

Financial Statements of

**ST. JOSEPH'S HEALTHCARE
FOUNDATION, HAMILTON**

And Independent Auditor's Report thereon

Year ended March 31, 2025

**KPMG LLP**

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INDEPENDENT AUDITOR'S REPORT

To the St. Joseph's Health System and the Board of Directors of the St. Joseph's Healthcare Foundation, Hamilton

Opinion

We have audited the financial statements of St. Joseph's Healthcare Foundation, Hamilton, (the Entity), which comprise:

- the statement of financial position as at March 31, 2025
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies
- (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the statement of financial position of the Entity as at March 31, 2025, and its results of 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 Auditor's report.

We are independent of the Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 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 Entity's internal control.



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- 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 Entity'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 Entity 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

June 18, 2025

ST. JOSEPH'S HEALTHCARE FOUNDATION, HAMILTON

Statement of Financial Position

March 31, 2025, with comparative information for 2024


	2025	2024
Assets		
Current assets:		
Cash	\$ 5,113,851	\$ 6,081,503
Accounts receivable (note 2 and 10)	261,488	252,722
Cash surrender value (note 3)	1,295,583	1,200,592
Investments (note 4)	55,107,546	45,439,348
Prepaid expenses and other assets	17,572	1,235
	61,796,040	52,975,400
Capital assets (note 5)	103,977	106,035
	\$ 61,900,017	\$ 53,081,435


Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accruals (note 10)	\$ 1,111,321	\$ 962,641
Deferred revenue (note 6)	96,998	36,560
	1,208,319	999,201
Fund balances	60,691,698	52,082,234
	\$ 61,900,017	\$ 53,081,435

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

ST. JOSEPH'S HEALTHCARE FOUNDATION, HAMILTON

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2025, with comparative information for 2024

	General Funds	Restricted Funds	Endowment Funds	2025 Total	2024 Total
Revenues:					
Fundraising programs (note 7)	\$ 3,653,163	\$ 12,654,733	\$ —	\$ 16,307,896	\$ 15,718,555
Investment income (note 8)	4,855,829	133,964	408,962	5,398,755	3,456,824
	8,508,992	12,788,697	408,962	21,706,651	19,175,379
Expenses:					
Fundraising	1,220,808	81,377	—	1,302,185	1,236,970
Operating and administration	3,445,538	—	—	3,445,538	3,241,444
	4,666,346	81,377	—	4,747,723	4,478,414
Excess of revenues over expenses before grants	3,842,646	12,707,320	408,962	16,958,928	14,696,965
Grants (note 9)	237,791	7,779,340	332,333	8,349,464	7,798,341
Excess of revenues over expenses	3,604,855	4,927,980	76,629	8,609,464	6,898,624
Fund balances, beginning of year	9,837,599	32,097,359	10,147,276	52,082,234	45,183,610
Inter-fund transfers	(1,451,806)	1,451,806	—	—	—
Fund balances, end of year	\$ 11,990,648	\$ 38,477,145	\$ 10,223,905	\$ 60,691,698	\$ 52,082,234

See accompanying notes to financial statements.

ST. JOSEPH'S HEALTHCARE FOUNDATION, HAMILTON

Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations activities:		
Excess of revenues over expense	\$ 8,609,464	\$ 6,898,624
Non-cash items:		
Decrease in unrealized gains on investments (note 4)	(2,779,564)	(1,633,894)
Amortization of capital asset	27,589	30,851
Increase in cash surrender value	(94,991)	(102,538)
Loss on disposal of equipment	130	—
Changes in non-cash working capital balances:		
Accounts receivable	(8,766)	(142,696)
Prepaid expenses and other assets	(16,337)	11,514
Accounts payable and accruals	148,680	(16,759)
Deferred revenue	60,438	5,975
	5,946,643	5,051,077
Investing activities:		
Increase in cost basis of investments (note 4)	(6,888,634)	(2,007,532)
Purchase of capital assets	(25,661)	(31,035)
	(6,914,295)	(2,038,567)
(Decrease) increase in cash position	(967,652)	3,012,510
Cash position, beginning of year	6,081,503	3,068,993
Cash position, end of year	\$ 5,113,851	\$ 6,081,503
Supplemental cash flow information:		
Bank interest income received	\$ 265,480	\$ 296,155

See accompanying notes to financial statements.

ST. JOSEPH'S HEALTHCARE FOUNDATION, HAMILTON

Notes to Financial Statements

Year ended March 31, 2025

The St. Joseph's Healthcare Foundation, Hamilton (the "Foundation") is incorporated without share capital under the laws of Ontario and is a public charitable foundation registered under the Income Tax Act (Canada). The Foundation receives, accumulates and distributes funds and income for the benefit of St. Joseph's Healthcare Hamilton.

