

**The Co-operative Health Centre**  
**Financial Statements**  
*March 31, 2023*

# The Co-operative Health Centre Contents

*For the year ended March 31, 2023*

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## Management's Responsibility

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To the Members of The Co-operative Health Centre:


Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Health Centre. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Health Centre's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

June 6, 2023

  
Executive Director



## Independent Auditor's Report

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To the Members of The Co-operative Health Centre:

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of The Co-operative Health Centre (the "Health Centre"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in fund balances, cash flows and the related schedules 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 Health Centre as at March 31, 2023, 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 Health Centre 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 Health Centre'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 Health Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Health Centre'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.

## Independent Auditor's Report *continued*

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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 Health Centre'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 Health Centre'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 Health Centre 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.

### **Report on Other Legal and Regulatory Requirements**

As required by paragraph 11 of The Co-operatives Regulations, 1998, we confirm these financial statements are presented on a basis consistent with that of the preceding year.

Prince Albert, Saskatchewan

June 6, 2023

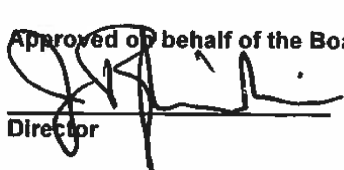

*MNP LLP*

Chartered Professional Accountants

# The Co-operative Health Centre

## Statement of Financial Position

As at March 31, 2023

	Operating Fund	Capital Fund	2023	2022
<b>Assets</b>				
<b>Current</b>				
Cash	1,936,157	1,119,960	3,056,117	3,760,033
Accounts receivable	25,329	31,003	56,332	31,359
Term deposits (Note 4)	1,000,000	-	1,000,000	583,000
Prepaid expenses and deposits	151,922	-	151,922	118,841
Inventory	66,492	-	66,492	61,807
	<b>3,179,900</b>	<b>1,150,963</b>	<b>4,330,863</b>	<b>4,555,040</b>
<b>Tangible capital assets (Note 5)</b>	-	<b>3,249,359</b>	<b>3,249,359</b>	<b>3,146,214</b>
<b>Investments (Note 6)</b>	<b>900,100</b>	-	<b>900,100</b>	<b>700,100</b>
	<b>4,080,000</b>	<b>4,400,322</b>	<b>8,480,322</b>	<b>8,401,354</b>
<b>Liabilities</b>				
<b>Current</b>				
Trade payables and other payables (Note 8)	154,375	-	154,375	300,488
Accrued vacation pay	291,024	-	291,024	285,077
Accrued salaries	170,861	-	170,861	134,821
Ministry of Health	209,931	-	209,931	175,313
Deferred contributions (Note 9)	653,519	-	653,519	675,636
Funds held in trust (Note 10)	34,638	-	34,638	8,588
	<b>1,514,348</b>	-	<b>1,514,348</b>	<b>1,579,923</b>
<b>Members' shares (Note 11)</b>	<b>28,685</b>	-	<b>28,685</b>	<b>27,885</b>
	<b>1,543,033</b>	-	<b>1,543,033</b>	<b>1,607,808</b>
<b>Contingency (Note 15)</b>				
<b>Fund Balances</b>				
Invested in capital assets	-	3,249,359	3,249,359	3,146,214
Internally restricted (Note 12)	-	403,404	403,404	385,700
Externally restricted (Note 12)	1,410,384	-	1,410,384	1,620,741
Unrestricted	1,126,583	747,559	1,874,142	1,640,891
	<b>2,536,967</b>	<b>4,400,322</b>	<b>6,937,289</b>	<b>6,793,546</b>
	<b>4,080,000</b>	<b>4,400,322</b>	<b>8,480,322</b>	<b>8,401,354</b>
<b>Approved on behalf of the Board</b>				
				
