

Oakville Hospital Foundation
Financial Statements
For the year ended March 31, 2022

Oakville Hospital Foundation
Financial Statements
For the year ended March 31, 2022

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 2021/22 fiscal year with total fundraising revenue of \$9,324,417, 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 \$1,559,993 resulting in net revenue (after expenses) of \$7,171,717.

This fiscal year, 8,690 donors contributed to our fundraising programs which consist of major gifts, direct response, virtual events and tribute giving. As a result, the Foundation was honoured to transfer \$5,422,856 in donated funds to Oakville Trafalgar Memorial Hospital in fiscal year 2021/22. Of this amount, \$1,373,333 was designated outside of the equipment list and the remainder funded equipment.

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, 2022, 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, 2022, 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 22, 2022

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

As at March 31	2022	2021
ASSETS		
Cash	\$ 5,209	\$ 6,077
Short-term investments (note 2)	1,800	-
Accounts receivable and other assets	249	91
Investments for endowment and restricted funds (note 3)	20,819	19,979
	<u>\$ 28,077</u>	<u>\$ 26,147</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	\$ 357	\$ 279
Due to Halton Healthcare Services Corporation (note 4)	994	908
Deferred revenue	44	26
	<u>1,395</u>	<u>1,213</u>
Net Assets		
Capital and donor designated funds (note 5)	3,414	4,012
Internally restricted funds (note 6)	5,207	5,723
Donor restricted endowment fund (note 6)	15,612	14,256
Unrestricted funds	2,449	943
	<u>26,682</u>	<u>24,934</u>
	<u>\$ 28,077</u>	<u>\$ 26,147</u>

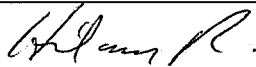
On behalf of the Board of Directors:

Timothy Porter



Chair

Hilary Rodrigues



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

	Capital and Donor Designated Funds	Internally Restricted Funds	Donor Restricted Endowment Fund	Unrestricted Funds	Total
March 31, 2022	(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
	Capital and Donor Designated Funds	Internally Restricted Funds	Donor Restricted Endowment Fund	Unrestricted Funds	Total
March 31, 2021	(note 5)	(note 6)	(note 6)		
Balance, beginning of year	\$ 5,672	\$ 4,939	\$ 12,262	\$ 943	\$ 23,816
Excess of revenues over expenses for the year, before investment income	4,984	2	115	-	5,101
Investment income, net of expenses (note 9)	98	969	2,493	-	3,560
Fund Transfer	801	(187)	(614)	-	-
Donations and grants distributed (note 7)	(7,543)	-	-	-	(7,543)
Balance, end of year	\$ 4,012	\$ 5,723	\$ 14,256	\$ 943	\$ 24,934

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	2022	2021
<hr/>		
Revenues		
Fundraising (note 8)	\$ 9,324	\$ 8,628
Other income	178	29
	<hr/> 9,502	<hr/> 8,657
 Expenses		
Fundraising	<hr/> 3,891	<hr/> 3,556
 Excess of revenues over expenses before investment income	 5,611	 5,101
 Investment income (note 9)	 <hr/> 1,560	 <hr/> 3,560
 Excess of revenues over expenses for the year	 \$ 7,171	 \$ 8,661
<hr/>		

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	2022	2021
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses	\$ 7,171	\$ 8,661
Changes in non-cash working capital items		
Accounts receivable and other assets	(158)	81
Accounts payable and accrued liabilities	78	57
Due to Halton Healthcare Services Corporation	86	238
Deferred revenue	18	(2)
	7,195	9,035
Investing activity		
Short-term investments	(1,800)	1,860
Net increase in investments for Endowment and Restricted Funds	(840)	(2,778)
	(2,640)	(918)
Financing activities		
Donations and grants distributed (note 7)	(5,423)	(7,543)
	(5,423)	(7,543)
Increase (decrease) in cash during the year	(868)	574
Cash, beginning of year	6,077	5,503
Cash, end of year	\$ 5,209	\$ 6,077

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

Oakville Hospital Foundation

Notes to Financial Statements

March 31, 2022

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.

Unrestricted Fund

The unrestricted fund represents resources available for immediate purposes to support the mission of the Foundation.

