

Oakville Hospital Foundation
Financial Statements
For the year ended March 31, 2024

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For the year ended March 31, 2024

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Comments from the Chairs of the Board of Directors and the Finance Committee

We are pleased to report that the Oakville Hospital Foundation ended the 2023/24 fiscal year with total fundraising revenue of \$17,423,168, 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 \$2,468,433 resulting in net revenue (after expenses) of \$14,759,945.

This fiscal year, 8,433 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 \$9,468,314 in donated funds to Oakville Trafalgar Memorial Hospital (“the Hospital”) in fiscal year 2023/24. Of this amount, the majority funded equipment and technology, while \$1,460,812 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. At March 31, 2024 the Foundation had commitments to grant \$17,400,000 to the Hospital for equipment purchases anticipated to be procured during the 2024/25 fiscal year. Short-term investments at March 31, 2024 include \$4,800,000 that will be granted to the Hospital in the coming months as part of this commitment. This grant is primarily to support the purchase of a CT scanner.

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 "Art Leitch".

Art Leitch
Chair, Board of Directors
Oakville Hospital Foundation

A handwritten signature in black ink, appearing to read "Gary Love".

Gary Love, CPA, CA
Chair, Finance, Risk, Audit & Investment Committee
Oakville Hospital Foundation

Independent Auditor's Report

To the Board of Directors 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, 2024, 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, 2024, 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 11, 2024

Oakville Hospital Foundation
Statement of Financial Position

(expressed in thousands)

As at March 31	2024	2023
ASSETS		
Cash	\$ 5,455	\$ 7,338
Short-term investments (note 2)	7,456	2,328
Accounts receivable and other assets	365	246
Investments for endowment and restricted funds (note 3)	21,031	19,125
	\$ 34,307	\$ 29,037
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	\$ 538	\$ 421
Due to Halton Healthcare Services Corporation (note 4)	509	551
Deferred revenue	20	117
	1,067	1,089
Net Assets		
Donor designated funds (note 5)	6,558	5,013
Internally restricted funds (note 6)	3,010	2,898
Donor restricted and endowment fund (note 6)	16,421	15,627
Unrestricted funds	7,251	4,410
	33,240	27,948
	\$ 34,307	\$ 29,037

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, 2024	Donor Designated Funds	Internally Restricted Funds	Donor Restricted and Endowment Fund	Unrestricted Funds	Total
	(note 5)	(note 6)	(note 6)		
Balance, beginning of year	\$ 5,013	\$ 2,898	\$ 15,627	\$ 4,410	\$ 27,948
Excess of revenues over expenses for the year, before investment income	3,330	-	131	8,830	12,291
Investment income, net of expenses (note 9)	-	267	1,531	671	2,469
Fund Transfer	(324)	(155)	(868)	1,347	-
Donations and grants distributed (note 7)	(1,461)	-	-	(8,007)	(9,468)
Balance, end of year	\$ 6,558	\$ 3,010	\$ 16,421	\$ 7,251	\$ 33,240
March 31, 2023	Donor Designated Funds	Internally Restricted Funds	Donor Restricted and 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

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	2024	2023
Revenues		
Fundraising (note 8)	\$ 17,423	\$ 13,506
Expenses		
Fundraising	5,132	4,700
Excess of revenues over expenses before investment income	12,291	8,806
Investment income (note 9)	2,469	109
Excess of revenues over expenses for the year	\$ 14,760	\$ 8,915

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	2024	2023
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses	\$ 14,760	\$ 8,915
Changes in non-cash working capital items		
Accounts receivable and other assets	(119)	3
Accounts payable and accrued liabilities	117	64
Due to Halton Healthcare Services Corporation	(42)	(443)
Deferred revenue	(97)	73
	14,619	8,612
Investing activity		
Increase in short-term investments	(5,128)	(528)
Net (increase) decrease in investments for endowment and restricted funds	(1,906)	1,694
	(7,034)	1,166
Financing activities		
Donations and grants distributed (note 7)	(9,468)	(7,649)
	(9,468)	(7,649)
Increase (decrease) in cash during the year	(1,883)	2,129
Cash, beginning of year	7,338	5,209
Cash, end of year	\$ 5,455	\$ 7,338