Director	Director			

The accompanying notes are an integral part of these financial statements

**The Co-operative Health Centre**  
**Statement of Operations**  
*For the year ended March 31, 2023*

	<b>2023 Budget (Note 14)</b>	<b>Operating Fund</b>	<b>Capital Fund</b>	<b>Projects Fund (Schedule 2)</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>						
Ministry of Health	8,078,363	8,044,489	82,357	-	8,126,846	8,041,400
Ministry of Health funded surplus (Note 12)	-	(34,617)	-	-	(34,617)	(21,449)
Reciprocal outpatient	13,178	18,311	-	-	18,311	13,979
Non-Health related, net (Note 13)	54,360	75,603	-	-	75,603	52,429
Rentals	51,428	51,429	-	-	51,429	53,571
Administrative recovery	26,646	26,646	-	-	26,646	26,646
Interest	36,500	38,244	62,322	-	100,566	36,182
Other health services	14,800	22,481	-	-	22,481	21,893
Other programs (Schedule 2)	303,167	-	-	291,961	291,961	265,908
	<b>8,578,422</b>	<b>8,242,586</b>	<b>144,679</b>	<b>291,961</b>	<b>8,679,226</b>	<b>8,490,559</b>
<b>Expenses (Schedule 1)</b>						
Administration and finance	1,503,675	1,483,203	-	-	1,483,203	1,402,338
Canwood clinic	108,994	104,918	-	-	104,918	96,273
Client services	757,613	600,061	-	-	600,061	677,466
Clinical program and services	1,790,661	1,806,815	-	-	1,806,815	1,757,384
Medical services	2,691,489	2,629,497	-	-	2,629,497	2,644,980
Program services and IT support	1,340,625	1,044,420	332,780	-	1,377,200	1,341,940
Other programs	303,167	-	500	291,961	292,461	265,908
Support services	227,469	241,328	-	-	241,328	219,495
	<b>8,723,693</b>	<b>7,910,242</b>	<b>333,280</b>	<b>291,961</b>	<b>8,535,483</b>	<b>8,405,784</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(145,251)</b>	<b>332,344</b>	<b>(188,601)</b>	<b>-</b>	<b>143,743</b>	<b>84,775</b>

The accompanying notes are an integral part of these financial statements

**The Co-operative Health Centre**  
**Statement of Changes in Fund Balances**  
*For the year ended March 31, 2023*

	2023			2022		
	Operating Fund			Capital Fund		
	Externally Restricted – Health Funded Surplus	Unrestricted	Invested in Capital Assets	Internally Restricted	Unrestricted	Total
Fund balances beginning of year	1,620,741	957,119	3,146,214	385,700	683,772	6,793,546
Excess (deficiency) of revenue over expenses	175,313	157,031	(188,601)	-	-	143,743
Purchase of capital assets	-	-	435,925	-	(435,925)	-
Interfund transfer (Note 12)	(385,670)	12,433	(144,179)	17,704	499,712	-
Fund balances, end of year	1,410,384	1,126,583	3,249,359	403,404	747,559	6,937,289
						6,793,546

