
**THE CONCORDIA FOUNDATION
INC.**

FINANCIAL STATEMENTS

March 31, 2023

TABLE OF CONTENTS	Page
Auditor's Report	1
Statement of Operations	3
Statement of Changes in Net Assets	5
Statement of Financial Position	6-7
Statement of Cash Flow	8
Notes to Financial Statements	9



INDEPENDENT AUDITOR'S REPORT

To the directors of **The Concordia Foundation Inc.**,

Opinion

We have audited the financial statements of The Concordia Foundation Inc., which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net assets 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 Concordia Foundation Inc. as at March 31, 2023, and its financial performance 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 entity 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 the 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 entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity'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 entity'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 cause significant doubt on the entity'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 disclosure 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 entity 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.

Gislason Targownik Peters

CHARTERED PROFESSIONAL ACCOUNTANTS LLP

Winkler, Manitoba
May 25, 2023

THE CONCORDIA FOUNDATION INC.

Statement of Operations

For the year ended March 31, 2023

	General Fund			Capital Assets Replacement Fund	Restricted Fund (Note 10)	Total All Funds
	Community Support	Enterprise Operations	Total General Fund			
REVENUE						
Commissions	\$ 102,339	\$ 678	\$ 103,017	\$ -	\$ -	\$ 103,017
Donations	34,845	-	34,845	-	1,128,859	1,163,704
Fundraising	66,745	4,244	70,989	-	-	70,989
Grants	12	206,650	206,662	-	-	206,662
Interest	(8,146)	1,130	(7,016)	1,231	-	(5,785)
Interfund charges	150,021	(150,021)	-	-	-	-
Other	-	21,865	21,865	-	-	21,865
Parental fees	-	177,397	177,397	-	-	177,397
Rentals	-	762,362	762,362	-	-	762,362
	345,816	1,024,305	1,370,121	1,231	1,128,859	2,500,211
EXPENSES						
Equipment	-	82,908	82,908	-	-	82,908
Fundraising	105,488	2,178	107,666	-	-	107,666
Grants	-	-	-	-	1,083,568	1,083,568
Interest on debt	-	51,717	51,717	-	-	51,717
Contractors	-	122,210	122,210	-	-	122,210
Salaries and benefits	228,872	358,622	587,494	-	-	587,494
Spiritual care	-	80,172	80,172	-	-	80,172
Supplies and other	44,722	53,036	97,758	-	-	97,758
Utilities, taxes and maintenance	-	71,093	71,093	-	-	71,093
	379,082	821,936	1,201,018	-	1,083,568	2,284,586
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	(33,266)	202,369	169,103	1,231	45,291	215,625
Other item						
Amortization of capital assets	-	(230,094)	(230,094)	-	-	(230,094)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (33,266)	\$ (27,725)	\$ (60,991)	\$ 1,231	\$ 45,291	\$ (14,469)

THE CONCORDIA FOUNDATION INC.

Statement of Operations

For the year ended March 31, 2022

	General Fund			Capital Assets Replacement Fund	Restricted Fund	Total All Funds
	Community Support	Enterprise Operations	Total General Fund			
REVENUE						
Commissions	\$ 127,780	\$ (2,327)	\$ 125,453	\$ -	\$ -	\$ 125,453
Donations	45,987	-	45,987	-	1,250,519	1,296,506
Fundraising	68,615	2,539	71,154	-	-	71,154
Grants	4,902	242,628	247,530	-	-	247,530
Interest	42,404	1,587	43,991	2,118	-	46,109
Interfund charges	103,869	(103,869)	-	-	-	-
Other	-	20,687	20,687	-	-	20,687
Parental fees	-	147,738	147,738	-	-	147,738
Rentals	-	632,636	632,636	-	-	632,636
	393,557	941,619	1,335,176	2,118	1,250,519	2,587,813
EXPENSES						
Equipment	-	48,126	48,126	-	-	48,126
Fundraising	110,352	1,388	111,740	-	-	111,740
Grants	-	-	-	-	671,763	671,763
Interest on debt	-	58,906	58,906	-	-	58,906
Contractors	5,848	159,163	165,011	-	-	165,011
Salaries and benefits	128,368	324,346	452,714	-	-	452,714
Spiritual care	-	79,469	79,469	-	-	79,469
Supplies and other	20,553	51,679	72,232	-	-	72,232
Utilities, taxes and maintenance	-	71,655	71,655	-	-	71,655
	265,121	794,732	1,059,853	-	671,763	1,731,616
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	128,436	146,887	275,323	2,118	578,756	856,197
Other item						
Amortization of capital assets	-	(237,293)	(237,293)	-	-	(237,293)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 128,436	\$ (90,406)	\$ 38,030	\$ 2,118	\$ 578,756	\$ 618,904

THE CONCORDIA FOUNDATION INC.

