

Financial Statements of

**CATHOLIC HEALTH ASSOCIATION  
OF SASKATCHEWAN**

And Independent Auditors' Report thereon

Year ended June 30, 2022



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## INDEPENDENT AUDITORS' REPORT

To the Members of Catholic Health Association of Saskatchewan

### ***Opinion***

We have audited the financial statements of Catholic Health Association of Saskatchewan (the Entity), which comprise:

- the balance sheet as at June 30, 2022
- the statement of operations for the year then ended
- the statement of net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at June 30, 2022 and its results of operations and its 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

### ***Auditors' 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 auditors' 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.



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- 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.
- 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.

*KPMG LLP*

Chartered Professional Accountants

Saskatoon, Canada

September 26, 2022

# CATHOLIC HEALTH ASSOCIATION OF SASKATCHEWAN

## Balance Sheet

June 30, 2022, with comparative information for 2021

	2022	2021
<b>Assets</b>		
Current assets:		
Cash	\$ 71,991	\$ 45,744
Short term investments (note 2)	40,216	40,000
Accounts receivable	35,740	-
Prepaid expenses	1,268	-
Receivable - GST	135	174
	149,350	85,918
Long-term investments (note 2)	736,898	776,122
	<u>\$ 886,248</u>	<u>\$ 862,040</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 13,842	\$ 9,321
Deferred revenue (note 3)	40,108	7,006
	53,950	16,327
Net assets:		
General Fund	320,246	306,071
Hon. Emmett M. Hall Fund (note 4)	122,415	127,640
Moola Freer Scholarship Fund (note 4)	119,873	124,989
Ethics Fund (note 4)	269,764	287,013
	832,298	845,713
	<u>\$ 886,248</u>	<u>\$ 862,040</u>

See accompanying notes to financial statements.

On behalf of the Board:

Ethne Martin Director

Paul Rosenburg Director

# CATHOLIC HEALTH ASSOCIATION OF SASKATCHEWAN

Statement of Operations

Year ended June 30, 2022, with comparative information for 2021

	General Fund	Hon. Emmett M. Hall Fund	Moola Freer Scholarship Fund	Ethics Fund	2022	2021
<b>Revenue:</b>						
Membership income	\$ 60,509	\$ -	\$ -	\$ -	60,509	\$ 76,254
Bishop's Grant	58,103	-	-	-	58,103	19,368
Donations revenue	5,329	-	-	-	5,329	6,283
Investment income (loss)	(12,529)	(5,225)	(5,116)	(11,749)	(34,619)	96,027
	111,412	(5,225)	(5,116)	(11,749)	89,322	197,932
<b>Expenses:</b>						
Salaries and benefits	36,416	-	-	-	36,416	63,041
Sub-contracts	18,931	-	-	-	18,931	23,991
Accounting fees	10,405	-	-	-	10,405	9,591
Professional fees	9,636	-	-	-	9,636	9,572
Ethics Project	-	-	-	5,500	5,500	-
Investment fees	4,390	-	-	-	4,390	3,907
Annual convention	3,897	-	-	-	3,897	1,088
Office	3,435	-	-	-	3,435	2,955
Rent	2,091	-	-	-	2,091	-
Telephone	2,058	-	-	-	2,058	2,796
Printing and copying	1,699	-	-	-	1,699	1,521
Postage and courier	1,508	-	-	-	1,508	2,013
Website	638	-	-	-	638	630
Insurance	592	-	-	-	592	1,595
Meetings and conventions	527	-	-	-	527	423
Interest and bank charges	419	-	-	-	419	316
Other	402	-	-	-	402	337
Food functions	193	-	-	-	193	354
Mission formation	-	-	-	-	-	2,062
	97,237	-	-	5,500	102,737	126,192
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 14,175</b>	<b>\$ (5,225)</b>	<b>\$ (5,116)</b>	<b>\$ (17,249)</b>	<b>\$ (13,415)</b>	<b>\$ 71,740</b>

See accompanying notes to financial statements.

# CATHOLIC HEALTH ASSOCIATION OF SASKATCHEWAN

## Statement of Net Assets

Year ended June 30, 2022, with comparative information for 2021

	General Fund	Hon. Emmett M. Hall Fund	Moola Freer Scholarship Fund	Ethics Fund	2022	2021
Balance, beginning of year	\$ 306,071	\$ 127,640	\$ 124,989	\$ 287,013	\$ 845,713	\$ 773,973
Excess (deficiency) of revenue over expenses	14,175	(5,225)	(5,116)	(17,249)	(13,415)	71,740
Balance, end of year	\$ 320,246	\$ 122,415	\$ 119,873	\$ 269,764	\$ 832,298	\$ 845,713

See accompanying notes to financial statements.

# CATHOLIC HEALTH ASSOCIATION OF SASKATCHEWAN

## Statement of Cash Flows

Year ended June 30, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ (13,415)	\$ 71,740
Changes in non-cash operating working capital:		
Short term investments	(216)	(38,787)
Accounts receivable	(35,740)	10,520
Receivable - GST	40	1,035
Accounts payable and accrued liabilities	4,520	(229)
Accrued payroll expenses	-	(691)
Deferred revenue	33,102	(82,085)
Prepaid expenses	(1,268)	-
	(12,977)	(38,497)
Investing:		
Long term investments	39,224	(93,333)
Increase (decrease) in cash	26,247	(131,830)
Cash, beginning of year	45,744	177,574
Cash, end of year	\$ 71,991	\$ 45,744

See accompanying notes to financial statements.



