

Northern Lights Regional Health Foundation
Financial Statements
March 31, 2025

Northern Lights Regional Health Foundation

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For the year ended March 31, 2025

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To the Members of Northern Lights Regional Health Foundation:

Opinion

We have audited the financial statements of Northern Lights Regional Health Foundation (the "Foundation"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations and changes in fund balances 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, 2025, and the 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 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 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 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 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.

Fort McMurray, Alberta

July 9, 2025

MNP LLP

Chartered Professional Accountants

Northern Lights Regional Health Foundation

Statement of Financial Position

As at March 31, 2025

	2025	2024
Assets		
Current		
Cash	1,315,063	1,023,046
Marketable securities (Note 3)	13,122,904	13,675,162
Accounts receivable (Note 12)	23,051	40,274
Prepaid expenses	-	5,210
Inventory	-	1,041
	14,461,018	14,744,733
Capital assets (Note 4)	38,326	38,726
	14,499,344	14,783,459
Liabilities		
Current		
Accounts payable and accruals (Note 10)	94,556	142,113
Deferred revenue (Note 5)	235,263	213,000
	329,819	355,113
Pledges (Note 12)		
Significant event (Note 15)		
Fund Balances		
Unrestricted	9,246,451	7,704,473
Externally restricted (Note 7)	3,729,405	4,272,879
Internally restricted (Note 8)	1,155,343	2,412,268
Invested in capital assets	38,326	38,726
	14,169,525	14,428,346
	14,499,344	14,783,459
Approved on behalf of the Board		
<i>signed by "Greg Fuhr"</i>	<i>signed by "Denean Robinson"</i>	
Director	Director	

The accompanying notes are an integral part of these financial statements

Northern Lights Regional Health Foundation
Statement of Operations and Changes in Fund Balances

For the year ended March 31, 2025

	Unrestricted Fund	Externally Restricted Fund	Internally Restricted Fund	Invested in Capital Assets Fund	Total 2025	Total 2024
Revenue						
Fundraising activities (Note 15)	1,971,255	340,690	-	-	2,311,945	2,356,767
Investment income (Note 9)	992,785	-	-	-	992,785	1,073,501
Gifts-in-kind (Note 6)	86,182	-	-	-	86,182	108,942
	3,050,222	340,690	-	-	3,390,912	3,539,210
Expenses						
Salaries and benefits and contract labour (Note 14)	538,866	-	-	-	538,866	577,699
Fundraising activities (Note 6)	466,477	-	-	-	466,477	536,300
Office and other	131,206	-	-	-	131,206	175,343
Amortization of capital assets	-	-	-	7,180	7,180	6,713
	1,136,549	-	-	7,180	1,143,729	1,296,055
Excess (deficiency) of revenue over expenses before the undernoted	1,913,673	340,690	-	(7,180)	2,247,183	2,243,155
Donations to Alberta Health Services (Note 10)	-	884,164	1,621,840	-	2,506,004	2,114,925
Excess (deficiency) of revenue over expenses	1,913,673	(543,474)	(1,621,840)	(7,180)	(258,821)	128,230
Purchase of capital assets	(6,780)	-	-	6,780	-	-
Interfund transfers	(364,915)	-	364,915	-	-	-
Fund balance, beginning of year	7,704,473	4,272,879	2,412,268	38,726	14,428,346	14,300,116
Fund balance, end of year	9,246,451	3,729,405	1,155,343	38,326	14,169,525	14,428,346

The accompanying notes are an integral part of these financial statements

Northern Lights Regional Health Foundation

Statement of Cash Flows

For the year ended March 31, 2025

	2025	2024
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	(258,821)	128,230
Amortization	7,180	6,713
Unrealized investment gain (Note 9)	(529,878)	(445,875)
	(781,519)	(310,932)
Changes in working capital accounts		
(Increase) decrease in accounts receivable	17,223	(12,394)
(Increase) decrease in prepaid expenses	5,210	3,376
(Increase) decrease in inventory	1,041	(1,041)
Decrease in accounts payable and accruals	(47,557)	(24,466)
Increase (decrease) in deferred revenue	22,263	(32,500)
	(783,339)	(377,957)
Investing		
Purchase of capital assets	(6,780)	-
Sales (purchases) of investments, net	1,082,136	(491,384)
	1,075,356	(491,384)
Increase (decrease) in cash resources	292,017	(869,341)
Cash resources, beginning of year	1,023,046	1,892,387
Cash resources, end of year	1,315,063	1,023,046

The accompanying notes are an integral part of these financial statements

Northern Lights Regional Health Foundation

Notes to the Financial Statements

For the year ended March 31, 2025

1. Incorporation and nature of the organization

Northern Lights Regional Health Foundation (the "Foundation") exists under the Provincial Health Legislation of Alberta as a not-profit charitable organization without share capital. Under the provisions of the Income Tax Act, the Foundation is exempt from income tax. The Foundation raises revenue to donate to Alberta Health Services to support AHS operations through funding equipment, capital projects and programs, primarily in the Regional Municipality of Wood Buffalo.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions. The accounts have been segregated into the following funds:

The Unrestricted Fund consists of donations and investment income upon which no restrictions have been imposed by the donors or the Board of Directors (the "Board"). These funds are managed in accordance with general Board policies and may be internally restricted through Board motion.

