# ST. MARYS HEALTHCARE FOUNDATION

FINANCIAL STATEMENTS

MARCH 31, 2025

# 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, 2025** and the statements of operations, fund balances 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, 2025** 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, 2025 and 2024, current assets as at March 31, 2025 and 2024, and fund balances as at April 1 and March 31 for both the 2025 and 2024 year ends. Our audit opinion on the financial statements for the year ended March 31, 2024 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 23, 2025

# St. Marys Healthcare Foundation
## Balance Sheet
As at March 31, 2025

**ASSETS**

| | | **2025** | 2024 |
|---|---|---|---|
| **Current Assets** | | | |
| Cash | **$ 363,394** | | $ 117,093 |
| Cash - lottery | **27,075** | | 137,128 |
| Guaranteed investment certificate - lottery (Note 7) | **15,200** | | - |
| Short-term investments (Note 7) | **-** | | 247,865 |
| HST recoverable | **6,807** | | 5,658 |
| Interest and dividends receivable | **15,148** | | 23,824 |
| | | **$ 427,624** | 531,568 |
| **Investments** | | | |
| Long-term investments (Note 7) | | **2,186,367** | 3,223,270 |
| **Property, Plant and Equipment-*at cost*** | | | |
| Computer equipment | **4,868** | | 4,868 |
| Office equipment | **3,195** | | 364 |
| Leasehold improvements | **12,976** | | 12,976 |
| | **21,039** | | 18,208 |
| Less: Accumulated amortization | **18,774** | | 18,208 |
| | | **2,265** | - |
| | | **$ 2,616,256** | $ 3,754,838 |

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, 2025

### LIABILITIES

| | | **2025** | 2024 |
|---|---|---|---|
| **Current Liabilities** | | | |
| Accounts payable and accrued liabilities | | **$ 22,657** | $ 390,340 |
| **FUND BALANCES (DEFICIT)** | | | |
| Restricted | **$ (72,293)** | | 1,207,219 |
| Unrestricted | **2,665,892** | | 2,157,279 |
| | | **2,593,599** | 3,364,498 |
| | | **$ 2,616,256** | $ 3,754,838 |

**(See Accompanying Notes to the Financial Statements)**

# St. Marys Healthcare Foundation
## Statement of Fund Balances (Deficit)
For the year ended March 31, 2025

| | Restricted Funds | Unrestricted Funds | Total 2025 | Total 2024 |
|---|---|---|---|---|
| **Balance - beginning of year** | **$ 1,207,219** | **$ 2,157,279** | **$ 3,364,498** | $ 5,611,557 |
| Excess of revenue over expenditures (expenditures over revenue) for the year | **(1,279,512)** | **508,613** | **(770,899)** | (2,247,059) |
| **Balance - end of year** | **$ (72,293)** | **$ 2,665,892** | **$ 2,593,599** | $ 3,364,498 |