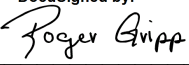
**Statement of Changes in Fund Balances
For the year ended March 31, 2023**

	General Fund				2023	2022
	Unrestricted	Invested in Capital Assets	Capital Assets Replacement Fund	Restricted Fund (Note 11)		
BALANCES - beginning	\$ 695,243	\$ 1,201,830	\$ 336,393	\$ 1,517,856	\$ 3,751,322	\$ 3,132,418
Excess (deficiency) of revenue over expenses	169,103	(230,094)	1,231	45,291	(14,469)	618,904
Interfund transfers						
Acquisition	(14,154)	14,154	-	-	-	-
Appropriation	(35,016)	-	35,016	-	-	-
Debt payments	(143,261)	143,261	-	-	-	-
BALANCES - Ending	\$ 671,915	\$ 1,129,151	\$ 372,640	\$ 1,563,147	\$ 3,736,853	\$ 3,751,322

THE CONCORDIA FOUNDATION INC.
Statement of Financial Position
As at March 31, 2023

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 693,347	\$ 836,111
Investments - unrestricted	49,943	53,176
Accounts receivable	73,315	146,499
Prepaid expenses	8,033	7,139
Due from related party (Note 3)	17,881	1,436
	842,519	1,044,361
RESTRICTED CASH AND INVESTMENTS (Note 4)	1,910,279	1,768,436
CAPITAL ASSETS (Note 5)	3,013,321	3,229,261
	\$ 5,766,119	\$ 6,042,058

APPROVED ON BEHALF OF THE BOARD:

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 _____ Director
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 _____ Director
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THE CONCORDIA FOUNDATION INC.
Statement of Financial Position
As at March 31, 2023

	2023	2022
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 103,135	\$ 164,721
Deferred revenue	41,961	98,584
	145,096	263,305
Callable debt - Mortgage (Note 7)	1,884,170	2,027,431
	2,029,266	2,290,736
NET ASSETS		
Unrestricted	671,915	695,243
Invested in capital assets	1,129,151	1,201,830
Capital Assets Replacement Fund	372,640	336,393
Restricted Fund (Note 9)	1,563,147	1,517,856
	3,736,853	3,751,322
	\$ 5,766,119	\$ 6,042,058

THE CONCORDIA FOUNDATION INC.
Statement of Cash Flow
For the year ended March 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ (14,469)	\$ 618,904
Non-cash items affecting operations:		
Amortization	230,094	237,293
Net change in non-cash working capital balances	(112,306)	51,183
	103,319	907,380
FINANCING ACTIVITIES		
Reduction of loans payable	(143,261)	(142,237)
INVESTING ACTIVITIES		
Acquisition of capital assets	(14,155)	(23,898)
Net decrease (increase) in restricted cash and investments	(88,667)	(525,731)
(DECREASE) INCREASE IN CASH AND EQUIVALENTS	(142,764)	215,514
CASH AND EQUIVALENTS - Beginning	836,111	620,597
CASH AND EQUIVALENTS - Ending	\$ 693,347	\$ 836,111

THE CONCORDIA FOUNDATION INC.
Notes to the Financial Statements
For the year ended March 31, 2023

1. PURPOSE OF THE ORGANIZATION

The Concordia Foundation Inc. serves as the philanthropic arm for the Concordia Campus family including, Concordia Hospital, Concordia Place, Concordia Village, Concordia Hip and Knee Institute and Operation Walk Winnipeg. The Foundation operates parking, cafeteria, volunteer services and other ancillary services at Concordia Hospital as a means to raise funds and support hospital operations.

The Foundation is incorporated under the Corporation Act in the Province of Manitoba and is a charitable public foundation exempt from income taxes under Section 149 (1) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements of the organization have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Financial instruments

Financial assets and liabilities are initially measured at fair value. Subsequent measurement of financial assets and liabilities are at amortized cost unless otherwise noted. Financial assets and liabilities measured at amortized cost consist of cash, accounts receivable, accounts payable and callable debt.

