SOUTH EAST HEALTHABILITY SOCIETY INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2026

CONTENTS

PRAIRIE STRONG
Chartered Professional Accountants

INDEPENDENT AUDITORS' REPORT

To: The Board of Directors South East Healthability Society Inc.

Qualified Opinion

We have audited the financial statements of South East Healthability Society Inc. (the Organization), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2026, 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 Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from fundraising, cash sales and donations activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we are not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2026 and 2025, current assets as at March 31, 2026 and 2025, and net assets as at April 1 and March 31 for both the 2026 and 2025 years. Our audit opinion on the financial statements for the year ended March 31, 2025 was also modified accordingly because of the possible effects of this limitation in scope.

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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our **qualified** opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 misstatements 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 misstatements 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 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 Organization'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 Organization'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 Organization 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 the 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.

Prairie Strong

PRAIRIE STRONG
Chartered Professional Accountants
June 30, 2026
Esterhazy, Saskatchewan

SOUTH EAST HEALTHABILITY SOCIETY INC.
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2026

	2026	2025
ASSETS		
Current assets		
Cash and cash in bank	$ 155,007	$ 158,637
Temporary investments (Note 3)	83,560	80,773
Accrued interest receivable	1,142	1,183
Goods and services tax receivable	982	794
Prepaid expenses	194	1,082
	240,885	242,469
Land, buildings and equipment (Notes 2 and 4)	391,001	370,495
	$ 631,886	$ 612,964
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	$ 6,942	$ 13,646
Deferred grant revenue (Note 5)	34,842	53,490
	41,784	67,136
Net Assets		
Unrestricted	590,102	545,828
	590,102	545,828
	$ 631,886	$ 612,964

Approved by ______________________________ Director

See accompanying notes

SOUTH EAST HEALTHABILITY SOCIETY INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
RECEIPTS		
Moosomin Thrift Store (Schedule 1)	$ 201,043	$ 182,416
Moosomin Food Bank (Schedule 2)	81,486	74,054
	282,529	256,470
EXPENSES		
Moosomin Thrift Store (Schedule 1)	172,527	189,376
Moosomin Food Bank (Schedule 2)	133,746	90,386
	306,273	279,762
OTHER INCOME		
Moosomin Thrift Store (Schedule 1)	29,727	36,998
Moosomin Food Bank (Schedule 2)	100,158	78,067
	129,885	115,065
EXCESS (DEFICIENCY) BEFORE OCCUPANCY COSTS	106,141	91,773
OCCUPANCY COSTS		
Insurance	4,971	4,292
Repairs and maintenance	8,928	13,238
Utilities	21,583	19,667
Loss on disposal of assets	575	-
Amortization	25,810	21,524
	61,867	58,721
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENSES	$ 44,274	$ 33,052

See accompanying notes

SOUTH EAST HEALTHABILITY SOCIETY INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
Balance, beginning of year	$ 545,828	$ 512,776
Excess (deficiency) of receipts over expenses	44,274	33,052
BALANCE, END OF YEAR	$ 590,102	$ 545,828

See accompanying notes

SOUTH EAST HEALTHABILITY SOCIETY INC.
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2026

		2026		2025
CASH PROVIDED BY (USED IN):				
Operations				
Excess (deficiency) of receipts over expenses	$	44,274	$	33,052
Non-cash items				
Amortization		25,810		21,524
Loss (gain) on disposal of assets		575		-
		70,659		54,576
Change in non-cash working capital items				
Accrued interest receivable		41		372
Grants receivable		-		1,204
Goods and services tax receivable		(188)		263
Prepaid expenses		888		8,078
Accounts payable and accrued liabilities		(6,704)		399
Deferred grant revenue		(18,648)		11,138
		(24,611)		21,454
		46,048		76,030
Financing		-		-
Investing				
Purchase of land, buildings and equipment		(47,341)		(93,688)
Proceeds of disposal of land, buildings and equipment		450		-
Decrease (increase) in investments		(2,787)		(3,673)
		(49,678)		(97,361)
Cash increase (decrease)		(3,630)		(21,331)
Cash, beginning of year		158,637		179,968
CASH, END OF YEAR	$	155,007	$	158,637

See accompanying notes

1. Organization

South East Healthability Society Inc. is a registered charity whose mandate is to relieve poverty by providing a food bank and operating a community thrift store in Moosomin, Saskatchewan. South East Healthability Society Inc. is a not-for-profit organization incorporated under the Saskatchewan Not-for-Profit Corporations Act, and is exempt from tax as it is considered a not-for-profit organization under the income tax act.

2. Significant Accounting Policies

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

a) Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and expenses during the period. These estimates are reviewed periodically and adjustments are made to operations as appropriate in the year they become known. Such amounts are not expected to change significantly in the near term.

Reported balances which required some degree of estimation include:
The useful lives of assets and resulting amortization are based on management's experience, industry standards, and expected use of the assets.
The amount of grant funding unspent at year end reported as deferred income.

b) Revenue recognition

The organization 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 receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from sales, donations and fundraising are recognized as revenue when received.

