

**CANMORE AND AREA
HEALTH CARE FOUNDATION**

FINANCIAL STATEMENTS

MARCH 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Canmore and Area Health Care Foundation:

Qualified Opinion

We have audited the financial statements of Canmore and Area Health Care Foundation (the Foundation), which comprise the statement of financial position as at March 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 Foundation as at March 31, 2023, and results of its operations 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, Canmore and Area Health Care 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 Canmore and Area Health Care Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenues over expenses, net assets and cash flows from operations for the year ended March 31, 2023 and March 31, 2022, current assets as at March 31, 2023 and 2022 and net assets as at April 1, 2022 and 2021 and March 31, 2023 and 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.

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 judgement 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.

Canmore, Alberta
September 20, 2023

Baker Tilly Rockies LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

CANMORE AND AREA HEALTH CARE FOUNDATION
 (Created under the Regional Health Authorities Foundation Regulations of Alberta)

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2023

ASSETS

	General Fund	Restricted Fund	Endowment Fund	Total 2023	Total 2022
Current assets					
Cash and cash equivalents	\$ 992,856	\$ 2,258,180	\$ -	\$ 3,251,036	\$ 2,942,687
Accounts receivable (note 2)	92,580	-	-	92,580	81,504
Inventory (note 3)	-	2,494	-	2,494	5,102
Prepaid expenses	13,223	-	-	13,223	-
	1,098,659	2,260,674	-	3,359,333	3,029,293
Cash surrender value of life insurance (note 4)	110,948	-	-	110,948	104,397
	\$ 1,209,607	\$ 2,260,674	\$ -	\$ 3,470,281	\$ 3,133,690

LIABILITIES

Current liabilities					
Accounts payable and accrued liabilities	\$ 679,815	\$ 796,046	\$ -	\$ 1,475,861	\$ 1,247,806
Deferred revenue (note 5)	76,933	-	-	76,933	6,852
	756,748	796,046	-	1,552,794	1,254,658

NET ASSETS

Externally restricted net assets (note 6)	-	1,464,628	-	1,464,628	684,896
Internally restricted net assets	-	-	-	-	792,518
Unrestricted net assets	452,859	-	-	452,859	401,618
	452,859	1,464,628	-	1,917,487	1,879,032
	\$ 1,209,607	\$ 2,260,674	\$ -	\$ 3,470,281	\$ 3,133,690

Approved on behalf of the Board of Directors by:





CANMORE AND AREA HEALTH CARE FOUNDATION

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2023

	General Fund	Restricted Fund	Endowment Fund	Total 2023	Total 2022
Donations and fundraising revenue					
Donations	\$ 204,682	\$ 255,895	\$ 16,232	\$ 476,809	\$ 466,509
Fundraising	57,993	92,038	-	150,031	73,483
	<u>262,675</u>	<u>347,933</u>	<u>16,232</u>	<u>626,840</u>	<u>539,992</u>
Less					
Event expenses	59,819	18,122	-	77,941	12,597
	<u>202,856</u>	<u>329,811</u>	<u>16,232</u>	<u>548,899</u>	<u>527,395</u>
Net donations and fundraising revenue					
Other revenue					
AHS operating grant	48,000	-	-	48,000	48,000
AHS High Potential grant	6,852	-	-	6,852	3,148
Endowment grant	75,895	-	-	75,895	80,242
Other grant revenue	5,000	3,000	-	8,000	-
Increase in cash surrender value of life insurance	6,550	-	-	6,550	18,520
Interest income	69,160	-	-	69,160	20,783
Government COVID-19 assistance (note 8)	-	-	-	-	10,726
	<u>211,457</u>	<u>3,000</u>	<u>-</u>	<u>214,457</u>	<u>181,419</u>
Total revenue	<u>414,313</u>	<u>332,811</u>	<u>16,232</u>	<u>763,356</u>	<u>708,814</u>
Other expenses					
Contracted services	20,312	222	-	20,534	10,655
Life insurance premium	15,032	-	-	15,032	15,032
Marketing and outreach	21,221	3,626	-	24,847	20,948
Office, administration and other	9,321	5,362	68	14,751	12,428
Professional fees	22,941	-	-	22,941	19,200
Program expenses	-	59,058	-	59,058	39,852
Salaries and wages	96,247	-	-	96,247	91,389
	<u>185,074</u>	<u>68,268</u>	<u>68</u>	<u>253,410</u>	<u>209,504</u>
Excess of revenue over expenses before the following	<u>229,239</u>	<u>264,543</u>	<u>16,164</u>	<u>509,946</u>	<u>499,310</u>
Donations					
Canmore General Hospital	100,788	251,233	-	352,021	1,224,027
Edmonton Community Foundation (note 9)	-	-	119,470	119,470	310,000
	<u>100,788</u>	<u>251,233</u>	<u>119,470</u>	<u>471,491</u>	<u>1,534,027</u>
Excess (deficiency) of revenue over expenses	<u>\$ 128,451</u>	<u>\$ 13,310</u>	<u>\$ (103,306)</u>	<u>\$ 38,455</u>	<u>\$ (1,034,717)</u>

