

**MANITOBA MEDICAL COLLEGE  
FOUNDATION INC.  
FINANCIAL STATEMENTS  
MARCH 31, 2010**

# MANITOBA MEDICAL COLLEGE FOUNDATION INC.

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March 31, 2010

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# RUNCHEY MIYAZAWA ABBOTT



## AUDITORS' REPORT

To the Board of Directors of  
**MANITOBA MEDICAL COLLEGE FOUNDATION INC.**

We have audited the statement of financial position of **MANITOBA MEDICAL COLLEGE FOUNDATION INC.** as at March 31, 2010 and the statements of operations and changes in fund balances for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

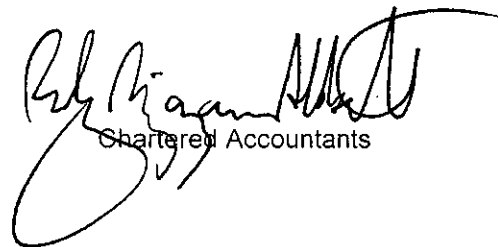
We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many non-profit organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to donation revenue, assets and fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The prior year figures were reported on by other auditors.

Winnipeg, Manitoba  
September 9, 2010



Chartered Accountants

**MANITOBA MEDICAL COLLEGE FOUNDATION INC.**

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**STATEMENT OF FINANCIAL POSITION**March 31, 2010

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	2010	2009
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 23,203	148,650
Accounts receivable	1,049	449
	<u>24,252</u>	149,099
<b>INVESTMENTS</b> (note 3)	<u>3,986,433</u>	3,200,611
	<u><u>4,010,685</u></u>	<u><u>3,349,710</u></u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	14,114	22,264
Distributions pending	31,639	11,451
	<u>45,753</u>	33,715
<b>FUND BALANCES</b>		
<b>GENERAL/DISCRETIONARY</b> (page 4)	1,319,317	1,147,657
<b>NON-DISCRETIONARY</b> (page 4)	2,645,615	2,168,338
	<u>3,964,932</u>	3,315,995
	<u><u>\$ 4,010,685</u></u>	<u><u>3,349,710</u></u>

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

**MANITOBA MEDICAL COLLEGE FOUNDATION INC.****STATEMENT OF OPERATIONS**

For the year ended March 31, 2010

	2010		2009	
	GENERAL/ DISCRETIONARY FUND	NON- DISCRETIONARY FUND	TOTAL	TOTAL
<b>REVENUE</b>				
Donations and bequests	\$ 27,733	44,908	72,641	209,305
Investment income	30,288	114,001	144,289	186,032
Memberships	15,213		15,213	9,610
Administration fee	13,553		13,553	
Other				50
	<u>86,787</u>	<u>158,909</u>	<u>245,696</u>	<u>404,997</u>
<b>EXPENDITURES</b>				
Administration fee	4,342	9,211	13,553	
Audit	3,670		3,670	3,209
Awards, bursaries and scholarships	71,510	98,755	170,265	106,504
Collection charges				384
Investment management fees	13,312		13,312	12,559
Meetings	1,537		1,537	390
Newsletter	7,670		7,670	
Printing, postage and stationery	1,569		1,569	587
Promotion	1,970		1,970	3,343
Salaries and benefits	23,591		23,591	19,445
Telephone	508		508	946
	<u>129,679</u>	<u>107,966</u>	<u>237,645</u>	<u>147,367</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR YEAR</b>	\$ (42,892)	50,943	8,051	257,630

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

**MANITOBA MEDICAL COLLEGE FOUNDATION INC.****STATEMENT OF CHANGES IN FUND BALANCES**

For the year ended March 31, 2010

	2010			2009
	GENERAL/ DISCRETIONARY FUND	NON- DISCRETIONARY FUND	TOTAL	TOTAL
<b>FUND BALANCE</b> , beginning of year	\$ 1,393,294	2,632,434	4,025,728	3,768,098
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR YEAR</b>	(42,892)	50,943	8,051	257,630
<b>FUND BALANCE</b> , before changes in fair value	1,350,402	2,683,377	4,033,779	4,025,728
Accumulated change in fair value of investments, beginning of year	(245,637)	(464,096)	(709,733)	77,518
Net change in fair value of investments during year	214,552	426,334	640,886	(787,251)
Accumulated change in fair value of investments, end of year	(31,085)	(37,762)	(68,847)	(709,733)
<b>FUND BALANCE</b> , end of year	\$ 1,319,317	2,645,615	3,964,932	3,315,995

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

# MANITOBA MEDICAL COLLEGE FOUNDATION INC.

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## NOTES TO FINANCIAL STATEMENTS

March 31, 2010

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### 1. ENTITY DEFINITION

The Manitoba Medical College Foundation Inc. (MMCF) is a non-profit organization established to promote medical education and research, and administer Foundation funds established for the support of scholarships, research projects and visiting professorships. It was incorporated on November 16, 1977 under the Corporations Act of Manitoba and is registered with Canada Revenue Agency as a charitable organization.

