

**CARLETON PLACE AND DISTRICT
MEMORIAL HOSPITAL FOUNDATION**

FINANCIAL STATEMENTS

MARCH 31, 2024

DRAFT

Independent Auditor's Report
Statement of Financial Position
Statement of Changes in Net Assets
Statement of Operations
Statement of Cash Flows
Notes to the Financial Statements



CHARTERED
PROFESSIONAL
ACCOUNTANTS

KELLY HUIBERS McNEELY

PROFESSIONAL CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Carleton Place and District Memorial Hospital Foundation

Qualified Opinion

We have audited the accompanying financial statements of Carleton Place and District Memorial 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 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* section of our report, the financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified 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 qualified opinion.

In common with many not-for-profit organizations, the Foundation derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, net revenue, and cash flows from operations for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023, and net assets as at the beginning and the end of the years ended March 31, 2024 and 2023. Our audit opinion on the financial statements for the year ended March 31, 2023 was also qualified because of the possible effects of this limitation in scope.

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.

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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.

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.

- 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.

Carleton Place, Ontario
August 12, 2024

Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario

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**CARLETON PLACE AND DISTRICT
MEMORIAL HOSPITAL FOUNDATION**

STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,037,981	\$ 643,840
Accounts receivable	35,953	50,059
Prepaid expenses	13,076	15,884
Investments (note 3)	7,116,453	7,018,974
	\$ 8,203,463	\$ 7,728,757
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 77,515	\$ 169,088
Due to Carleton Place and District Memorial Hospital (note 5)	718,990	318,534
	796,505	487,622
NET ASSETS		
Restricted (note 4)	6,283,754	5,662,734
Unrestricted	1,123,204	1,578,401
	7,406,958	7,241,135
	\$ 8,203,463	\$ 7,728,757

APPROVED BY THE BOARD

Director

Director

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

**CARLETON PLACE AND DISTRICT
MEMORIAL HOSPITAL FOUNDATION**

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2024

	Opening	Net Revenue (Expenditures)	Transfers In (Out)	Closing
Unrestricted	\$ <u>1,578,401</u>	\$ <u>(455,197)</u>	\$ _____ -	\$ <u>1,123,204</u>
Restricted:				
MacFarlane Trust	1,244,480	177,756	-	1,422,236
Legacy Fund	2,045,531	630,572	-	2,676,103
Jean Fyfe Memorial Fund	790,309	120,995	-	911,304
Comprehensive Capital Campaign Fund	1,330,548	(439,707)	-	890,841
Jessie Ann Dewar Fund	172,949	27,508	-	200,457
Operating Room Fund	11,094	1,585	-	12,679
Education Funds:				
Clifford Memorial	22,617	3,391	-	26,008
Brenda Hall Bursary	12,668	765	-	13,433
Hamilton Nurses Education	23,654	3,547	-	27,201
Other	<u>8,884</u>	<u>94,608</u>	-	<u>103,492</u>
	5,662,734	621,020	-	6,283,754
	\$ <u>7,241,135</u>	\$ <u>165,823</u>	\$ _____ -	\$ <u>7,406,958</u>

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

**CARLETON PLACE AND DISTRICT
MEMORIAL HOSPITAL FOUNDATION**

STATEMENT OF OPERATIONS

For the year ended March 31, 2024

	2024	2023
REVENUE		
Major gifts and estate bequests	\$ 740,968	\$ 527,438
Fundraising and donation programs	1,364,377	508,712
Provincial lottery revenue	<u>1,326,829</u>	<u>464,404</u>
	<u>3,432,174</u>	<u>1,500,554</u>
EXPENDITURES		
Bank charges and other transaction costs	14,338	7,705
Bursaries	1,500	2,000
Campaign related expenses	131,061	147,854
Fundraising and donation programs	92,778	47,891
Provincial lottery expenses, prizes and payouts (note 6)	989,008	400,677
Meetings and training	17,725	1,684
Membership dues	4,230	128
Office expenses	13,565	8,227
Professional fees	50,862	72,892
Salaries and benefits - administrative	263,352	226,472
Software subscriptions	<u>8,637</u>	<u>4,509</u>
	<u>1,587,056</u>	<u>920,039</u>
OPERATING INCOME BEFORE INVESTMENT INCOME	1,845,118	580,515
Investment income (loss)	<u>811,051</u>	<u>(78,595)</u>
OPERATING INCOME	2,656,169	501,920
Transfer to Carleton Place and District Memorial Hospital (note 5)	(2,490,346)	(462,449)
NET REVENUE	\$ 165,823	\$ 39,471

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

**CARLETON PLACE AND DISTRICT
MEMORIAL HOSPITAL FOUNDATION**

STATEMENT OF CASH FLOWS

For the year ended March 31, 2024

	2024	2023
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net revenue	\$ 165,823	\$ 39,471
Net change in non-cash working capital items:		
Accounts receivable	14,106	(15,726)
Prepaid expenses	2,808	(15,884)
Accounts payable and accrued liabilities	(91,573)	(69,695)
Due to Carleton Place and District Memorial Hospital	<u>400,456</u>	<u>144,869</u>
	491,620	83,035
INVESTING ACTIVITIES		
Net change in investments, including unrealized changes	<u>(97,479)</u>	<u>(400,990)</u>
CHANGE IN CASH	394,141	(317,955)
CASH - BEGINNING OF YEAR	643,840	961,795
CASH - END OF YEAR	<u>\$ 1,037,981</u>	<u>\$ 643,840</u>

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

**CARLETON PLACE AND DISTRICT
MEMORIAL HOSPITAL FOUNDATION**

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

1. PURPOSE OF THE FOUNDATION

The Foundation was incorporated on April 14, 1994 by letters patent under the provisions of the Ontario Corporations Act. As a registered charity, the Foundation is exempt from income tax under subsection 149(1)(f) of the Income Tax Act.