The accompanying notes are an integral part of these financial statements



# The Co-operative Health Centre

## Statement of Cash Flows

*For the year ended March 31, 2023*

	Operating Fund	Capital Fund	2023	2022
<b>Cash provided by (used for) the following activities</b>				
<b>Operating</b>				
Excess (deficiency) of revenue over expenses	332,344	(188,601)	143,743	84,775
Amortization	-	332,780	332,780	315,999
	<b>332,344</b>	<b>144,179</b>	<b>476,523</b>	<b>400,774</b>
Changes in working capital accounts				
Accounts receivable	1,428	(26,401)	(24,973)	28,534
Inventory	(4,685)	-	(4,685)	(2,493)
Prepaid expenses and deposits	(33,081)	-	(33,081)	31,477
Trade payables	(146,113)	-	(146,113)	122,486
Deferred revenue	(22,117)	-	(22,117)	1,514
Funds held in trust	26,050	-	26,050	(4,569)
Accrued vacation pay	5,947	-	5,947	(19,963)
Accrued salaries	36,040	-	36,040	(8,369)
Ministry of Health	34,618	-	34,618	21,449
	<b>230,431</b>	<b>117,778</b>	<b>348,209</b>	<b>570,840</b>
<b>Financing</b>				
Members' shares (net)	800	-	800	330
<b>Investing</b>				
Purchase of term deposits	(1,000,000)	-	(1,000,000)	-
Matured term deposits	583,000	-	583,000	1,642,000
Purchase of capital assets	-	(435,925)	(435,925)	(249,212)
Purchase of investments	(600,000)	-	(600,000)	(300,000)
Proceeds on disposal of investments	400,000	-	400,000	43,000
	<b>(617,000)</b>	<b>(435,925)</b>	<b>(1,052,925)</b>	<b>1,135,788</b>
<b>Interfund transfer</b>	<b>(373,237)</b>	<b>373,237</b>	<b>-</b>	<b>-</b>
<b>Increase (decrease) in cash resources</b>	<b>(759,006)</b>	<b>55,090</b>	<b>(703,916)</b>	<b>1,706,958</b>
<b>Cash resources, beginning of year</b>	<b>2,695,163</b>	<b>1,064,870</b>	<b>3,760,033</b>	<b>2,053,075</b>
<b>Cash resources, end of year</b>	<b>1,936,157</b>	<b>1,119,960</b>	<b>3,056,117</b>	<b>3,760,033</b>

*The accompanying notes are an integral part of these financial statements*

**1. Incorporation and nature of the organization**

The Co-operative Health Centre is a community sponsored not-for-profit, charitable organization incorporated under Part XXV of The Co-operatives Act of Saskatchewan. It provides health care services in Prince Albert, Saskatchewan and surrounding communities. The Health Centre is exempt from income taxes.

**2. Change in accounting policies**

***Employee future benefits***

Effective April 1, 2022, the Health Centre adopted the Accounting Standards Board's (AcSB) amendment to Section 3462 *Employee future benefits*. This amendment clarifies the measurement of the defined benefit obligation for plans with a legislative, regulatory or contractual requirement to prepare a funding valuation and removes the option of using a funding valuation for defined benefit plans without a funding valuation requirement. The Health Centre has also adopted the AcSB's amendment to Section 3463 *Reporting employee future benefits by not-for-profit organizations*, which addresses how a not-for-profit organization should apply the amended ASPE Section 3462.

There was no material impact on the financial statements from the retrospective application of the new accounting recommendations.

**3. 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 Health Centre follows the restricted fund method of accounting for contributions, and maintains 3 funds: Operating Fund, Capital Fund and Projects Fund.

The Operating Fund reflects the primary operations of The Co-operative Health Centre including revenues received for provision of health services from Ministry of Health and billings to patients and clients, the federal government and other agencies for patient services. Other revenue consists of donations, interest, recoveries and ancillary revenue designated for operations by the Board of Directors. Expenses are for the delivery of health services.

The Capital Fund is a restricted fund that reflects the revenues received from Ministry of Health designated for the acquisition of capital assets. The Capital Fund also includes net ancillary revenues designated for capital purposes by the Board of Directors.

The Projects Fund reflects the revenues and expenses of other operating programs provided by the Health Centre that are funded separately or are not part of the primary operations.

***Financial instruments***

The Health Centre recognizes financial instruments when the Health Centre 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 Health Centre may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Health Centre has not made such an election during the year.

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

The Health Centre subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Health Centre's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

**Financial asset impairment**

The Health Centre assesses impairment of all its financial assets measured at cost or amortized cost. The Health Centre groups assets for impairment testing when there are numerous assets affected by the same factors. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Health Centre determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Health Centre reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.

The Health Centre reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses in the year the reversal occurs.

**Cash and cash equivalents**

Cash and cash equivalents include balances with banks and short term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

**Inventory**

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method. Net realizable value is the estimated selling price in the ordinary course of business, less selling costs.

