

**The Children's Hospital  
Foundation of Manitoba, Inc.**

Consolidated Financial Statements  
**March 31, 2026**



## Independent auditor's report

To the Members of The Children's Hospital Foundation of Manitoba, Inc.

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### Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Children's Hospital Foundation of Manitoba, Inc. and its subsidiaries (together, the Foundation) as at March 31, 2026 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.

### What we have audited

The Foundation's consolidated financial statements comprise:

- the consolidated statement of financial position as at March 31, 2026;
- the consolidated statement of operations and changes in fund balances for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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### 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 consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

## **Independence**

We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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## **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Foundation as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

**/s/PricewaterhouseCoopers LLP**

Chartered Professional Accountants

Winnipeg, Manitoba

June 10, 2026

# The Children's Hospital Foundation of Manitoba, Inc.

## Consolidated Statement of Financial Position

As at March 31, 2026

	2026 \$	2025 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	17,574,690	16,884,098
Short-term investments (note 4)	3,077,638	108,329
Accounts receivable	1,052,792	794,005
Prepaid expenses	413,119	267,814
Inventory	10,195	7,667
	<u>22,128,434</u>	<u>18,061,913</u>
<b>Investments</b> (note 4)	46,665,394	43,342,013
<b>Capital assets</b> (note 5)	<u>6,597,610</u>	<u>7,470,883</u>
	<u>75,391,438</u>	<u>68,874,809</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 6)	3,694,489	1,519,272
Grants payable	7,925,968	7,187,842
Deferred revenue	65,829	85,839
	<u>11,686,286</u>	<u>8,792,953</u>
<b>Fund Balances</b>		
<b>Unrestricted</b>		
Operating Fund	7,194,153	5,536,745
<b>Externally restricted</b>		
Endowment Fund	7,741,575	7,141,881
Designated Fund	29,803,623	27,555,451
<b>Internally restricted</b>		
Child Health Research Fund (note 7)	9,905,728	9,905,728
Children's Hospital Fund	2,471,168	2,471,168
Funds invested in capital assets (note 8)	6,588,905	7,470,883
	<u>63,705,152</u>	<u>60,081,856</u>
	<u>75,391,438</u>	<u>68,874,809</u>
<b>Commitments</b> (note 12)		

### Approved by the Board of Directors

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Laura Matlashewski Chair

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Karley David Vice-Chair

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

# The Children's Hospital Foundation of Manitoba, Inc.

## Consolidated Statement of Operations and Changes in Fund Balances

For the year ended March 31, 2026

							2026	2025
	Unrestricted	Externally restricted		Internally restricted				
	Operating Fund	Endowment Fund	Designated Fund	Child Health Research Fund	Children's Hospital Fund	Funds Invested in Capital Assets	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>								
Donations and fundraising revenue	8,282,875	91,215	5,321,654	-	-	-	13,695,744	12,688,592
Lottery proceeds	766,331	-	-	-	-	-	766,331	680,219
Other revenue	590,664	-	-	-	-	-	590,664	7,289,558
Investment income (note 4)	3,379,032	662,987	-	-	-	-	4,042,019	4,087,268
	13,018,902	754,202	5,321,654	-	-	-	19,094,758	24,745,637
<b>Expenses</b>								
Administrative expenses (note 9)	1,364,963	-	-	-	-	-	1,364,963	1,349,698
Fundraising								
Direct expenses	1,200,716	-	-	-	-	-	1,200,716	1,215,368
Indirect expenses	1,918,666	-	-	-	-	-	1,918,666	1,879,894
	4,484,345	-	-	-	-	-	4,484,345	4,444,960
Disbursements and granting activities								
Amortization	-	-	-	-	-	1,093,700	1,093,700	1,064,830
Disbursements	-	-	500	-	-	-	500	19,038
Grants to Children's Hospital of Winnipeg	-	-	4,665,143	-	-	-	4,665,143	3,344,848
Grants in aid of research	4,526,177	-	701,597	-	-	-	5,227,774	5,392,718
	4,526,177	-	5,367,240	-	-	1,093,700	10,987,117	9,821,434
<b>Excess of revenue over expenses</b>	4,008,380	754,202	(45,586)	-	-	(1,093,700)	3,623,296	10,479,243
<b>Fund balances – Beginning of year</b>	5,536,745	7,141,881	27,555,451	9,905,728	2,471,168	7,470,883	60,081,856	49,602,613
<b>Investment in capital assets</b>	(220,427)	-	-	-	-	220,427	-	-
<b>Interfund transfers</b> (note 11)	(2,130,545)	(154,508)	2,293,758	-	-	(8,705)	-	-
<b>Fund balances – End of year</b>	7,194,153	7,741,575	29,803,623	9,905,728	2,471,168	6,588,905	63,705,152	60,081,856

