SOUTH EAST HEALTHABILITY SOCIETY INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2025

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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, 2025, 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, 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 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, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets as at April 1 and March 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended March 31, 2024 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

Esterhazy, Saskatchewan
July 7, 2025

SOUTH EAST HEALTHABILITY SOCIETY INC.
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

	2025	2024
ASSETS		
Current assets		
Cash and cash in bank	$ 158,637	$ 179,968
Temporary investments (Note 3)	80,773	77,100
Accrued interest receivable	1,183	1,555
Grants receivable (Note 5)	-	1,204
Goods and services tax receivable	794	1,057
Prepaid expenses	1,082	9,160
	242,469	270,044
Land, buildings and equipment (Notes 2 and 4)	370,495	298,331
	$ 612,964	$ 568,375
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	$ 13,646	$ 13,247
Deferred grant revenue (Note 5)	53,490	42,352
	67,136	55,599
Net Assets		
Unrestricted	545,828	512,776
	545,828	512,776
	$ 612,964	$ 568,375

Approved by _____ Director

See accompanying notes

SOUTH EAST HEALTHABILITY SOCIETY INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2025

	2025	2024
RECEIPTS		
Moosomin Thrift Store (Schedule 1)	$ 182,416	$ 171,450
Moosomin Food Bank (Schedule 2)	74,054	58,896
	256,470	230,346
EXPENSES		
Moosomin Thrift Store (Schedule 1)	189,376	176,918
Moosomin Food Bank (Schedule 2)	90,386	58,321
	279,762	235,239
OTHER INCOME		
Moosomin Thrift Store (Schedule 1)	36,998	34,195
Moosomin Food Bank (Schedule 2)	78,067	36,986
	115,065	71,181
EXCESS (DEFICIENCY) BEFORE OCCUPANCY COSTS	91,773	66,288
OCCUPANCY COSTS		
Insurance	4,292	3,826
Repairs and maintenance	13,238	10,985
Utilities	19,667	18,078
Loss on disposal of assets	-	350
Amortization	21,524	18,053
	58,721	51,292
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENSES	$ 33,052	$ 14,996

See accompanying notes

SOUTH EAST HEALTHABILITY SOCIETY INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2025

	2025	2024
Balance, beginning of year	$ 512,776	$ 497,780
Excess (deficiency) of receipts over expenses	33,052	14,996
BALANCE, END OF YEAR	$ 545,828	$ 512,776

See accompanying notes

SOUTH EAST HEALTHABILITY SOCIETY INC.
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2025

	2025	2024
CASH PROVIDED BY (USED IN):		
Operations		
Excess (deficiency) of receipts over expenses	$ 33,052	$ 14,996
Non-cash items		
Amortization	21,524	18,053
Loss (gain) on disposal of assets	-	350
	54,576	33,399
Change in non-cash working capital items		
Accrued interest receivable	372	(798)
Grants receivable	1,204	(1,204)
Goods and services tax receivable	263	(120)
Prepaid expenses	8,078	(7,379)
Accounts payable and accrued liabilities	399	3,273
Deferred grant revenue	11,138	42,352
	21,454	36,124
	76,030	69,523
Financing		
CEBA loan proceeds (repayment)	-	(40,000)
	-	(40,000)
Investing		
Purchase of land, buildings and equipment	(93,688)	(20,430)
Proceeds of disposal of land, buildings and equipment	-	30
Decrease (increase) in investments	(3,673)	37,037
	(97,361)	16,637
Cash increase (decrease)	(21,331)	46,160
Cash, beginning of year	179,968	133,808
CASH, END OF YEAR	$ 158,637	$ 179,968

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.

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.

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.

2. Significant Accounting Policies . . . continued

e) Financial instruments . . . continued

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.