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

Oakville Hospital Foundation

Notes to Financial Statements

March 31, 2024

1. Significant Accounting Policies

Nature and Purpose of Organization

The Oakville Hospital Foundation ("Foundation") is related to 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, 2024

1. Significant Accounting Policies (continued)

Donor Designated Funds

Donor designated funds are to be used for specific purposes as specified by the donor.

Donor Restricted and Endowment Funds

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

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 HHSC, and deferred revenue. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks.

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.

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

For the year ended March 31, 2024

2. Short-Term Investments

Short-term investments consist of guaranteed investment certificates, earning interest from 5.57% to 6.5%, maturing July 2024 through March 2025 (2023 - 5.21% to 5.92% maturing September 2023 through March 2024).

3. Investments for Endowment and Restricted Funds

Investment by Type	2024	2023
Cash	\$ 1,294	\$ 1,622
Fixed income funds - Traditional	12,920	12,960
Fixed income funds - Non-Traditional	4,154	1,867
Equity funds - Canadian	1,015	937
Equity funds - Global	1,648	1,739
	\$ 21,031	\$ 19,125

Investment by Fund	2024	2023
Donor Designated Funds (note 5)	\$ 1,600	\$ 600
Donor Restricted and Endowment Fund	16,421	15,627
Internally Restricted Funds	3,010	2,898
	\$ 21,031	\$ 19,125

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 \$15,485 (2023 - \$13,890), and the Oakville Community Foundation ("OCF") pooled fund in the amount of \$5,546 (2023 - \$5,235). 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, 2024, 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.

Oakville Hospital Foundation
Notes to Financial Statements

(expressed in thousands)

For the year ended March 31, 2024

5. Donor Designated Funds	2024	2023
Cash	\$ 2,502	\$ 2,085
Short-term investments	2,456	2,328
Long-term investments	1,600	600
	\$ 6,558	\$ 5,013

6. Donor Restricted and Endowment, and Internally Restricted Funds

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 and 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		Total	Total
	Internally Restricted	Restricted and Endowment	2024	2023
Balance, beginning of year	\$ 2,898	\$ 15,627	\$ 18,525	\$ 20,819
Donations and bequests	-	131	131	505
Investment income, net of expenses	267	1,531	1,798	(171)
Funds Transferred from Donor Designated	-	-	-	89
Funds disbursed	(155)	(868)	(1,023)	(2,717)
	112	794	906	(2,294)
Balance, end of year	\$ 3,010	\$ 16,421	\$ 19,431	\$ 18,525

In addition, the Foundation is the named beneficiary of certain OCF Funds, from which the Foundation received \$300 (2023 - \$197) of fundraising income.

7. Donations and Grants Distributed	2024	2023
Annual capital	\$ 8,007	\$ 6,731
Donor designated funds	1,461	918
	\$ 9,468	\$ 7,649

Oakville Hospital Foundation
Notes to Financial Statements

(expressed in thousands)

For the year ended March 31, 2024

8. Fundraising Revenue	2024	2023
Unrestricted donations and revenue from fundraising	\$ 13,962	\$ 10,508
Donor restricted and endowment	131	505
Donor designated	3,330	2,493
	<u>\$ 17,423</u>	<u>\$ 13,506</u>

9. Investment Income	2024	2023
Investment income	\$ 2,639	\$ 157
Investment expenses	(170)	(48)
Net income from investments	<u>\$ 2,469</u>	<u>\$ 109</u>

10. Commitments

The Foundation has commitments to grant \$17,400 to HHSC for equipment purchases for the Oakville Hospital.