

**WAINWRIGHT & DISTRICT
COMMUNITY HEALTH FOUNDATION**

Financial Statements

Year Ended March 31, 2022

WAINWRIGHT & DISTRICT COMMUNITY HEALTH FOUNDATION

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Year Ended March 31, 2022

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Wainwright & District Community Health Foundation have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Wainwright & District Community Health Foundation's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring the Foundation fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board of Directors is composed entirely of directors who are neither management nor employees of the Foundation. The Board is also responsible for recommending engagement and/or re-appointment of the Foundation's external auditors.

The financial statements have been audited on behalf of the members by Isaman Chopek LLP, in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). Isaman Chopek LLP, an independent firm of Chartered Professional Accountants, is appointed by the Board to audit the financial statements and report directly to them. The external auditors have full and free access to the Board and meets periodically with both the Board to discuss audit findings.



Chairman



Treasurer

Wainwright, Alberta
September 15, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Wainwright & District Community Health Foundation

Qualified Opinion

We have audited the financial statements of Wainwright & District Community Health Foundation (the organization), which comprise the statement of financial position as at March 31, 2022, and the statements of operations and 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 organization as at March 31, 2022, and the results of its operations and 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 organization derives revenue from 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 organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, deficiency of revenues over expenditures, and cash flows from operations for the year ended March 31, 2022, current assets and net assets as at March 31, 2022. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation of 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 organization in accordance with 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 ASNPO, 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Independent Auditor's Report to the To the Members of Wainwright & District Community Health Foundation (continued)

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 organization'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 organization'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 organization 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.

Wainwright, Alberta
September 15, 2022

Isamar Chapel LLP

CHARTERED PROFESSIONAL ACCOUNTANTS



WAINWRIGHT & DISTRICT COMMUNITY HEALTH FOUNDATION
Statement of Financial Position
March 31, 2022

	Operating	Dr. White	Tansley Estate	Hospital	Palliative Care	Total Total
ASSETS						
CURRENT						
Cash	\$ 2,049,842	\$ -	\$ -	\$ 31,431	\$ 23,832	\$ 2,105,105
Accounts receivable	-	-	-	-	-	-
Accrued interest receivable	1,876	55	111	-	35	2,077
Due from other funds	42,599	-	-	-	1,356	43,955
Goods and services tax recoverable	2,204	-	-	-	-	2,204
Guaranteed Investment Certificates	1,146,537	11,335	70,409	-	21,514	1,249,795
Prepaid expenses	10,232	-	-	-	-	10,232
	3,253,290	11,390	70,520	31,431	46,737	3,413,368
Equity in Cornerstone Co-operative	32	-	-	-	-	32
Equity in Encompass Credit Union	5,781	-	-	-	-	5,781
Long-term investments (Note 5)	276,141	-	-	9,599	20,398	306,138
	\$ 3,535,244	\$ 11,390	\$ 70,520	\$ 41,030	\$ 67,135	\$ 3,725,319
						\$ 2,508,816
LIABILITIES AND NET ASSETS						
CURRENT						
Accounts payable	\$ 18,762	\$ -	\$ -	\$ -	\$ -	\$ 18,762
Deferred revenue - CT Scanner (Note 6)	2,489,548	-	-	-	-	2,489,548
Deferred revenue - Laparoscopic Tower (Note 6)	47,294	-	-	-	-	47,294
Deferred revenue - Royal Alex Hospital Foundation (Note 6)	55,386	-	-	-	-	55,386
Deferred revenue - Rural Nursing Program (Note 6)	25,000	-	-	-	-	25,000
Deferred revenue - Win-Win (CT Scanner) (Note 6)	46,854	-	-	-	-	46,854
Due to other funds	-	1,867	111	41,977	-	43,955
	2,685,844	1,867	111	41,977	-	2,729,799
NET ASSETS (DEBT)	849,400	9,523	70,409	(947)	67,135	985,520
	\$ 3,535,244	\$ 11,390	\$ 70,520	\$ 41,030	\$ 67,135	\$ 3,725,319
						\$ 2,508,816

APPROVED ON BEHALF OF THE BOARD

 Director

 Director

See notes to financial statements

WAINWRIGHT & DISTRICT COMMUNITY HEALTH FOUNDATION
Statement of Operations and Changes in Net Assets
Year Ended March 31, 2022