The Externally Restricted Fund consists of funds upon which restrictions have been imposed by the donor.

The Internally Restricted Fund consists of funds upon which restrictions have been imposed by the Board. These funds represent donations and income that were initially unrestricted but upon which the Board has placed restrictions for specific priority programs.

The Invested in Capital Assets Fund consists of funds related to capital purchases recorded at cost, less accumulated amortization.

Revenue recognition

The Foundation uses the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue of the externally restricted fund in the year received or receivable, whichever is earlier, if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions are recognized as revenue when received or receivable, whichever is earlier, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from fundraising events is recognized on the date of the event.

Investment income is recognized as revenue of the unrestricted fund when earned.

The Foundation applies for financial assistance under available government programs. Government assistance reimbursing eligible expenses is recognized as other revenue the year in which related expenses are incurred.

Contributed materials

Contributions of materials and services are recorded at fair value as gifts-in-kind when a fair value can be reasonably estimated. Contributed services of volunteers are not recognized in these financial statements as the fair value cannot be reasonably determined.

Capital assets

Capital assets are recorded at cost, less accumulated amortization.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Equipment	straight-line	5 years
Furniture and fixtures	straight-line	10 years
Donor wall	straight-line	15 years

Northern Lights Regional Health Foundation

Notes to the Financial Statements

For the year ended March 31, 2025

2. Significant accounting policies *(Continued from previous page)*

Long-lived assets and discontinued operations

Long-lived assets consist of capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Foundation writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Foundation's ability to provide goods and services. The assets are also written-down when the value of future economic benefits or service potential associated with the group of assets is less than its net carrying amount. When the Foundation determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

Financial instruments

The Foundation recognizes financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Foundation may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Foundation has elected to carry its fixed-income instruments and others at fair value.

The Foundation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value. All other financial assets and liabilities are subsequently measured at amortized cost, unless management has elected to carry the instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

Financial asset impairment

The Foundation assesses impairment of all its financial assets on an annual basis at the end of the fiscal year if there are indicators of impairment. If there are indicators of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. 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 Foundation expects to realize by exercising its rights 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.

Measurement uncertainty (use of estimates)

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided if considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Northern Lights Regional Health Foundation
Notes to the Financial Statements
For the year ended March 31, 2025

3. Marketable securities

	2025	2024
Money market funds	1,879,608	3,369,979
Mutual funds	11,243,296	10,305,183
	13,122,904	13,675,162

4. Capital assets

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Equipment	39,027	39,027	-	-
Furniture and fixtures	27,878	27,878	-	-
Donor wall	104,792	66,466	38,326	38,726
	171,697	133,371	38,326	38,726

5. Deferred revenue

	2025	2024
Festival of Trees	137,501	120,000
Spring Fling	87,000	93,000
Hospital Bed races	10,762	-
	235,263	213,000

6. Gifts-in-kind

During the year, the Foundation received gifts-in-kind from its suppliers and sponsors to support its fundraising activities in the amount of \$86,182 (2024 - \$108,942). This amount has been included as part of revenue with a corresponding amount being included as part of fundraising activities expense.

Northern Lights Regional Health Foundation
Notes to the Financial Statements
For the year ended March 31, 2025

7. Externally restricted funds

	2025	2024
Better Together Indigenous Health Project	697,500	465,000
Minimally Invasive Surgical Suites	599,876	996,916
Public Health	390,192	390,192
Continuing Care	385,630	388,039
Multi-purpose Clinics	300,000	300,000
Pediatrics	297,794	281,406
Return In Service	234,654	234,654
Community Mental Health	174,649	174,649
Medicine	157,172	157,172
Extended Care	132,979	132,232
Palliative Care Suites	73,601	73,601
Rural Clinics	53,461	53,461
Cancer Clinic	47,318	33,937
Operation Frontline Health	42,140	44,044
Other	38,803	37,980
Capital Care Campaign	33,159	33,159
Dental Program	21,216	21,216
Emergency	12,352	12,352
Alberta Cancer Partnership	11,700	11,700
Women's Wellness - Maternal Ward	11,174	3,334
Doctor's Fund	7,413	7,413
Inner City Homeless Health Initiative	5,962	25,762
Baby Friendly Breastfeeding Initiative	587	587
Home Care	428	394,428
Creative Sentencing Fund - Air Filters	(355)	(355)
	3,729,405	4,272,879

As at March 31, 2025, \$1,362,360 (2024 - \$2,218,186) of the externally restricted funds have been committed by the Board for projects which are fully funded.

