



NORTHERN HEALTH
FOUNDATION

ANNUAL REPORT 2022

For the fiscal year ended December 31, 2022

BOARD OF DIRECTORS – 2022

The Northern Health Foundation's Directors for the 2022 fiscal year were:

| | |
|-----------------------------------|-------------------------------|
| Carrie Atkinson, The Pas, MB | Board Chair |
| Douglas Lauvstad, The Pas, MB | Board Vice Chair |
| Margot Gray, Flin Flon, MB | Board Treasurer |
| Anthony McInnis, Thompson, MB | Board Secretary |
| Susan Lambert, The Pas, MB | Board Member |
| Brian Duncalfe, The Pas, MB | Board Member |
| Dwayne Portey, Thomspson, MB | Board Member |
| Heather Richardson, Flin Flon, MB | Board Member as of June 21/22 |
| Ryan Lalonde, Thompson, MB | Board Member as of June 21/22 |
| Jim Berscheid, The Pas, MB | Board Member as of June 21/22 |
| Brent Lethbridge, Flin Flon | Board Member until March17/22 |
| Christopher Matechuk, Thompson | Board Member until March17/22 |
| Scott Hamel, Flin Flon, MB | Non-Voting Board Member |
| Helga Bryant, Flin Flon, MB | Non-Voting Board Member |
| Twyla Storey, Flin Flon, MB | CEO Board Member |

The 2022 Board of Directors extends a huge thank you to all the communities for the outstanding support we received throughout this fiscal year. The Northern Health Foundation is a volunteer-based organization established by Northerners, for the benefit of Northerners, supporting the health needs of the Northern Health Region. The Foundation relies on donations from individuals, organizations and businesses as well as from monies raised during events and through community fundraising initiatives. These donations help us fund a variety of purchases, programs and projects for all who are served by the Northern Health Region.

The support and trust we receive from our donors are our greatest asset. Thank you for allowing us the privilege of managing your gifts to improve patient care in the Northern Health Region.

FINANCIAL STATEMENTS

The Financial Statements for the year ending December 31, 2022 were approved by the Board and are attached to this report.

An audit of the Northern Health Foundation was performed by Baker Tilly Accounting Company

WHAT HAPPENED IN 2022?

- Winning Together NHR Staff 50/50 Payroll Draw continued. This is a bi-weekly event with proceeds going to our "BUY A PUMP" Campaign. At the end of the year the Foundation provided \$250,000.00 in financial support to the purchase of IV Pumps for the Northern Health Region.
- The Great Raffle 2022 - annual community 50/50 fundraising event.
- Various equipment purchases and program support throughout the year.
- Continued work on recruitment of new board members.

LOOKING FORWARD - WHAT ARE OUR PLANS FOR 2023?

The Northern Health Foundation will be:

- Continuing to provide NHR employees the 50/50 Payroll Draw "Winning Together".
- Running "The Great Raffle 2023" - our annual community fundraiser.
- Increasing fundraising opportunities.
- Increasing awareness of the Foundation.
- Increasing attention to seeking new Board Members to sit on the Northern Health Foundation Board of Directors.
- Supporting the needs of the patients and staff in the Northern Health Region through increased attention to matching donations with needs of clinical areas through enhanced processes in collaboration with leadership of the Northern Health Region.

THE NORTHERN HEALTH FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2022

INDEPENDENT AUDITORS' REPORT

To the Directors
The Northern Health Foundation

Qualified Opinion

We have audited the accompanying financial statements of The Northern Health Foundation, which comprise the statement of financial position as at December 31, 2022, 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 effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of The Northern Health Foundation as at December 31, 2022, 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 non-profit organizations, the Foundation derives its revenue from the general public in the form of donations and fundraising activities, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we are not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, assets and surplus.

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 Northern Health 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 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 Northern Health 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 Northern Health Foundation or to cease operations, or has no realistic alternative but to do so.

(continued.....)

Those charged with governance are responsible for overseeing The Northern Health Foundation's financial reporting process.

Auditors' Responsibility 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 Northern Health 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 Northern Health 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 Northern Health 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.



