

**ST. MARYS HEALTHCARE FOUNDATION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2024**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
St. Marys Healthcare Foundation  
St. Marys, Ontario

### Qualified Opinion

We have audited the financial statements of **St. Marys Healthcare Foundation**, which comprise the balance sheet as at **March 31, 2024** and the statements of operations, fund balance and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of **St. Marys Healthcare Foundation** as at **March 31, 2024** 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

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives cash revenue, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures and cash flows from operations for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023, and fund balance as at April 1 and March 31 for both the 2024 and 2023 year ends. Our audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of **St. Marys Healthcare 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.



## **INDEPENDENT AUDITORS' REPORT - continued**

### **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 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 over seeing the entity's financial reporting process.

### **Auditors' 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 auditors' 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. 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:

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of the entity'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 auditors' 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 auditors' report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- (e) 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.

## **INDEPENDENT AUDITORS' REPORT - continued**

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.

Professional Corporation  
Chartered Professional Accountants  
*Authorized to practice public accounting by  
the Chartered Professional Accountants of Ontario*

St. Marys, Ontario  
June 11, 2024

**St. Marys Healthcare Foundation**  
**Balance Sheet**  
As at March 31, 2024

**ASSETS**

	2024	2023
<b>Current Assets</b>		
Cash	\$ 117,093	\$ 696,646
Cash - lottery	137,128	125,673
Short-term investments (Note 6)	256,328	1,677,530
HST recoverable	5,658	7,364
Interest and dividends receivable	<u>23,824</u>	<u>17,591</u>
	<b>\$ 540,031</b>	<b><u>2,524,804</u></b>
<b>Investments</b>		
Long-term investments (Note 6)	3,214,807	<u>3,099,121</u>
<b>Property, Plant and Equipment - at cost</b>		
Computer equipment	4,868	4,868
Office equipment	364	364
Leasehold improvements	<u>12,976</u>	<u>12,976</u>
	<b>18,208</b>	18,208
Less: Accumulated amortization	<u>18,208</u>	<u>18,208</u>
	-	-
	<b><u>\$ 3,754,838</u></b>	<b><u>\$ 5,623,925</u></b>

Approved on Behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

(See Accompanying Notes to the Financial Statements)

**St. Marys Healthcare Foundation**  
**Balance Sheet**  
As at March 31, 2024

**LIABILITIES**

2024 2023

**Current Liabilities**

Accounts payable and accrued liabilities	\$ 390,340	\$ <u>12,368</u>
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**FUND BALANCES**

Restricted	\$ 1,207,219	3,856,502
Unrestricted	<u>2,157,279</u>	<u>1,755,055</u>
	<u>3,364,498</u>	<u>5,611,557</u>
	<u>\$ 3,754,838</u>	<u>\$ 5,623,925</u>

(See Accompanying Notes to the Financial Statements)



**St. Marys Healthcare Foundation**  
**Statement of Fund Balances**  
For the year ended March 31, 2024

	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Total 2024</b>	<b>Total 2023</b>
<b>Balance - beginning of year</b>	\$ 3,856,502	\$ 1,755,055	\$ 5,611,557	\$ 5,087,951
Excess of revenue over expenditures (expenditures over revenue) for the year	<u>(2,649,283)</u>	<u>402,224</u>	<u>(2,247,059)</u>	<u>523,606</u>
<b>Balance - end of year</b>	<u>\$ 1,207,219</u>	<u>\$ 2,157,279</u>	<u>\$ 3,364,498</u>	<u>\$ 5,611,557</u>

(See Accompanying Notes to the Financial Statements)

**St. Marys Healthcare Foundation**  
**Statement of Operations**  
For the year ended March 31, 2024

	Restricted Funds	Unrestricted Funds	Total 2024	Total 2023
<b>Revenue</b>				
General donation and bequests	\$ 1,074,104	\$ 195,298	\$ 1,269,402	\$ 832,972
Investment income	7,101	206,717	213,818	154,436
Realized gains on investments	-	36,586	36,586	14,073
Lottery revenue	68,923	-	68,923	58,346
Employment subsidies	-	-	-	1,765
Change in unrealized gains (losses) on investments	-	101,215	101,215	(169,009)
	<u>1,150,128</u>	<u>539,816</u>	<u>1,689,944</u>	<u>892,583</u>
<b>Expenditures</b>				
Salaries and benefits	35,518	25,107	60,625	55,164
Fundraising expense	22,289	18,112	40,401	73,612
Advertising	1,610	5,377	6,987	10,068
Professional fees	-	16,808	16,808	21,483
Office	2,126	27,398	29,524	26,270
Investment management fees	-	39,508	39,508	29,537
Donor recognition expenses	-	4,956	4,956	182
	<u>61,543</u>	<u>137,266</u>	<u>198,809</u>	<u>216,316</u>
<b>Disbursements</b>				
St. Marys Memorial Hospital	3,661,191	-	3,661,191	38,839
Other	26,677	326	27,003	63,822
St. Marys Wellness Centre	50,000	-	50,000	50,000
	<u>3,737,868</u>	<u>326</u>	<u>3,738,194</u>	<u>152,661</u>
	<u>3,799,411</u>	<u>137,592</u>	<u>3,937,003</u>	<u>368,977</u>
Excess of revenue over expenditures (expenditures over revenue) for the year	<u>\$ (2,649,283)</u>	<u>\$ 402,224</u>	<u>\$ (2,247,059)</u>	<u>\$ 523,606</u>

