MANITOBA CARDIAC INSTITUTE (REH-FIT) FOUNDATION INC.

Financial Statements

For the year ended March 31, 2023

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Contents

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Independent Auditor's Report

To the Board of Directors of Manitoba Cardiac Institute (Reh-Fit) Foundation Inc.

Opinion

We have audited the financial statements of Manitoba Cardiac Institute (Reh-Fit) Foundation Inc. (the "Foundation"), which comprise the statement of financial position as at March 31, 2023, and the statements of changes in fund balances, 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, 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 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 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 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
June 19, 2023

MANITOBA CARDIAC INSTITUTE (REH-FIT) FOUNDATION INC.
Statement of Financial Position

March 31	General Fund	Endowment Fund	Building & Equipment Fund	2023 Total	2022 Total
Assets					
Current Assets					
Cash and cash equivalents (Note 3)	$ 48,823	$ 121,116	$ 6,075,984	$ 6,245,923	$ 5,366,886
Accounts receivable	664	-	-	664	285
Accrued interest	-	-	15,000	15,000	6,000
	49,487	121,116	6,090,984	6,261,587	5,373,171
Interfund balances	2,909	(2,929)	20	-	-
	$ 52,396	$ 118,187	$ 6,091,004	$ 6,261,587	$ 5,373,171
Liabilities and Fund Balances					
Current Liabilities					
Accounts payable and accrued liabilities	$ 6,355	$ -	$ -	$ 6,355	$ 6,066
Fund Balances					
Restricted	-	118,187	6,091,004	6,209,191	5,310,952
Unrestricted	46,041	-	-	46,041	56,153
	46,041	118,187	6,091,004	6,255,232	5,367,105
	$ 52,396	$ 118,187	$ 6,091,004	$ 6,261,587	$ 5,373,171

Approved by the Board:

_____________________ Director _____________________ Director

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

MANITOBA CARDIAC INSTITUTE (REH-FIT) FOUNDATION INC.
Statement of Changes in Fund Balances

For the year ended March 31	General Fund	Endowment Fund	Building & Equipment Fund	2023 Total	2022 Total
Fund balance, beginning of year	**$ 56,153**	**$ 114,213**	**$ 5,196,739**	**$ 5,367,105**	$ 5,006,153
Excess of revenue over expenses	**(10,112)**	**3,974**	**894,265**	**888,127**	360,952
Fund balance, end of year	**$ 46,041**	**$ 118,187**	**$ 6,091,004**	**$ 6,255,232**	$ 5,367,105

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

MANITOBA CARDIAC INSTITUTE (REH-FIT) FOUNDATION INC.
Statement of Operations

For the year ended March 31	General Fund	Endowment Fund	Building & Equipment Fund	2023 Total	2022 Total
Revenues					
Donations	$ 1,269,306	$ 1,500	$ -	$ 1,270,806	$ 190,908
Direct mail campaign	8,330	-	-	8,330	12,110
Gift from Manitoba Cardiac Institute (Reh-Fit) Inc.	-	-	800,000	800,000	310,000
Investment income	1,206	2,474	92,385	96,065	28,021
Miscellaneous income	-	-	1,880	1,880	1,179
	1,278,842	3,974	894,265	2,177,081	542,218
Expenses					
Administrative expenses	10,350	-	-	10,350	12,178
Direct mail	6,449	-	-	6,449	4,779
Loss on sale of investments	-	-	-	-	497
	16,799	-	-	16,799	17,454
Excess of revenues over expenses before other item	1,262,043	3,974	894,265	2,160,282	524,764
Other Item					
Gift to Manitoba Cardiac Institute (Reh-Fit) Inc.	1,272,155	-	-	1,272,155	163,812
Excess (deficiency) of revenues over expenses	$ (10,112)	$ 3,974	$ 894,265	$ 888,127	$ 360,952

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

MANITOBA CARDIAC INSTITUTE (REH-FIT) FOUNDATION INC.
Statement of Cash Flows

For the year ended March 31	2023	2022
Cash provided by (used in):		
Cash Flows from Operating Activities		
Excess of revenue over expenses for the year	**$ 888,127**	$ 360,952
Changes in non-cash working capital balances		
Accounts receivable	**(379)**	(1)
Prepaid expenses	**(9,000)**	(6,000)
Accounts payable	**289**	(83)
	879,037	354,868
Cash Flows from Financing Activities		
Repayments from related party	**-**	286
Increase in cash and cash equivalents	**879,037**	355,154
Cash and cash equivalents, beginning of year	**5,366,886**	5,011,732
Cash and cash equivalents, end of year	**$ 6,245,923**	$ 5,366,886

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

1. Nature of the Organization

The Manitoba Cardiac Institute (Reh-Fit) Foundation Inc. (the "Foundation") is a non-profit organization incorporated under The Corporations Act of Manitoba and is a registered Canadian charity exempt from income tax under section 149 of the Income Tax Act. The Foundation receives and maintains funds in order to promote the welfare and good of The Manitoba Cardiac Institute (Reh-Fit) Inc. (the "Institute").