### 2. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results may differ from those estimates. The significant accounting policies used in these financial statements are as follows:

#### Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

#### Fund Accounting

The Foundation follows the restricted fund method of accounting for donations and other receipts.

#### (a) General/Discretionary Fund

The General Fund has no restrictions as to the nature of the expenditures which may be made. The General Funds's revenue includes membership fees, investment income and miscellaneous donations. These funds may be used for various purposes, including administration costs, medical research, education and other medical related missions.

#### (c) Non-Discretionary Fund

Non-Discretionary Funds are gifts from donors held in perpetuity and administered under various designated and undesignated criteria.

#### Revenue Recognition

Donations and other revenue related to the General/Discretionary Fund and Non-Discretionary Funds are recognized as revenue in the year of receipt.

Investment income is recognized when earned.

Gains and losses on sales of investments are recognized when realized.

# MANITOBA MEDICAL COLLEGE FOUNDATION INC.

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## NOTES TO FINANCIAL STATEMENTS

March 31, 2010

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### Financial Instruments

All financial assets and liabilities are required to be initially recognized at fair value. In addition, all financial assets are to be classified as either "Held for trading", "Available for sale", "Held to maturity" or "Loans and receivables". Financial liabilities are to be classified as either "Held for trading" or "Other". After initial recognition, measurement of financial assets or liabilities is dependant on their classification. Financial assets or liabilities classified as "Held to maturity", "Loans and receivables" or "Other" are measured at amortized cost. Financial assets or liabilities classified as "Held for trading" are measured at fair value with gains or losses recognized in net income. Financial assets classified as "Available for sale" are measured at fair value with gains or losses recognized in net assets.

The Foundation's financial instruments consist of cash, accounts receivable, investments, accounts payable and accrued liabilities and distributions pending. The Foundation has classified cash and accounts receivable as "Held for trading", investments as "Available for sale", and accounts payable and accrued liabilities and distributions pending as "Other". The fair value of cash, accounts receivable, accounts payable and accrued liabilities and distributions pending approximate their carrying value. The fair value of investments was determined by using quoted market prices. The change in fair value of \$640,886 (2009 - \$(787,251)) has been recognized in net assets.

At March 31 of each year the Foundation assesses whether a financial asset is permanently impaired. If there is an objective evidence that an impairment loss exists, the amount of the loss is measured as the difference between the carrying amount of the asset and its fair value. The carrying amount of the asset is reduced and the amount of the loss is recognized in investment income.

Transaction costs for financial instruments are expensed in the period incurred and recognized in net income.

The Foundation's financial risks are as follows:

### Market risk

Investments consist of a pooled balanced fund managed professionally by an independent fund manager appointed by the Board of Directors. The Board of Directors places certain parameters on investments. The performance of the fund manager is routinely monitored by the Board.

The value of the pooled funds varies with the business, financial condition, management and other relevant factors affecting the underlying companies and entities that the pooled fund has invested in. In addition, general economic conditions of the markets in which such funds operate change, thereby exposing the Foundation to fluctuations in value of its investments.

### Credit Risk

The Foundation is exposed to credit risk to the extent that its donors may experience financial difficulty and would be unable to meet their obligations. The Foundation has a large number of diverse donors which minimizes this risk.

## 3. INVESTMENTS

	2010	2009
Pooled funds		
AMI Balanced Fund, at book value	\$ 4,055,280	3,910,344
Market value	\$ 3,986,433	3,200,611

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



**NOTES TO FINANCIAL STATEMENTS**

March 31, 2010

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**4. INVESTMENT INCOME ALLOCATION**

Each year the Board of Directors determines the amount of income earned by the fund that is to be allocated to the individual General/Discretionary and Non-Discretionary Funds. For the current year the allocation is 4.5% (2009 - 4.5%) of the average book value balance of each fund at December 31, 2007, 2008, 2009.

**5. STATEMENT OF CASH FLOWS**

Since the sources and uses of cash are apparent from a review of the financial statements, a statement of cash flows has not been prepared.