(See Accompanying Notes to the Financial Statements)



**St. Marys Healthcare Foundation**  
**Statement of Cash Flows**  
For the year ended March 31, 2024

	2024	2023
<b>Cash Provided By (Used In):</b>		
<b>Operating Activities</b>		
Excess of revenue over expenditures (expenditures over revenue) for the year	\$ (2,247,059)	\$ 523,606
Adjustments for:		
Realized capital gains	(36,586)	(14,073)
Unrealized losses (gains) on investments	(101,215)	169,009
Net changes in non-cash current operating accounts		
Decrease (increase) in HST recoverable	1,706	711
Decrease (increase) in interest and dividends receivable	(6,233)	(13,573)
Increase (decrease) in accounts payable and accrued liabilities	<u>377,972</u>	<u>(1,135)</u>
	\$ (2,011,415)	<u>664,545</u>
<b>Investing Activities</b>		
Net proceeds from long-term investments	<u>22,115</u>	<u>854,782</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(1,989,300)</b>	<b>1,519,327</b>
<b>Cash and cash equivalents - beginning of year</b>	<u><b>2,499,849</b></u>	<u><b>980,522</b></u>
<b>Cash and cash equivalents - end of year</b>	<u><b>\$ 510,549</b></u>	<u><b>\$ 2,499,849</b></u>
<b>Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents comprise the following balance sheet amounts:</b>		
Cash	117,093	696,646
Cash - lottery	137,128	125,673
Short-term investments	<u>256,328</u>	<u>1,677,530</u>
	<u><b>\$ 510,549</b></u>	<u><b>\$ 2,499,849</b></u>

(See Accompanying Notes to the Financial Statements)

**St. Marys Healthcare Foundation**  
**Notes to the Financial Statements**  
For the year ended March 31, 2024

**1. Purpose of the Organization**

The St. Marys Healthcare Foundation was incorporated without share capital under the Canada Corporations Act, on February 27, 1992 and continued under the Canada Not-for-profit Corporations Act in 2014. Its purpose is that of maintaining a fund primarily for the benefit of or to enhance or improve the services or patient care or facilities of St. Marys Memorial Hospital. The Foundation is a charitable organization under the Income Tax Act.

**2. Accounting Policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations summarized below:

(a) Cash and Cash Equivalents

For purpose of reporting cash flows, cash and cash equivalents include short-term investments which have a maturity of one year or less and cashable guaranteed investment certificates.

(b) Amortization

Amortization of property, plant and equipment is calculated using the straight-line method. Amortization based on the estimated useful life of the asset is reflected in the accompanying schedule of property, plant and equipment and amortization.

(c) Revenue Recognition

The Foundation follows the restricted fund method of accounting for contributions. Restricted and unrestricted contributions are recognized as revenue in the applicable fund when they are received or receivable, provided the amounts are measurable. The Foundation does not recognize pledges or other anticipated donations as revenue until collection is reasonably assured. Estate gifts and bequests are recorded upon receipt of the donated assets.

Interest and other investment income is recognized on the accrual basis of accounting and is accrued to year end.

The value of donated services is not recognized in the financial statements due to the inherent difficulty of valuing these contributions.

(d) Use of Estimates

Preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that could affect amounts reported as assets, liabilities, revenues and expenses. Due to measurement uncertainty, results could differ from those estimates.

(e) Financial Instruments

A financial asset is any asset that is cash; a contractual right to receive cash from another party; or an equity instrument of another entity. A financial liability is any liability that is a contractual obligation to deliver cash to another party.

Financial assets and liabilities are initially measured at fair value, except for certain non-arm's length transactions. Subsequently, financial assets and financial liabilities are measured at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.



**St. Marys Healthcare Foundation**  
**Notes to the Financial Statements**  
For the year ended March 31, 2024

**2. Accounting Policies - Continued**

(f) Investments

The organization measures mutual funds and equities at fair market value. These investments are initially measured at fair value with subsequent changes in fair value recognized in current period net income. Fair market values are determined based upon stated market values. The organization measures debt securities, money market funds, and guaranteed investment certificates at cost. Investment income is recognized on the accrual basis of accounting and is accrued to year end.

**3. Fund Accounting**

The Foundation classifies its resources into funds for financial reporting purposes using the restricted fund method. The funds are maintained in accordance with the objectives specified by donors or the directives of the Foundation as established by its Board of Directors. Subject to the requirements of any externally-imposed restrictions, the Board may conduct interfund transfers to ensure the appropriate allocation of net assets for the Foundation's ongoing activities.

