoba Hospice Foundation Inc. is tax exempt under the provisions of the Income Tax Act.

Basis of Accounting

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

Capital Assets

Capital assets are stated at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution and are amortized, unless fair value is not determinable in which case contributed capital assets are recorded at a nominal value at the date of contribution. Amortization is provided using the straight-line method, which will amortize the cost of these assets over their estimated useful lives as follows:

Website	7 years
Memory tree	5 years
Computer equipment	5 years
Furniture and equipment	5 years

Revenue Recognition

The organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital asset. 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. Fundraising, education and provincial conference revenue is recognized when the event is held. Investment and other income is recognized in the period it is earned.

MANITOBA HOSPICE FOUNDATION INC.

Notes to Financial Statements

For the year ended March 31, 2021

1. Nature of Business and Summary of Significant Accounting Policies (continued)

Government Assistance

The organization makes periodic applications for financial assistance under government incentive programs including investment tax credits. Government assistance received during the year for current expenses is included in the determination of net income for the year.

Contributed Services

Volunteers contribute many hours per year to assist the Foundation in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets in actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

2. Short-term Investments

	2021		2020	
	Market	Cost	Market	Cost
Cash	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Fixed income	67,145	66,863	51,962	54,825
Mutual funds	18,186	18,186	24,420	24,420
	\$ 86,331	\$ 86,049	\$ 77,382	\$ 80,245

MANITOBA HOSPICE FOUNDATION INC. Notes to Financial Statements

For the year ended March 31, 2021

3. Investment

	2021	2020
Guaranteed investment certificate Interest at 3.00%, matures January 21, 2022	\$ 40,000	\$ 40,000

4. Capital Assets

	2021			2020		
	Accumulated Cost	Amortization	Net Book Value	Accumulated Cost	Amortization	Net Book Value
Website	\$ 26,350	\$ 24,468	\$ 1,882	\$ 26,350	\$ 20,704	\$ 5,646
Furniture and equipment	4,444	4,000	444	4,444	3,111	1,333
Memory tree	7,278	5,095	2,183	7,278	3,639	3,639
Computer equipment	33,307	13,344	19,963	13,625	6,682	6,943
	\$ 71,379	\$ 46,907	\$ 24,472	\$ 51,697	\$ 34,136	\$ 17,561

5. Deferred Contributions Related to Capital Assets

	2021	2020
Balance, beginning of year	\$ 15,464	\$ 23,583
Contributions	10,000	-
Amortization of deferred contributions	(10,119)	(8,119)
	\$ 15,345	\$ 15,464

Deferred contributions related to the purchase of capital assets are deferred upon receipt and recognized as revenue on the same basis as the amortization on the related capital assets.

6. Internally Restricted Net Assets

The Foundation's board of directors has approved to internally restrict resources from the accumulated unrestricted net assets to be used for future activities of the Foundation. The total internally restricted net assets for the year is \$86,331 (\$77,382 in 2020). This restricted amount is not available for unrestricted purposes without approval from the board of directors.

MANITOBA HOSPICE FOUNDATION INC. Notes to Financial Statements

For the year ended March 31, 2021

7. Grants

	2021	2020
United Way of Winnipeg		
Operating Grant	\$ 149,390	\$ 149,830
COVID-19 Emergency Community Support Fund	20,000	-
Canada Emergency Wage Subsidy	39,704	-
Winnipeg Regional Health Authority	84,336	84,336
Province of Manitoba	11,162	-
The Winnipeg Foundation		
Operating grant	3,865	10,000
Stabilization grant	25,000	-
Other	6,650	2,788
	\$ 340,107	\$ 246,954

8. Endowment Funds

The Foundation has established an endowment fund to be administered by The Winnipeg Foundation. Interest earned by this fund is paid annually to the Foundation to support its operations. The capital amount of the Endowment Fund is retained by The Winnipeg Foundation and is not available to the Foundation. The market value of the fund as at March 31, 2021 was \$21,854 (\$16,913 in 2020). Disbursement from the Endowment Fund for the year was \$912 included in investment income on the statement of operations.

During 2012, the Foundation established the Sharon Carstairs Caring Community Award to help promote awareness of palliative and end of life care and to financially assist a Manitoba-based organization in providing this care and service. The annual award is \$1,500 (\$1,500 in 2020). In 2018 the fund was transferred to the Winnipeg Foundation to be administered. Interest earned by this fund is paid annually to the Foundation to support the Sharon Carstairs Caring Community Award. The capital amount of the Sharon Carstairs Fund is retained by The Winnipeg Foundation and is not available to the Foundation. The market value of the fund as at March 31, 2021 was \$31,981 (\$26,341 in 2020). Disbursement from the Sharon Carstairs Fund for the year was \$Nil as the award was deferred to the 2021 conference.

9. Commitments

The organization has future payments under an operating lease for the next three years as follows:

2022	4,734
2023	4,734
2024	2,762

MANITOBA HOSPICE FOUNDATION INC.

Notes to Financial Statements

For the year ended March 31, 2021

10. Financial Instrument Risk

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is not exposed to interest rate risk because its investments can be redeemed without penalty. As a result, the impact of interest rate changes on operations has been fully mitigated.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Foundation is exposed to fluctuations in equity markets on its investments.

Liquidity Risk

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is mainly exposed to credit risk through the credit quality of the individuals and businesses in which the Foundation has invested.

11. Uncertainty Due to COVID-19

On March 11, 2020, the World Health Organization classified the COVID-19 outbreak as a global pandemic. The global pandemic has disrupted economic activities. Although there has not been a significant impact to the current year's financial results, the Foundation has experienced cancellations or postponements of events in current year end due to the pandemic. Although the disruption is expected to be temporary, given the dynamic nature of these circumstances, the duration of the disruption and its financial impacts cannot be reasonably estimated at this time. The Foundation's ability to pay for its operating costs depends on the continued ability to generate cash from donations and grants.

MANITOBA HOSPICE FOUNDATION INC.
Schedule of Provincial Conference

For the year ended March 31	2021	2020
Revenue		
Registrations	\$ -	\$ 77,550
Sponsorships	-	9,885
Exhibits	-	6,415
Advertising	-	280
Auction	-	986
	<u>-</u>	<u>95,116</u>
Expenses		
Advertising	-	8
Contract services (recovery)	(1,673)	8,285
Facility equipment rental	200	50,499
Miscellaneous	21	108
Gifts	-	30
Volunteer support	-	1,520
	<u>(1,452)</u>	<u>60,450</u>
Revenue over expenses	\$ 1,452	\$ 34,666