Northern Lights Regional Health Foundation
Notes to the Financial Statements
For the year ended March 31, 2025

8. Internally restricted funds

	2025	2024
Better Together - Working with Indigenous Partners	312,086	312,086
Hana Orthopedic Table and Accessories	161,018	-
Operating Room Tables	147,376	147,376
Lobby Renovations	102,579	841,675
OBIX Perinatal Software Interface	93,047	93,047
Ultrasound Machine	73,853	-
HALO Bassinets	71,120	71,120
Vein Viewer	48,102	-
Colposcopy Equipment	41,181	-
Home Care Renovation	29,059	506,000
WSCC Bedside White Boards	23,051	-
Lobby - Automatic Door Openers	14,760	-
Luminos dRF Software Upgrade	9,834	9,834
SIM Education Equipment	9,248	9,248
Patient Comfort Items	8,261	11,762
Total Joint Replacement Arthroplasty Equipment	4,007	21,902
Indigenous Health Fair	2,950	-
Social-Emotional Education Program	2,905	2,905
Positive Immunization Experience Program	1,773	1,773
Chaise Lounge Sleepers	787	19,710
Transport Chairs	118	118
ECT Equipment	(1,772)	97,947
ACF Mobile Breast Screening Units	-	250,000
Bariatric Wheelchair	-	15,765
	1,155,343	2,412,268

9. Investment income

Investment income is comprised of the following:

	2025	2024
Interest, dividends, and realized gains	462,907	627,626
Unrealized investment gains	529,878	445,875
	992,785	1,073,501

10. Related party transactions

The Foundation provided donations in the amount of \$2,256,004 (2024 - \$1,849,925), including \$nil of gift-in-kind donations (2024 - \$nil) to Alberta Health Services. In addition, the Foundation donated \$250,000 (2024 - \$265,000) to a third-party organization, Alberta Cancer Foundation. During the year expenditures include \$519,695 (2024 - \$475,382) that were processed by Alberta Health Services on behalf of the Foundation. Accounts payable and accruals includes \$44,220 (2024 - \$88,171) due to Alberta Health Services. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount on consideration established and agreed to by the related parties.

Accommodation, furnishings, and certain other overhead costs incurred in the administration of the Foundation provided by Alberta Health Services are not reasonably estimable and consequently are not reflected in these financial statements.

Northern Lights Regional Health Foundation

Notes to the Financial Statements

For the year ended March 31, 2025

11. Information to comply with the disclosure requirements of the Charitable Fund Raising Act and Regulations

In 2025, \$340,041 (2024 - \$351,591) of compensation related to fundraising responsibilities was paid to three (2024 - four) positions whose principal duties involved fundraising. The Foundation paid fees to businesses for fundraising activities amounting to \$nil (2024 - \$nil).

12. Pledges

The Foundation has total pledges outstanding of \$nil (2024 - \$90,000) of which \$nil (2024 - \$nil) have been recognized in accounts receivable at March 31, 2025. The pledges are scheduled to be received in future years.

13. Financial instruments

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit and price risk

Income and financial returns on investments are exposed to credit and price risks. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. Price risk is comprised of interest rate, and market risk. Interest rate risk relates to the possibility that the investments will change in value due to future fluctuations in market interest rates. Market risk relates to the possibility that the investments will change in value due to future fluctuations in market prices.

These risks are managed by the Foundation's investment policies, which prescribe the investment asset mix.

Changes in interest and credit ratings are the main cause of changes in the fair value of government securities and corporate bonds resulting in a favourable or unfavourable variance compared to book value. Credit risk is mitigated by diversifying the securities between government, government backed and corporate issuers. Interest rate risk is mitigated by managing maturity dates and payment frequency. The Foundation limits credit risk associated with other financial assets by dealing with counterparties that it believes are creditworthy.

14. Employee future benefits

All eligible employees of the Foundation participate in the Local Authorities Pension Plan (LAPP) under the Public Sector Pension Plans Act. Contribution requirements for the Foundation are as follows:

Employer pensionable earnings up to the maximum under the Canada Pension Plan - 8.45% (2024 - 8.45%).

Employer pensionable earnings in excess of the maximum under the Canada Pension Plans - 11.65% (2024 - 12.23%).

Employee pensionable earnings up to the maximum under the Canada Pension Plan - 7.45% (2024 - 7.45%).

Employee pensionable earnings in excess of the maximum under the Canada Pension Plans - 10.65% (2024 - 11.23%).

Information for the year ended December 31, 2024 was not available at the time of preparing these financial statements (2023 - actuarial surplus of \$15.1 billion). The Foundation contributed a total of \$30,289 for the year ended March 31, 2025 (2024 - \$32,596), which has been recorded within salaries and benefits expenditures in the statement of operations. The Foundation had four (2024 - six) contributing members in the plan which has a total of 304,451 members as at December 31, 2023 (2022 - 291,259).

15. Significant event

Prior to year end, the United States government announced new tariffs on imported goods. The Canadian government then announced retaliatory tariffs and other measures. This has caused significant economic uncertainty, including increased volatility in market values of investment portfolios, and the effects on the Foundation are currently uncertain.