

STRATHCONA COMMUNITY HOSPITAL FOUNDATION

Financial Statements

Year Ended March 31, 2022

STRATHCONA COMMUNITY HOSPITAL FOUNDATION

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Year Ended March 31, 2022

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Strathcona Community Hospital Foundation

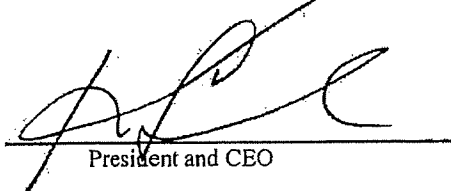
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

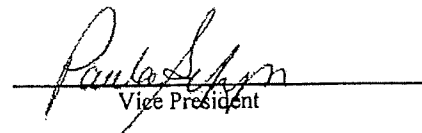
The financial statements of Strathcona Community Hospital Foundation have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements 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 Strathcona Community Hospital Foundation's reporting systems are achieved through the use of policies and procedures. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for financial reporting and is responsible for reviewing and approving the financial statements. The Board also considers the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by Becher Munro & Company, in accordance with Canadian generally accepted auditing standards.



President and CEO

Vice President

Sherwood Park, Alberta
July 12, 2022

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Strathcona Community Hospital Foundation

Opinion

We have audited the financial statements of Strathcona Community Hospital Foundation (the Foundation), which comprise the statement of financial position as at March 31, 2022, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation 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 Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation 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 opinion.

Emphasis of Matter - Comparative Information

We draw attention to Note 1 to the financial statements which describes that the Foundation adopted ASNPO on April 1, 2021 with a transition date of April 1, 2020. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at March 31, 2021 and April 1, 2020, and the statements of changes in net assets, revenues and expenditures and cash flows for the year ended March 31, 2021 and related disclosures. Our opinion is not modified in respect of this matter.

We were not engaged to report on the comparative information, and as such, it is unaudited.

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 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.

(continues)

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.



Sherwood Park, Alberta
July 12, 2022

Chartered Professional Accountants

STRATHCONA COMMUNITY HOSPITAL FOUNDATION

Statement of Financial Position

March 31, 2022

	<i>March 31</i> 2022	<i>March 31</i> 2021	<i>April 1</i> 2020
ASSETS			
CURRENT			
Cash and cash equivalents	\$ 282,142	\$ 337,714	\$ 308,015
Restricted cash (Note 4)	142,500	-	-
Goods and services tax recoverable	3,794	-	-
Prepaid expenses (Note 5)	99,745	-	500
	528,181	337,714	308,515
DUE FROM RELATED PARTIES (Note 7)	55	-	-
	\$ 528,236	\$ 337,714	\$ 308,515
LIABILITIES AND NET ASSETS			
CURRENT			
Accounts payable and accrued liabilities	\$ 10,001	\$ 649	\$ 650
Deferred contributions (Note 6)	142,500	38,031	54,000
	152,501	38,680	54,650
NET ASSETS			
General fund	375,735	299,034	253,865
	\$ 528,236	\$ 337,714	\$ 308,515

COMMITMENTS (Note 11)

ON BEHALF OF THE BOARD

Director

Director

STRATHCONA COMMUNITY HOSPITAL FOUNDATION

Statement of Changes in Net Assets Year Ended March 31, 2022

	2021 Balance	Excess of revenues over expenditures	2022 Balance
General fund	\$ 299,034	\$ 76,701	\$ 375,735

	2020 Balance	Excess of revenues over expenditures	2021 Balance
General fund	\$ 253,865	\$ 45,169	\$ 299,034

STRATHCONA COMMUNITY HOSPITAL FOUNDATION

Statement of Revenues and Expenditures

Year Ended March 31, 2022

	2022	2021
REVENUES		
Creative sentencing <i>(Note 6)</i>	\$ 96,732	\$ -
Donations	81,084	28,941
Grant Revenue <i>(Schedule 1)</i>	56,031	29,970
Fundraising revenue <i>(Schedule 2)</i>	47,558	45,981
Gaming <i>(Note 6)</i>	3,421	-
Interest income	323	163
	285,149	105,055
EXPENDITURES		
Administration	20	212
Advertising and promotion	8,181	4,556
Catering expense	303	76
Consulting fees	44,748	11,970
Fundraising expenditures <i>(Schedule 2)</i>	27,164	19,767
GST expense	353	1,234
Interest and bank charges	1,678	1,100
IV therapy room	217	-
Medical equipment donations <i>(Schedule 3)</i>	100,154	18,791
Memberships	649	135
Miscellaneous expenses	1,225	-
Office	2,758	419
Professional fees	10,025	650
Seminars	480	-
AHS staff wellness	10,000	-
Supplies	-	491
Utilities	278	91
Website development	215	394
	208,448	59,886
EXCESS OF REVENUES OVER EXPENDITURES	\$ 76,701	\$ 45,169