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

# The Children's Hospital Foundation of Manitoba, Inc.

## Consolidated Statement of Cash Flows

For the year ended March 31, 2026

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	2026 \$	2025 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	3,623,296	10,479,243
Items not affecting cash		
Amortization	1,093,700	1,064,830
Realized and unrealized gains on investments – net	(3,575,826)	(3,693,658)
	<hr/>	<hr/>
	1,141,170	7,850,415
Change in non-cash working capital items	2,504,907	1,247,164
	<hr/>	<hr/>
	3,646,077	9,097,579
<b>Investing activities</b>		
Purchase of investments	(2,735,058)	2,251,250
Purchase of capital assets	(220,427)	(561,048)
	<hr/>	<hr/>
	(2,955,485)	1,690,202
<b>Increase in cash during the year</b>	690,592	10,787,781
<b>Cash – Beginning of year</b>	<hr/>	<hr/>
	16,884,098	6,096,317
<b>Cash – End of year</b>	<hr/>	<hr/>
	17,574,690	16,884,098

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

# The Children's Hospital Foundation of Manitoba, Inc.

## Notes to Consolidated Financial Statements

March 31, 2026

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### 1 Purpose of the organization

The Children's Hospital Foundation of Manitoba, Inc. (the Foundation) is an independent agency whose purpose is to raise and distribute funds for the advancement of knowledge and care in the fields of child health and child health research and thereby contribute to the improved health of children everywhere.

The Foundation is a registered charity under the Income Tax Act (Canada) and accordingly is exempt from income taxes.

### 2 Basis of presentation

These consolidated financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

These consolidated financial statements include the assets and liabilities and results of operations of the Foundation and also includes Children's Hospital Research Institute of Manitoba, Inc. (the Institute) and Children's Hospital Book Market, Inc. (the Book Market), both of which are organizations under the Foundation's common control.

### 3 Summary of significant accounting policies

#### Fund accounting

For financial reporting purposes, the accounts have been classified into the following funds:

- The Operating Fund accounts for the Foundation's fundraising and administrative activities. This fund reports unrestricted resources.
- The Endowment Fund reports resources contributed as endowment capital. Contributions to the Endowment Fund are invested by the Foundation in accordance with its Statement of Investment Policies and Procedures, whereby, the capital of the Fund will be maintained, and the annual income earned will be allocated and added to the endowment capital to support the desired research, equipment and program funding, based on the restrictions imposed by contributors of the endowment.
- The Designated Fund is to be used for the purchase of equipment as well as to provide funds for pediatric education and research.

# The Children's Hospital Foundation of Manitoba, Inc.

## Notes to Consolidated Financial Statements

March 31, 2026

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- The Child Health Research Fund is comprised of several subsidiary funds established for the purpose of supporting pediatric research:
  - The Pediatric Research Fund is to be used for pediatric research purposes.
  - The Research Facilities Building Fund was established for the construction and maintenance of the Foundation's interest in the John Buhler Research Centre.
  - The Research Facilities Equipment Fund was established to support the purchase and maintenance of research equipment needs of the Foundation's interest in the John Buhler Research Centre.
- The Children's Hospital Fund was established with funds from the Children's Hospital of Winnipeg (Children's Hospital) to be used for future program needs and purchases of equipment for the hospital.

The funds invested in capital assets reports the Foundation's investment of resources in long-term capital assets.

### **Cash**

Cash consists of cash on hand and cash held at banking institutions.

### **Inventory**

Inventory is valued at the lower of invoice cost and net realizable value.

### **Investments**

Short-term investments consist of guaranteed investment certificates (GICs), which have a maturity date within the next fiscal year, and other short-term liquid investments.