Other income is recognized as revenue when the amount can be reasonably estimated and collection is reasonably assured.

c) Donated services and food products

The work of the organization is dependent upon the voluntary service of many members. The value of donated services cannot be reliably measured and therefore is not recognized in these financial statements.

Food donations in-kind are not valued and are therefore not recorded in the statement of operations.

Donations in-kind of supplies, equipment and goods are recorded at fair value when an income tax receipt is issued.

d) Cash

The organization's policy is to disclose bank balances under cash, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition. Term deposits that the organization cannot use for current transactions because they are pledged as security are also excluded from cash.

2. Significant Accounting Policies . . . continued

e) Financial instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net operations.

Financial assets measured at amortized cost include cash and cash in bank, temporary investments, accrued interest receivable and goods and services tax receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of write-down is recognized in net operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net operations.

Transaction costs

The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transactions costs that are directly attributable to their origination, issuance or assumption.

Changes in risk

There have been no changes in the organization's risk exposures from the previous year.

f) Land, buildings and equipment

Purchased capital assets are recorded at cost. Donated capital assets are recorded at fair value on the date they are contributed.

Buildings and equipment are amortized over their useful life using the following methods and rates. In the year of acquisition, one half of the cost of an asset is included in the asset pool for the purpose of calculating amortization.

	Methods	Rates and duration
Building	Declining balance	5%
Paving	Declining balance	8%
Equipment	Declining balance	10%
Furniture and fixtures	Declining balance	10%

g) Impairment of long-lived assets

A long-lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

SOUTH EAST HEALTHABILITY SOCIETY INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2026

3. Temporary investments

		2026		2025
Term deposits, 3.15% to 3.35% maturing in 2026 to 2027 at cost	$	83,560	$	80,773
	$	83,560	$	80,773

4. Land, buildings and equipment

		Cost		Accumulated Amortization		2026 Net value		2025 Net value
Building	$	362,844	$	116,087	$	246,757	$	251,861
Paving		40,321		4,885		35,436		38,518
Equipment		82,685		14,643		68,042		45,070
Furniture and fixtures		63,928		23,162		40,766		35,046
	$	549,778	$	158,777	$	391,001	$	370,495

5. Government Assistance

Grants and government assistance are recorded as revenue in the period related expenses are incurred and when reasonable assurance exists that the organization has complied with the terms and conditions of the approved grant program and there is reasonable assurance that the proceeds will be received.

		Opening Deferred (Receivable)		Funding Received in Year		Costs Incurred in Year		Closing Deferred (Receivable)
Thrift Store								
New Horizons for Seniors	$	24,169	$	-	$	24,169	$	-
	$	24,169	$	-	$	24,169	$	-
Food Bank								
Food Banks of Canada	$	-	$	27,639	$	-	$	27,639
Food Banks of Canada - Access		-		6,203		-		6,203
Cultivating Community		29,321		-		29,321		-
Community Initiatives Fund		-		14,000		13,000		1,000
Food Banks of Canada - Other		-		40,169		40,169		-
Other private grants		-		17,500		17,500		-
	$	29,321	$	105,511	$	99,990	$	34,842
	$	53,490	$	105,511	$	124,159	$	34,842

6. Commitments

The organization has committed to donate a total of $15,000 to PlayFair Daycare over three years for the construction of a second facility on the following schedule. To date, $10,000 has been paid on this commitment.

2025	$	5,000
2026		5,000
2027		5,000
	$	15,000

7. Financial instruments

The significant risks arising from financial instruments to which the company is exposed as at year end are detailed below.

Risks and concentrations
The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the balance sheet.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Cash flow from operations provides all of the organization's cash requirements. The organization manages this risk by monitoring cash activities and expected outflows. The organization is exposed to this risk mainly in respect to its accounts payable.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risks relate to its accounts receivable which are limited to accrued investment income and sales tax rebates. The organization does not provide credit to its customers in the normal course of its business.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk. The organization is not significantly exposed to these risks.

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization is not significantly exposed to this risk.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is not significantly exposed to interest rate risk.

SOUTH EAST HEALTHABILITY SOCIETY INC.
MOOSOMIN FOOD BANK SCHEDULE
FOR THE YEAR ENDED MARCH 31, 2026

Schedule 2

	2026	2025
RECEIPTS		
Donations	$ 81,486	$ 74,054
	81,486	74,054
DISBURSEMENTS		
Advertising	2,310	1,513
Bank charges and interest	71	26
Donations	51,120	983
Food purchases	69,730	69,965
Fundraising costs	-	7,846
Goods and services tax paid	1,866	1,068
Licenses and fees	50	50
Office supplies	518	1,019
Volunteer appreciation	8,081	7,916
	133,746	90,386
EXCESS (DEFICIENCY) BEFORE OTHER INCOME	(52,260)	(16,332)
OTHER INCOME		
Fundraising income	-	8,291
Grants (Note 5)	99,990	69,495
Interest	168	281
	100,158	78,067
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENSES	$ 47,898	$ 61,735