

*Oakville Hospital Foundation  
Financial Statements  
For the year ended March 31, 2016*

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**Comments from the Chair of the Finance Committee & the Chief Executive Officer**

The Oakville Hospital Foundation ended the 2015/2016 fiscal year with total fundraising revenues of \$14,105,377, thanks to the ongoing generosity of our donor community, and the dedication of our volunteers and staff. This represents an over target position of \$948,377. In this fiscal year alone, 9,733 donors made 28,022 gifts.

Due to volatility in the markets, we also experienced net investment losses of \$386,908.

Funds were raised through a variety of means including major gifts, direct mail, telemarketing, a staff and physician appeal, special events and support from numerous community partners.

As a result, the Foundation transferred \$11,918,807 to Oakville Trafalgar Memorial Hospital, the majority of which funded essential medical equipment for the new OTMH, which opened December 13, 2015.

We are grateful for the many individuals 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 that reads "Doug Gray". The signature is fluid and cursive, with a long horizontal stroke at the end.

Doug Gray  
Chair, Finance Committee  
Oakville Hospital Foundation

A handwritten signature in black ink that reads "Tina Triano". The signature is cursive and somewhat stylized, with a prominent loop at the end.

Tina Triano  
Chief Executive Officer  
Oakville Hospital Foundation



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## Independent Auditor's Report

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### To the Members of Oakville Hospital Foundation

We have audited the accompanying financial statements of Oakville Hospital Foundation, which comprise the statement of financial position as at March 31, 2016 and the statement of changes in net assets, operations 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Oakville Hospital Foundation as at March 31, 2016 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Mississauga, Ontario  
June 9, 2016

***Oakville Hospital Foundation***  
***Statement of Financial Position***  
(expressed in thousands)

As at March 31	2016	2015
<b>ASSETS</b>		
Cash	\$ 5,047	\$ 6,223
Accounts receivable and other assets	621	414
Investments for Endowment and Restricted Funds (note 2)	14,797	15,209
Capital Assets (note 4)	4	8
	\$ 20,469	\$ 21,854

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued liabilities	\$ 434	\$ 512
Due to Halton Healthcare Services Corporation (note 11)	368	426
	802	938

**Net Assets**

Net assets invested in capital assets (note 4)	4	8
Capital campaign and donor designated funds (note 5)	3,923	4,756
Internally restricted funds (note 6)	4,807	5,128
Donor restricted endowment fund (note 6)	9,990	10,081
Unrestricted funds	943	943
	19,667	20,916
	\$ 20,469	\$ 21,854

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

	Invested in Capital Assets	Capital Campaign and Donor Designated Funds	Internally Restricted Funds	Donor Restricted Endowment Fund	Unrestricted Funds	Total
	(note 4)	(note 5)	(note 6)	(note 6)		
<b>March 31, 2016</b>						
Balance, beginning of year	\$ 8	\$ 4,756	\$ 5,128	\$ 10,081	\$ 943	\$ 20,916
Excess of revenue over expenses for the year	(4)	899	(54)	343	13,712	14,896
Investment (loss) income	-	475	(89)	(178)	(208)	-
Donations and grants distributed (note 7)	-	(554)	-	-	(13,504)	(14,058)
Grants from donor designated funds (note 7)	-	(1,653)	(178)	(256)	-	(2,087)
<b>Balance, end of year</b>	<b>\$ 4</b>	<b>\$ 3,923</b>	<b>\$ 4,807</b>	<b>\$ 9,990</b>	<b>\$ 943</b>	<b>\$ 19,667</b>
<b>March 31, 2015</b>						
Balance, beginning of year	\$ 14	\$ 27,647	\$ 7,666	\$ 8,960	\$ 943	\$ 45,230
Excess of revenue over expenses for the year	(6)	1,172	(60)	472	17,196	18,774
Investment (loss) income	-	332	526	976	(1,834)	-
Donations and grants distributed (note 7)	-	(838)	(2,753)	-	(15,362)	(18,953)
Grants from donor designated funds (note 7)	-	(23,557)	(251)	(327)	-	(24,135)
<b>Balance, end of year</b>	<b>\$ 8</b>	<b>\$ 4,756</b>	<b>\$ 5,128</b>	<b>\$ 10,081</b>	<b>\$ 943</b>	<b>\$ 20,916</b>