STRATHCONA COMMUNITY HOSPITAL FOUNDATION

Statement of Cash Flows
Year Ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 76,701	\$ 45,169
Changes in non-cash working capital:		
Goods and services tax recoverable	(3,794)	-
Prepaid expenses	(99,745)	500
Accounts payable and accrued liabilities	9,352	-
Deferred contributions	104,469	(15,970)
	10,282	(15,470)
Cash flow from operating activities	86,983	29,699
FINANCING ACTIVITY		
Advances to related parties	(55)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	86,928	29,699
Cash and cash equivalents - beginning of year	337,714	308,015
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 424,642	\$ 337,714
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash and cash equivalents	\$ 282,142	\$ 337,714
Restricted cash	142,500	-
	\$ 424,642	\$ 337,714

STRATHCONA COMMUNITY HOSPITAL FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2022

Strathcona Community Hospital Foundation (the "Foundation") was established in 2008 under the Hospitals Act as a registered charity. It is exempt from tax under Section 149(1)(f) of the Income Tax Act. The Foundation's mandate is to assist the Strathcona Community Hospital, its programs, services, patients and staff by providing enhancements that are not typically part of healthcare funding. It accomplishes this by raising funds and awareness in the community about healthcare needs.

1. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the Foundation adopted Canadian accounting standards for not-for-profit organizations (ASNPO). These financial statements are the first prepared in accordance with these standards. The changes have been applied retrospectively, resulting in changes to beginning equity and restatement of certain assets and liabilities as described below.

a) The statement of financial position at April 1, 2020 has no restatements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with ASNPO which are part of Canadian GAAP.

Cash and cash equivalents

Cash consists of unrestricted cash on hand and unrestricted bank deposits less unrestricted cheques issued and outstanding.

Cash equivalents are an investment in a high interest savings account.

Restricted cash

Restricted cash consists of restricted cash on hand and restricted bank deposits less restricted cheques issued and outstanding.

Contributed services

The operations of the Foundation depend on the contribution of time by volunteers. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements.

Donated goods received

Donated goods received are recorded at their fair market value at the time of the donation.

Medical equipment donations

Medical equipment donations are expensed at the later of the date the funding request is received or the equipment is delivered.

Fund accounting

The general fund reports the assets, liabilities, revenues and expenditures related to program delivery and administrative activities.

Goods and services tax

Goods and services taxes paid on materials and services are recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

(continues)

STRATHCONA COMMUNITY HOSPITAL FOUNDATION

Notes to Financial Statements
Year Ended March 31, 2022

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

Government grants

Government grants are recorded when there is a reasonable assurance that the Foundation has complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Measurement uncertainty

The preparation of financial statements in conformity with 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. The Foundation has no material estimates.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Contributions include creative sentencing, grants, donations and gaming revenues.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fundraising revenue is recognized at the later of the date received or the completion of the fundraising event.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost and are tested for impairment at each reporting date if there is any indication of impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred for financial instruments with actively traded markets. For all other financial instruments, transaction costs on acquisition, sale or issue of financial instruments are amortized over the period of the financial instrument.

Financial instruments recorded at fair value in subsequent periods include cash and cash equivalents and restricted cash.

Financial instruments recorded at amortized cost include amounts due from related parties and accounts payable and certain accrued liabilities. .

STRATHCONA COMMUNITY HOSPITAL FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2022

3. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments. The following analysis provides information about the Foundation's risk exposure and concentration as of March 31, 2022.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The maximum exposure to credit risk is the carrying value of cash and cash equivalents and restricted cash on the statement of financial position.

The Foundation has a concentration of credit risk for cash and cash equivalents and restricted cash due to the entire amount being on deposit with one institution. Risk is mitigated on cash and cash equivalents and restricted cash by being deposited with a provincially regulated, credit worthy financial institution.

Credit risk has increased from the prior year due to an increase in cash and cash equivalents and restricted cash.

