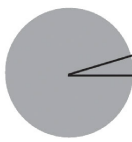


MANITOBA HOSPICE FOUNDATION INC.
(Operating as Palliative Manitoba)
Financial Statements
Year Ended March 31, 2023



INDEPENDENT AUDITOR'S REPORT

To the Members of Manitoba Hospice Foundation Inc.

Qualified Opinion

We have audited the financial statements of Manitoba Hospice Foundation Inc., operating as Palliative Manitoba, (the Foundation), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net assets and cash flows, and the schedule to the financial statements 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, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many charitable 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 donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2023, current assets and net assets.

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 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 the financial statements in accordance with ASNPO, 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.

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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.



Chartered Professional Accountants
1515 One Lombard Place
Winnipeg MB R3B 0X3
June 28, 2023


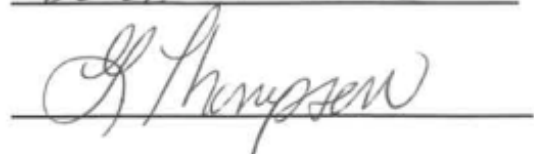
Manitoba Hospice Foundation Inc.
(Operating as Palliative Manitoba)

Statement of Financial Position

March 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 84,279	\$ 139,069
Short-term investment (Note 3)	40,000	40,000
Goods and services tax receivable	459	928
Prepaid expenses	4,465	6,804
	129,203	186,801
MARKETABLE SECURITIES (Note 4)	139,443	128,269
CAPITAL ASSETS (Note 5)	21,933	34,257
	\$ 290,579	\$ 349,327
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 12,211	\$ 17,238
Government remittances payable	2,223	1,001
Deferred revenue	10,110	9,500
Canada Emergency Business Account Loan (Note 6)	40,000	-
	64,544	27,739
CANADA EMERGENCY BUSINESS ACCOUNT LOAN (Note 6)	-	40,000
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 7)	-	6,425
	64,544	74,164
NET ASSETS		
Unrestricted	85,085	143,248
Internally restricted	140,950	131,915
	226,035	275,163
	\$ 290,579	\$ 349,327

APPROVED BY THE BOARD:

Manitoba Hospice Foundation Inc.
(Operating as Palliative Manitoba)

Statement of Operations

Year Ended March 31, 2023

	2023	2022
REVENUE		
Grants <i>(Note 8)</i>	\$ 262,786	\$ 344,439
Provincial conference <i>(Schedule)</i>	78,824	29,254
Donations	42,343	45,130
Education	5,700	5,040
Fundraising	54,085	65,300
Investment income	4,760	2,239
Membership	490	290
Partnership	200	-
Amortization of deferred contributions <i>(Note 7)</i>	6,425	8,920
	455,613	500,612
EXPENSES		
Advertising and promotion	7,894	265
Amortization	12,323	10,443
Equipment and furnishings	8,687	10,389
Fundraising	8,775	4,490
Insurance	5,182	3,605
Interest and bank charges	5,724	5,191
Meeting and seminars	356	1,815
Membership, dues and subscriptions	865	845
Miscellaneous	1,077	290
Office	5,181	9,642
Professional development	7,381	4,622
Professional fees	4,012	6,751
Program	7,642	19,581
Provincial conference <i>(Schedule)</i>	51,296	7,279
Rent	2,215	2,031
Salaries and employee benefits	372,668	347,272
Telephone	2,932	3,231
Volunteer support costs	531	382
	504,741	438,124
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	\$ (49,128)	\$ 62,488

Manitoba Hospice Foundation Inc.
(Operating as Palliative Manitoba)

Statement of Changes in Net Assets

Year Ended March 31, 2023

	Unrestricted	Endowment fund	Internally Restricted	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 143,248	-	\$ 131,915	\$ 275,163	\$ 212,675
(Deficiency) excess of revenue over expenses	(52,163)	-	3,035	(49,128)	62,488
40th Anniversary Endowment fund contribution (Note 10)	-	12,000	-	12,000	-
Transfer to the Winnipeg Foundation (Note 10)	-	(12,000)	-	(12,000)	-
Transfer to internally restricted (Note 9)	(6,000)	-	6,000	-	-
NET ASSETS - END OF YEAR	\$ 85,085	-	\$ 140,950	\$ 226,035	\$ 275,163

Manitoba Hospice Foundation Inc.
(Operating as Palliative Manitoba)

