

**Lloydminster Region Health Foundation Inc.**

**Financial Statements**

*March 31, 2022*

# Lloydminster Region Health Foundation Inc.

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*For the year ended March 31, 2022*

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## Management's Responsibility

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To the Board of Lloydminster Region Health Foundation Inc.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Finance Committee are composed entirely of Directors who are neither management nor employees of the Foundation. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Committee is also responsible for recommending the appointment of the Foundation's external auditors.

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

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Chief Executive Officer

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To the Board of Lloydminster Region Health Foundation Inc.:

### Qualified Opinion

We have audited the financial statements of Lloydminster Region Health Foundation Inc. (the "Foundation"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations and changes in net assets, cash flows and the related schedule 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, 2022, 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 Qualified Opinion

In common with many charitable organizations, the Foundation derives revenue from donations and event and gaming 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 event and gaming revenue, excess of revenue over expenses and cash flows for the year ended March 31, 2022, current assets and net assets as at March 31, 2022.

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 qualified opinion.

### Other Matter

The financial statements of the Foundation for the year ended March 31, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on June 17, 2021.

### 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 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.

Lloydminster, Saskatchewan

Chartered Professional Accountants

# Lloydminster Region Health Foundation Inc.

## Statement of Financial Position

*As at March 31, 2022*

	<i>General Fund</i>	<i>Designated Fund</i>	<i>Endowment Fund</i>	<b>2022</b>	<b>2021</b>
<b>Assets</b>					
<b>Current</b>					
Cash	162,327	12,349	-	174,676	668,974
Accounts receivable	12,500	8,400	-	20,900	14,284
GST receivable	3,676	389	-	4,065	1,812
Inventory (Note 3)	24,878	-	-	24,878	26,837
Prepaid expenses and deposits	28,026	-	-	28,026	22,829
	231,407	21,138	-	252,545	734,736
<b>Investments (Note 4)</b>	900,286	73,680	2,715,406	3,689,372	2,926,250
<b>Tangible capital assets (Note 5)</b>	62,411	13,023	-	75,434	9,071
	1,194,104	107,841	2,715,406	4,017,351	3,670,057
<b>Liabilities</b>					
<b>Current</b>					
Accounts payable and accruals	10,842	503	-	11,345	19,400
Grants payable (Note 6)	10,361	625,293	-	635,654	751,434
	21,203	625,796	-	646,999	770,834
<b>Long-term debt (Note 7)</b>	40,000	-	-	40,000	40,000
<b>Due to (from) other funds</b>	1,891,927	(2,274,119)	382,192	-	-
	1,953,130	(1,648,323)	382,192	686,999	810,834
<b>Net Assets</b>					
Unrestricted	(759,026)	-	-	(759,026)	(1,311,308)
Restricted (Note 8), (Note 9)	-	1,756,164	2,333,214	4,089,378	4,170,531
	(759,026)	1,756,164	2,333,214	3,330,352	2,859,223
	1,194,104	107,841	2,715,406	4,017,351	3,670,057