**(See Accompanying Notes to the Financial Statements)**

# St. Marys Healthcare Foundation

**Statement of Operations** For the year ended March 31, 2025

| | Restricted Funds | Unrestricted Funds | Total 2025 | Total 2024 |
|---|---|---|---|---|
| **Revenue** | | | | |
| General donation and bequests | $ 427,473 | $ 294,537 | $ 722,010 | $ 1,269,402 |
| Investment income | 4,270 | 114,152 | 118,422 | 213,818 |
| Realized gains on investments | - | 101,238 | 101,238 | 36,586 |
| Lottery revenue | 61,117 | - | 61,117 | 68,923 |
| Employment subsidies | - | - | - | - |
| Change in unrealized gains on investments | - | 128,453 | 128,453 | 101,215 |
| | 492,860 | 638,380 | 1,131,240 | 1,689,944 |
| **Expenditures** | | | | |
| Salaries and benefits | 73,240 | 27,157 | 100,397 | 60,625 |
| Fundraising expense | 17,916 | 32,784 | 50,700 | 40,401 |
| Advertising | 3,351 | 3,502 | 6,853 | 6,987 |
| Professional fees | - | 9,343 | 9,343 | 16,808 |
| Office | 1,978 | 32,656 | 34,634 | 29,524 |
| Investment management fees | - | 21,804 | 21,804 | 39,508 |
| Donor recognition expenses | 58,540 | 105 | 58,645 | 4,956 |
| Amortization | - | 566 | 566 | - |
| | 155,025 | 127,917 | 282,942 | 198,809 |
| **Disbursements** | | | | |
| St. Marys Memorial Hospital | 1,538,830 | - | 1,538,830 | 3,661,191 |
| Other | 28,517 | 1,850 | 30,367 | 27,003 |
| St. Marys Wellness Centre | 50,000 | - | 50,000 | 50,000 |
| | 1,617,347 | 1,850 | 1,619,197 | 3,738,194 |
| | 1,772,372 | 129,767 | 1,902,139 | 3,937,003 |
| Excess of revenue over expenditures (expenditures over revenue) for the year | $ (1,279,512) | $ 508,613 | $ (770,899) | $ (2,247,059) |

**(See Accompanying Notes to the Financial Statements)**

# St. Marys Healthcare Foundation

**Statement of Cash Flows** For the year ended March 31, 2025

| | | **2025** | 2024 |
|---|---|---|---|
| **Cash Provided By (Used In):** | | | |
| **Operating Activities** | | | |
| Excess of revenue over expenditures (expenditures over revenue) for the year | **$ (770,899)** | | $ (2,247,059) |
| Adjustments for: | | | |
| Amortization of property, plant and equipment | **566** | | - |
| Realized capital gains | **(101,238)** | | (36,586) |
| Unrealized gains on investments | **(128,453)** | | (101,215) |
| Net changes in non-cash current operating accounts | | | |
| Decrease (increase) in HST recoverable | **(1,149)** | | 1,706 |
| Decrease (increase) in interest and dividends receivable | **8,676** | | (6,233) |
| Increase (decrease) in accounts payable and accrued liabilities | **(367,683)** | | 377,972 |
| | | **$ (1,360,180)** | (2,011,415) |
| **Investing Activities** | | | |
| Net proceeds from long-term investments | **1,263,763** | | 13,652 |
| Purchase of property, plant and equipment | **(2,831)** | | - |
| **Decrease in cash and cash equivalents** | | **(96,417)** | (1,997,763) |
| **Cash and cash equivalents - beginning of year** | | **502,086** | 2,499,849 |
| **Cash and cash equivalents - end of year** | | **$ 405,669** | $ 502,086 |

**Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents comprise the following balance sheet amounts:**

| | | |
|---|---|---|
| Cash | **363,394** | 117,093 |
| Cash - lottery | **27,075** | 137,128 |
| Guaranteed investment certificate - lottery | **15,200** | - |
| Short-term investments | **-** | 247,865 |
| | **$ 405,669** | $ 502,086 |

**(See Accompanying Notes to the Financial Statements)**

# St. Marys Healthcare Foundation
## Notes to the Financial Statements
For the year ended March 31, 2025

## 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.

## 2. Accounting Policies - Continued

(f) Investments
The organization measures its portfolio investments including debt securities, money market fund, 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 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. Comparative Figures

Certain of the 2024 figures on the balance sheet and the statement of income have been reclassified to conform to the 2025 financial statement presentation.

## 5. Pledges Receivable

Pledges outstanding, but not recognized in these financial statements as at March 31, 2025, amounted to $ 364,400 (2024 - $ 686,430).