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

**Oakville Hospital Foundation**  
**Statement of Operations**  
(expressed in thousands)

For the year ended March 31	2016	2015
<b>Revenues</b>		
Fundraising (note 8)	\$ 14,105	\$ 16,227
Ancillary revenues, net of expenses (note 9)	4,226	3,638
	18,331	19,865
<b>Expenses</b>		
Fundraising	3,048	2,752
	15,283	17,113
<b>Excess of revenues over expenses before investment (loss) income</b>	<b>15,283</b>	<b>17,113</b>
<b>Investment (loss) income (note 3)</b>	<b>(387)</b>	<b>1,661</b>
<b>Excess of revenues over expenses for the year</b>	<b>\$ 14,896</b>	<b>\$ 18,774</b>

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	2016	2015
<b>Cash flows from operating activities</b>		
Excess of revenues over expenses	\$ 14,896	\$ 18,774
Adjustment for items not affecting cash		
Amortization of capital assets	4	6
Changes in non-cash working capital items		
Accounts receivable and other assets	(207)	(145)
Accounts payable and accrued liabilities	(78)	291
Due to Halton Healthcare Services Corporation	(58)	66
<b>Sub-total cash flows from operating activities</b>	<b>14,557</b>	<b>18,992</b>
<b>Cash flows from investing and financing activities</b>		
Decrease in investments	-	22,747
Donations and grants distributed	(16,145)	(43,088)
Net decrease in investments for Endowment and Restricted Funds	412	1,417
<b>Sub-total cash flows from investing and financing activities</b>	<b>(15,733)</b>	<b>(18,924)</b>
<b>(Decrease) increase in cash during the year</b>	<b>(1,176)</b>	<b>68</b>
<b>Cash, beginning of year</b>	<b>6,223</b>	<b>6,155</b>
<b>Cash, end of year</b>	<b>\$ 5,047</b>	<b>\$ 6,223</b>

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



# *Oakville Hospital Foundation*

## *Notes to Financial Statements*

March 31, 2016

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### **1. Nature of Operations and Summary of 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 the purchase of equipment. 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 deferral 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.

Parking and Work-Fit Total Therapy revenues are recognized when the service is provided. Investment income is recognized when earned.

#### **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 Statement of Investment Objectives and Policies.

#### **Capital Assets**

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. When a capital asset no longer contributes to the Foundation's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis over a period ranging from five to ten years.

#### **Internally Restricted Funds**

The capital base is invested and intended to be held in perpetuity. Investment earnings and capital are available for use by the Foundation, at the discretion of the Foundation's Board of Directors.

#### **Externally Restricted Fund**

The externally restricted fund is held by the Foundation and can only be disbursed upon approval of the Board of Directors of HHSC.

*Oakville Hospital Foundation*  
*Notes to Financial Statements*

March 31, 2016

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**1. Nature of Operations and Summary of Significant Accounting Policies**  
**(continued)**

**Donor Designated Funds**                      The 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 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. 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 Statement of Investment Objectives and Policies.

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

**For the year ended March 31, 2016**

**2. Investments for Endowment and Restricted Funds**

	2016	2015
Cash and short-term investments	\$ 404	\$ 942
Fixed income funds	4,664	4,636
Equity funds - Canadian	3,313	4,167
Equity funds - Global	6,416	5,464
	\$ 14,797	\$ 15,209

Funds are invested in various fixed income and equity funds. All funds are managed by third party investment managers. The Foundation holds funds in the Oakville Community Foundation ("OCF") pooled fund. At March 31, 2016, all the funds were held by the OCF (2015 - \$15,208). These investments are overseen by the FRAI Committee of the Foundation's Board and subject to adherence to the Long Term Investment Policies and Procedures.

