

Oakville Hospital Foundation
Financial Statements
For the year ended March 31, 2023

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Financial Statements
For the year ended March 31, 2023

Contents

Comments from the Chair of the Finance, Risk, Audit and Investment Committee and Chief Executive Officer	2
Independent Auditor's Report	3 - 4
Financial Statements	
Statement of Financial Position	5
Statement of Changes in Net Assets	6
Statement of Operations	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 13



Comments from the Chair of the FRAI Committee & the Chief Executive Officer

We are pleased to report that the Oakville Hospital Foundation ended the 2022/23 fiscal year with total fundraising revenue of \$13,506,304, thanks to the ongoing generosity of our donor community, and the dedication of our volunteers and staff. We saw a net unrealized investment gain of \$108,254 resulting in net revenue (after expenses) of \$8,914,644.

This fiscal year, 9,385 donors contributed to our fundraising programs which consist of major gifts, bequests, direct response, events and tribute giving. As a result, the Foundation was honoured to transfer \$7,649,721 in donated funds to Oakville Trafalgar Memorial Hospital ("the Hospital") in fiscal year 2022/23. Of this amount, the majority funded equipment and technology, while \$918,269 was designated to special projects. The Foundation raises funds to support the anticipated needs of the Hospital and grants those funds as the Hospital completes its procurement process. During the fiscal year, there was an increase in cash over last year due to the timing of fundraising efforts versus hospital procurement timing and the funds will be granted to the Hospital for their intended use in the coming months.

We are grateful for the many individuals, families and organizations we partner with in the community, as our success, and the Hospital's, can only be achieved with their support.

Thank you,

A handwritten signature in black ink, appearing to read "Tom Rothfischer".

Tom Rothfischer, CPA
Chair, Finance, Risk, Audit & Investment Committee
Oakville Hospital Foundation

A handwritten signature in black ink, appearing to read "Mary McPherson".

Mary McPherson, CFRE
Chief Executive Officer
Oakville Hospital Foundation

Independent Auditor's Report

To the Members of
Oakville Hospital Foundation

Opinion

We have audited the financial statements of Oakville Hospital Foundation (the "Foundation"), which comprise the statement of financial position as at March 31, 2023, and the statements of changes in net assets, operations and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario
June 9, 2023

Oakville Hospital Foundation
Statement of Financial Position

(expressed in thousands)

As at March 31	2023	2022
ASSETS		
Cash	\$ 7,338	\$ 5,209
Short-term investments (note 2)	2,328	1,800
Accounts receivable and other assets	246	249
Investments for endowment and restricted funds (note 3)	19,125	20,819
	\$ 29,037	\$ 28,077
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	\$ 421	\$ 357
Due to Halton Healthcare Services Corporation (note 4)	551	994
Deferred revenue	117	44
	1,089	1,395
Net Assets		
Donor designated funds (note 5)	5,013	3,414
Internally restricted funds (note 6)	2,898	5,207
Donor restricted endowment fund (note 6)	15,627	15,612
Unrestricted funds	4,410	2,449
	27,948	26,682
	\$ 29,037	\$ 28,077

On behalf of the Board of Directors:



Chair



Treasurer

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

Oakville Hospital Foundation
Statement of Changes in Net Assets
(expressed in thousands)

For the year ended

March 31, 2023	Donor Designated Funds	Internally Restricted Funds	Donor Restricted Endowment Fund	Unrestricted Funds	Total
	(note 5)	(note 6)	(note 6)		
Balance, beginning of year	\$ 3,414	\$ 5,207	\$ 15,612	\$ 2,449	\$ 26,682
Excess of revenues over expenses for the year, before investment income	2,493	-	505	5,808	8,806
Investment income, net of expenses (note 9)	-	(113)	(58)	280	109
Fund Transfer	24	(2,196)	(432)	2,604	-
Donations and grants distributed (note 7)	(918)	-	-	(6,731)	(7,649)
Balance, end of year	\$ 5,013	\$ 2,898	\$ 15,627	\$ 4,410	\$ 27,948