It is management's opinion that the organization is not exposed to significant credit, currency, interest rate, liquidity or market risks arising from these financial instruments, unless otherwise noted.

The organization is exposed to the following significant risks:

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 organization is not exposed to significant credit risk arising from its accounts receivable as the amount is typically collected when it is due.

Interest rate risk

Interest rate risk is the risk that the fair market value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization's exposure to interest rate risk is reduced because the rate applicable to its long-term debt is at a fixed rate.

THE CONCORDIA FOUNDATION INC.
Notes to the Financial Statements
For the year ended March 31, 2023

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to liquidity risk as it is dependent on receipt of funds from operations and continued support by financial institutions providing sufficient operating lending facilities.

Fund accounting

The Operating Fund accounts for general operating activities which include community support activities and enterprise operations, and capital assets.

The Capital Assets Replacement Fund reports amounts restricted by the Board of Directors to fund future major repairs and capital asset replacement. The Board of Directors approves an annual appropriation to this fund.

The Restricted Fund reports unspent contributions from donors and appropriations of the Board of Directors to provide research and support to the members of the Concordia Campus and to improve patient care. Funds are granted in accordance with the agreed upon stipulations with donors and criteria specified by the Board of Directors.

Investments

The organization uses the fair value method to record investments traded on an active market. Unrealized gains and losses are reported in income.

Capital assets

Capital assets are recorded at cost and are being amortized on the straight line basis at the following rates based on estimated useful life, except in the year of acquisition, when one-half of the rate is used:

Computer software	1 year
Day care centre leasehold improvements	25 years
Parking lot improvements	25 years
Furniture and fixtures	5 to 15 years
Pay station equipment	10 to 15 years
Leasehold improvements	10 to 25 years

The organization reviews capital assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

THE CONCORDIA FOUNDATION INC.
Notes to the Financial Statements
For the year ended March 31, 2023

Revenue recognition

The organization follows the restricted fund method of accounting for contributions. Unrestricted donations are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue of the Operating Fund when expenses are incurred. All other restricted contributions are recognized as revenue of the Restricted Fund when received or receivable. Childcare fees are recognized when services are provided. Commissions are recognized when revenue is earned in accordance with the agreement. Sales revenue is recognized when the goods are delivered and services are rendered. Rental revenue is recognized when the service is provided in accordance with the lease agreements. Fundraising and sponsorship revenue are recognized when the event occurs.

Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include: the estimated useful life of capital assets and accrued liabilities. Actual results could differ from these estimates.

Contributed services and materials

A substantial number of volunteers contribute a significant amount of their time each year. The volunteer hours during the reporting period totaled 1,433 hours (1,278 - 2022) and consisted of volunteer activities such as board meetings, board responsibilities, committee work, special visits and fundraising. Due to the difficulty of determining the fair market value, contributed services are not recognized in the financial statements.

Contributed materials which are used in the normal course of the organization'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.

THE CONCORDIA FOUNDATION INC.
Notes to the Financial Statements
For the year ended March 31, 2023

3. RELATED PARTY TRANSACTIONS

The Foundation has a balance due from Concordia Hospital of \$17,574 at March 31, 2023 (\$1,129 in 2022 due to Concordia Hospital). During the year, the Foundation made the following payments to Concordia Hospital which are included in the following expenses:

	2023	2022
Salaries and benefits	\$ -	\$ 452,713
Spiritual Care	80,173	79,469

The balances due between related parties are due on demand, are non-interest bearing, are unsecured and bears no specific terms of repayment. Transactions between related parties are recorded at the exchange amount and arose in the normal course of operations.

4. RESTRICTED CASH AND INVESTMENTS

Savings	\$ 1,223,257	\$ 1,399,708
Equity instruments	187,552	172,496
Guaranteed Investment Certificate	499,470	196,232
	\$ 1,910,279	\$ 1,768,436

The savings accounts bears interest ranging from 3.25% to 3.7% (0.75% to 0.95% in 2022). The Guaranteed Investment Certificates bear interest at 1.65% to 4.35% (1.65% in 2022) with maturity dates in August 2023 and June 2026.