CANMORE AND AREA HEALTH CARE FOUNDATION

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2023

	General Fund	Internally Restricted Fund	Externally Restricted Fund	Endowment Fund	Total 2023	Total 2022
Net assets, beginning of year	\$ 401,618	\$ 792,518	\$ 681,590	\$ 3,306	\$ 1,879,032	\$ 2,913,749
Excess (deficiency) of revenue over expenses	128,451	(15,800)	29,110	(103,306)	38,455	(1,034,717)
	<u>530,069</u>	<u>776,718</u>	<u>710,700</u>	<u>(100,000)</u>	<u>1,917,487</u>	<u>1,879,032</u>
Interfund transfers (note 7)	(77,210)	(776,718)	753,928	100,000	-	-
Net assets, end of year	<u>\$ 452,859</u>	<u>\$ -</u>	<u>\$ 1,464,628</u>	<u>\$ -</u>	<u>\$ 1,917,487</u>	<u>\$ 1,879,032</u>

CANMORE AND AREA HEALTH CARE FOUNDATION

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2023

	2023	2022
Cash provided for (used by)		
Operating activities		
Donations	\$ 461,777	\$ 451,478
Fundraising activities	91,629	87,168
Grants	89,000	76,827
Interest and endowment grant received	149,403	122,767
Program and operating costs	(191,969)	(189,456)
Hospital payments	(172,021)	(28,927)
	427,819	519,857
Financing activities		
Endowment fund payments	(119,470)	(310,000)
Canada Emergency Business Account loan	-	(40,000)
	(119,470)	(350,000)
Investing activities		
Redemption of short-term investments	-	2,560,000
	-	2,560,000
Cash inflow	308,349	2,729,857
Cash and cash equivalents, beginning of year	2,942,687	212,830
Cash and cash equivalents, end of year	\$ 3,251,036	\$ 2,942,687
Cash and cash equivalents consists of:		
Cash	\$ 535,736	\$ 310,838
High interest savings funds	2,715,300	2,631,849
	\$ 3,251,036	\$ 2,942,687
Unrestricted cash and cash equivalents	\$ 992,856	\$ 812,811
Restricted cash and cash equivalents	2,258,180	2,129,876
Current cash and cash equivalents	\$ 3,251,036	\$ 2,942,687

CANMORE AND AREA HEALTH CARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

Purpose of the organization

The Canmore and Area Health Care Foundation was created for the purpose of funding certain health care facilities, equipment, programs and services and health care education in the Town of Canmore and the surrounding area.

The Foundation was created under the provisions of the Regional Health Authority Foundation Regulations of Alberta on October 6, 2000.

Under the Income Tax Act of Canada, the Foundation qualifies as a charitable organization and is exempt from income tax pursuant to section 149(1)(f) of the Income Tax Act of Canada.

1. Significant accounting policies

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations and include the following significant accounting policies:

a) Fund accounting

The General Fund accounts for administrative activities, contributions to programs when externally restricted funds are insufficient to fund program costs and donations to the Canmore General Hospital.

The Restricted Fund accounts for the Foundation's restricted program delivery as specified by external donors.

The Endowment Fund accounts for contributions and payments received for and made to the Edmonton Community Foundation (ECF). The ECF assists in building and administering endowments created to serve the community. The ECF retains ownership of all endowment funds once contributed by the Foundation.

The Foundation will receive an amount annually determined by ECF as a percentage of the market value of the funds at the end of the previous year. These amounts are recorded in the General Fund as an endowment grant.

b) Revenue recognition

The Foundation uses the restricted fund method of accounting. As such, contributions are recognized in revenue as follows:

Unrestricted contributions are recognized as donation, fundraising, and other revenue in the General Fund in the year that the contribution is received.

Restricted contributions are recognized as donation, fundraising and grant revenue as applicable, in the related restricted fund in the year that the contribution is received. If no restricted fund exists, the contribution is recognized in the General Fund using the deferral method until the related expense occurs.

Endowment contributions are recognized as donation revenue in the Endowment Fund in the year that the contribution is received.

