

**LUTHERAN CARE SOCIETY OF SASKATOON INC.
O/A LUMINHOS, LUTHERAN MINISTRY IN HOSPITALS OF SASKATOON**

**FINANCIAL STATEMENTS
(Unaudited - See Review Engagement Report)**

March 31, 2025

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Lutheran Care Society of Saskatoon Inc. o/a LuMinHos, Lutheran Ministry in Hospitals of Saskatoon:

I have reviewed the accompanying financial statements of Lutheran Care Society of Saskatoon Inc. o/a LuMinHos, Lutheran Ministry in Hospitals of Saskatoon that comprise the statement of financial position as at March 31, 2025, and the statements of operations and changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements which requires me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many non-for profit organizations, Lutheran Care Society of Saskatoon Inc. derives revenue in part, from donations, and fundraising events, the completeness of which is not susceptible to satisfactory review verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of Lutheran Care Society of Saskatoon Inc. and I was not able to determine whether any adjustments might be necessary to donation revenues, fundraising revenues, excess of revenue over expenditures, assets and fund balances.

Qualified Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Lutheran Care Society of Saskatoon Inc. o/a LuMinHos, Lutheran Ministry in Hospitals of Saskatoon as at March 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Cheryl Woloschuk, Chartered Professional Accountant, Prof. Corp.
Chartered Professional Accountant

Saskatoon, SK

LUTHERAN CARE SOCIETY OF SASKATOON INC.
O/A LUMINHOS, LUTHERAN MINISTRY IN HOSPITALS OF SASKATOON
STATEMENT OF FINANCIAL POSITION
March 31, 2025

ASSETS

	<u>2025</u>	<u>2024</u>
CURRENT		
Cash	\$ 36,377	\$ 44,554
Investments (market value - \$88,970, 2024 - \$85,052) (Note 4)	88,970	85,052
Accounts receivable	240,000	0
Prepaid expenses	1,350	1,111
GST recoverable	<u>223</u>	<u>159</u>
TOTAL CURRENT ASSETS,	366,920	130,876
INVESTMENTS (market value - \$12,000, 2024 - \$53,519) (Note 4)	<u>12,000</u>	<u>53,519</u>
TOTAL ASSETS	<u>\$ 378,920</u>	<u>\$ 184,395</u>

LIABILITIES

CURRENT		
Accounts payable and accrued liabilities	\$ <u>5,367</u>	\$ <u>5,047</u>
TOTAL CURRENT LIABILITIES	5,367	5,047
DEFERRED CONTRIBUTIONS (Note 5)	<u>0</u>	<u>3,386</u>
TOTAL LIABILITIES	<u>5,367</u>	<u>8,433</u>

NET ASSETS

UNRESTRICTED NET ASSETS	<u>373,553</u>	<u>175,962</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 378,920</u>	<u>\$ 184,395</u>

Approved by the Directors:

_____, Director

_____, Director

LUTHERAN CARE SOCIETY OF SASKATOON INC.
O/A LUMINHOS, LUTHERAN MINISTRY IN HOSPITALS OF SASKATOON
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
For the year ended March 31, 2025

	<u>2025</u>	<u>2024</u>
REVENUE		
Donations - Congregations and Synod	\$ 19,384	\$ 19,532
Donations - Individuals - bequests and planned giving	247,057	25,000
Donations - Individuals (non-receipted)	390	720
Donations - Individuals (receipted)	28,054	25,415
Donations - Women's groups	2,800	500
Fundraising	12,105	16,108
Interest revenue	5,302	5,236
Recognition of deferred revenue	3,386	0
Federal wage subsidy programs	<u>0</u>	<u>8,942</u>
	<u>318,478</u>	<u>101,453</u>
EXPENSES		
Advertising and promotion	854	500
Bank charges	613	557
Bookkeeping and database administration	6,358	8,532
Gifts and honorariums	140	0
Conferences and seminars	580	548
Fundraising	0	551
Insurance	1,019	987
Miscellaneous	46	83
Newsletter	1,347	1,781
Office supplies	485	72
Postage and mailbox rental	1,489	1,535
Professional fees	2,604	3,045
Office and administration	188	0
Rent	1,800	1,800
Software	671	680
Supply Chaplain	689	2,405
Telephone	918	953
Travel	1,271	425
Wages and benefits	99,567	95,682
Website	<u>248</u>	<u>135</u>
	<u>120,887</u>	<u>120,271</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	197,591	(18,818)
UNRESTRICTED NET ASSETS, beginning of year	<u>175,958</u>	<u>194,776</u>
UNRESTRICTED NET ASSETS, end of year	<u>\$ 373,549</u>	<u>\$ 175,958</u>