Long-term investments consist of pooled funds with unrealized gains and losses, dividends and interest included in investment income of the appropriate fund. Purchases and sales of investments are recognized using trade date accounting. Management fees attributable to the investments are included in administrative expenses.

# The Children's Hospital Foundation of Manitoba, Inc.

## Notes to Consolidated Financial Statements

March 31, 2026

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### Capital assets

Purchased capital assets are recorded at original cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the useful lives of the assets as follows:

Office and research equipment	5 years
Computer equipment	3 years
Office furniture	10 years
Leasehold improvements	10 years
Research building	25 years

In the year of acquisition, amortization is taken on half of the original cost.

### Revenue recognition

The Foundation follows the restricted fund method of accounting for revenue. Unrestricted contributions 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 appropriate restricted fund when received. Revenue from the sale of goods is recognized at the time of sale. Investment income is recognized when earned and allocated to certain funds at the discretion of the Board of Directors (the Board).

### Government grants

Government grants are recognized when there is reasonable assurance that the Foundation has complied with the conditions associated with the relevant government program and are recognized in other revenue.

### Research grants

The entire amount of research grants to qualified recipients is reflected as an expense in the fiscal year in which the grants are approved and committed.

### Contributed services

Volunteers are an integral part of carrying out the activities of the Foundation. Contributed services are not recognized in the consolidated financial statements due to the difficulty in determining fair market value.

### Interfund transfers

The transfer of funds between unrestricted and internally restricted funds is based on the terms of reference for each of the funds and is approved by the Board where applicable.

# **The Children's Hospital Foundation of Manitoba, Inc.**

## Notes to Consolidated Financial Statements

March 31, 2026

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### **Allocation of expenses**

Certain administrative expenses are allocated to fundraising activities and disbursements and granting activities based on the proportionate amount of time spent on those functions.

### **Use of estimates**

The preparation of consolidated financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### **Financial instruments**

Financial assets and financial liabilities are initially recognized at fair value and subsequently measured at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the consolidated statement of operations and changes in fund balances in the year incurred.

Financial assets measured at amortized cost include cash, accounts receivable and short-term investments.

Financial liabilities measured at amortized cost include research grants payable and accounts payable and accrued liabilities.

Financial assets measured at fair value include investments in pooled funds and other equity investments with fair value determined by reference to the latest closing transactional net asset value of each respective pooled fund.

Financial assets are tested for impairment at the end of each reporting period when there are indications that the assets may be impaired.

# The Children's Hospital Foundation of Manitoba, Inc.

## Notes to Consolidated Financial Statements

March 31, 2026

### 4 Investments

	2026 \$	2025 \$
Short-term GICs	3,077,638	108,329
Long-term		
Canadian equity funds	11,516,573	10,386,937
Fixed income funds	13,619,319	13,258,948
Canadian mortgage fund	2,063,532	1,971,134
Foreign equity funds	14,771,994	13,473,888
Emerging markets fund	749,664	761,177
Real estate fund	3,944,312	3,489,929
	<u>46,665,394</u>	<u>43,342,013</u>

Included in investment income is the following:

	2026		2025	
	Operating Fund \$	Endowment Fund \$	Net \$	Net \$
Realized and unrealized gains on investments	2,912,839	662,987	3,575,826	3,693,658
Investment income	466,193	-	466,193	393,610
	<u>3,379,032</u>	<u>662,987</u>	<u>4,042,019</u>	<u>4,087,268</u>

### 5 Capital assets

	2026		2025	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Office and research equipment	4,395,792	4,132,392	263,400	212,058
Computer equipment	652,093	503,892	148,201	161,090
Office furniture	876,929	366,639	510,290	542,304
Leasehold improvements	666,435	434,543	231,892	283,515
Research building	20,702,195	15,258,368	5,443,827	6,271,916
	<u>27,293,444</u>	<u>20,695,834</u>	<u>6,597,610</u>	<u>7,470,883</u>

# The Children's Hospital Foundation of Manitoba, Inc.

## Notes to Consolidated Financial Statements

March 31, 2026

### 6 Government remittances

Government remittances consist of amounts required to be paid to government authorities and are recognized when the amounts become due. In respect of government remittances, \$31 (2025 – \$1,293) is included in accounts payable and accrued liabilities.