Endowment and other interest is recognized as revenue in the general fund in the year that the contribution is received or receivable.

CANMORE AND AREA HEALTH CARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

1. Significant accounting policies (cont'd)

c) Cash and cash equivalents

Cash and cash equivalents include bank balances and investments in high interest savings funds. The Foundation maintains cash and cash equivalents at financial institutions.

d) Inventory

Inventory is stated at the lower of cost and estimated net realizable value, with costs determined principally on a first-in first-out basis.

e) Property and equipment

Property and equipment is capitalized when the item will have a life expectancy greater than one year and has a cost greater than or equal to \$ 1,000. Property and equipment is capitalized at cost.

Half year provision is taken in the year of addition. No amortization is taken in the year of disposal.

f) Contributed goods and services

Contributed goods are recognized at their fair value, if readily determinable.

Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

g) Financial instruments

All financial instruments are initially recorded at fair market value and subsequently at amortized cost. They are evaluated for impairment at each statement of financial position date with a write-down recorded in the statement of operations. Impairment reversals may occur and the asset can be written up to its original cost. Changes in fair value are recognized in the statement of operations.

Unless otherwise noted, it is in management's opinion that the Foundation is not exposed to significant currency, market, or liquidity risks arising from these financial instruments.

h) Measurement uncertainty

The preparation of financial statements in accordance 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 at the date of the financial statements and the reported amounts of revenue and expenses for the reporting period. Significant items subject to such estimates and assumptions include the carrying amount of accounts receivable and accounts payable and accrued liabilities. Actual results could differ from those estimates.

CANMORE AND AREA HEALTH CARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

2. Accounts receivable

Accounts receivable consists of the following:	2023	2022
Endowment grant receivable	\$ 75,895	\$ 80,242
Other receivable	12,500	-
Goods and Service Tax recoverable	4,185	1,262
	<u>\$ 92,580</u>	<u>\$ 81,504</u>

3. Inventory

The cost of tuck shop goods used during the year was \$ 13,599 (2022 - \$ 5,612).

4. Cash surrender value of life insurance

In the 2018 fiscal year, the Foundation received a donation of a whole life insurance policy, which is reported at the cash surrender value of the policy as of the date of the financial statements. The policy death benefit is \$ 365,358 (2022 - \$ 353,993) and the policy premiums will be paid by the insured. If the policy is surrendered or the death benefit received the total proceeds will be contributed to the endowment fund managed by Edmonton Community Foundation.

5. Deferred revenue

Deferred revenue represents externally restricted contributions received in the General Fund that are related to expenses that occur subsequent to the year end. Changes in the deferred revenue balances are as follows:

	2023	2022
Balance, beginning of year	\$ 6,852	\$ -
Contributions	76,933	10,000
	<u>83,785</u>	<u>10,000</u>
Recognized as revenue	6,852	3,148
Balance, end of year	<u>\$ 76,933</u>	<u>\$ 6,852</u>

CANMORE AND AREA HEALTH CARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

6. Restricted net assets

Externally restricted contributions fund many of the Foundation's programs and hospital donations. When the externally restricted funding for these programs is not sufficient to fund the cost of the program, the Board will transfer from the general fund in order to provide the appropriate resources for the programs until the programming is completed. Below is a summary of the combined revenues, expenses and fund transfers for the programs funded through internally and externally restricted contributions.

	Fund Balance Beginning of Year	General Fund Transfer	Revenues	Expenses	Fund Balance End of Year
Emergency department	\$ 890,917	\$ -	\$ 142,678	\$ 583	\$ 1,033,012
Cancer care	231,917	-	5,710	123,320	114,307
Rehabilitation and physical therapy	58,385	-	-	-	58,385
Casino fund	5,000	-	48,327	1,109	52,218
Ladies auxiliary	46,571	-	54,307	64,445	36,433
Programs	1,558	-	29,110	1,637	29,031
Palliative care	26,436	-	-	-	26,436
Win Win 50 Lottery	28,532	-	15,933	21,298	23,167
Music therapy	11,710	-	10,000	2,267	19,443
Mental health and addictions	12,106	-	290	9	12,387
Staff appreciation	61,111	-	50	49,591	11,570
Facility upgrades	6,873	-	5,827	1,680	11,020
Homecare fund	10,710	-	201	-	10,911
Equipment	50,058	(36,000)	23,650	27,514	10,194
P.A.R.T.Y.	9,074	-	-	-	9,074
Garden fund	3,115	-	7,720	7,625	3,210
Golden Eagle View LTC	2,590	(2,590)	2,600	14	2,586
Volunteer services	894	-	-	124	770
Operating rooms	474	-	-	-	474
Mindfulness	-	15,800	3,530	19,330	-
Acute care	7,938	-	1,000	8,938	-
Marketing and outreach	2,107	-	-	2,107	-
Obstetrics	6,032	-	-	6,032	-
	<u>\$ 1,474,108</u>	<u>\$ (22,790)</u>	<u>\$ 350,933</u>	<u>\$ 337,623</u>	<u>\$ 1,464,628</u>