	Operating	Dr. White	Tansley Estate	Hospital	Palliative Care	Total Total	Total Total
REVENUE							
Donations	\$ 2,321	\$ -	\$ -	\$ 20,291	\$ 6,205	\$ 28,817	\$ 3,557
Fundraising - 50/50	-	-	-	-	-	-	17,280
Gain on investments	6,351	-	-	-	-	6,351	-
Grant	18,000	-	-	-	-	18,000	40,826
Interest	10,929	134	282	5	255	11,605	20,409
Investment income (loss)	6,846	-	-	(13)	(29)	6,804	67,237
	44,447	134	282	20,283	6,431	71,577	149,309
EXPENDITURES							
Advertising	41,756	-	-	-	-	41,756	2,162
Bad debts	-	-	-	-	-	-	600
Business fees and licenses	1,709	-	-	-	-	1,709	-
Doctor recruitment	-	-	-	-	-	-	4,892
Donations to Alberta Health Services for equipment and programs	-	-	-	26,560	78	26,638	5,915
Dr. Britz's park/hospital grounds	19,382	-	-	-	-	19,382	-
Dr. White bursary	-	1,000	-	-	-	1,000	1,000
Fundraising - 50/50 payout	-	-	-	-	-	-	8,640
Fundraising - general	-	-	-	-	-	-	574
Interest and bank charges	276	-	-	-	-	276	74
Office and postage and supplies	3,199	-	-	-	-	3,199	4,192
Professional fees	5,226	-	-	-	-	5,226	5,245
Repairs and maintenance	401	-	-	-	-	401	-
Treasurer and bookkeeping fees	9,000	-	-	-	-	9,000	8,250
	80,949	1,000	-	26,560	78	108,587	41,544
NET (DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES	(36,502)	(866)	282	(6,277)	6,353	(37,010)	107,765
NET ASSETS - BEGINNING OF YEAR	885,620	10,389	70,409	5,330	60,782	1,032,530	924,765
	849,118	9,523	70,691	(947)	67,135	995,520	1,032,530
Interfund transfers	282	-	(282)	-	-	-	-
NET ASSETS - END OF YEAR	\$ 849,400	\$ 9,523	\$ 70,409	\$ (947)	\$ 67,135	\$ 995,520	\$ 1,032,530

See notes to financial statements

WAINWRIGHT & DISTRICT COMMUNITY HEALTH FOUNDATION

Statement of Cash Flows

Year Ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenditures	\$ (37,010)	\$ 107,765
Items not affecting cash:		
Patronage allocation and interest rebate	(273)	(225)
Return on investments	(6,804)	(67,237)
	(44,087)	40,303
Changes in non-cash working capital:		
Accounts receivable	34,844	(26,244)
Goods and services tax recoverable	(636)	(365)
Interest receivable	331	3,217
Prepaid expenses	(10,232)	-
Accounts payable	13,966	(5,400)
Deferred income	1,211,590	486,133
	1,249,863	457,341
Cash flow from operating activities	1,205,776	497,644
INVESTING ACTIVITY		
Proceeds on disposal of long term investments	166,311	-
Cash flow from investing activity	166,311	-
INCREASE IN CASH FLOW	1,372,087	497,644
Cash - beginning of year	1,982,813	1,485,169
CASH - END OF YEAR	\$ 3,354,900	\$ 1,982,813
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ 11,936	\$ 23,626
CASH CONSISTS OF:		
Cash	\$ 2,105,105	\$ 370,221
Guaranteed Investment Certificates	1,249,795	1,612,592
	\$ 3,354,900	\$ 1,982,813

See notes to financial statements

WAINWRIGHT & DISTRICT COMMUNITY HEALTH FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2022

1. ORGANIZATION

The mission of the Wainwright & District Community Health Foundation is to improve and assist health care services in Wainwright and district. The Foundation is a registered charity under the Income Tax Act. As such it is exempt from income taxes, able to issue donation receipts for income tax purposes and is annually required to disburse a minimum amount.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts are maintained on a fund accounting basis. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by contributors or in accordance with the directives issued by the Board of Directors. Five funds are maintained: the Operating Fund, the Dr. White Bursary Fund, the Tansley Estate Fund, the Hospital Fund and the Palliative Care Fund.