Approved on behalf of the Board

\_\_\_\_\_  
Director

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Director

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

# Lloydminster Region Health Foundation Inc.

## Statement of Operations and Changes in Net Assets

*For the year ended March 31, 2022*

	<i>General Fund</i>	<i>Designated Fund</i>	<i>Endowment Fund</i>	<b>2022</b>	<b>2021</b>
<b>Revenue</b>					
Donations	290,301	205,258	425	495,984	1,211,968
Legacy gifts	469,510	-	-	469,510	304,060
Event and gaming revenue <i>(Note 10)</i>	592,910	76,205	-	669,115	369,305
Gift shop sales <i>(Schedule 1)</i>	79,543	-	-	79,543	37,226
Investments income <i>(Note 11)</i>	68,994	(28,905)	48,998	89,087	432,026
Summer student grant	4,578	-	-	4,578	3,170
Other income	-	-	-	-	85
	<b>1,505,836</b>	<b>252,558</b>	<b>49,423</b>	<b>1,807,817</b>	<b>2,357,840</b>
<b>Expenses</b>					
Grants <i>(Note 12)</i>	281,221	246,626	23,500	551,347	1,266,256
Salaries and benefits	297,483	-	-	297,483	279,165
Event and gaming cost <i>(Note 10)</i>	125,030	62,373	-	187,403	36,098
Gift shop expenses <i>(Schedule 1)</i>	131,103	-	-	131,103	105,800
Fundraising	126,402	-	-	126,402	117,403
Professional fees	45,216	920	12,571	58,707	66,477
Administration	40,066	-	-	40,066	38,033
Bank charges and interest	7,178	-	-	7,178	7,535
Amortization	272	-	-	272	272
	<b>1,053,971</b>	<b>309,919</b>	<b>36,071</b>	<b>1,399,961</b>	<b>1,917,039</b>
<b>Excess (deficiency) of revenue over expenses before other items</b>	<b>451,865</b>	<b>(57,361)</b>	<b>13,352</b>	<b>407,856</b>	<b>440,801</b>
<b>Other items</b>					
Government assistance <i>(Note 15)</i>	63,273	-	-	63,273	125,005
<b>Excess (deficiency) of revenue over expenses</b>	<b>515,138</b>	<b>(57,361)</b>	<b>13,352</b>	<b>471,129</b>	<b>565,806</b>
<b>Net assets, beginning of year</b>	<b>(1,311,308)</b>	<b>1,803,325</b>	<b>2,367,206</b>	<b>2,859,223</b>	<b>2,293,417</b>
<b>Interfund transfers <i>(Note 16)</i></b>	<b>37,144</b>	<b>10,200</b>	<b>(47,344)</b>	<b>-</b>	<b>-</b>
<b>Net assets, end of year</b>	<b>(759,026)</b>	<b>1,756,164</b>	<b>2,333,214</b>	<b>3,330,352</b>	<b>2,859,223</b>

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

# Lloydminster Region Health Foundation Inc.

## Statement of Cash Flows

*For the year ended March 31, 2022*

	2022	2021
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Cash received from donations	489,369	996,179
Cash received from legacy gifts	469,510	304,060
Cash received from events and gaming	669,115	377,638
Cash received from grants	4,578	3,170
Cash receipts from interest and dividends	150,800	96,395
Cash received from gift shop sales	79,444	37,122
Cash received from other income	-	85
Cash received from government subsidies	63,273	101,469
Cash paid for administration and fundraising expenses	(247,857)	(186,613)
Cash paid for grants	(667,128)	(900,830)
Cash paid for events and gaming	(187,403)	(50,656)
Cash paid for salaries and benefits	(297,483)	(279,165)
Cash paid for gift shop supplies and services	(60,804)	(49,982)
Cash paid for gift shop salaries and benefits	(53,081)	(51,497)
	<b>412,333</b>	<b>397,375</b>
<b>Financing</b>		
Advances of long-term debt	-	60,000
<b>Investing</b>		
Purchase of tangible capital assets	(85,150)	(2,718)
Cash paid for investments (net)	(821,481)	(76,470)
	<b>(906,631)</b>	<b>(79,188)</b>
<b>Increase (decrease) in cash resources</b>	<b>(494,298)</b>	<b>378,187</b>
<b>Cash resources, beginning of year</b>	<b>668,974</b>	<b>290,787</b>
<b>Cash resources, end of year</b>	<b>174,676</b>	<b>668,974</b>

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



# Lloydminster Region Health Foundation Inc.

## Notes to the Financial Statements

*For the year ended March 31, 2022*

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### 1. Incorporation and nature of the organization

Lloydminster Region Health Foundation Inc. (the "Foundation") purpose is to generate and receive donation to enhance public healthcare in the community. The Foundation was incorporated under the authority of Non-Profit Corporations Act (Saskatchewan) and registered as an extra-provincial corporation in Alberta. The Foundation is a registered public charity under the Income Tax Act ("the Act"), which is exempt from income tax.