LUTHERAN CARE SOCIETY OF SASKATOON INC.
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CASH FLOW STATEMENT
For the year ended March 31, 2025

	<u>2025</u>	<u>2024</u>
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 197,591	\$ (18,818)
Net change in non-cash working capital balances related to operations:		
Trade receivables	(240,000)	0
Prepaid expenses	(238)	(671)
Accounts payable and accrued liabilities	319	259
Payroll liabilities	0	(762)
Deferred contributions	(3,386)	(1)
GST payable	<u>(64)</u>	<u>(63)</u>
	<u>(45,778)</u>	<u>(20,056)</u>
INVESTING ACTIVITIES		
Purchase of investments	(4,391)	(86,623)
Proceeds from sale of investments	<u>41,992</u>	<u>82,160</u>
	<u>37,601</u>	<u>(4,463)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(8,177)	(24,519)
CASH AND CASH EQUIVALENTS, beginning of year	<u>44,554</u>	<u>69,073</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 36,377</u></u>	<u><u>\$ 44,554</u></u>

LUTHERAN CARE SOCIETY OF SASKATOON INC.
O/A LUMINHOS, LUTHERAN MINISTRY IN HOSPITALS OF SASKATOON
NOTES TO FINANCIAL STATEMENTS
March 31, 2025

1. NATURE OF ORGANIZATION

Lutheran Care Society of Saskatoon Inc. (O/A LuMinHos, Lutheran Ministry in Hospitals of Saskatoon) was incorporated on September 23, 1980 under The Non-Profit Corporations Act of Saskatchewan. The Corporation offers visitation to patients and their families in Saskatoon hospitals by a chaplain and trained volunteers, providing spiritual care and counselling. The Corporation is a registered charity and is exempt from income taxes under section 149(1)(l) of the Income Tax Act of Canada.

2. ACCOUNTING POLICIES

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

a) Fund Accounting

The Corporation maintains its accounts in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into funds. Currently, the Corporation only has one type of fund.

i) Unrestricted Fund

The Unrestricted Fund is used for the Corporation's program delivery and administrative activities.

b) Use of Estimates

When preparing financial statements according to Canadian generally accepted accounting principles, we make estimates and assumptions that affect the reported amounts of revenues and expenses during the year, the reported amounts of assets and liabilities at the date of the financial statements, and the disclosure of contingent assets and liabilities at the date of the financial statements. We base our assumptions on a number of factors including historical experience, current events, actions that the Corporation may undertake in the future, and other assumptions believed reasonable under the circumstances. Material measurement uncertainties include estimates of collectibility of accounts receivable. Actual results could differ from our estimates; the resolution of these uncertainties will be determined by future events.

c) Program Supplies

Program supplies are expensed as acquired.

d) Revenue Recognition

The Corporation 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 fundraising is recognized in the fiscal year to which it relates based on the date that the fundraising event takes place.

Interest is recognized as revenue when earned.

Wage subsidies are recognized as revenue in the fiscal year to which they relate.

Pledges are not recognized until collected, as the Corporation cannot make a reasonable estimate of the amount that will be collected and collection is not reasonably assured.

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NOTES TO FINANCIAL STATEMENTS
March 31, 2025

2. ACCOUNTING POLICIES - continued

e) Donated Services

Contributions of materials and services are recognized only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would otherwise have been purchased.

The Corporation receives a significant amount of donated services from its Board of Directors and volunteers. The monetary value of donated services is not reflected in these financial statements because their fair value can not be reasonably estimated.

f) Financial Instruments

Initial Measurement

The Organization initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value.

Subsequent Measurement

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets measured at amortized cost using the straight-line method include cash, term deposits, trade and other receivables.

Financial liabilities measured at amortized cost include accounts payable.

Transaction Costs

Transaction costs attributable to financial instruments subsequently measured at fair value are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there are, and the company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reserved to the extent of the improvement. The carrying amount of the financial asset may be 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 income.

g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, amounts on deposit with financial institutions and term deposits that mature within three months or less from the date of acquisition. Term deposits that the Corporation cannot use for current transactions because they are restricted towards a specific purpose are excluded from cash and cash equivalents.

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NOTES TO FINANCIAL STATEMENTS
March 31, 2025

2. ACCOUNTING POLICIES - continued

- h) Investments include guaranteed investment certificates (GIC's) with initial terms to maturity of over 3 months. Investments are carried at fair value with unrealized gains recognized directly in the statement of revenues and expenses as investment income. Investments with terms to maturity of less than 12 months following year end are classified as short-term investments.

3. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments. It is the Board of Directors' opinion that the Corporation is not exposed to significant interest or credit risk arising from these financial instruments except as otherwise disclosed. The following describes the exposures to those risks, how they arise, any changes in risk exposures from the previous period, and any concentrations of risk.