2. Summary of Significant Accounting Policies

Basis of Accounting

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

Fund Balances

The Foundation follows the deferral method of accounting when designating its resources into funds. There are no external restrictions on funds.

General Fund - The General Fund is available to support the mission and activities of the Foundation.

The General Fund accumulates all the fundraising activities of the Foundation including general gifts received via tribute cards, direct mail and on-line donations, personal approach of individuals, corporations, and foundations/organizations, and other fundraising activities.

Endowment Fund - The Endowment Fund accumulates all donations to be added to a named fund established under the Endowment Fund. Gifts are made by the Foundation to the Institute in accordance with the Terms of Reference of each such named fund.

Building & Equipment Fund - The Building & Equipment Fund was established to accumulate funds to make gifts to the Institute for use in maintaining, repairing, replacing and expanding the facilities and equipment used in its activities.

Interfund balances are unsecured, due on demand and are non-interest bearing.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances and investments in money market, fixed income and mutual fund instruments with maturities of three months or less.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

The Foundation follows the deferral method of accounting for contributions. General Fund fundraising revenues are recognized upon completion of the event. Investment income is recognized on an accrual basis as revenue in the appropriate fund. Contributions are recorded in the appropriate fund in the year received unless the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed Services and Materials

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

Contributed materials which are used in the normal course of the Foundation's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with 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 balance sheet date and charged to the financial instrument for those measured at amortized cost.

3. Cash and Cash Equivalents

	2023	2022
Cash in bank	**$ 4,262,310**	$ 3,437,196
Investments		
High interest e-savings accounts - Building and equipment	**1,819,444**	1,779,691
High interest e-savings account - General	**44,553**	53,347
High interest e-savings account - Endowment	**73,484**	51,805
Money market funds, carried at market value - Endowment	**46,132**	44,847
	$ 6,245,923	$ 5,366,886

4. Manitoba Cardiac Institute (Reh-Fit) Inc.

The Foundation's intended purpose is to act as a fundraising body for the benefit of the Institute. The Foundation relies on the Institute for administrative support in carrying on its activities. The Foundation exists for the sole purpose of supporting the vision and mission of the Institute. In addition, the Institute could control the Foundation under certain circumstances by becoming its sole member and, as sole member, electing the directors of the Foundation.

During the year, the Foundation gifted $1,272,155 to the Institute ($163,812 in 2022).

The Manitoba Cardiac Institute (Reh-Fit) Inc. made a specified gift of $800,000 ($310,000 in 2022) to the Building & Equipment Fund held in the Foundation.

5. Financial Instrument Risk

The Foundation is exposed to different types of risk in the normal course of operations, including credit risk, market risk and liquidity risk. The Foundation's objective in risk management is to optimize the risk return trade-off, within set limits, by applying integrated risk management and control strategies, policies and procedures throughout the organization's activities. The risks have not changed from the previous period.

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Foundation to credit risk consist principally of cash and cash equivalents, accounts receivable and short-term investments. Credit risk from its investments is managed through investment leadership from the Finance and Investment Committee and by investing in high quality and insured financial products.

Market Risk

Market risk is the risk the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign exchange risk and other price risk.

5. Financial Instrument Risk (continued)

Market Risk (continued)

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Foundation is not exposed to significant interest rate risk. Its cash and cash equivalents are held in short-term or variable rate products.

The Foundation is not exposed to significant foreign exchange risk as it does not have any financial instruments denominated in foreign currency and the number of transactions in foreign currency are minimal.

Other price risk is the risk that the value of an investment will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or exchange risk), whether those changes are caused by factors specific to the individual investment or factors affecting similar financial instruments traded in the market. The Foundation limits its exposure to other price risks by investing in low risk investment vehicles.

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. The organization is not exposed to significant liquidity risk as its liquidity risk arises from accounts payable and accrued liabilities and sufficient assets are on hand to settle these financial liabilities.