

**GRENFELL DISTRICT HEALTH FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors
Grenfell District Health Foundation

Qualified Opinion

We have audited the financial statements of Grenfell District Health Foundation (the Foundation) which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, 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 Grenfell District Health Foundation Inc. as at December 31, 2023, and the results of its operations, changes in net assets 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 not-for-profit organizations, the Foundation derives revenue from donations and fundraising 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 fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2023 and 2022, current assets as at December 31, 2023 and 2022, and net assets as at December 1 and December 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified 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 audit 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 the 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.

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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.

Prairie Strong

PRAIRIE STRONG
Chartered Professional Accountants

Melville, Saskatchewan
March 25, 2024

GRENFELL DISTRICT HEALTH FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets		
Cash	\$ 20,031	\$ 1,223,160
Accrued interest	43,259	Nil
Goods and service tax receivable	85	113
	<u>63,375</u>	<u>1,223,273</u>
Long term investments (Note 3)	1,605,504	390,563
	<u><u>\$ 1,668,879</u></u>	<u><u>\$ 1,613,836</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	<u>\$ 2,000</u>	<u>\$ 1,200</u>
Net Assets		
Unrestricted excess of revenue over expenses	<u>1,666,879</u>	<u>1,612,636</u>
	<u><u>\$ 1,668,879</u></u>	<u><u>\$ 1,613,836</u></u>

Approved by _____ Director

See accompanying notes

**GRENFELL DISTRICT HEALTH FOUNDATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>2023</u>	<u>2022</u>
Revenue		
Saskatchewan Health Authority	\$ Nil	\$ 387,692
Town of Grenfell	Nil	1,227,789
Donations	607	488
Interest	58,200	2,871
	<u>58,807</u>	<u>1,618,840</u>
Expenses		
Memberships	100	312
Professional fees	2,536	5,343
Office supplies	1,928	549
	<u>4,564</u>	<u>6,204</u>
Excess of revenue over expenses	<u>\$ 54,243</u>	<u>\$ 1,612,636</u>

See accompanying notes

**GRENFELL DISTRICT HEALTH FOUNDATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 1,612,636	\$ Nil
Excess of revenue over expenses	54,243	1,612,636
BALANCE, END OF YEAR	<u><u>\$ 1,666,879</u></u>	<u><u>\$ 1,612,636</u></u>

See accompanying notes

**GRENFELL DISTRICT HEALTH FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>2023</u>	<u>2022</u>
CASH PROVIDED BY (USED IN):		
Operations		
Excess of revenue over expenses	\$ 54,243	\$ 1,612,636
Change in non-cash working capital items (Note 5)	<u>(42,431)</u>	<u>1,087</u>
	<u>11,812</u>	<u>1,613,723</u>
Financing	<u>Nil</u>	<u>Nil</u>
Investing		
Long term investments	<u>(1,214,941)</u>	<u>(390,563)</u>
	<u>(1,214,941)</u>	<u>(390,563)</u>
Cash increase (decrease)	<u>(1,203,129)</u>	<u>1,223,160</u>
Cash, beginning of year	1,223,160	Nil
CASH, END OF YEAR	<u><u>\$ 20,031</u></u>	<u><u>\$ 1,223,160</u></u>

See accompanying notes

**GRENFELL DISTRICT HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

1. Purpose

Grenfell District Health Foundation is incorporated under the provisions of the Non-profit Corporations Act of Saskatchewan to promote, finance, and provide care for the aged, the ill and infirm, through hospitable and benevolent activities, including the support of hospitals, homes, missions, schools of medical training and dispensaries. The Foundation is a registered charity and is exempt from income tax as per section 149(1)(l) of the income tax act.

2. Significant Accounting Policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations per the CPA Canada Handbook and include the following significant accounting policies:

a) Use of Estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of the period covered. The main estimates relate to the fair value of assets acquired and liabilities assumed.

b) Revenue Recognition

The Foundation follows the deferral method for contributions and donations. Restricted contributions are recognized as revenue in the period the related expenses are incurred. Unrestricted contributions are recognized as revenue in the period they are received.

Interest revenue is recognized as it is earned.

Fundraising revenue is recognized when the collection of proceeds is reasonably assured and all other material conditions are met.

c) Financial Instruments

Measurement of financial instruments

The Foundation initially measures its financial assets and liabilities at fair value.

The Foundation subsequently measures all its financial assets and financial liabilities 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 statement of operations.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

d) Contributed Services

The Foundation would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the difficulty of compiling these hours, contributed services are not recognized in the financial statements.

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2. Significant Accounting Policies - Continued

e) Cash

The Foundation's policy is to present bank balances and term deposits with a maturity period of three months or less from the date of acquisition under cash.

f) Capital Assets

Capital assets are recorded as expenses in the year they are acquired. During the year \$1,113 of capital assets were expensed.

3. Long Term Investments

	<u>2023</u>	<u>2022</u>
Cash and money market accounts	\$ Nil	\$ 170,217
Mutual funds at cost	405,504	220,346
Term deposit, at cost, rate of 4.3%, maturity date of March 1, 2024	1,200,000	Nil
	<u>\$ 1,605,504</u>	<u>\$ 390,563</u>

4. Financial Instruments

The Foundation is exposed to financial risks from its financial assets and liabilities. These risks include credit risk, liquidity risk and market risk.

Credit Risk

The Foundation is exposed to credit risk with respect to term deposits and other receivables. The credit risk with respect to term deposits is insignificant since they are held in large financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect to its accounts payable.

Interest Rate Risk

The Foundation is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Foundation to a fair value risk while the floating rate instruments subject it to a cash flow risk. The Foundation is exposed to this type of risk as a result of investments in term deposits and bank overdrafts. However, the risk associated with investments is reduced to a minimum since these assets are invested in government securities.

5. Net change in non-cash working capital items

	<u>2023</u>	<u>2022</u>
Accounts payable	\$ 800	\$ 1,200
Accrued interest	(43,259)	Nil
Goods and service tax receivable	28	(113)
	<u>\$ (42,431)</u>	<u>\$ 1,087</u>