Lloydminster Region Health Foundation
Financial Statements
March 31, 2025

MNP

To the Board of Lloydminster Region Health Foundation:

Qualified Opinion

We have audited the financial statements of Lloydminster Region Health Foundation (the "Foundation"), which comprise the statement of financial position as at March 31, 2025, 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, 2025, 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 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 years ended March 31, 2025 and March 31, 2024, current assets and net assets as at March 31, 2025 and March 31, 2024. Our audit opinion on the financial statements for the year ended March 31, 2024 was qualified accordingly because of the possible effects of this limitation in scope.

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.

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

June 16, 2025

MNP LLP

Chartered Professional Accountants

Lloydminster Region Health Foundation
Statement of Financial Position
As at March 31, 2025

	General Fund	*Designated Fund*	*Endowment Fund*	*2025*	*2024*
Assets					
Current					
Cash	483,875	24,339	-	508,214	372,964
Accounts receivable	1,750	4,200	-	5,950	5,015
GST receivable	2,410	-	-	2,410	734
Inventory *(Note 3)*	23,603	-	-	23,603	22,575
Prepaid expenses and deposits	74,906	2,023	-	76,929	43,456
	586,544	30,562	-	617,106	444,744
Investments *(Note 4)*	823,900	-	3,078,356	3,902,256	3,536,202
Tangible capital assets *(Note 5)*	17,118	3,256	-	20,374	39,836
	1,427,562	33,818	3,078,356	4,539,736	4,020,782
Liabilities					
Current					
Accounts payable and accruals	30,551	-	-	30,551	15,975
Deferred contributions *(Note 6)*	208,150	161,322	-	369,472	89,250
Grants payable *(Note 7)*	454,701	451,868	-	906,569	843,647
	693,402	613,190	-	1,306,592	948,872
Due to (from) other funds	1,579,224	(2,022,361)	443,137	-	-
	2,272,626	(1,409,171)	443,137	1,306,592	948,872
Net Assets					
Unrestricted	(845,064)	-	-	(845,064)	(1,162,705)
Restricted *(Note 8), (Note 9)*	-	1,442,989	2,635,219	4,078,208	4,234,615
	(845,064)	1,442,989	2,635,219	3,233,144	3,071,910
	1,427,562	33,818	3,078,356	4,539,736	4,020,782

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

Lloydminster Region Health Foundation
Statement of Operations and Changes in Net Assets
For the year ended March 31, 2025

	General Fund	*Designated Fund*	*Endowment Fund*	*2025*	*2024*
Revenue					
Event and gaming revenue *(Note 10)*	620,281	27,505	-	647,786	751,531
Donations	326,207	179,689	17,254	523,150	635,666
Investments *(Note 11)*	92,171	-	307,074	399,245	292,690
Gift shop sales *(Schedule 1)*	119,007	-	-	119,007	144,396
Summer student grant	1,960	-	-	1,960	3,640
	1,159,626	207,194	324,328	1,691,148	1,827,923
Expenses					
Event and gaming cost *(Note 10)*	265,089	2,500	-	267,589	281,866
Salaries and benefits	223,558	-	-	223,558	257,291
Gift shop expenses *(Schedule 1)*	162,426	-	-	162,426	171,940
Professional fees	47,564	-	18,687	66,251	63,063
Fundraising	56,635	-	-	56,635	37,679
Administration	43,873	-	-	43,873	39,100
Bank charges and interest	9,950	-	-	9,950	11,618
Amortization	272	3,256	-	3,528	3,528
	809,367	5,756	18,687	833,810	866,085
Excess of revenue over expenses before other items	350,259	201,438	305,641	857,338	961,838
Grants *(Note 12)*	(84,632)	(569,712)	(41,760)	(696,104)	(692,558)
Excess (deficiency) of revenue over expenses	265,627	(368,274)	263,881	161,234	269,280
Net assets, beginning of year	(1,162,705)	1,814,882	2,419,733	3,071,910	2,802,630
Interfund transfers *(Note 15)*	52,014	(3,619)	(48,395)	-	-
Net assets, end of year	(845,064)	1,442,989	2,635,219	3,233,144	3,071,910

The accompanying notes are an integral part of these financial statements

Lloydminster Region Health Foundation
Statement of Cash Flows
For the year ended March 31, 2025

	2025	*2024*
Cash provided by (used for) the following activities		
Operating		
Cash received from donations	522,215	637,251
Cash received from events and gaming	928,008	751,531
Cash received from grants	1,960	3,640
Cash receipts from interest and dividends	163,435	145,939
Cash received from gift shop sales	116,419	142,908
Cash paid for administration and fundraising expenses	(197,210)	(111,105)
Cash paid for grants	(633,185)	(618,124)
Cash paid for events and gaming	(267,589)	(281,866)
Cash paid for salaries and benefits	(223,568)	(257,291)
Cash paid for gift shop supplies and services	(82,531)	(78,691)
Cash paid for gift shop salaries and benefits	(65,059)	(74,853)
	262,905	259,339
Financing		
Repayments of CEBA loan	-	(40,000)
Investing		
Cash paid for investments, net	(127,655)	(103,294)
Increase in cash resources	135,250	116,045
Cash resources, beginning of year	372,964	256,919
Cash resources, end of year	508,214	372,964

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

Lloydminster Region Health Foundation's (the "Foundation") purpose is to generate and receive donations 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.

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.

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.

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

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.

	Method	Years
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.

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.

Events and gaming revenue are recognized as revenue in the related fund in the year in which related expenses are incurred.

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.

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

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.

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.

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

Related party financial instruments (*Continued from previous page*)

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.

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.