#### ***Impact on operations of COVID-19 (coronavirus)***

The Foundation's operations were impacted by COVID-19 due to reduction of donations received, cancellation of fundraising events, and increased government regulations, all of which negatively impacted the Foundation's operational and financial condition.

The impact of COVID-19 has been partially offset by available Government programs for which the Foundation was eligible. The Foundation has received wage subsidies from March 2020 to October 2021. Further details of these programs is described in Note 15 Government assistance. Eligibility requirements under these programs have evolved since first announced and can be subject to changes in legislation or administrative positions, further, there is significant uncertainty of the period of time into the future that the Government will continue these programs.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Foundation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may continue to cause continued modification of services and initiatives which may negatively impact the Foundation's operations and financial condition.

### 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

#### ***Fund accounting***

The Foundation follows the restricted fund method of accounting for contributions, and maintains three funds: General Fund, Designated Fund, and Endowment Fund.

The General Fund reports the Foundation's general and unrestricted fundraising activities and reports resources which are not externally restricted.

The Designated Fund reports amounts which are restricted externally by donors in support of community care, acute care, continuing care, and greatest needs.

The Endowment Fund reports the Foundation's resources where either donor or internal restrictions require that the principal be maintained by the Foundation in perpetuity. Amounts specifically identified as endowments by donors are included in revenue and expenses of the Fund. Investment income earned on resources of the Endowment Fund is reported in accordance with the Foundation's endowment policy which is agreed to by the donors at the time the contribution is endowed.

#### ***Cash and cash equivalents***

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

#### ***Guaranteed investment certificates***

Guaranteed Investment Certificates are measured at cost.

**2. Significant accounting policies** *(Continued from previous page)*

***Inventory***

Inventory is valued at the lower of cost and net realizable value as estimated by management. Cost is determined by the first in, first out method.

***Investments***

Long-term investments are portfolio investments recorded at fair value for those with prices quoted in an active market. They have been classified as long-term assets in concurrence with the nature of the investment.

***Due to (from) other funds***

At certain points in time, the Foundation may have amounts owed between certain funds. These interfund balances are non-interest bearing and have no fixed terms of repayment.

***Tangible capital assets***

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition if fair value can be reasonably determined.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Method</b>	<b>Years</b>
Computer equipment	straight-line	5 years
Computer software	straight-line	5 years
Equipment	straight-line	2-10 years
Leasehold improvements	straight-line	10 years

***Long-lived assets***

Long-lived assets consist of tangible capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Foundation writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Foundation's ability to provide goods and services. The asset are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Foundation determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

***Patronage equity***

Patronage equity are recorded at cost, less any provision for other than temporary impairment in value. Income from profit share allocation is recorded when assigned by the organizations.

**Lloydminster Region Health Foundation Inc.**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

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**2. Significant accounting policies** *(Continued from previous page)*

***Revenue recognition***

The Foundation uses the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue of the Designated Fund, endowment contributions are recognized as revenue in the Endowment Fund and unrestricted contributions are recognized as revenue of the General fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income earned on Designated Fund and Endowment Fund resources are recognized as revenue in the related fund. Unrestricted investment income is recognized as revenue in the General Fund when earned.

The Foundation implemented a Recovery of Fundraising and Operational Costs (ROFC) Policy. The purpose of this policy is to more closely associate fundraising benefits and costs across all donations to generate a pool of resources that will be available for the operation of the Foundation. A 15% fee is taken out from the General and Designated donations when received and recognized as revenue in the General Fund.

Gift shop sales are recognized when goods are provided to the purchaser at the point of sale. Rental income on televisions and telephones are recognized as the service is provided. Lottery ticket sales are recognized as tickets are sold. All of these sales are recognized as revenue of the General Fund.

***Contributed materials and services***

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Foundation's operations and would otherwise have been purchased.