Chartered Professional Accountants


THE NORTHERN HEALTH FOUNDATION

Statement of Financial Position

As at December 31, 2022

| | 2022 | 2021 |
|--|--------------------------|--------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and short term investments (Note 3) | \$ 463,119 | \$ 747,326 |
| Accounts receivable | 500 | - |
| | <u>\$ 463,619</u> | <u>\$ 747,326</u> |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts payable & accrued liabilities | \$ 11,882 | \$ 3,400 |
| | <u>11,882</u> | <u>3,400</u> |
| NET ASSETS | | |
| Restricted net assets: | | |
| Flin Flon | 39,696 | 43,285 |
| The Pas | 30,652 | 60,273 |
| Thompson | 22,395 | 220,559 |
| Other communities | 26,306 | 37,037 |
| Unrestricted net assets: | | |
| General | 332,688 | 382,772 |
| Total Net Assets | <u>451,737</u> | <u>743,926</u> |
| | <u>\$ 463,619</u> | <u>\$ 747,326</u> |

Approved by the Board:

Carrie Atkinson 
Director

June 27, 2023

Date

Twyla Storey 
Director

June 27, 2023

Date

THE NORTHERN HEALTH FOUNDATION

Statement of Operations

As at December 31, 2022

| | Flin Flon | The Pas | Thompson | Other Communities | General | <u>2022</u> | <u>2021</u> |
|---|------------------|-------------------|--------------------|----------------------|-------------------|---------------------------|----------------|
| REVENUE | | | | | | | |
| Donations | \$ 12,540 | \$ 1,230 | \$ 34,830 | \$ 15,675 | \$ 16,035 | \$ 80,310 | \$ 155,084 |
| Fundraising | - | - | - | - | 148,325 | 148,325 | 46,085 |
| | <u>\$12,540</u> | <u>\$1,230</u> | <u>\$34,830</u> | <u>\$15,675</u> | <u>\$164,360</u> | <u>228,635</u> | <u>201,169</u> |
| EXPENDITURES | | | | | | | |
| General | 16,129 | 30,851 | 232,994 | 26,406 | 14,175 | 320,555 | 240,118 |
| Administration | | | | | 25,791 | 25,791 | 13,786 |
| Fundraising | - | - | - | - | 163,487 | 163,487 | 28,608 |
| TOTAL EXPENDITURES | <u>16,129</u> | <u>30,851</u> | <u>232,994</u> | <u>26,406</u> | <u>203,453</u> | <u>509,833</u> | <u>282,512</u> |
| NET OPERATIONS BEFOR OTHER INCOME AND EXPENDITURES | (3,589) | (29,621) | (198,164) | (10,731) | (39,093) | (281,198) | (81,343) |
| OTHER INCOME AND EXPENDITURES | | | | | | | |
| Investment gain (loss) | - | - | - | - | (10,991) | (10,991) | 85,657 |
| EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR | <u>(\$3,589)</u> | <u>(\$29,621)</u> | <u>(\$198,164)</u> | <u>(\$10,731)</u> | <u>(\$50,084)</u> | <u>(\$292,189)</u> | <u>\$4,314</u> |

THE NORTHERN HEALTH FOUNDATION

Statement of Cash Flow

As at December 31, 2022

| | <u>2022</u> | <u>2021</u> |
|---|------------------|-------------------|
| OPERATING ACTIVITIES | | |
| Excess of revenue over expenditures | (\$292,189) | \$4,314 |
| Changes in non-cash working capital items: | | |
| Receivables | (500) | |
| Liabilities | 8,482 | (42,253) |
| Grant commitments | - | - |
| Funds provided by (used in) operating activities | <u>(284,207)</u> | <u>(\$37,939)</u> |
| OTHER ACTIVITIES | | |
| NET INCREASE IN CASH POSITION | (284,207) | (\$37,939) |
| CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR | <u>747,326</u> | <u>785,265</u> |
| CASH AND SHORT-TERM INVESTMENTS, END OF YEAR | <u>\$463,119</u> | <u>\$747,326</u> |

THE NORTHERN HEALTH FOUNDATION

Statement of Changes in Net Assets

As at December 31, 2022

| | Restricted Net Assets | | | | Unrestricted Net Assets | 2022 | 2021 |
|---|-----------------------|-----------------|-----------------|----------------------|----------------------------|------------------|------------------|
| | Flin Flon | The Pas | Thompson | Other Communities | General | | |
| Net Asset <i>balance at beginning of year</i> | \$43,285 | \$60,273 | \$220,559 | \$37,037 | \$382,772 | \$743,926 | \$739,612 |
| Surplus (Deficit) | (3,589) | (29,621) | (198,164) | (10,731) | (50,084) | (292,189) | 4,314 |
| Net asset <i>balance at end of year</i> | \$39,696 | \$30,652 | \$22,395 | \$26,306 | \$332,688 | \$451,737 | \$743,926 |