The Operating Fund is used to account for all revenue and expenditures related to general and ancillary operations of the Foundation including doctor recruitment and purchase of equipment.

The Dr. White Bursary Fund is used to account for restricted resources that are available to provide annual bursary awards.

The Tansley Estate Fund is used to account for an endowment fund, only the income from the fund shall be used annually.

The Hospital Fund is used to account for revenue and expenditures related to the hospital including Acute Care, Home Care, Long Term Care, and recreation and equipment.

The Palliative Care Fund is used to account for restricted resources that have been designated by fund donors to be used for expenses of Palliative Care Unit.

Cash Resources

Cash resources include cash and bank accounts.

Short-Term Investments

Short-term investments are term deposits and Guaranteed Investment Certificates that are redeemable during the year.

Long-Term Investments

Long-term investments are recorded at the greater of guaranteed or market value.

Tangible Capital Assets

The foundation does not maintain any capital assets. Assets purchased during the year are expended when purchased and donated to the Wainwright Health Centre.

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WAINWRIGHT & DISTRICT COMMUNITY HEALTH FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

The Foundation uses the restricted fund method of accounting for contributions and records revenue and expenditures in the period in which the event leading to the revenue or expenditure occurred.

Financial Instruments

The Foundation's financial instruments consist of cash and temporary investments, receivables, accounts payable and accrued liabilities. It is management's opinion that the foundation is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Contributed Materials and Services

The foundation is governed and supported by volunteers. Contributed services are not reflected in the financial statements due to the difficulty in determining their fair value. The foundation has not paid any remuneration to the fundraising chairman.

4. CASH AND GUARANTEED INVESTMENT CERTIFICATES

Included in cash and guaranteed investment certificates of the Operating Fund are internally restricted funds in the amount of \$2,667,081 (2021 - \$1,455,492) of deferred revenue. Additionally, included in cash of the Operating Fund are externally restricted funds, restricted by license from Alberta Gaming, in the amount of \$91,756 (2021 - \$16,077).

5. LONG-TERM INVESTMENTS

Long-Term Investments in the General Fund consist of mutual funds invested with Manulife Investments:

	2022	2021
Book Value	\$ <u>225,000</u>	\$ <u>386,676</u>
Market Value	<u>276,141</u>	<u>435,608</u>
Guaranteed Value	<u>276,141</u>	<u>435,608</u>

WAINWRIGHT & DISTRICT COMMUNITY HEALTH FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2022

6. DEFERRED REVENUE

	2022	2021
<u>CT Scanner</u>		
Balance, beginning of year	\$ 1,455,492	\$ 969,358
Donations and funds received	1,080,910	486,133
	-	-
Balance, end of year	2,536,402	1,455,491

The CT Scanner deferred revenue consists of donations and other revenues received for the CT Scanner project which is yet to be completed.

<u>Laparoscopic Tower</u>		
Balance, beginning of year	-	-
Donations and funds received	47,294	-
Balance, end of year	47,294	-

The Laparoscopic Tower deferred revenue consists of donations and other revenues received for the Laparoscopic Tower project which is yet to be completed.

<u>The Royal Alexandra Hospitals Foundation</u>		
Balance, beginning of year	-	-
Funds received	58,386	-
Balance, end of year	58,386	-

The Royal Alexandra Hospitals Foundation deferred revenue consists of unallocated earnings from the Royal Alexandra Hospitals Foundation in the participation of the Edmonton Oilers Community Foundation 50-50 draw directed to the Operation Frontline Impact campaign. The funds are restricted for health and wellness initiatives for frontline staff as a response to Covid-19.

<u>Rural Nursing Program</u>		
Balance, beginning of year	-	-
Funds received	25,000	-
Balance, end of year	25,000	-

The Rural Nursing Program deferred revenue consists of unallocated earnings from the Rural Nursing Program that are to be used for equipment and supplies under the direction of the Director of Nursing.

Grand total	\$ 2,667,082	\$ 1,455,491
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7. APPROVAL OF FINANCIAL STATEMENTS

The Board and Management approved these financial statements.