CANMORE AND AREA HEALTH CARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

7. Interfund transfers

Funds of \$ 753,928 were transferred from the General Fund (Internally Restricted) to the Restricted Fund (Emergency department) to reflect a donor restriction request that related to funds received in a prior year which were initially allocated to the General Fund.

Funds of \$ 38,590 were transferred from the General Fund (Internally Restricted) to the General Fund.

Funds of \$ 100,000 (2022 - \$ 300,000) were transferred from the General Fund to the Endowment Fund in accordance with the Board of Trustee's policy to contribute to the Edmonton Community Foundation. The Board of Trustees make an annual contribution of approximately 20 percent of unrestricted funds received or funds raised during the year to the Edmonton Community Foundation; however, the Board of Trustees made a choice to exceed that threshold for the current year contribution.

Funds of \$ 15,800 (2022 - \$ 43,779) were transferred from the General Fund (Internally Restricted) to the Restricted Fund for the purpose of funding programs for which the externally restricted contributions were not sufficient.

8. Government COVID-19 assistance

As part of the Government of Canada's COVID-19 response, the Foundation qualified for the Canada Emergency Wage Subsidy and the Temporary Wage Subsidy for Employers totalling \$ nil (2022 - \$ 10,726) of which \$ nil (2022 - \$ nil) is included in accounts receivable. This assistance is paid by the Government of Canada to organizations having significant revenue decline in relevant time periods as a consequence of cessation or reduction in normal activities of the organization due to COVID-19 restrictions.

9. Edmonton Community Foundation

By agreement dated January 25, 2011, the Foundation established a Permanent Endowment Fund through the Edmonton Community Foundation (ECF). The purpose of the Endowment Fund is to ensure the long term sustainability of the Canmore and Area Health Care Foundation. The ECF will hold the funds in perpetuity and currently pays 4.0 percent per annum on the deposit annually. The income from the fund is to be used at the discretion of the Board of Directors in accordance with the regulatory requirements of the agreement with the ECF. In accordance with these same regulations, contributions to the ECF are considered as donations and are recorded as such by the ECF. Contributions during the year can be made directly to the ECF. Income earned within the ECF and administrative expenses of the ECF are those of the ECF and as such have not been recorded as revenue and expenses in these financial statements.

	2023	2022
Balance, beginning of year	\$ 2,006,058	\$ 1,621,858
Contributions during the year by the Foundation	119,470	310,000
Income (loss) within the ECF	(63,317)	146,004
Administrative expense within the ECF	(15,062)	(10,881)
Grants requested and received by the Foundation	(75,895)	(60,923)
	<u> </u>	<u> </u>
Balance, end of year	<u>\$ 1,971,254</u>	<u>\$ 2,006,058</u>

CANMORE AND AREA HEALTH CARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

10. Contributed gifts-in-kind

During the year, gifts in kind of \$ 26,449 (2022 - \$ 78,443) in merchandise and publicly traded stocks and \$ 15,032 (2022 - \$ 15,032), being the premium on the life insurance policy were received by the Foundation. The contributed assets were recognized as donation revenue in the General Fund at their fair value.

11. Financial instruments

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentration at March 31, 2023.

a) Credit risk

The financial instruments that potentially subject the foundation to credit risk consist primarily of cash and cash equivalents and accounts receivable. The Foundation mitigates its exposure of credit loss by placing its cash and cash equivalents with major financial institutions. The Foundation's accounts receivable are primarily from government bodies and interest from an endowment held by The Edmonton Community Foundation. Collection of these accounts is reasonably assured and as such credit risk exposure is limited.

There has been no change in management's assessment of credit risk from the prior year.

b) Interest risk

Interest rate risk is the risk that the fair value and future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk on its cash and cash equivalents as certain savings and money market funds bear interest rates subject to market changes. As fluctuating interest rates are beyond the Foundation's control, the risk exposure has been assessed as moderate.

There has been no change to management's assessment of interest risk from the prior year.

12. Credit limit

The Foundation holds a credit card with a credit limit of \$ 3,000. Balances owing are included in accounts payable and accrued liabilities.

13. Comparative figures

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