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2023	Net 2022
Leasehold improvements	\$ 4,383,999	\$ 1,873,907	\$ 2,510,092	\$ 2,655,900
Furniture and fixtures	466,801	386,324	80,477	111,597
Pay station equipment	301,873	75,220	226,653	256,841
Parking lot improvements	243,126	160,567	82,559	92,284
Child day care centre leasehold improvements	233,799	120,259	113,540	112,639
Computer software	9,361	9,361	-	-
	\$ 5,638,959	\$ 2,625,638	\$ 3,013,321	\$ 3,229,261

THE CONCORDIA FOUNDATION INC.
Notes to the Financial Statements
For the year ended March 31, 2023

6. BANK INDEBTEDNESS

The organization has a line of credit available to a maximum of \$100,000, repayable on demand with interest at the rate of prime plus 1%. Bank indebtedness is secured by a demand promissory note, a general security agreement covering all assets of the organization and a corporate guarantee from Concordia Wellness Projects Inc.

7. CALLABLE DEBT - MORTGAGE

	2023	2022
Steinbach Credit Union Mortgage - repayable \$16,248 monthly including interest at a fixed rate of 2.64% until August 1, 2026 at which time the term will be due for renewal. Secured by a demand promissory note, a general security agreement covering all assets of the organization and a corporate guarantee from Concordia Wellness Projects Inc. Matures May 29, 2034.	\$ 1,884,170	\$ 2,027,431
Less: Callable debt	1,884,170	2,027,431
	\$ -	\$ -

Management does not believe that the demand features of the callable debt will be exercised in the current period. Assuming payment of the callable debt is not demanded, regular principal payments that will be required over the next five years are as follows.

	2023
2024	\$ 146,965
2025	151,012
2026	155,039
2027	159,174
2028	163,337

8. COMMITMENTS

The Foundation has entered into an agreement with Concordia Hospital for the lease of the cafeteria, fitness centre and parking lots. The minimum annual lease requirement is \$1 per year.

THE CONCORDIA FOUNDATION INC.

Notes to the Financial Statements
For the year ended March 31, 2023

9. RESTRICTED NET ASSETS

	Balance Beginning of Year	Transfers In	Revenue	Total	Transfers Out	Expenses	Total	Balance End of Year
Concordia Foundation								
Capital Campaign Seeds Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 467	\$ 467	\$ (467)
Chapel Fund	6,780	-	-	-	1,109	-	1,109	5,671
Comfort Care	5,465	-	250	250	-	5,490	5,490	225
Concordia Hospital Fund Inc.	(6,651)	2,218	5,465	7,683	-	1,781	1,781	(749)
Concordia Place Fund	26,630	-	2,876	2,876	1,109	20,505	21,614	7,892
Education & Professional Development Fund	-	-	-	-	-	1,522	1,522	(1,522)
Health and Fitness Centre	254,597	-	668	668	-	254,137	254,137	1,128
Heart of Care Nursing Station Fund	132,263	-	42,143	42,143	-	315,878	315,878	(141,472)
Learning to Care Fund	-	-	10,727	10,727	-	3,573	3,573	7,154
Operation Walk	36,014	-	83,190	83,190	-	51,073	51,073	68,131
OR Renovation Project Fund	-	-	237,080	237,080	-	31,840	31,840	205,240
P & J Patel Memorial Fund	-	-	24,902	24,902	-	2,490	2,490	22,412
SIMs Learning Lab	93,895	-	73,644	73,644	-	15,295	15,295	152,244
Spiritual Care Fund	-	-	30	30	-	-	-	30
	548,993	2,218	480,975	483,193	2,218	704,051	706,269	325,917
Hip and Knee								
Arthroplasty Chair Fund	758,496	-	175,499	175,499	-	207,366	207,366	726,629
Arthroplasty - Fellowship	89,686	-	265,119	265,119	-	96,126	96,126	258,679
Grant - Research	95,094	-	81,829	81,829	-	24,017	24,017	152,906
Hip and Knee - Research	23,133	-	124,400	124,400	-	51,904	51,904	95,629
Hip Attack	115	-	-	-	-	-	-	115
Legion Hinge Links	2,339	-	1,037	1,037	-	104	104	3,272
	968,863	-	647,884	647,884	-	379,517	379,517	1,237,230
	\$ 1,517,856	\$ 2,218	\$ 1,128,859	\$ 1,131,077	\$ 2,218	\$ 1,083,568	\$ 1,085,786	\$ 1,563,147