3. Temporary investments

	2025	2024
Term deposits, 3.45% maturing in 2025 at cost	$ 80,773	$ 77,100
	$ 80,773	$ 77,100

4. Land, buildings and equipment

	Cost	Accumulated Amortization	2025 Net value	2024 Net value
Building	$ 355,163	$ 103,302	$ 251,861	$ 239,020
Paving	40,321	1,803	38,518	523
Equipment	53,760	8,690	45,070	26,183
Furniture and fixtures	55,036	19,990	35,046	32,605
	$ 504,280	$ 133,785	$ 370,495	$ 298,331

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				
Canada Summer Student	$ -	$ 3,980	$ 3,980	$ -
New Horizons for Seniors	25,000	24,169	25,000	24,169
Canadian Red Cross Community Service	(1,204)	3,360	2,156	-
Local Organizations	-	797	797	-
	$ 23,796	$ 32,306	$ 31,933	$ 24,169
Food Bank				
Food Banks of Canada	$ -	$ 16,743	$ 16,743	$ -
Farm Credit Canada Agrispirit	17,352	-	17,352	-
Nutrien	-	11,500	11,500	-
Sask Energy Share the Warmth	-	1,000	1,000	-
Cultivating Community	-	29,321	-	29,321
Enbridge	-	1,500	1,500	-
Help Age Canada	-	8,800	8,800	-
Royal Bank of Canada	-	1,500	1,500	-
SGI	-	1,100	1,100	-
Community Initiatives Fund	-	8,000	8,000	-
Local Organizations	-	2,000	2,000	-
	$ 17,352	$ 81,464	$ 69,495	$ 29,321
	$ 41,148	$ 113,770	$ 101,428	$ 53,490

6. Commitments

The organization has committed to donate a total of $15,000 to PlayFair Daycare over three years on the following schedule:

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.

7. Financial instruments . . . continued

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is not significantly exposed to other price risk.

SOUTH EAST HEALTHABILITY SOCIETY INC.
MOOSOMIN THRIFT STORE SCHEDULE
FOR THE YEAR ENDED MARCH 31, 2025

Schedule 1

	2025	2024
RECEIPTS		
Sales	$ 182,416	$ 171,450
DISBURSEMENTS		
Advertising and promotion	2,719	3,384
Bank charges and interest	1,419	1,307
Donations	25,032	34,625
Fundraising expense	-	213
Goods and services tax paid	2,785	1,338
Licenses and fees	-	75
Office and store supplies	11,145	8,893
Professional development	8,412	5,344
Professional fees	4,770	4,558
Telephone	1,961	1,581
Travel	2,529	2,942
Wages and benefits	128,604	112,658
	189,376	176,918
EXCESS (DEFICIENCY) BEFORE OTHER INCOME	(6,960)	(5,468)
OTHER INCOME		
Donations	1,588	12,072
Grants (Note 5)	31,933	17,497
Interest, refunds and rebates	3,477	4,626
	36,998	34,195
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENSES	$ 30,038	$ 28,727

See accompanying notes

SOUTH EAST HEALTHABILITY SOCIETY INC.
MOOSOMIN FOOD BANK SCHEDULE
FOR THE YEAR ENDED MARCH 31, 2025

Schedule 2

	2025	2024
RECEIPTS		
Donations	$ 74,054	$ 54,910
Meal subscription kits	-	3,986
	74,054	58,896
DISBURSEMENTS		
Advertising	1,513	1,918
Bank charges and interest	26	-
Donations	983	1,118
Food purchases	69,965	44,917
Fundraising costs	7,846	1,524
Goods and services tax paid	1,068	949
Licenses and fees	50	50
Office supplies	1,019	435
Volunteer appreciation	7,916	7,410
	90,386	58,321
EXCESS (DEFICIENCY) BEFORE OTHER INCOME	(16,332)	575
OTHER INCOME		
Fundraising income	8,291	-
Grants (Note 5)	69,495	36,698
Interest	281	288
	78,067	36,986
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENSES	$ 61,735	$ 37,561

See accompanying notes