**Tangible capital assets**

Tangible capital assets are recorded in the Capital Fund at cost. Cost is amortized over the useful life of the asset. Amortization has been taken on the straight line basis with economic life estimated at 20 years for building and parking lot, 16 years for building renovations, 5 to 8 years for furniture and equipment, 5 years for automotive equipment and 25 years for betterments.

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

***Long-lived assets***

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

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

***Employee future benefits***

The Health Centre's employee future benefit program consists of a defined contribution pension plan.

***Revenue recognition***

The Health Centre uses the restricted fund method of accounting for contributions. Unrestricted contributions are recognized as revenue of the Operating fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions for activities of the Operating Fund and Projects Fund are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the acquisition of capital assets are recorded in the Capital Fund in the year in which the contribution is received.

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

Restricted investment income earned on Internally Restricted Fund resources is recognized as revenue in the related fund. Unrestricted investment income is recognized as revenue in the Operating Fund when earned.

***Contributed materials***

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Health Centre's operations and would otherwise have been purchased.

***Measurement uncertainty***

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 reporting period. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Deferred revenue is stated after management reviews the revenue recognition criteria impacting deferral of revenue and considers deferred revenue from prior years, funding received and qualifying expenses to calculate deferred revenue at year-end. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in excess of revenue over expenses in the period in which they become known.

**The Co-operative Health Centre**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2023*

**4. Term deposits**

	2023	2022
Measured at cost:		
ScotiaMcLeod term deposits, maturities of less than one year	-	43,000
Conexus Credit Union term deposits, maturities of less than one year	<b>1,000,000</b>	540,000
	<b>1,000,000</b>	583,000

Conexus Credit Union term deposits are non-redeemable, carry interest rates between 2.90% to 4.05% (2022 - 0.65% to 1.20%) and maturity dates of June 2023 to December 2023 (2022 - July 2022 to March 2023).

**5. Tangible capital assets**

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	169,304	-	169,304	169,304
Building	5,483,869	3,292,779	2,191,090	2,359,820
Automotive	58,070	58,070	-	-
Equipment	2,847,587	2,359,023	488,564	351,505
Parking lot	173,311	20,941	152,370	161,035
Betterments	376,594	128,563	248,031	104,550
	<b>9,108,735</b>	<b>5,859,376</b>	<b>3,249,359</b>	3,146,214

**6. Investments**

	2023	2022
Measured at cost:		
Conexus Credit Union term deposits, maturities one year or longer	-	700,000
ScotiaMcLeod term deposits, maturities one year or longer	<b>900,000</b>	-
Federated Co-op	<b>100</b>	100
	<b>900,100</b>	700,100

Conexus Credit Union investments are non-redeemable and carry interest rates between 2.00% and 4.08% (2022 - 0.95% and 2.00%) and maturity dates between March 2024 and September 2024 (2022 - February 2023 and March 2024).

**7. Authorized line of credit**

An authorized line of credit of up to \$125,000 (2022 - \$125,000) is available at Conexus Credit Union with interest at prime rate of 6.70% (2022 - 2.70%) plus 2%. As of March 31, 2023, \$nil (2022 - \$nil) is drawn. It is secured by a general security agreement and a mortgage on land with net book value of \$92,730 and building with net book value of \$2,191,090.

**The Co-operative Health Centre**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2023*

**8. Trade payables and other payables**

	2023	2022
Trade payables	96,944	245,587
Source deductions	46,623	44,556
Great West Life premiums	8,456	8,454
PST payable	2,352	1,891
	<b>154,375</b>	<b>300,488</b>

**9. Deferred contributions**

Contributions are received from contributors who have restricted their use for operating purposes. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2023				
	Balance at beginning of year	Funding reallocated	Funding received	Recognized as revenue	Balance at end of year
Saskatchewan Health Authority	180,424	-	269,844	291,961	158,307
Ministry of Health	436,464	-	-	-	436,464
Volunteer Foundation	58,748	-	-	-	58,748
	<b>675,636</b>	<b>-</b>	<b>269,844</b>	<b>291,961</b>	<b>653,519</b>

**10. Funds held in trust**

The Health Centre has funds held in trust for The Prince Albert & Area Alcohol Steering Committee in the amount of \$34,638 (2022 - \$8,588).