The Foundation is a vital link between the Carleton Place and District Memorial Hospital and the diverse and growing communities for which it serves. The mission to help meet the healthcare needs of today while creating a strong and sustainable future for tomorrow is met by inspiring generosity, creating strategic partnerships, and prudently managing donor funds. As a result of these efforts, patient care is enhanced and infrastructure is built, which would not otherwise have been funded through other sources.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The principal accounting policies of the Foundation are summarized as follows:

Revenue Recognition

The Foundation follows the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue when received or receivable and included in the respective restricted fund. Restricted contributions for which there are no appropriate restricted fund established are deferred and recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investments

The Foundation has fixed income and equity investments that are accounted for at market value with changes in the market value being recorded as part of investment income in the Statement of Operations.

**CARLETON PLACE AND DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenditures during the reporting periods. Actual results could differ from these estimates.

Contributed Services

A substantial number of volunteers contribute a significant amount of their time each year. Due to the difficulty of determining the fair value, contributed services are not recognized in these financial statements.

3. INVESTMENTS

	2024	2023
Cash and cash equivalents	\$ 1,737,828	\$ 2,263,677
Fixed income	968,303	1,044,300
Equities	3,399,743	2,772,074
Long-term healthcare fund	1,010,579	938,923
	\$ 7,116,453	\$ 7,018,974

4. RESTRICTION ON NET ASSETS

The income earned on the Foundation's restricted funds is allocated to the respective fund in the Statement of Changes in Net Assets.

The MacFarlane Trust Fund is subject to external restrictions that define a minimum capital requirement of \$640,000, as well as an internal restriction of \$360,000. The income earned on this fund is unrestricted.

**CARLETON PLACE AND DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

4. RESTRICTION ON NET ASSETS (continued)

The Legacy Fund was created by the Board of Directors and is subject to internal restrictions only. Realized income earned on the fund is unrestricted. The purpose of the Legacy Fund is to build a reserve for any future major renovations/expansion to the physical structure of the Hospital, including equipment and other expenditures specifically related to a renovation/expansion. Any future bequests received by the Foundation, unless specified by the donor, will be directed to the Legacy Fund. In addition, any parking revenue transferred from the Hospital to the Foundation will be directed to this fund. The accumulated capital will be held in reserve and will be invested in accordance with the Board's investment guidelines.

The Jean Fyfe Memorial Fund is restricted to certain equipment.

The Comprehensive Capital Campaign Fund accounts for donations directed towards the construction of a new emergency department and the purchase of specific patient care equipment. The Foundation has committed to provide the Hospital with \$5,000,000 to help fund these endeavours.

The Jessie Ann Dewar Fund is subject to external restrictions that define a minimum capital requirement of \$104,000. The income earned on these funds is not subject to restriction.

The Clifford Memorial Fund is subject to external restrictions that define a minimum capital requirement of \$15,000. The income earned on this fund must be used for the sole purpose of training Hospital personnel.

The Brenda Hall Bursary Fund is subject to external restrictions that define the minimum capital requirement of \$4,525. Any income earned by the fund must be used for the sole purpose of providing an annual bursary to a graduating student of Carleton Place High School and Notre Dame Catholic High School who has been accepted into a nursing or related post-secondary education program.

The Hamilton Nurses Education Fund is subject to external restrictions and must be used for the sole purpose of providing funding to assist with nurses education and training.

The Operating Room Fund is subject to external restrictions and must be used for the sole purpose of renovations to the operating room and PACU.

**CARLETON PLACE AND DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

4. RESTRICTION ON NET ASSETS (continued)

Other restricted funds, as required, include the Palliative Care Equipment Fund, the Emergency Nurses Fund, the Second Floor Nurses Fund, and the Planned Giving Fund.

5. RELATED PARTY TRANSACTIONS

The Foundation is related to the Carleton Place and District Memorial Hospital ("the Hospital") by virtue of its economic interest with the entity. The Foundation raises funds to support the Hospital. The Hospital is a separate entity and reports to its own Board of Directors.

Balances owing arise from the net of salaries, employee benefits, and supplies paid by the Hospital on behalf of the Foundation during the year less cash transfers and grants provided by the Foundation. Any balances owing are typically settled in the short term. All transactions are recorded at the exchange amount, which is the amount established and agreed to by the related parties.

The transfer of funds to the Hospital was for their capital equipment needs as follows:

	2024
Emergency department redevelopment	\$ 2,120,000
ECG/Echo server	85,000
Patient chairs and beds	82,679
Ventilator	32,000
Monitors	28,772
Colonoscope	26,481
IV pumps	20,000
Other machines and accessories	95,414
	\$ 2,490,346

**CARLETON PLACE AND DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

6. PROVINCIAL LOTTERY EXPENSES, PRIZES AND PAYOUTS

The Foundation has entered into partnership agreements with community organizations to jointly benefit from lottery initiatives. The associated expenses represent the required prize payouts (including estimates of the accumulated prize payouts), transfers to partnering organizations, and administrative costs.

7. FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash, investments, accounts payable and accrued liabilities, and amount due to Carleton Place and District Memorial Hospital. It is Management's opinion that, unless otherwise stated, the fair value of these instruments is not materially different than their cost and that the Foundation is not exposed to significant interest rate, market or credit risk.

Interest Risk

The Foundation's fixed income investments have fixed interest rates. The fair value of these instruments fluctuates with changes in market rates of interest.

Market Risk

The Foundation's equity investments in publicly traded securities exposes the Foundation to market risks as equity investments are subject to price changes in an open market.