The Foundation maintains the following two funds for financial reporting purposes:

- (a) **Unrestricted Fund:** Unrestricted funds may be used for any purpose, including the Foundation's general operating activities. Investment income earned on restricted funds, other than lottery funds, is available to be used for general purposes.
- (b) **Restricted Fund:** Restricted funds are required to be used for a specific purpose or project. Restrictions may be imposed externally (by donors) or internally (by the Board). Investment income earned on lottery funds is restricted.

**4. Pledges Receivable**

Pledges outstanding, but not recognized in these financial statements as at March 31, 2024, amounted to \$ 686,430 (2023 - \$ 860,217).

**5. Financial Instrument Risk**

It is management's opinion that the Foundation is not exposed to significant interest rate, currency or credit risks arising from its financial instruments. To address market risk, the Foundation follows an investment policy which limits the amount of exposure in any one type of investment and with any one entity.

**St. Marys Healthcare Foundation**  
**Notes to the Financial Statements**  
For the year ended March 31, 2024

**6. Investments - Restricted and Unrestricted Funds**

Some of the assets of the restricted and unrestricted funds have been invested with a registered securities broker in accordance with the organization's investment policy. The investments balance consist of the following:

**Short-term Investments**

	2024	2023
Investments in debt securities (cost)	\$ <u>256,328</u>	\$ <u>1,677,530</u>

**Long-term Investments**

	2024	2023
Investments in debt securities (cost)	\$ 1,642,915	\$ 1,567,907
Investments in equities (fair market value)	<u>1,571,892</u>	<u>1,531,214</u>
	<u>\$ 3,214,807</u>	<u>\$ 3,099,121</u>

Long-term investments include marketable debt securities with stated rates from 3.0% to 4.8%, maturing January 2025 to May 2033. Investment income on the statement of operations includes a foreign exchange loss of \$ nil (2023 - \$ 42,745)

**7. Schedule of Disbursements**

	2024	2023
<b>Tradition Mutual Centre for Wellness</b>		
Property taxes	\$ <u>50,000</u>	\$ <u>50,000</u>
	<u>50,000</u>	<u>50,000</u>
<b>St. Marys Memorial Hospital</b>		
Patient room rebuild	3,447,884	-
Other equipment	<u>213,307</u>	<u>38,839</u>
	<u>3,661,191</u>	<u>38,839</u>
<b>Other</b>		
Physician recruitment and continuing education	23,848	60,824
Community programs	2,115	2,500
Town of St. Marys	<u>714</u>	<u>498</u>
	<u>26,677</u>	<u>63,822</u>
Total disbursements for the year	<u>\$ 3,737,868</u>	<u>\$ 152,661</u>



**St. Marys Healthcare Foundation**  
**Schedule A: Continuity of Fund Balances**  
For the year ended March 31, 2024

	Balance March 31, 2023	Revenue	Net Interfund Transfers	Total to be Accounted For	Expenditures and Disbursements	Balance March 31, 2024
<b><u>Unrestricted Funds:</u></b>						
General	\$ <u>1,755,055</u>	\$ <u>539,816</u>	\$ <u>-</u>	\$ <u>2,294,871</u>	\$ <u>137,592</u>	\$ <u>2,157,279</u>
<b><u>Restricted Funds:</u></b>						
General equipment	16,449	238,604	-	255,053	216,574	38,479
Recruitment & retention	124,844	-	-	124,844	23,699	101,145
Wellness Centre general	(50,000)	100,000	-	50,000	50,000	-
Mental health care	3,121	-	-	3,121	3,115	6
End of life care	17,400	-	-	17,400	-	17,400
Lottery project	131,194	155,050	(36,544)	249,700	107,330	142,370
Patient room renewal project	3,613,344	742,390	36,544	4,392,278	3,484,459	907,819
Staff education and appreciation	<u>150</u>	<u>-</u>	<u>-</u>	<u>150</u>	<u>150</u>	<u>-</u>
	<u>3,856,502</u>	<u>1,236,044</u>	<u>-</u>	<u>5,092,546</u>	<u>3,885,327</u>	<u>1,207,219</u>
	<u>\$ 5,611,557</u>	<u>\$ 1,775,860</u>	<u>\$ -</u>	<u>\$ 7,387,417</u>	<u>\$ 4,022,919</u>	<u>\$ 3,364,498</u>

**St. Marys Healthcare Foundation**  
**Schedule of Property, Plant and Equipment and Amortization**  
For the year ended March 31, 2024

	<u>As at March 31, 2023</u>						<u>As at March 31, 2024</u>					
	Cost	Accum. Amort.	Unamort. Bal.	Add.	Disp.	Gain	Unamort. Bal.	Rate %	Prov.	Cost	Accum. Amort.	Unamort. Bal.
Computer equipment	4,868	4,868	-	-	-	-	-	1/3 s.l.	-	4,868	4,868	-
Office equipment	364	364	-	-	-	-	-	1/5 s.l.	-	364	364	-
Leasehold improvements	12,976	12,976	-	-	-	-	-	1/5 s.l.	-	12,976	12,976	-
	<b>18,208</b>	<b>18,208</b>	-	-	-	-	-	-	-	<b>18,208</b>	<b>18,208</b>	-