**11. Members' shares**

	2023	2022
<b>Issued</b>		
3,260 shares (2022 - 3,100)	28,685	27,885
	<b>28,685</b>	<b>27,885</b>

In accordance with Canadian accounting standards for not for profit organizations members' shares are presented as a liability because they are redeemable for a fixed amount under appropriate conditions.

**12. Restricted fund balances**

***Operating Fund***

*Externally restricted*

The Health Centre, in signing service agreements with Primary Health Services of the Ministry of Health of Saskatchewan, acknowledged that it has funds which have accrued to it through previous agreements which it has made with the Ministry and from additional revenues from other services. The Health Centre has agreed that it will not expend any portion of the Saskatchewan Health funds for any purpose other than as authorized in writing by the Department. In the current year the Ministry approved the use of \$385,670 (2022 - \$210,787) for expenditures related to the five year capital plan.

The Ministry of Health funded surplus amount on the statement of operations is the adjustment to revenue recognized in the current year as a result of the settlement of the prior year's payable to the Ministry of Health. The amount is based on management's calculation of the surplus of global funds after all eligible expenditures have been incurred and it may be adjusted by the Ministry.

***Capital Fund***

*Internally restricted*

The Health Centre has placed restrictions on \$403,404 (2022 - \$385,700) to be used for future capital purchases and scholarship awards. As per internal policy regarding investing of excess funds, interest revenue is calculated on any internally restricted and non-SK Health funded revenue, and is adjusted for at year-end based on current chequing account interest rate. In the current year, an amount of \$17,704 (2022 - \$nil) was transferred into Internally Restricted Funds.

**13. Non-Health related revenue**

These are revenue and expenses that are not a result of Ministry of Health funding. The net amount of these are \$75,603 (2022 - \$52,429).

**14. Budget information**

These amounts are unaudited and represent the budget approved by the Board of Directors on April 5, 2022 for total activity of the operating and capital funds.

**15. Contingency - Funding Agreement**

These financial statements are subject to review by Ministry of Health. It is possible that adjustments could be made to operating revenue based on the results of their review. Any adjustment to revenue will be reported in excess of revenue over expenses in the period it becomes known.

**16. Economic dependence**

The Health Centre's primary source of revenue is provided by the Ministry of Health. The funding can be cancelled if the Health Centre does not observe certain established guidelines. The Health Centre's ability to continue viable operations is dependent upon complying with guidelines to remain eligible to receive funding from the Ministry. The current funding agreement is in place until March 31, 2023. As at the date of these financial statements the Health Centre believes that it is in compliance with the criteria.

**17. Financial instruments**

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

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Health Centre is exposed to interest rate cash flow risk with respect to cash which is subject to a floating interest rate of 0.50%.

The Health Centre is exposed to interest rate price risk with respect to term deposits with fixed rates and maturity dates of June 2023 to September 2024. Interest rates on those deposits range from 2.00% to 4.08%.

**18. Employee future benefits**

The Health Centre and eligible employees participate in a defined contribution pension plan through the Co-operative Superannuation Society Pension Plan. The Health Centre's financial obligation is limited to providing contributions to the Plan at a specific rate for employees' current service. Contribution rates are based on a percentage of the employees salaries. For 2023, employee and employer rates were 5.5% and 6.5% (2022 - 5.5% and 6.5%), and total employer contributions were \$190,257 (2022 - \$179,845).