THE NORTHERN HEALTH FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. NATURE OF ORGANIZATION

Northern Health Foundation (the Foundation) is a charitable organization of volunteers dedicated to health services and betterment, in the Northern Manitoba region. The Foundation is a charitable organization for income tax purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

CAPITAL ASSETS AND EQUIPMENT

Capital assets are expensed at the time of acquisition. Capital assets held include office equipment. During the year there were no capital assets expensed. (2021 -NIL).

CONTRIBUTED SERVICES

Some of the supervision and service delivery activities are carried out by Members of the Board on a voluntary basis. Because of the difficulty of determining their fair value, these contributed services are not recognized in the financial statements. In addition, the Foundation receives a partial contribution of administration services from Northern Regional Health Authority. (*Note 5*) The contributed amount is not recognized in the financial statements.

REVENUE RECOGNITION

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or become receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Revenues other than contributions are recognized when they are earned.

MEASUREMENT OF FINANCIAL INSTRUMENTS

The Foundation initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value. Transaction costs related to financial assets that will be subsequently measured at fair value are recognized in the statement of operations in the year in which they are incurred.

Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Foundation is in the capacity of management, are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms.

The Foundation subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments and other short term investments 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 and accrued liabilities.

Financial assets measured at fair value include short term investments.

THE NORTHERN HEALTH FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

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

USE OF ESTIMATES

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 certain assets and liabilities at the date of financial statements and the reported amounts of certain revenue and expenses during the year. Significant estimates include the determination of the allowance for doubtful accounts. Actual results could differ from those estimates.

3. CASH AND SHORT TERM INVESTMENTS

| | 2 0 2 2 | 2 0 2 1 |
|------------------------|-------------------|-------------------|
| Cash and equivalents | \$ 96,549 | \$ 84,602 |
| Short term investments | | |
| - Fixed income funds | 181,722 | 301,032 |
| - Canadian equity fund | <u>184,848</u> | <u>361,692</u> |
| | <u>\$ 463,119</u> | <u>\$ 747,326</u> |

4. FINANCIAL INSTRUMENTS

Financial risks

The Foundation is exposed to various risks through its financial instruments. The significant risks are detailed below.

Credit risk

The Foundation is exposed to credit risk with respect to its short term investments which hold mutual funds invested in corporate bonds and other fixed income instruments.

Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. The Foundation is exposed to liquidity risk with respect to the financial liabilities recognized in the statement of financial position.

Interest rate risk

The Foundation is exposed to interest rate risk with respect to its short term investments which hold a mutual fund invested in corporate bonds and other fixed income instruments, and its cash balances, which in aggregate contain 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.

Other price risk

The Foundation is exposed to other price risk through its short term investments which hold a mutual fund invested in quoted shares for which the value fluctuates with the quoted market price.

THE NORTHERN HEALTH FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

5. RELATED PARTY TRANSACTIONS

The aims and objectives of the Foundation coincide with those of the Northern Regional Health Authority. (The Authority)

The Authority regularly provides the Foundation with a listing of project/equipment requirements to consider in its annual funding processes.

A portion of the Foundation's Board of Directors is in common with that of the Authority and three members of the Authority's senior management team participate with the Foundation's Board in a non-voting capacity.

The Foundation provides donations to the Authority and also reimburses the Authority for 50% (2021 - 25%) of the payroll amounts incurred in assisting with the Foundation's administration.

The Foundation has incurred the following amounts with the Authority:

| | |
|---|------------------------------|
| Grants and contributions (general) | \$306,381 (2021 - \$227,467) |
| Payroll reimbursements (administration) | \$17,076 (2021 - \$8,110) |

The Foundation has agreed with the Authority for a payroll reimbursement rate of 75% for 2023 and 100% for 2024.

Included in accounts payable & accrued liabilities is \$4,912 (2021 - NIL) due to the Authority.

6. CAPITAL MANAGEMENT

The Foundation's objective in managing capital is to ensure that sufficient funds are available to meet its charitable objectives. The foundation seeks to maintain an overall and working capital surplus commensurate with its operating requirements.