March 31, 2022	Capital and Donor Designated Funds¹	Internally Restricted Funds	Donor Restricted Endowment Fund	Unrestricted Funds	Total
	(note 5)	(note 6)	(note 6)		
Balance, beginning of year	\$ 4,012	\$ 5,723	\$ 14,256	\$ 943	\$ 24,934
Excess of revenues over expenses for the year, before investment income	4,988	3	620	-	5,611
Investment income, net of expenses (note 9)	50	438	1,072	-	1,560
Fund Transfer	(1,448)	(957)	(336)	2,741	-
Donations and grants distributed (note 7)	(4,188)	-	-	(1,235)	(5,423)
Balance, end of year	\$ 3,414	\$ 5,207	\$ 15,612	\$ 2,449	\$ 26,682

¹ The New Oakville Hospital Capital commitment was completed in the fiscal period ending March 31, 2022. Residual net assets associated with this project were transferred to the Unrestricted fund at this time. As of March 31, 2022, balances represented reflect the Donor Designated Fund only.

Oakville Hospital Foundation
Statement of Operations
(expressed in thousands)

For the year ended March 31	2023	2022
Revenues		
Fundraising (note 8)	\$ 13,506	\$ 9,324
Other income	-	178
	13,506	9,502
Expenses		
Fundraising	4,700	3,891
	8,806	5,611
Excess of revenues over expenses before investment income	8,806	5,611
Investment income (note 9)	109	1,560
	8,915	7,171
Excess of revenues over expenses for the year	\$ 8,915	\$ 7,171

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

Oakville Hospital Foundation

Statement of Cash Flows

(expressed in thousands)

For the year ended March 31	2023	2022
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses	\$ 8,915	\$ 7,171
Changes in non-cash working capital items		
Accounts receivable and other assets	3	(158)
Accounts payable and accrued liabilities	64	78
Due to Halton Healthcare Services Corporation	(443)	86
Deferred revenue	73	18
	<u>8,612</u>	<u>7,195</u>
Investing activity		
Short-term investments	(528)	(1,800)
Net decrease (increase) in investments for Endowment and Restricted Funds	1,694	(840)
	<u>1,166</u>	<u>(2,640)</u>
Financing activities		
Donations and grants distributed (note 7)	<u>(7,649)</u>	<u>(5,423)</u>
Increase (decrease) in cash during the year	2,129	(868)
Cash, beginning of year	<u>5,209</u>	<u>6,077</u>
Cash, end of year	\$ 7,338	\$ 5,209

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

Oakville Hospital Foundation

Notes to Financial Statements

March 31, 2023

1. Significant Accounting Policies

Nature and Purpose of Organization

The Oakville Hospital Foundation ("Foundation"), formerly the OTMH Charitable Corporation, is related to the Halton Healthcare Services Corporation ("HHSC"). According to the Foundation's by-laws, all resources of the Foundation must be provided to or used for the benefit of the Oakville site of HHSC. The net revenues from fundraising activities support operations, renovations, maintenance and the purchase of equipment and technology. The Foundation is incorporated, without share capital, under the Canada Corporations Act and is a registered charity under the Income Tax Act and, as such, is exempt from income taxes.

Revenue Recognition

The Foundation follows the restricted fund method of accounting for contributions. All donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized when earned.

Donations In-Kind

The Foundation receives non-cash donations throughout the year. Only in-kind donations that are converted to cash are recognized in the financial statements.

Contributed Services

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

Investments

Investments are recorded at fair value and the net increase or decrease in the year is recorded as income. The income consists of both investment income that is received and any unrealized increase or decrease in the fair value of these investments. The investments are managed in accordance with the Foundation's Investment Policies and Guidelines.

Internally Restricted Funds

Investment earnings and capital are available for use by the Foundation, at the discretion of the Foundation's Board of Directors.

Oakville Hospital Foundation
Notes to Financial Statements

March 31, 2023

1. Significant Accounting Policies (continued)

Capital and Donor Designated Funds

The capital and donor designated funds are to be used for specific purposes as specified by the donor.

Donor Restricted Endowment Fund

The fund balance represents separate donor restricted endowment funds. The capital base is invested and intended to be held in perpetuity. Investment income is available for distribution at the discretion of the Foundation's Board of Directors, and in accordance with the donors instructions.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments and investments for endowment and donor restricted endowment are reported at fair value, all other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate that the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instruments for those measured at amortized cost. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, due to Halton Healthcare Services Corporation, and deferred revenue. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks.