Statement of Cash Flows

Year Ended March 31, 2023

	2023	2022
CASH PROVIDED BY (USED BY)		
(Deficiency) excess of revenue over expenses	\$ (49,128)	\$ 62,488
Non-cash adjustments		
Amortization of capital assets	12,323	10,443
Amortization of deferred contributions	(6,425)	(8,920)
Unrealized (gain) loss on investments	(1,389)	2,650
	(44,619)	66,661
Changes in non-cash working capital		
Goods and services tax receivable	469	(93)
Accounts receivable	-	3,000
Prepaid expenses	2,339	(4,176)
Accounts payable and accrued liabilities	(5,027)	(8,014)
Government remittance payable	1,222	(162)
Deferred revenue	610	(14,822)
	(45,006)	42,394
Cash flow (used) provided by operating activities	(45,006)	42,394
INVESTING ACTIVITIES		
Purchase of capital assets	-	(20,227)
Purchase of marketable securities	(90,790)	(48,230)
Proceeds on sale of marketable securities	81,006	2,639
	(9,784)	(65,818)
Cash flow (used) by investing activities	(9,784)	(65,818)
FINANCING ACTIVITIES		
Canada Business Emergency Account Loan proceeds, net	-	40,000
	-	40,000
Cash flow provided by financing activities	-	40,000
(DECREASE) INCREASE IN CASH FLOW	(54,790)	16,576
CASH - BEGINNING OF YEAR	139,069	122,493
CASH - END OF YEAR	\$ 84,279	\$ 139,069

MANITOBA HOSPICE FOUNDATION INC.
(Operating as Palliative Manitoba)
Notes to Financial Statements
Year Ended March 31, 2023

1. NATURE OF ACTIVITIES

Manitoba Hospice Foundation Inc. (the Foundation) is a registered charity and as such is exempt from income tax.

The Foundation was incorporated without share capital under the Corporations Act of Manitoba in 1983 and operates as Palliative Manitoba. The Foundation provides development of hospice palliative care for people in Manitoba.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and includes the following significant accounting policies:

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	5 years	straight-line method
Furniture and fixtures	5 years	straight-line method
Leasehold improvements	5 years	straight-line method
Memory tree	5 years	straight-line method
Website	7 years	straight-line method

Deferred capital grant

The Foundation has received grants to fund the acquisition of capital assets. These grants are being amortized over the same period of time as the assets that were acquired with these grants.

Revenue recognition

Manitoba Hospice Foundation Inc. 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. Fundraising and provincial conference revenue is recognized when earned. Investment and other income is recognized in the period it is received.

Government assistance

Government assistance towards current expenses, including salaries, is recognized as revenue at the time the expense is incurred, providing there is reasonable assurance that the Foundation has complied and will continue to comply with all the conditions of the government assistance.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

(continues)

MANITOBA HOSPICE FOUNDATION INC.
(Operating as Palliative Manitoba)
Notes to Financial Statements
Year Ended March 31, 2023

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

Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in publicly traded companies that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations..

The financial assets subsequently measured at amortized cost include cash and short-term investment. The marketable securities are measured at fair value. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities and Canada Emergency Business Account Loan.

Transaction costs are expensed as they are incurred.

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.

Significant areas requiring the use of management estimates relate to accrued liabilities and the useful life of capital assets. Management believes its estimates to be appropriate; however, actual results could differ from these estimates.

3. SHORT-TERM INVESTMENT

	2023	2022
Guaranteed investment certificate with Royal Bank of Canada		
0.60% matures on January 21, 2022	\$ -	\$ 40,000
4.30% matures on July 3, 2023	40,000	-
	\$ 40,000	\$ 40,000

MANITOBA HOSPICE FOUNDATION INC.
(Operating as Palliative Manitoba)
Notes to Financial Statements
Year Ended March 31, 2023

4. MARKETABLE SECURITIES

	2023	2022
<u>CIBC Wood Gundy - carried at fair value</u>		
Fixed income	\$ 75,001	\$ 105,323
Mutual funds	64,442	22,946
	\$ 139,443	\$ 128,269
 <u>CIBC Wood Gundy - at cost</u>		
Fixed income	\$ 75,980	\$ 107,693
Mutual funds	64,442	22,944
	\$ 140,422	\$ 130,637

5. CAPITAL ASSETS

	2023		2022	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Computer equipment	\$ 33,897	\$ 26,784	\$ 33,897	\$ 20,005
Furniture and fixtures	9,983	6,441	9,983	4,444
Leasehold improvements	14,098	2,820	14,098	-
Memory tree	7,278	7,278	7,278	6,550
Website	26,350	26,350	26,350	26,350
	\$ 91,606	\$ 69,673	\$ 91,606	\$ 57,349
 Net book value	\$ 21,933		\$ 34,257	

MANITOBA HOSPICE FOUNDATION INC.
(Operating as Palliative Manitoba)
Notes to Financial Statements
Year Ended March 31, 2023

6. CANADA EMERGENCY BUSINESS ACCOUNT LOAN

	2023	2022
Government of Canada loan issued by Royal Bank of Canada, with unpaid principal of \$60,000.	\$ 40,000	\$ 40,000
Amounts payable within one year	(40,000)	-
	\$ -	\$ 40,000

The Canada Emergency Business Account Loan is an interest free loan issued by the Government of Canada through Royal Bank of Canada to assist with operating costs of the Foundation as a result of a reduction in revenue due to COVID-19. An amount up to 25%, or \$20,000, of the total value of the loan will be forgiven if the Organization repays the \$40,000 on or before December 31, 2023. If the full amount of the \$40,000 of the loan is not repaid by December 31, 2023, the loan will be extended into a two year loan bearing interest at 5%. It is Management's opinion that the Foundation will repay the \$40,000 by December 31, 2023. The Foundation recognized the \$20,000 in net income as the forgivable portion of Canada Emergency Business Account loan in grant revenue.