**6. CAPITAL DISCLOSURE**

The Foundation defines its capital as the amounts included in its Fund balances. Its objective when managing capital is to safeguard its ability to sustain itself as a going concern so that it can continue to provide benefits and services to its stakeholders.

Management and the Board of Directors considers fundraising campaigns, government grants and investment income to ensure that sufficient funds will be available to meet the Foundation's short and long-term objectives.

The Foundation monitors its financial performance against an annual budget. Surpluses from operational activities are accumulated in the General/Discretionary Fund and may be used to provide additional capital to the Non-Discretionary Fund.

The Foundation's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2009.

**7. COMPARATIVE FIGURES**

Certain of the comparative figures for the year ended March 31, 2009 have been restated to conform to the current year's presentation. Excess of revenue over expenditures for the year remain as previously reported.

**MANITOBA MEDICAL COLLEGE FOUNDATION INC.**

**SCHEDULE OF GENERAL/DISCRETIONARY FUND BALANCES**

For the year ended March 31, 2010

	Balance March 31, 2009	Revenue	Expenditures	Increase (Decrease) for the year	Balance March 31, 2010
Anesthesia Clinical Fund	\$ 2,039	599	9	590	2,629
Blanchaer Student Bursary Fund	8,815	2,388	38	2,350	11,165
Capital Fund	1,924	87	7	80	2,004
Cliff William Hall Memorial Fund	27,154	1,233	1,096	137	27,291
Clinical Learning Centre	50	2,200	8	2,192	2,242
Community Medicine Education and Research	554	228	501	(273)	281
Dale Iwanoczko Memorial Fund	13,746	636	724	(88)	13,658
Dept. of Physiology Library Trust	4,630	203	16	187	4,817
Dr. E. S. Bryngelson Memorial Fund	67,402	3,055	3,038	17	67,419
Dr. Helen M. Cairncross Memorial Fund	34,477	1,566	1,347	219	34,696
Dr. J. Burgess Memorial Fund	10,123	466	536	(70)	10,053
Dr. S. Malis Library Fund	12,019	527	546	(19)	12,000
Estate of Flora J. Mower	169,035	7,761	8,598	(837)	168,198
Estate of George A. Keates	248,449	11,032	10,877	155	248,604
General Library Fund	58,972	11,418	3,652	7,766	66,738
General Operations	151,523	8,225	53,827	(45,602)	105,921
General Student Support Fund	139,334	20,050	5,615	14,435	153,769
Jack Hildes Memorial Fund	53,682	2,380	182	2,198	55,880
Joseph Doupe Fund	55,732	2,654	197	2,457	58,189
Life Membership Fund	120,361	5,340	445	4,895	125,256
Ophthalmology Education and Research	47,167	2,115	166	1,949	49,116
Parkland Family Medicine Trust	5,116	225	19	206	5,322
Reserve Fund	107	5	1	4	111
Carried forward	\$ 1,232,411	84,393	91,445	(7,052)	1,225,359

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

**MANITOBA MEDICAL COLLEGE FOUNDATION INC.**

**SCHEDULE OF GENERAL/DISCRETIONARY FUND BALANCES**

For the year ended March 31, 2010

	Balance March 31, 2009	Revenue	Expenditures	Increase (Decrease) for the year	Balance March 31, 2010
Brought forward	\$ 1,232,411	84,393	91,445	(7,052)	1,225,359
SERF - Cardiac	3,202	(322)	2,880	(3,202)	
SERF - Departmental	346	(25)	321	(346)	
SERF - General	1,215	(114)	1,101	(1,215)	
SERF - Neurosurgery	361	(36)	325	(361)	
SERF - Plastic Surgery	1,082	(108)	974	(1,082)	
SERF - Thoracic Surgery	12,668	(1,267)	11,401	(12,668)	
SERF - Urology	9,373	(921)	8,452	(9,373)	
SERF - Vascular Surgery	4,919	(491)	4,428	(4,919)	
The Dr. G. Cope Cancer Research Fund	19,808	822	69	753	20,561
The Dr. S. Kay Fellowship Fund	15,793	694	56	638	16,431
The Estate of Charles M. Walden	1,338	59	69	(10)	1,328
The T. W. Fyles Student Support Fund	26,819	1,203	519	684	27,503
The W. & F. & D. Waite Bursary Fund	46,936	2,154	7,579	(5,425)	41,511
The Wilt Fund	17,023	746	60	686	17,709
	\$ 1,393,294	86,787	129,679	(42,892)	1,350,402