**3. Investment (Loss) Income**

	2016	2015
Investment (loss) income	\$ (208)	\$ 1,834
Investment expenses	(179)	(173)
Net (loss) income from investments	\$ (387)	\$ 1,661

**4. Capital Assets**

	2016	2015
Equipment	\$ 189	\$ 189
Accumulated amortization	(185)	(181)
Net book value	\$ 4	\$ 8

**5. Capital Campaign and Donor Designated Funds**

	2016	2015
New Oakville Hospital Campaign, net	\$ 1,511	\$ 2,063
Donor Designated Funds	2,412	2,693
	\$ 3,923	\$ 4,756

Represented by cash of \$3,923 (2015 - \$4,756).

**Oakville Hospital Foundation**  
**Notes to Financial Statements**

(expressed in thousands)

**For the year ended March 31, 2016**

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**6. Endowment and 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 Statement of Investment Objectives and Policies, \$89 of investment loss (2015 - \$526 income) has been included in the Internally Restricted Fund. The Endowment and Restricted Funds are held in the Oakville Community Foundation ("OCF") pooled fund and the spending policy of OCF has therefore been adopted. The policy includes a provision to retain in the Donor Restricted Endowment and Internally Restricted Funds, for operating and granting purposes, investment income which typically grants at 3.5% annually. Additionally, the Foundation is the recipient of investment income from OCF fundholders, disbursements from which are reflected in the appropriate income and expense categories in the year they are received and disbursed.

	<b>Internally Restricted</b>	<b>Donor Restricted Endowment</b>	<b>Total 2016</b>	<b>Total 2015</b>
<b>Balance, beginning of year</b>	\$ 5,128	\$ 10,081	\$ 15,209	\$ 16,626
Donations and bequests	6	461	467	585
Investment (loss) income	(89)	(178)	(267)	1,502
Investment expenses	(60)	(118)	(178)	(173)
Disbursed to New Oakville				
Hospital Campaign	(178)	(256)	(434)	(578)
Disbursed to HHSC	-	-	-	(2,753)
	<b>(321)</b>	<b>(91)</b>	<b>(412)</b>	<b>(1,417)</b>
<b>Balance, end of year</b>	<b>\$ 4,807</b>	<b>\$ 9,990</b>	<b>\$ 14,797</b>	<b>\$ 15,209</b>

**7. Donations and Grants Distributed**

	2016	2015
New Oakville Hospital Campaign	\$ 11,365	\$ 35,859
Donor designated funds	554	838
Externally restricted endowment funds	-	2,753
Parking, Work-Fit Total Therapy	4,226	3,638
	<b>\$ 16,145</b>	<b>\$ 43,088</b>

**Oakville Hospital Foundation**  
**Notes to Financial Statements**

(expressed in thousands)

**For the year ended March 31, 2016**

<b>8. Fundraising Revenue</b>	<b>2016</b>	<b>2015</b>
Unrestricted donations and revenue from fundraising	\$ 12,949	\$ 14,940
Donor restricted endowment	467	115
Donor designated	689	1,172
	<u>\$ 14,105</u>	<u>\$ 16,227</u>

<b>9. Ancillary Revenues</b>	<b>2016</b>	<b>2015</b>
<b>Revenues</b>		
Parking operations	\$ 4,692	\$ 3,933
Work-Fit Total Therapy Centre	602	685
Work-Fit Total Therapy Centre - Ontario Ministry of Health and Long-term Care	546	355
Total Revenues	<u>5,840</u>	<u>4,973</u>
<b>Expenses</b>		
Parking operations	540	476
Work-Fit Total Therapy Centre	1,074	859
Total Expenses	<u>1,614</u>	<u>1,335</u>
Net Ancillary Revenue	<u>\$ 4,226</u>	<u>\$ 3,638</u>

**10. Commitments**

The Foundation made a commitment to grant \$97,300 to HHSC for equipment purchases for the New Oakville Hospital. At March 31, 2016, \$63,290 (2015 - \$51,925) has been granted to date.

**11. Due to Halton Healthcare Services Corporation**

During the year ended March 31, 2016, 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.

**12. Subsequent Events**

Effective April 1, 2016, all revenues and expenses associated with the parking operations within the Foundation will transfer to HHSC and no longer be reflected in the Foundations financial results. During fiscal 2016, revenue of \$4,692 was generated with associated expenses of \$540.