Volunteers contribute many hours annually to assist the Foundation in carrying out certain activities. Because of the difficulty of determining their fair value, contributed volunteer services are not recognized in the financial statements.

***Allocation of expenses***

The Foundation engages in fundraising programs. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program. The Foundation also incurs a number of general support expenses that are common to the administration of the Foundation and each of its programs.

The Foundation allocates certain of its general support expenses by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year. The Board approves the percentage used for allocation of expenses to programs.

***Financial instruments***

The Foundation recognizes its financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument.

***Arm's length financial instruments***

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Foundation may irrevocably elect to subsequently measure any financial instrument at fair value. The Foundation has not made such an election during the year.

The Foundation subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. All other financial assets and liabilities are subsequently measured at amortized cost.

**2. Significant accounting policies** *(Continued from previous page)*

**Financial instruments** *(Continued from previous page)*

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenue over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

**Related party financial instruments**

All related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the Foundation may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Foundation has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses.

**Financial asset impairment:**

The Foundation assesses impairment of all of its financial assets measured at cost or amortized cost. The Foundation groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Foundation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments initially measured at cost, the Foundation reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Foundation reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

The Foundation reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenue over expenses in the year the reversal occurs.

**Lloydminster Region Health Foundation Inc.**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**2. Significant accounting policies** *(Continued from previous page)*

**Measurement uncertainty (use of estimates)**

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue over expenses in the years in which they become known.

**Government assistance**

*Canada Emergency Wage Subsidy*

The Foundation recognizes government assistance when there is reasonable assurance that it will comply with the conditions required to qualify for the assistance, and that the assistance will be received. The Foundation recognizes government assistance as other income.

**3. Inventory**

Cost of inventories recognized as an expense and included in cost of sales amount to \$60,114 (2021 - \$48,025).

**4. Investments**

	<b>General</b>	<b>Designated</b>	<b>Endowment</b>	<b>2022</b>	<b>2021</b>
Investment portfolios	898,341	73,678	2,715,405	<b>3,687,424</b>	2,924,299
Equity in Credit Union	1,948	-	-	<b>1,948</b>	1,948
	<b>900,289</b>	<b>73,678</b>	<b>2,715,405</b>	<b>3,689,372</b>	2,926,247

The Foundation's investment portfolios are managed by an external professional investment manager, to which quarterly management fee is paid. Total fees for 2022 were \$15,034 (2021 - \$20,790). The current average fee rate for 2022 was 0.45% (2021 - 0.77%). Investment portfolios are presented at fair value, book cost is \$3,870,412 (2021 - \$2,386,817).

**5. Tangible capital assets**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2022 Net book value</b>	<b>2021 Net book value</b>
Computer equipment	6,553	6,553	-	-
Computer software	90,045	90,045	-	-
Equipment	179,390	108,095	71,295	3,552
Leasehold improvements	13,798	9,659	4,139	5,519
	<b>289,786</b>	<b>214,352</b>	<b>75,434</b>	9,071

**Lloydminster Region Health Foundation Inc.**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**6. Grants payable**

Grants and grants payable are recorded when the grant is awarded and approved by the Board. Payments made against these amounts are based on invoices received.

**7. Long-term debt**

	2022	2021
Synergy Credit Union Canadian Emergency Business Account loan - bearing interest at 0% until December 31, 2023 with no required principal repayments, then bearing interest at 5% starting January 1, 2024 on any overdue principal balance. Repayment of the balance on or before December 31, 2023 will result in loan forgiveness of \$20,000.	60,000	60,000
Less: forgivable portion recognized as revenue	20,000	20,000
	<b>40,000</b>	<b>40,000</b>

**8. Designated Fund**

The Designated Fund consists of funds available for spending that are restricted by donors for the following purposes:

	2022	2021
Acute Care	511,536	444,994
Community Care	516,244	611,247
Continuing Care	719,882	738,223
Greatest Needs	8,502	8,861
	<b>1,756,164</b>	<b>1,803,325</b>

**9. Endowment Fund**

The Endowment Fund consists of externally restricted contributions received by the Foundation and internal resources transferred by the Board to the Endowment Fund.