3. Inventory

Cost of inventories recognized as an expense and included in cost of sales amount to $79,515 (2024 - $80,597).

4. Investments

	General	Endowment	*2025*	*2024*
Investment portfolios	820,253	3,078,356	**3,898,609**	3,533,379
Equity in Credit Union	3,647	-	**3,647**	2,823
	823,900	3,078,356	**3,902,256**	3,536,202

The Foundation's investment portfolios are managed by an external professional investment manager, to which a quarterly management fee is paid. Total fees for 2025 were $23,667 (2024 - $21,179). The current average fee rate for 2025 was 0.61% (2024 - 0.60%). Investment portfolios are presented at fair value, book cost is $3,759,919 (2024 - $3,632,818).

5. Tangible capital assets

	Cost	*Accumulated amortization*	*2025 Net book value*	*2024 Net book value*
Computer equipment	**6,553**	**6,553**	**-**	-
Computer software	**81,346**	**81,346**	**-**	-
Equipment	**182,715**	**162,341**	**20,374**	38,456
Leasehold improvements	**13,798**	**13,798**	**-**	1,380
	284,412	**264,038**	**20,374**	39,836

6. Deferred contributions

The deferred contributions consists of contributions received in the current period that are relating to the 2025 Gala, 2025 Golf Classic, and the 2025 - 2027 Synergy Runs. Recognition of these amounts as revenue is deferred to periods when the specified event is completed and expenditures are made.

7. 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.

8. Designated Fund

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

	2025	*2024*
Acute Care	**574,008**	529,736
Community Care	**295,599**	555,345
Continuing Care	**567,837**	725,361
Greatest Needs	**5,545**	4,440
	1,442,989	1,814,882

276,757

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.

	2025	2024
Internally imposed endowments approved by Board		
Goodfellow education, the income from which must be used for student nursing scholarships	756,537	709,658
Goodfellow general, the income from which must be used for emerging needs	761,614	696,668
Hugh Stevens, the income from which must be used for innovation and technology	840,311	768,568
	2,358,462	2,174,894
Externally imposed endowments		
Pat Redden, the income from which must be used for nursing scholarships	112,170	101,102
Jane Ruptash, the income from which must be used for nursing scholarships	96,974	92,686
Cutter Rally, the income from which must be used for scholarships and bursaries	67,613	51,051
	276,757	244,839
	2,635,219	2,419,733

10. Events and gaming

	2025			2024		
	Revenue	Expense	Net	Revenue	Expense	Net
Events:						
Radiothon / Livestream	237,375	45,548	191,827	335,420	46,692	288,728
Gala	341,435	184,021	157,414	306,297	190,419	115,878
Jody Carrington Mental Health	41,471	35,520	5,951	53,933	35,344	18,589
Dustin McConnell Memorial	-	-	-	10,971	7,421	3,550
Falconland Biathlon Physical Challenge	-	-	-	1,650	830	820
	620,281	265,089	355,192	708,271	280,706	427,565
Gaming:						
Gala Worth a Mint Lottery	20,000	-	20,000	20,000	-	20,000
Gala Phantom Mask Draw	7,020	2,500	4,520	-	-	-
Community Lottery	485	-	485	-	120	(120)
Playhouse Raffle	-	-	-	15,920	403	15,517
Dustin McConnell Raffle	-	-	-	7,340	637	6,703
	27,505	2,500	25,005	43,260	1,160	42,100
	647,786	267,589	380,197	751,531	281,866	469,665

Included in event and gaming revenue and expenses is a gift in kind of $10,957 from Gala (2024 - $14,562 received from Gala).

11. Investment income

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

	General	Endowment	2025	2024
Interest and dividends	42,013	118,835	160,848	144,450
Realized gain (loss)	56	212	268	(14,234)
Unrealized gain on investments	50,102	188,027	238,129	162,474
	92,171	**307,074**	**399,245**	292,690

12. Grants

	General	Designated	Endowment	2025	2024
Acute Care	-	37,128	-	37,128	1,477
Community Care	-	304,518	41,760	346,278	260,963
Continuing Care	-	228,066	-	228,066	94,293
Greatest Needs	84,632	-	-	84,632	335,825
	84,632	**569,712**	**41,760**	**696,104**	692,558

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.

13. Contributed materials and services

Included in the financial statements are gift in kind contributions in the amount of $11,831 (2024 - $31,087). Of this amount, $10,957 (2024 - $14,562) is included in the event and gaming revenue from the Gala. Media gift in kind contributions totaled $nil (2024 - $545) and is included in various projects and represents newspaper and radio advertising. Other gift in kind amounts included in donation revenue totaled $874 (2024 - $15,980) 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.

	2025	2024
Donation revenue		
Directors	9,733	27,410
Management	4,490	3,896
Total	14,223	31,306

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. Interfund transfers

Transfers between funds consists of the following:

	General	Designated	Endowment	*2025*	*2024*
Administration charges	48,395	-	(48,395)	-	-
Event proceeds	4,126	(4,126)	-	-	-
Transfer between projects	(507)	507	-	-	-
	52,014	**(3,619)**	**(48,395)**	-	-

In 2025, the Board approved the above noted transfers.

16. 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.

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.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation's investments in publicly-traded securities exposes the Foundation to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators, and restrictions on credit markets. The Foundation manages the price risk by monitoring investments and the market with consultants and the finance committee.

Lloydminster Region Health Foundation
Schedule 1 - Schedule of Gift Shop Operations
For the year ended March 31, 2025
(Unaudited)

	2025	2024
Revenue		
Gift shop sales	**119,007**	144,396
Expenses		
Gift shop expenses	**162,426**	171,940
Deficiency of revenue over expenses	**(43,419)**	(27,544)