## 6. 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.

## 7. 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

| | **2025** | 2024 |
|---|---|---|
| Investments in debt securities (Cost - $ nil/2024 - $ 256,328) | **$ -** | $ 247,865 |

### Long-term Investments

| | **2025** | 2024 |
|---|---|---|
| Investments in debt securities (Cost - $ 885,486/2024 - $ 1,642,915) | **$ 917,095** | $ 1,606,506 |
| Investments in equities (Cost - $ 1,046,119/2024 - $ 1,445,482) | **1,269,272** | 1,616,764 |
| | **$ 2,186,367** | $ 3,223,270 |

Long-term investments include marketable debt securities with stated rates from 3.3% to 4.838%, maturing May 2028 to May 2033. The variable rate guaranteed investment certificate - lottery is a restricted fund with a rate of 4% and matures in September 2025.

## 8. Schedule of Disbursements

| | **2025** | 2024 |
|---|---|---|
| **Tradition Mutual Centre for Wellness** | | |
| Property taxes | **$ 50,000** | $ 50,000 |
| | **50,000** | 50,000 |
| **St. Marys Memorial Hospital** | | |
| Patient room rebuild | **1,486,101** | 3,447,884 |
| Other equipment | **52,729** | 213,307 |
| | **1,538,830** | 3,661,191 |
| **Other** | | |
| Physician recruitment and continuing education | **23,284** | 23,848 |
| Community programs | **276** | 2,115 |
| General transfer | **4,957** | 714 |
| | **28,517** | 26,677 |
| Total disbursements for the year | **$ 1,617,347** | $ 3,737,868 |

## 9. Commitments

The organization has committed to fund the purchase of an x-ray machine valued at approximately $650,000. The purchase is expected to be completed in fiscal 2026 and will be funded through future fundraising initiatives.

# St. Marys Healthcare Foundation
## Schedule A: Continuity of Fund Balances
For the year ended March 31, 2025

| | Balance March 31, 2024 | Revenue | Net Interfund Transfers | Total to be Accounted For | Expenditures and Disbursements | Balance March 31, 2025 |
|---|---|---|---|---|---|---|
| **Unrestricted Funds:** | | | | | | |
| General | $ 2,157,279 | $ 638,380 | $ 74,255 | $ 2,869,914 | $ 204,022 | $ 2,665,892 |
| **Restricted Funds:** | | | | | | |
| General equipment | 38,479 | 96,892 | - | 135,371 | 52,729 | 82,642 |
| Recruitment & retention | 101,145 | 65,666 | (74,167) | 92,644 | 23,284 | 69,360 |
| Wellness Centre general | - | - | - | - | 50,000 | (50,000) |
| Mental health care | 6 -- | | - | 6 | - | 6 |
| End of life care | 17,400 | | - | 17,400 | - | 17,400 |
| Lottery project | 142,370 | 65,387 | (136,925) | 70,832 | 17,916 | 52,916 |
| Patient room renewal project | 907,819 | 264,915 | 136,837 | 1,309,571 | 1,554,188 | (244,617) |
| | 1,207,219 | 492,860 | (74,255) | 1,625,824 | 1,698,117 | (72,293) |
| | $ 3,364,498 | $ 1,131,240 | $ - | $ 4,495,738 | $ 1,902,139 | $ 2,593,599 |

# St. Marys Healthcare Foundation

## Schedule of Property, Plant and Equipment and Amortization

For the year ended March 31, 2025

| | As at March 31, 2024 | | | | | | | | | As at March 31, 2025 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Cost | Accum. Amort. | Unamort. Bal. | Add. | Disp. | Gain | | Rate % | Prov. | Cost | Accum. Amort. | Unamort. Bal. |
| Computer equipment | 4,868 | 4,868 | - | - | - | - | - | 1/3 s.l. | - | 4,868 | 4,868 | - |
| Office equipment | 364 | Unamort. Bal. 364 | - | 2,831 | | - | 2,831 | 1/5 s.l. | 566 | 3,195 | 930 | 2,265 |
| Leasehold improvements | 12,976 | 12,976 | - | - | - | - | - | 1/5 s.l. | - | 12,976 | 12,976 | - |
| | **18,208** | **18,208** | **-** | **2,831** | **-** | **-** | **2,831** | | **566** | **21,039** | **18,774** | **2,265** |