Risk Management Policy

The Board of Directors observes an informal risk management policy by maintaining the majority of the Corporation's equity in liquid assets.

Fair Value Disclosure

The carrying amount of cash, accounts receivable and accounts payable approximates their fair value due to the short-term maturities of these items.

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 Corporation's main credit risks relate to its cash and accounts receivable. Credit risk associated with cash is minimized substantially by ensuring that this asset is invested with secure banks. The Corporation believes that there is minimal risk associated with the collection of accounts receivable amounts as it limits the amounts of credit issued to its supporters. A significant portion of the company's receivables is concentrated in the local geographic area.

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. Currency risk is not considered significant because the Corporation does not regularly have transactions based in foreign currency and does not maintain a balance in foreign bank accounts.

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 Corporation is exposed to interest rate risk due to fluctuations in the market interest rates it earns on cash held in its bank account and term deposits. The Corporation does not use financial instruments to reduce its interest rate risk exposure.

Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly from its accounts payable.

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NOTES TO FINANCIAL STATEMENTS
March 31, 2025

3. FINANCIAL INSTRUMENTS - continued

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 Corporation is mainly exposed to interest rate risk, as described above.

4. INVESTMENTS

Investments consist of term deposits held at Affinity Credit Union bearing interest from 4.1% to 4.8% (2024 - 2.0% to 4.8%) maturing between May 23, 2025 and January 7, 2028 (2024 - May 23, 2024 and January 7, 2028).

5. DEFERRED CONTRIBUTIONS

Deferred contributions represents unspent resources received in the current or prior years that are related to future years. Changes in the deferred contributions balance are as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 3,386	\$ 3,386
Additions	0	0
Amounts recognized as revenue in the year	<u>(3,386)</u>	<u>0</u>
Balance, end of year	<u>\$ 0</u>	<u>\$ 3,386</u>

The deferred contributions are from the following sources:

- After-Discharge Spiritual Care Support Project	<u>\$ 0</u>	<u>\$ 3,386</u>
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6. COMPARATIVE FIGURES

Subsequent to the issuance of the prior year financial statements it was determined that the method previously used to recognize and classify deferred contributions was not in compliance with the requirements of the CPA Canada Handbook - Accounting, specifically Section 4410 (Contributions - Revenue Recognition). Specifically, certain unrestricted contributions were deferred and recognized as revenue over five years rather than begin recognized as revenue in the year of receipt. As a result, a restatement of prior period figures was necessary to properly reflect the recognition of contributions and deferred contributions in accordance with the standards. Comparative figures for 2024 on the Statement of Financial Position have been adjusted to reduce "Deferred Contributions" by \$58,407 and increase "Unrestricted Net Assets" by \$58,407. Comparative figures for 2024 on the Statement of Operations and Changes in Net Assets have been adjusted to increase "Donations - Individuals - Bequests and Planning Giving" by \$25,000, reduce "Recognition of Deferred Revenue" by \$24,203, increase total revenue" by \$797, decrease ""Deficiency of Revenue Over Expenses" by \$797, and increase "Unrestricted Net Assets, beginning of year" and "Unrestricted Net Assets, end of year" by \$57,611. Comparative figures for 2024 on the Cash Flow Statement have been adjusted to decrease "Net change in non-cash working capital balances related to operations - Deferred Contributions" by \$797.

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7. ALTERNATE PRESENTATION OF COMPARATIVE FIGURES

Subsequent to the issuance of the prior year financial statements it was determined that the method previously used to recognize and classify deferred contributions was not in compliance with the requirements of the CPA Canada Handbook - Accounting, specifically Section 4410 (Contributions - Revenue Recognition). Specifically, certain unrestricted contributions were deferred and recognized as revenue over five years rather than begin recognized as revenue in the year of receipt. As a result, a restatement of prior period figures was necessary to properly reflect the recognition of contributions and deferred contributions in accordance with the standards. The following table summarizes the impact of the restatement on the comparative figures:

	<u>2025</u>	<u>2025</u>	<u>2025</u>
	As previously reported	Adjustment	As restated
Statement of Financial Position:			
Deferred contributions, beginning of year	\$ 60,996	\$ 57,610	\$ 3,386
Deferred contributions, end of year	61,793	58,407	3,386
Unrestricted Net assets, end of year	117,552	58,408	175,960
Statement of Operations and Changes in Net Assets:			
Recognition of deferred revenue	24,203	(24,203)	0
Donations - bequests and planned giving	0	25,000	25,000
Cash Flow Statement:			
Net change in non-cash working capital balances related to operations - Deferred Contributions	797	(797)	0