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

**MANITOBA MEDICAL COLLEGE FOUNDATION INC.**

**SCHEDULE OF NON-DISCRETIONARY FUND BALANCES**

For the year ended March 31, 2010

	Balance March 31, 2009	Revenue	Expenditures	Increase (Decrease) for the year	Balance March 31, 2010
\$					
Anesthesia Centre of Excellence	39,265	2,014	140	1,874	41,139
Augustine Chang Memorial Fund	14,897	680	678	2	14,899
B. Sc. Medical Student Fund - 1949	15,774	6,854	62	6,792	22,566
Bernie Ring Fund	9,040	396	31	365	9,405
Carl Duerksen Memorial Fund	50,830	2,199	4,510	(2,311)	48,519
Class of 1954 Student Bursary Fund	8,020	861	378	483	8,503
Class of 1960 Entrance Scholarship	34,728	1,545	1,622	(77)	34,651
Class of 1968 Student Bursary Fund	12,115	393	10,832	(10,439)	1,676
Deer Lodge Hospital Staff Fund	72,282	3,420	3,735	(315)	71,967
Dr. A. Hollenberg Library Trust	8,467	371	427	(56)	8,411
Dr. C. B. Stewart Memorial Bursary	34,676	1,566	1,772	(206)	34,470
Dr. Christine Egan Memorial Fund	180,268	12,427	8,124	4,303	184,571
Dr. Daniel P. Snidal Memorial Fund	20,008	902	995	(93)	19,915
Dr. G. P. Fahrni Student Bursary Fund		5,076	843	4,233	4,233
Dr. Jacob Hollenberg Fund	10,279	449	37	412	10,691
Dr. S. McMorris Memorial Fund	10,707	470	39	431	11,138
Dr. W. Beecroft Lectureship Fund	51,392	2,390	178	2,212	53,604
Drs. J. & D. Hollenberg Memorial Fund	78,244	3,466	1,273	2,193	80,437
Educational Opportunities and Development Fund	72,200	3,237	255	2,982	75,182
Estate of Anna Widiner	161,463	7,072	570	6,502	167,965
Estate of Dr. R. D. Oatway	466,698	17,638	7,331	10,307	477,005
Estate of Ella Peters	28,109	1,311	1,499	(188)	27,921
Family Physicians' Wives Memorial Fund	2,337	106	8	98	2,435
General Research Fund	17,321	611	8,955	(8,344)	8,977
Carried forward	1,399,120	75,454	54,294	21,160	1,420,280

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

**MANITOBA MEDICAL COLLEGE FOUNDATION INC.**

**SCHEDULE OF NON-DISCRETIONARY FUND BALANCES**

For the year ended March 31, 2010

	Balance March 31, 2009	Revenue	Expenditures	Increase (Decrease) for the year	Balance March 31, 2010
Brought forward	\$ 1,399,120	75,454	54,294	21,160	1,420,280
Gordon Bell Memorial Student Bursary and Loan Fund	144,839	6,315	7,511	(1,196)	143,643
Henry Melmed Memorial Fund	8,226	361	29	332	8,558
Human Values Prize in Family Medicine	5,568	10,397	55	10,342	15,910
Jack G. Sheps Memorial Fund	7,341	326	26	300	7,641
Jacob Penner Park	207	111	1	110	317
Jacobsen Memorial Fund	19,003	833	67	766	19,769
Manitoba Follow Up Study	172,383	25,758	2,155	23,603	195,986
MATE Anesthesia CME Fund	32,405	1,421	115	1,306	33,711
MMSA Student Art Fund	2,197	287	1,409	(1,122)	1,075
Nakielny Research Fund	32,455	1,421	115	1,306	33,761
Paul Nehra Prize Fund	9,867	434	834	(400)	9,467
Remembrance Fund	17,226	796	61	735	17,961
Respiratory Faculty Development Fund #2	550,996	24,767	38,863	(14,096)	536,900
Rogers Medical Library Trust	3,368	147	154	(7)	3,361
Roulston Majury Chang Alumni Fund	119,303	5,230	421	4,809	124,112
Sydney Blumenthal Memorial Fund	11,446	501	519	(18)	11,428
The Ob/Gyn Scholarship Fund	29,836	1,321	1,102	219	30,055
The Rev. Thomas Alfred Payne Fund	37,475	1,750	132	1,618	39,093
Western Surgical Lectureship Fund	29,173	1,279	103	1,176	30,349
	\$ 2,632,434	158,909	107,966	50,943	2,683,377

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