Principal repayment terms are approximately:

Before December 31, 2023	<u>\$ 40,000</u>
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7. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	2023	2022
Balance, beginning of year	\$ 6,425	\$ 15,345
Amortization of deferred contributions	(6,425)	(8,920)
	\$ -	\$ 6,425

MANITOBA HOSPICE FOUNDATION INC.
(Operating as Palliative Manitoba)
Notes to Financial Statements
Year Ended March 31, 2023

8. GRANTS

	2023	2022
United Way of Winnipeg		
Operating Grant	\$ 155,371	\$ 149,400
Canada Emergency Wage Subsidy	-	22,038
Forgivable portion of Canada Emergency Business		
Account Loan (Note 6)	-	20,000
Winnipeg Regional Health Authority	84,336	84,336
Province of Manitoba	-	11,162
The Winnipeg Foundation		
Operating Grant	13,902	4,178
Stabilization grant	-	35,000
Other	9,177	13,325
Gift Funds Canada	-	5,000
	\$ 262,786	\$ 344,439

9. INTERNALLY RESTRICTED NET ASSETS

The board of directors of the Foundation approved the allocation of a portion of the accumulated net assets to be internally restricted for the purpose of being used in future activities of the Foundation. In the current year, \$6,000 (2022 - \$46,000) was allocated to the internally restricted net assets.

MANITOBA HOSPICE FOUNDATION INC.
(Operating as Palliative Manitoba)
Notes to Financial Statements
Year Ended March 31, 2023

10. ENDOWMENT FUNDS

Palliative Manitoba Endowment Fund

The Foundation has established an endowment fund, which is administered by The Winnipeg Foundation. The endowment funds held by The Winnipeg Foundation are not available to be used by the Foundation. The endowment fund pays interest to the Foundation on an annual basis to support its operations.

	2023	2022
Market value - beginning of year	\$ 22,807	\$ 21,854
Amount available for granting	<u>1,019</u>	<u>-</u>
	23,826	21,854
Contributions received	25	212
Return on investment	2,046	(87)
Grant approved	(1,019)	(992)
(Loss) gain on fair market value of investments	(2,910)	1,984
Administrative fee	(105)	(119)
Investment fees	<u>(47)</u>	<u>(45)</u>
Market value - end of year	<u>\$ 21,816</u>	<u>\$ 22,807</u>

During the fiscal year, the Foundation collected \$12,000 for the 40th Anniversary Endowment Fund Campaign. The funds collected were transferred to the Palliative Manitoba Endowment Fund which is administered by the Winnipeg Foundation.

Sharon Carstairs Fund

In 2012, the Foundation established the Sharon Carstairs Caring Community Award. The purpose of the award is to promote awareness of palliative and end-of-life care and to financially assist a Manitoba-based organization in providing this care and service. The amount of the annual award is \$1,500 (2022 - \$1,500). The Foundation also transferred the administration of these funds to the Winnipeg Foundation in 2018. Interest on this fund is paid annually to support the Sharon Carstairs Caring Community Award.

	2023	2022
Market value - beginning of year	\$ 31,765	\$ 31,981
Amount available for granting	<u>1,474</u>	<u>1,504</u>
	33,239	33,485
Return on investment	2,843	87
(Loss) on fair market value of investments	(4,108)	(120)
Grant approved	(1,474)	(1,504)
Administrative fee	(146)	(120)
Investment fees	<u>(66)</u>	<u>(63)</u>
	<u>\$ 30,288</u>	<u>\$ 31,765</u>

MANITOBA HOSPICE FOUNDATION INC.
(Operating as Palliative Manitoba)
Notes to Financial Statements
Year Ended March 31, 2023

11. COMMITMENTS

The Foundation is required to make future payments under an operating lease for the next two years as follows;

2024	<u>\$ 2,762</u>
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12. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Foundation's risk exposure and concentration as of March 31, 2023. There has been no significant change in risks from the prior year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

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.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through its normal operating and financing activities. The Foundation is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Manitoba Hospice Foundation Inc.
(Operating as Palliative Manitoba)

Schedule of Provincial Conference

Year Ended March 31, 2023

	2023	2022
REVENUE		
Registration	\$ 64,106	\$ 20,026
Sponsorship	8,375	7,500
Exhibits	4,875	350
Advertising	100	80
Auction	1,368	1,298
	<u>78,824</u>	<u>29,254</u>
EXPENSES		
Contract services	8,875	1,850
Facility equipment rental	35,601	3,576
Gifts	2,784	-
Miscellaneous	289	353
Travel	2,247	-
Volunteer support	1,500	1,500
	<u>51,296</u>	<u>7,279</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 27,528</u>	<u>\$ 21,975</u>