4. RESTRICTED CASH

	2022	2021
Restricted grants	\$ 7,297	\$ -
Creative sentencing	2,301	-
Restricted donations	46,500	-
Alberta Gaming, Liquor and Cannabis Commission (AGLC)	86,402	-
	\$ 142,500	\$ -

5. PREPAID EXPENSE

The following amounts represent amounts paid for either work in progress or work to commence at a future date.

	2022	2021
Website development	\$ 3,750	\$ -
Central Monitoring Station	66,502	-
Donor Wall	4,595	-
Mural	24,898	-
	\$ 99,745	\$ -

STRATHCONA COMMUNITY HOSPITAL FOUNDATION

Notes to Financial Statements
Year Ended March 31, 2022

6. DEFERRED CONTRIBUTIONS

	2021	Additions	Reductions	2022
AGLC	\$ -	\$ 89,823	\$ (3,421)	\$ 86,402
Strathcona County grant	38,031	-	(38,031)	-
Alberta Health Services grant	-	7,297	-	7,297
Creative sentencing	-	99,033	(96,732)	2,301
Restricted donations	-	56,500	(10,000)	46,500
	\$ 38,031	\$ 252,653	\$ (148,184)	\$ 142,500

AGLC - Amounts received from gaming are deferred to cover expenditures approved by AGLC.

Strathcona County grant - This grant was received from Strathcona County for the purpose of offsetting some of the Foundation's administration costs.

Alberta Health Services (AHS) grant - This grant was received from AHS to offset web marketing costs.

Creative sentencing - Funds were received from the Province of Alberta under the creative sentencing provisions of the Environmental Protection and Enhancement Act to be used to purchase specified equipment for the Strathcona Community Hospital.

Restricted donations - Funds are restricted until expenditures are incurred that comply with the terms stated by the donor.

7. DUE FROM RELATED PARTIES

The following is a summary of the Foundation's related party transactions:

	2022	2021
<u>Related party transactions</u>		
Executive Director of the Foundation		
<i>Management</i>		
Consulting fees	\$ 40,547	\$ -

These transactions 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 the related parties.

Due from related parties

	2022	2021
Long term portion due from related party		
Due from a member of management	\$ 55	\$ -

The advance is non-interest bearing and has no set terms of repayment.

8. GOVERNMENT ASSISTANCE

Government assistance in the form of grants was received in the amount of \$18,000 during the year for general operations.

STRATHCONA COMMUNITY HOSPITAL FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2022

9. DONATED GOODS RECEIVED

During the year \$779 (2021 - \$73) in goods were donated to the Foundation.

10. NON-MONETARY TRANSACTIONS

The Foundation provided a corporation with two golf registrations for the golf tournament fundraiser and recognized the corporation as a sponsor. This was exchanged for custom printing for the fundraiser and sleeves of golf balls for all participants. This transaction was measured at the exchange amount of \$1,000. There were no related gains or losses.

11. COMMITMENTS

The Foundation has made a commitment to the Strathcona Community Hospital to provide \$200,000 towards the Hospital's IV Therapy Room project.

STRATHCONA COMMUNITY HOSPITAL FOUNDATION

Grant Revenue (Schedule 1)

Year Ended March 31, 2022

	2022	2021
Alberta Health Services <i>(Note 8)</i>	\$ 18,000	\$ 18,000
Strathcona County <i>(Note 6)</i>	38,031	11,970
	\$ 56,031	\$ 29,970

STRATHCONA COMMUNITY HOSPITAL FOUNDATION

Fundraising Revenue and Expenditures (Schedule 2)

Year Ended March 31, 2022

	2022	2021
REVENUES		
Golf tournament	\$ 20,690	\$ 39,110
Golf tournament - sponsorships	19,720	-
Silent auction	6,148	-
Non-monetary <i>(Note 10)</i>	1,000	-
Miscellaneous	-	6,871
	47,558	45,981
EXPENDITURES		
Golf tournament	27,164	19,767
EXCESS OF REVENUES OVER EXPENDITURES	\$ 20,394	\$ 26,214

STRATHCONA COMMUNITY HOSPITAL FOUNDATION

Medical equipment donations (Schedule 3)

Year Ended March 31, 2022

	2022	2021
Ventilator	\$ 50,000	\$ -
Bilevel positive airway pressure	27,366	-
C-MAC Video Laryngoscope	19,366	-
Surgical probe	3,422	-
C-MAC Video Laryngoscope	-	18,791
	\$ 100,154	\$ 18,791