1. Significant accounting policies:

The Foundation prepares its financial statements in accordance with Canadian Accounting Standards for not-for-profit organizations in Part III of the CPA Handbook.

(a) Fund accounting:

The Foundation follows the restricted fund method of accounting.

The General Fund consists of unrestricted net assets.

A portion of the Restricted Funds consist of net assets to be used in accordance with an internal policy established to provide for the financial sustainability and stability of the Foundation's operations, as well as, allow for enhancement of hospital programs in response to future needs. Funding will be provided from unrestricted monies, on a systematic basis, until the fund reaches a sufficient level as assessed on an on-going basis. The current balance of the fund is \$3,813,942 (2024 - \$3,302,508).

The remaining Restricted Funds consists of net assets to be used in accordance with objectives specified by the donors.

The Endowment Funds consists of net assets contributed in perpetuity.

The only assets held in the Restricted and Endowment Funds are investments. There are no liabilities in the Restricted and Endowment Funds.

Expenses directly related to the activities of the Restricted or Endowment Funds are recorded as an expense of those funds. All other operating and administrative expenses are charged to the General Fund.

(b) Revenue recognition:

Pledges and donations are recorded as revenue when cash is received. Pledges outstanding are outlined in note 7.

Investment income earned which must be spent on specific activities is recognized in the Restricted or Endowment Funds. All other investment income is recognized in the General Fund.

ST. JOSEPH'S HEALTHCARE FOUNDATION, HAMILTON

Notes to Financial Statements (continued)

Year ended March 31, 2025

1. Significant accounting policies (continued):

(c) Contributed goods and services:

Gifts in kind contributed to the Foundation for which tax receipts have been issued are recorded at their fair market value.

Volunteers contribute a substantial number of hours each year to assist the Foundation in carrying out its fundraising activities. The fair market value of this work is not determinable and not reflected in these accounts, but the Foundation recognizes the very significant value of this contribution and states so here.

(d) Capital assets:

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated useful life of an asset are capitalized. When a capital asset ceases to contribute to the Foundation's ability to provide services, its carrying amount is written down to its residual value. Amortization is recorded over the estimated useful lives of the assets on a straight-line basis.

Asset	Rate
Furniture, fixtures and leasehold improvements	5 years
Computer hardware	3 years
Computer software	3 years

(e) Fundraising expenses:

Fundraising expenses include all expenses directly attributable to fundraising activities, excluding salaries.

(f) Operating and administration expenses:

Operating and administration expenses include salaries, fees, business and overhead expenses. Salary costs relate to both fundraising and administrative personnel.

(g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has not elected to carry any such financial instruments at fair value.

ST. JOSEPH'S HEALTHCARE FOUNDATION, HAMILTON

Notes to Financial Statements (continued)

Year ended March 31, 2025

1. Significant accounting policies (continued):

(g) Financial instruments (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(h) Use of estimates:

The preparation of the financial statements 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 dates of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. Accounts receivable:

	2025	2024
General	\$ 200,329	\$ 198,072
HST tax rebate	61,159	54,650
	<u>\$ 261,488</u>	<u>\$ 252,722</u>

3. Cash surrender value:

The Foundation has received donations in the form of insurance policies. These policies have been irrevocably transferred to the Foundation. The Foundation has included within the financial statements those life insurance policies which include a cash surrender value option. The amounts recorded are the cash surrender values that the Foundation is currently entitled to.

ST. JOSEPH'S HEALTHCARE FOUNDATION, HAMILTON

Notes to Financial Statements (continued)

Year ended March 31, 2025

4. Investments:

2025	Cost	Market	Percentage of total market
Fixed income	\$ 25,130,083	\$ 24,905,820	45.2%
Equities	24,493,435	30,201,726	54.8%
	\$ 49,623,518	\$ 55,107,546	100.0%

2024	Cost	Market	Percentage of total market
Fixed income	\$ 23,241,839	\$ 21,745,583	47.9%
Equities	19,493,045	23,693,765	52.1%
	\$ 42,734,884	\$ 45,439,348	100.0%

	2025	2024
Change in investments during the year:		
Increase in market values during the year	\$ 9,668,198	\$ 3,641,426
Increase in cost basis of investments in the year	(6,888,634)	(2,007,532)
	\$ 2,779,564	\$ 1,633,894

5. Capital assets:

			2025		2024
	Cost	Accumulated amortization	Net book value		Net book value
Furniture, fixtures and leasehold improvements	\$ 324,052	\$ 226,696	\$ 97,356	\$	102,766
Computer hardware	68,224	61,603	6,621		3,269
Computer software	9,978	9,978	—		—
	\$ 402,254	\$ 298,277	\$ 103,977	\$	106,035

ST. JOSEPH'S HEALTHCARE FOUNDATION, HAMILTON

Notes to Financial Statements (continued)