### 7 Child Health Research Fund

	2026			2025	
	Pediatric Research Fund \$	Research Facilities Building Fund \$	Research Facilities Equipment Fund \$	Total \$	Total \$
<b>Fund balance – Beginning of year</b>	9,444,724	461,004	-	9,905,728	9,905,728
<b>Fund balance – End of year</b>	9,444,724	461,004	-	9,905,728	9,905,728

### 8 Funds invested in capital assets

	2026			2025	
	Research \$	Other \$	Total \$	Total \$	
<b>Fund balance – Beginning of year</b>	6,746,690	724,193	7,470,883	7,974,665	
Purchase of capital assets	189,122	31,305	220,427	561,048	
Interfund transfers (note 11)	(8,705)	-	(8,705)	-	
	6,927,107	755,498	7,682,605	8,535,713	
Amortization of capital assets	1,057,895	35,805	1,093,700	1,064,830	
<b>Fund balance – End of year</b>	5,869,212	719,693	6,588,905	7,470,883	

# The Children's Hospital Foundation of Manitoba, Inc.

## Notes to Consolidated Financial Statements

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### 9 Allocation of expenses

The Foundation has allocated certain administrative expenses to indirect expenses based on the proportionate amount of time spent on indirect fundraising activities.

	2026 \$	2025 \$
Indirect expenses	50,025	130,783

### 10 Risk management

The Foundation manages risk and risk exposure by applying policies approved by the Board.

#### 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. The Foundation is exposed to credit risk in its receivables and investments. The Foundation has an investment committee and policy that restricts the investing activities to quality investments in select market indices. Equity and fixed income securities are held in pooled funds. The Foundation, in the normal course of operations, is exposed to credit risk from its accounts receivables. The short-term nature of these receivables mitigates this risk.

#### Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate fluctuations on the Foundation's cash flows, financial position and revenue. Certain of the Foundation's investments are subject to changes in interest rates.

#### Market rate risk

- Currency risk

Currency risk is the risk that the fair value or future cash flows of the investments in pooled funds will fluctuate as a result of changes in foreign exchange rates of investments held. The investments in pooled funds consist of approximately 33% foreign equities that are subject to currency risk.

- Other price risk

The Foundation is exposed to other price risk as its investment in pooled funds and other equity investments are subject to market fluctuations.

# The Children's Hospital Foundation of Manitoba, Inc.

## Notes to Consolidated Financial Statements

March 31, 2026

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### Liquidity risk

Liquidity risk is the risk that the Foundation cannot meet its financial obligations associated with financial liabilities in full. The Foundation expects to be able to meet its financial obligations in the foreseeable future.

### 11 Interfund transfers

During the year, certain amounts were reallocated between the funds to more appropriately reflect the terms of reference for each of these funds. The Board has approved these reallocations.

### 12 Commitments

There are commitments to fund program support to the Child Health Program and the Flouro Lab at the Children's Hospital as well as various external research grants through the Children's Hospital Research Institute. The commitments for the next five years are as follows:

	\$
2027	10,719,125
2028	5,667,333
2029	2,345,000
2030	-
2031	-
	<hr/>
	18,731,458

During the year ended March 31, 2025, the Foundation entered into an agreement with the Government of Manitoba, resulting in a \$6,500,000 contribution towards various capital improvements, equipment and research needs at the Children's Hospital. Under the terms of the agreement, certain restrictions and conditions had to be met before the use of these funds was permitted. All conditions have been fulfilled by both the Foundation and Shared Health, enabling the funds to support commitments scheduled for settlement in 2027 and 2028.

# The Children's Hospital Foundation of Manitoba, Inc.

Notes to Consolidated Financial Statements

March 31, 2026

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## 13 Pledges

The following pledges have been received by the Foundation but not recorded in these consolidated financial statements. The pledged amounts are expected to be received as follows:

	<b>Unrestricted Fund \$</b>	<b>Designated Fund \$</b>	<b>Total \$</b>
2027	15,264	1,469,660	1,484,924
2028	-	590,385	590,385
2029	-	455,385	455,385
2030	-	323,385	323,385
Thereafter	-	253,385	253,385
	<hr/> 15,264	<hr/> 3,092,200	<hr/> 3,107,464 <hr/>