	2022	2021
<b>Internally imposed endowments approved by Board</b>		
Goodfellow education, the income from which must be used for student nursing scholarships	740,261	759,481
Goodfellow general, the income from which must be used for emerging needs	679,497	682,854
Hugh Stevens, the income from which must be used for innovation and technology	749,570	753,260
	<b>2,169,328</b>	<b>2,195,595</b>
<b>Externally imposed endowments</b>		
Pat Redden, the income from which must be used for nursing scholarships	104,543	109,368
Jane Ruptash, the income from which must be used for nursing scholarships	59,343	62,243
	<b>163,886</b>	<b>171,611</b>
	<b>2,333,214</b>	<b>2,367,206</b>

**Lloydminster Region Health Foundation Inc.**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**10. Events and gaming**

	<b>2022</b>			<b>2021</b>		
	<b>Revenue</b>	<b>Expense</b>	<b>Net</b>	<b>Revenue</b>	<b>Expense</b>	<b>Net</b>
<b>Events:</b>						
Walk the Talk	2,550	2,557	(7)	-	-	-
Dustin McConnell Memorial	5,571	5,837	(266)	-	-	-
Radiothon / Livestream	592,910	126,713	466,197	341,295	20,741	320,554
Summer Scramble	-	-	-	7,850	-	7,850
Gala	-	3,500	(3,500)	4,500	2,207	2,293
Under the Stars Movie Night	-	-	-	1,966	466	1,500
Walk with Dustin Golf	-	-	-	44	1,529	(1,485)
Muck Run	-	-	-	50	2,359	(2,309)
	<b>601,031</b>	<b>138,607</b>	<b>462,424</b>	<b>355,705</b>	<b>27,302</b>	<b>328,403</b>
<b>Gaming:</b>						
Community Lottery	55,205	45,225	9,980	-	-	-
Dustin McConnell Raffle	8,440	220	8,220	-	-	-
SHA Lottery	4,439	2,903	1,536	11,770	7,415	4,355
The Goat's Wish	-	448	(448)	1,830	1,381	449
	<b>68,084</b>	<b>48,796</b>	<b>19,288</b>	<b>13,600</b>	<b>8,796</b>	<b>4,804</b>
	<b>669,115</b>	<b>187,403</b>	<b>481,712</b>	<b>369,305</b>	<b>36,098</b>	<b>333,207</b>

Included in event and gaming revenue and expenses is a gift in kind of \$18,862 from Radiothon/Livestream (2021 - \$1,518 from Under the Stars Movie Night and Radiothon/Livestream). This year the Gala was cancelled due to COVID-19.

**11. Investment income**

Investment income earned on the Foundation's investments consists of the following:

	<b>General</b>	<b>Designated</b>	<b>Endowment</b>	<b>2022</b>	<b>2021</b>
Interest and dividends	19,275	4,895	126,592	<b>150,762</b>	95,316
Realized gains (losses)	94,491	14,945	549,549	<b>658,985</b>	975
Unrealized gain (losses) on investments	(44,771)	(48,745)	(627,143)	<b>(720,660)</b>	335,735
	<b>68,995</b>	<b>(28,905)</b>	<b>48,998</b>	<b>89,087</b>	<b>432,026</b>

**Lloydminster Region Health Foundation Inc.**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**12. Grants**

	<b>General</b>	<b>Designated</b>	<b>Endowment</b>	<b>2022</b>	<b>2021</b>
Acute Care	-	(46,157)	-	<b>(46,157)</b>	821,501
Community Care	-	271,332	23,500	<b>294,832</b>	208,847
Continuing Care	-	21,451	-	<b>21,451</b>	33,756
Greatest Needs	281,221	-	-	<b>281,221</b>	202,152
	<b>281,221</b>	<b>246,626</b>	<b>23,500</b>	<b>551,347</b>	1,266,256

In the event that a grant shows as negative, this is a result of a grant being approved in the prior year and cancelled in the current year. In the current year, an acute care grant was cancelled in the amount of \$70,137, resulting in a net negative.