# CATHOLIC HEALTH ASSOCIATION OF SASKATCHEWAN

Notes to Financial Statements

Year ended June 30, 2022

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## **Nature of operations:**

Catholic Health Association of Saskatchewan (the "Association") is incorporated under the Saskatchewan Non-Profit Corporations Act. The mission of the Association is to offer leadership, education and recourses in ethics, mission, spiritual care and social justice. Given its not-for-profit status, the Association is not subject to income taxes.

## **1. Significant accounting policies:**

### **(a) Basis of presentation:**

These financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit organizations in Part III of the CPA Canada Handbook. The significant accounting policies used in the preparation of these financial statements are summarized below.

The Association maintains its accounts in accordance with the principles of restricted fund accounting. Resources are classified for accounting and reporting purposes into either the General fund, Hon. Emmett M. Hall Fund, Moola Freer Scholarship Fund, or the Ethics Fund according to the activity or objective specified.

The General Fund consists of all unrestricted operational activity that is unrelated to the following restricted funds.

The Hon. Emmett M. Hall Fund was established for specific education projects in honour of the late Hon. Emmett M. Hall. The fund balances consists of an appropriation of surplus plus specific donations and interest earned on the fund balance less specific expenses.

The Moola Freer Scholarship Fund was established for palliative care education and awards by Dr. Dawood and Anne Moola. The fund consists of specific donations and interest earned on the fund balance less specific expenses.

The Ethics Fund was established for the purpose of promoting and providing ethics education, resources and services. The fund was established from the sale of Advance Care Directive booklets and videos, and further enhanced with specific donations. The fund consists of specific donations, income from sales and interest earned on the fund balance less specific expenses.

### **(b) Cash and cash equivalents:**

Cash and Cash equivalents consist of cash and investments with financial institutions with initial maturity of less than 90 days.

# CATHOLIC HEALTH ASSOCIATION OF SASKATCHEWAN

Notes to Financial Statements (continued)

Year ended June 30, 2022

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## 1. Significant accounting policies (continued):

### (c) Financial instruments:

Financial instruments are initially recognized at fair value and their subsequent measurement is dependent on their classification below.

The Association has elected to measure investments at fair value when an active market exists. Equity investments deemed not to have an active market are carried at cost less any reduction for impairment. Investment income (loss) is allocated to various funds in proportion to the prior year fund balance. Investment management fees are expensed as incurred.

Accounts receivable, accounts payable and accrued liabilities are recorded at amortized cost. The fair value of such financial instruments approximate their carrying value due to the short-term period to maturity of the instruments.

Financial assets carried at amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial assets. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (d) Revenue recognition:

The Association follows the restricted fund method of accounting for contributions including grants and membership fees.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. Restricted contributions for a specified period (often a calendar year) are recognized based on the passage of time. Restricted contributions for expenses of one or more future periods are reported as deferred revenue. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

# CATHOLIC HEALTH ASSOCIATION OF SASKATCHEWAN

Notes to Financial Statements (continued)

Year ended June 30, 2022

## 1. Significant accounting policies (continued):

### (e) Capital assets:

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives on a straight-line basis.

The estimated useful lives of assets are reviewed by management and adjusted if necessary.

### (f) Use of estimates:

The preparation of the financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year.

## 2. Investments:

	2022	2021
Short- term investments:		
Affinity Credit Union 1-year Flex Term deposit bearing interest at 0.35% and maturing November 16, 2022	\$ 40,216	\$ 40,000
Long-term investments:		
Affinity Credit Union guaranteed investment certificate bearing interest at 0.75% and maturing January 26, 2026	1,260	1,250
UMC Financial Management Inc. mutual fund	327,517	312,915
Assante Private Client managed portfolio corporate class fund	408,121	461,957
	736,898	776,122
	\$ 777,114	\$ 816,122

The UMC Financial Management Inc. mutual fund is not actively traded. Fair value as determined by the fund manager has been estimated to approximate carrying value. Fair value assessments by the fund manager are based on the fund's NAV (net asset value) which requires valuation assessments and estimates of provisions for credit losses based on property securing mortgage investments.

# CATHOLIC HEALTH ASSOCIATION OF SASKATCHEWAN

Notes to Financial Statements (continued)

Year ended June 30, 2022

## 3. Deferred revenue

	2022	2021
Affiliate	125	-
Associate	3,412	3,843
Institutional	16,408	888
Personal	795	2,275
Bishop grant	19,368	-
	40,108	7,006

## 4. Restricted fund balances:

	2022	2021
Hon. Emmett M. Hall Fund		
Donations	\$ 36,412	\$ 36,412
Accumulated excess of investment income over expenses	72,997	78,222
Transfer from General Fund	13,006	13,006
	\$ 122,415	\$ 127,640

	2022	2021
Moola Freer Scholarship Fund		
Donations	\$ 43,000	\$ 43,000
Accumulated excess of investment income over expenses	76,873	81,989
	\$ 119,873	\$ 124,989

	2022	2021
Ethics Fund		
Donations	\$ 85,780	\$ 85,780
Accumulated excess of investment income over expenses	174,139	191,388
Transfer from General Fund	9,845	9,845
	\$ 269,764	\$ 287,013

# CATHOLIC HEALTH ASSOCIATION OF SASKATCHEWAN

Notes to Financial Statements (continued)

Year ended June 30, 2022

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## 5. Financial instruments and risk management

The Association manages its investment portfolio to earn investment income and invests according to the Association's investment policy and the Board's direction. The Association is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

Due to the low risk nature of the Association's investments, it is management's opinion that the Association is not exposed to significant interest, market or credit risk arising from these financial instruments.

Additionally, the Association believes it is not exposed to significant liquidity risk as all investments are held in instruments that are highly liquid and can be disposed of to settle commitments

## 6. Comparative figures:

Certain comparative figures have been reclassified to confirm with the financial statement presentation adopted in current year.