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, 2022

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	<p>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.</p> <p>Risks arising from financial instruments</p> <p>Market risk</p> <p>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 have not changed from the prior year.</p>

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

For the year ended March 31, 2022

2. Short-Term Investments

Short-term investments consist of guaranteed investment certificates, earning interest at 1.63% to 2.30% maturing September 29, 2022 and March 29, 2023 (2021 - none).

3. Investments for Endowment and Restricted Funds

	2022	2021
Cash	\$ 1,081	\$ 245
Fixed income funds - Traditional	7,113	5,906
Fixed income funds - Non-Traditional	4,591	4,050
Equity funds - Canadian	3,267	4,443
Equity funds - Global	4,767	5,335
	<u>\$ 20,819</u>	<u>\$ 19,979</u>

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 in the Oakville Community Foundation ("OCF") pooled fund in the amount of \$14,642 (2021 - \$14,624), as well as KJ Harrison Investors in the amount of \$6,177 (2021 - \$5,355). 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, 2022, 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. Capital and Donor Designated Funds

	2022	2021
New Oakville Hospital Capital, net	\$ -	\$ 493
Donor Designated Funds	3,414	3,519
	<u>\$ 3,414</u>	<u>\$ 4,012</u>

Upon completion of the New Oakville Hospital Capital commitment, the Capital fund was closed and residual net assets were transferred to the Unrestricted fund. At March 31, 2022, Donor Designated fund net assets are represented by cash of \$1,614 and short-term investments of \$1,800 (2021 - Capital and Donor Designated funds were represented by cash of \$4,012).

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

For the year ended March 31, 2022

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 Investment Policies and Guidelines, \$490 of investment income (2021 - \$1,021) has been included in the Internally Restricted Fund. The Endowment and Restricted Funds are held in the Oakville Community Foundation ("OCF") pooled fund and with KJ Harrison Investors. Based on the Foundation's spending and investment policies, annual distributions are made based on the terms of the underlying endowment agreements and donor intent statements. The distributions are disbursed to Donor Designated and Unrestricted Funds which are held in Cash and Short Term Investments.

	Internally Restricted	Donor Restricted Endowment	Total 2022	Total 2021
Balance, beginning of year	\$ 5,723	\$ 14,256	\$ 19,979	\$ 17,201
Donations and bequests	3	620	623	117
Investment income	490	1,198	1,688	3,638
Investment expenses	(52)	(126)	(178)	(176)
Funds disbursed	(957)	(336)	(1,293)	(801)
	(516)	1,356	840	2,778
Balance, end of year	\$ 5,207	\$ 15,612	\$ 20,819	\$ 19,979

In addition, the Foundation is the named beneficiary of certain OCF Funds, from which the Foundation received \$273 (2021-\$313) of fundraising income.

7. Donations and Grants Distributed

	2022	2021
New Oakville Hospital Capital	\$ 2,815	\$ 3,939
Emergency response	90	2,560
Annual capital	1,145	-
Donor designated funds	1,373	1,044
	\$ 5,423	\$ 7,543

The Foundation made a commitment to grant \$97,300 to HHSC for equipment purchases for the New Oakville Hospital. At March 31, 2022, the Foundation has granted \$97,300 (2021 - \$94,486) and this commitment has been fulfilled.

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

For the year ended March 31, 2022

8. Fundraising Revenue	2022	2021
Unrestricted donations and revenue from fundraising	\$ 7,518	\$ 8,012
Donor restricted endowment	623	117
Donor designated	1,183	499
	<u>\$ 9,324</u>	<u>\$ 8,628</u>

9. Investment Income	2022	2021
Investment income	\$ 1,738	\$ 3,736
Investment expenses	(178)	(176)
Net income from investments	<u>\$ 1,560</u>	<u>\$ 3,560</u>

10. Impact of the Covid-19 Pandemic

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus, the "COVID-19 outbreak". In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

As the impacts of COVID-19 continue, there could be further impact on the Foundation, its funders and donors. Management is actively monitoring the affect on its financial condition, liquidity, operations, suppliers, industry, and workforce. As a result, management anticipates a temporary decline in donation revenue and has postponed a number of its regular fundraising events.

Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Foundation is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, investments, financial condition, or liquidity at this time.

11. 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.