Risks arising from financial instruments

Market risk

The Foundation is subject to market risk with respect to its investments. The values of these investments will fluctuate as a result of changes in market prices, interest rate changes, foreign exchange changes and credit risk changes affecting the value of the investments. The Finance, Risk, Audit and Investment ("FRAI") Committee of the Foundation Board oversees and manages market risk in accordance with the Foundation's Investment Policies and Guidelines. This risk has not changed from the prior year.

Oakville Hospital Foundation
Notes to Financial Statements
(expressed in thousands)

For the year ended March 31, 2023

2. Short-Term Investments

Short-term investments consist of guaranteed investment certificates, earning interest at 5.21% to 5.92% maturing September 30, 2023 and March 29, 2024 (2022 - 1.63% to 2.30% maturing September 29, 2022 and March 29, 2023).

3. Investments for Endowment and Restricted Funds

	2023		2022
Cash	\$ 1,622	\$	1,081
Fixed income funds - Traditional	12,960		7,113
Fixed income funds - Non-Traditional	1,867		4,591
Equity funds - Canadian	937		3,267
Equity funds - Global	1,739		4,767
	\$ 19,125	\$	20,819

Funds are invested in various fixed income and equity funds. Non-traditional funds include pooled funds investing in diversified lending, infrastructure and real estate. The Foundation's investments are held at KJ Harrison Investors in the amount of \$13,890 (2022 - \$6,177), and the Oakville Community Foundation ("OCF") pooled fund in the amount of \$5,235 (2022 - \$14,642). These investments are overseen by the FRAI Committee of the Foundation's Board and subject to adherence to the Investment Policies and Guidelines.

4. Due to Halton Healthcare Services Corporation

During the year ended March 31, 2023, the Foundation had several transactions with HHSC. These transactions are in the normal course of operations and include reimbursements of funds disbursed on the Foundation's behalf. These amounts are repaid on a cost recovery basis.

The amount due to HHSC is non-interest bearing and will be repaid subsequent to year-end.

5. Donor Designated Funds

	2023		2022
Cash	\$ 2,085	\$	1,614
Short-term investments	2,328		1,800
Long-term investments	600		-
	\$ 5,013	\$	3,414

Oakville Hospital Foundation
Notes to Financial Statements

(expressed in thousands)

For the year ended March 31, 2023

6. Endowment and Internally Restricted Funds

The Foundation has reported all investment income and undesignated donations and bequests in the Statement of Operations. In accordance with the Foundation's Investment Policies and Guidelines, \$90 of investment loss (2022 - income of \$490) has been included in the Internally Restricted Fund. The Endowment and Restricted Funds are held with KJ Harrison Investors, and in the Oakville Community Foundation ("OCF") pooled fund. Annual distributions from the Donor Restricted Endowment and Internally Restricted Funds are disbursed to Donor Designated and Unrestricted Funds based on the terms of the underlying endowment agreements, donor intent statements, and the Foundation's spending policy which is included in the investment policy.

		Donor			
	Internally	Restricted	Total	Total	Total
	Restricted	Endowment	2023	2022	2022
Balance, beginning of year	\$ 5,207	\$ 15,612	\$ 20,819	\$ 19,979	
Donations and bequests	-	505	505	623	
Investment income, net of expenses	(113)	(58)	(171)	1,510	
Funds Transferred from Donor					
Designated	-	89	89	-	
Funds disbursed	(2,196)	(521)	(2,717)	(1,293)	
	(2,309)	15	(2,294)	840	
Balance, end of year	\$ 2,898	\$ 15,627	\$ 18,525	\$ 20,819	

In addition, the Foundation is the named beneficiary of certain OCF Funds, from which the Foundation received \$197 (2022 - \$273) of fundraising income.

7. Donations and Grants Distributed

		2023		2022
New Oakville Hospital Capital	\$	-	\$	2,815
Emergency response		-		90
Annual capital		6,731		1,145
Donor designated funds		918		1,373
	\$	7,649	\$	5,423

Oakville Hospital Foundation
Notes to Financial Statements

(expressed in thousands)

For the year ended March 31, 2023

8. Fundraising Revenue		2023		2022
Unrestricted donations and revenue from fundraising	\$	10,508	\$	7,518
Donor restricted endowment		505		623
Donor designated		2,493		1,183
	\$	13,506	\$	9,324

9. Investment Income		2023		2022
Investment income	\$	157	\$	1,738
Investment expenses		(48)		(178)
Net income from investments	\$	109	\$	1,560

10. Comparative Figures

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.