**The Co-operative Health Centre**  
**Schedule 1 - Schedule of Expenses**  
*For the year ended March 31, 2023*

	<i>Operating Fund</i>	<i>Capital Fund</i>	<i>Other Programs</i>	<b>2023</b>	<b>2022</b>
<b>Expenses</b>					
Salaries	3,445,549	-	250,324	3,695,873	3,649,649
Physicians contracts	2,629,497	-	-	2,629,497	2,644,980
Employee benefits	544,680	-	39,974	584,654	546,930
Amortization	-	332,780	-	332,780	315,999
Medical supplies	277,465	-	-	277,465	300,442
Computer	192,191	-	-	192,191	171,290
Building upkeep and maintenance	158,675	-	-	158,675	150,239
Utilities	108,262	-	-	108,262	96,054
Equipment upkeep and maintenance	96,930	-	-	96,930	82,830
Professional fees	54,023	-	-	54,023	48,706
Insurance	53,275	-	-	53,275	49,826
Board expense	49,397	-	-	49,397	68,243
Office supplies	45,492	-	116	45,608	36,483
Telephone	41,707	-	394	42,101	50,301
Advertising	30,183	-	-	30,183	24,818
Bank charges and interest	29,216	-	-	29,216	31,430
Training and education	28,777	-	-	28,777	39,532
Vehicle	25,214	-	-	25,214	12,176
Janitorial	22,242	-	-	22,242	20,899
Rent	17,700	-	-	17,700	17,340
Postage	19,322	-	-	19,322	12,857
Administrative	15,926	-	-	15,926	14,702
Staff relations	15,594	-	-	15,594	13,056
Office equipment lease	4,462	-	-	4,462	4,462
Travel	2,367	-	1,153	3,520	1,275
Property taxes	2,097	-	-	2,097	1,265
Scholarship award	-	500	-	500	-
	<b>7,910,242</b>	<b>333,280</b>	<b>291,961</b>	<b>8,535,483</b>	<b>8,405,784</b>

**The Co-operative Health Centre**  
**Schedule 2 - Harm Reduction Program**

*For the year ended March 31, 2023*

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	<b>2023</b>	<b>2022</b>
<b>Revenue</b>	<b>291,961</b>	265,908
<b>Expenses</b>		
Salaries	<b>250,324</b>	230,730
Employee benefits	<b>39,974</b>	34,621
Travel	<b>1,153</b>	-
Telephone	<b>394</b>	434
Medical supplies	<b>116</b>	123
	<b>291,961</b>	265,908
<b>Excess of revenue over expenses</b>	<b>-</b>	-

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**The Co-operative Health Centre**  
**Schedule 3 - Schedule of Board Remuneration**

*For the year ended March 31, 2023*

<b>Name</b>	<b>Term</b>	<b>Retainer</b>	<b>Per Diem</b>	<b>Travel and Sustenance Expenses</b>	<b>2023</b>
<b>Expenses</b>					
Rybinski, Joe - Chairperson	June 16, 2022 - June 2025	3,600	3,380	218	<b>7,198</b>
Fladager, Larry - Vice Chairperson	September 16, 2020 - June 2023	2,850	1,820	194	<b>4,864</b>
Bergstrom, Bernice	September 16, 2020 - June 2023	2,400	2,190	-	<b>4,590</b>
Boychuk, Ralph	June 16, 2021 - June 2024	2,400	2,610	59	<b>5,069</b>
Cuelenaere, Pam	June 16, 2022 - June 2025	2,000	1,960	-	<b>3,960</b>
Hjertaas, Estelle	June 16, 2021 - June 2022	400	480	-	<b>880</b>
Knouse, David	September 16, 2020 - June 2023	2,400	2,120	-	<b>4,520</b>
Lindberg, Arne	June 16, 2021 - June 2024	2,400	1,660	-	<b>4,060</b>
Sander, Darcy	June 16, 2021 - June 2024	2,400	2,070	-	<b>4,470</b>
Thebaud, Craig	June 19, 2019 - June 2022	400	240	-	<b>640</b>
				-	-
				-	-
		21,250	18,530	471	<b>40,251</b>