**13. Contributed materials and services**

Included in the financial statements are gift in kind contributions in the amount of \$64,074 (2021 - \$217,107). Of this amount, \$18,862 (2021 - \$1,518) is included in the event and gaming revenue to the Gift to Health in the current year and the Movie Under the Stars and the Radiothon/Livestream in the prior year. Media gift in kind contributions totaled \$39,312 (2021 - \$21,320) and is included in various projects and represents newspaper and radio advertising. Other gift in kind amounts included in donation revenue totaled \$5,900 (2021 - \$19,269) and represent items donated for various projects.

It is the Board's policy to immediately dispose of securities donated to the Foundation. As a result, gains and losses on such disposals are not reflective of the Board's management and stewardship of these investments. As such the statement of cash flows reflects these proceeds on disposal as cash received from donations rather than investing activities.

**14. Related party transactions**

The following summarizes the Foundation's related party transactions for the year.

	<b>2022</b>	<b>2021</b>
<b>Donation revenue</b>		
Directors	<b>13,765</b>	181,265
Management	<b>3,483</b>	7,678
<b>Total</b>	<b>17,248</b>	188,943

These transaction are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by related parties. At the end of the year, there were no amounts due to or from related parties.

**15. Government assistance**

Income from the government subsidies is from the Canada Emergency Wage Subsidy (CEWS) and Canadian Emergency Business Account loan (CEBA). These funds were received from the Government of Canada to assist with the payment of employee wages and other operating and non-deferrable expenses to relieve impacts of COVID-19 pandemic. The Foundation qualified for \$63,273 (2021 - \$125,005) of government assistance for COVID-19. CEWS funding recognized was \$52,044 (2021 - \$83,425) for general operations and \$11,229 (2021 - \$21,580) for the Gift Shop. The forgivable portion of CEBA loan recognized was \$nil (2021 - \$20,000), see Note 7.



**Lloydminster Region Health Foundation Inc.**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**16. Interfund transfers**

Transfers between funds consists of the following:

	General	Designated	Endowment	2022	2021
Administration charges	47,344	-	(47,344)	-	-
Event proceeds	1,800	(1,800)	-	-	-
Transfer between projects	(12,000)	12,000	-	-	-
	<b>37,144</b>	<b>10,200</b>	<b>(47,344)</b>	<b>-</b>	<b>-</b>

In 2022, the Board approved the above noted transfers.

**17. Financial instruments**

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

***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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Foundation's exposure to interest rate risk is limited to its investments in fixed income and equity funds.

***Credit risk***

The Foundation is exposed to credit risk on receivables from its customers and donors. Credit risk is considered to be minimal due to the nature of the Foundation's operations.

***Liquidity risk***

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation manages its liquidity risk by monitoring forecasted and actual cash flows and financial liability maturities and by holding assets that can be readily converted into cash.

***Credit concentration***

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist primarily of trade accounts receivable. Credit exposure is limited due to the nature of the Foundation's accounts receivable listing.

**18. Comparative figures**

Certain comparative figures have been reclassified to conform with current year presentation.

**Lloyminster Region Health Foundation Inc.**  
**Schedule 1 - Schedule of Gift Shop Operations**

*For the year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Sales</b>	79,543	37,226
<b>Cost of sales</b>	60,114	48,025
<b>Gross margin</b>	19,429	(10,799)
<b>Expenses</b>		
Salaries and benefits	53,081	51,497
Amortization	15,259	1,485
Bank charges and interest	1,343	698
Fundraising	963	2,304
Administration	335	1,474
Repair and maintenance	8	318
	70,989	57,776
Operating loss	(51,560)	(68,575)
Other income		
Government grant revenue ( <i>Note 15</i> )	11,229	21,580
Deficiency of revenue over expenses	(40,331)	(46,995)