Year ended March 31, 2025

6. Deferred revenue:

Deferred revenue related to expenses of future periods is comprised of unspent externally restricted grants and donations for specific programs:

	2025	2024
Balance, beginning of year	\$ 36,560	\$ 30,585
Less amount recognized as revenue in the current year	(36,560)	(30,585)
Add amount received related to future periods	96,998	36,560
Balance, end of year	\$ 96,998	\$ 36,560

7. Fundraising programs:

	2025	2024
Donations	\$ 13,067,461	\$ 12,566,127
Special events	2,119,630	2,033,402
Gaming and other	1,120,805	1,119,026
	\$ 16,307,896	\$ 15,718,555

The Foundation expects to receive outstanding pledges totaling \$5,872,406 over the next five years.

8. Investment income:

	2025	2024
Unrealized gains on investments	\$ 2,779,566	\$ 1,632,848
Realized gains on sales of investments	1,108,390	433,728
Investment Income	1,510,799	1,390,248
	\$ 5,398,755	\$ 3,456,824

ST. JOSEPH'S HEALTHCARE FOUNDATION, HAMILTON

Notes to Financial Statements (continued)

Year ended March 31, 2025

9. Grants:

	2025	2024
Capital and equipment	\$ 2,826,082	\$ 3,354,373
Research	3,741,192	3,339,702
Programs	1,649,071	989,957
Education	133,119	114,309
	\$ 8,349,464	\$ 7,798,341

10. Related party transactions:

	2025	2024
Payroll processed on behalf of Foundation:		
St. Joseph's Healthcare Hamilton	\$ 2,895,410	\$ 2,804,176
Cost recovered through Management Service Agreement:		
St. Joseph's Health Centre Foundation Guelph:		
Management salary and benefits	78,624	76,330
Administrative services and cost recoveries	76,478	81,393
Grants:		
St. Joseph's Healthcare Hamilton	4,669,526	4,694,404
Research St. Joseph's - Hamilton	2,531,186	2,355,358
St. Joseph's Villa Foundation	294,941	—

Through St. Joseph's Health System, the Foundation is a related party to various entities due to common control.

St. Joseph's Healthcare Hamilton processes payroll on behalf of the Foundation and as such the Foundation reimburses the St. Joseph's Healthcare Hamilton for costs paid on its behalf. Included in accounts payable and accruals is a balance due to St. Joseph's Healthcare Hamilton of \$232,911 (2024 - \$258,463) which relate to payroll, including related government remittance amounts as well as other operating charges.

Included in accounts receivable is a balance due from St. Joseph's Health Centre Foundation (Guelph) for \$35,242 (2024 - \$36,823). This balance relates to administration, IT and management services provided to the St. Joseph's Health Centre Foundation (Guelph) under a management services agreement. The five-year term of the agreement expires in June 2025 with an automatic renewal for an additional two years.

ST. JOSEPH'S HEALTHCARE FOUNDATION, HAMILTON

Notes to Financial Statements (continued)

Year ended March 31, 2025

11. Financial risks:

The Foundation manages its investment portfolio to earn investment income and invests according to a Statement of Investment Policy approved by The Board. The Organization is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

The Foundation believes that it is not exposed to significant interest-rate, market, credit or cash flow risk arising from its financial instruments. There has been no change to the risk exposure from 2024.

Additionally, the Foundation believes it is not exposed to significant liquidity risk as all investments are held in instruments that are highly liquid and can be disposed of to settle commitments. There has been no change to the risk exposure from 2024.

Investments that trade in foreign markets are exposed to currency risk as the price in local terms on the foreign stock exchange is converted to Canadian dollars to determine fair value. The Foundation's overall currency positions are monitored by the portfolio manager. There has been no change to the risk exposure from 2024.

12. Employee future benefits:

Substantially all full-time employees of the Foundation are members of the Healthcare Ontario Pension Plan (HOOPP). This plan is a multi-employer, defined benefit pension plan which specifies the amount of the retirement benefit to be received by the employees based on length of service and rates of pay. As this is a multi-employer plan, no liability has been recorded on the Foundation's books.

The most recent actuarial valuation for accounting purposes was completed by HOOPP as at December 31, 2024. Their December 31, 2024 audited financial statements disclosed an actuarial value of net assets in the amount of \$124,956 million, with accrued benefits of \$112,579 million, resulting in a going concern surplus of \$12,377 million.

13. Gifts in kind:

During the year, the Foundation received various gifts in kind valued at \$128,502 (2024 - \$79,795) donated for use in silent auctions as part of fundraising events. These gifts in kind have not been recorded in the financial statements as the transactions do not have a direct financial impact on the Foundation's financial position or results of operations. As such, these donations are disclosed for informational purposes only.