

Financial Statements of

**WEST PARRY SOUND HEALTH  
CENTRE FOUNDATION**

And Independent Auditors' Report thereon

Year ended March 31, 2022



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## INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Directors of West Parry Sound Health Centre Foundation

### ***Opinion***

We have audited the financial statements of West Parry Sound Health Centre Foundation (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2022
- the statement of operations and changes in fund balance for the year then ended
- the statement of cash flows for the year then ended
- and the notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2022, and its results of operations and its 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 responsibility under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.



### ***Responsibility of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 overseeing 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 the 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 risk 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, internal 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 purposes of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 the 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's 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.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

June 22, 2022

# WEST PARRY SOUND HEALTH CENTRE FOUNDATION

Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
<b>Assets</b>		
Current assets:		
Cash	\$ 1,099,594	\$ 400,581
Portfolio investments (note 2)	954,890	1,672,914
Prepaid expenses	2,034	3,188
	<u>2,056,518</u>	<u>2,076,683</u>
Endowment investments (note 2)	4,122,381	3,719,656
Collection of artwork	162,518	162,518
Capital assets (note 3)	-	-
	<u>\$ 6,341,417</u>	<u>\$ 5,958,857</u>

## Liabilities and Fund Balance

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 24,759	\$ 39,695
Due to West Parry Sound Health Centre (note 6)	25,697	26,705
	<u>50,456</u>	<u>66,400</u>
<b>Fund balance:</b>		
General fund	315,331	673,094
Restricted and endowment fund	5,334,589	4,537,379
Designated fund	641,041	681,984
	<u>6,290,961</u>	<u>5,892,457</u>
Commitments (note 7)		
	<u>\$ 6,341,417</u>	<u>\$ 5,958,857</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# WEST PARRY SOUND HEALTH CENTRE FOUNDATION

Statement of Operations and Changes in Fund Balance

Year ended March 31, 2022, with comparative information for 2021

	General Fund		Restricted and Endowment Fund		Designated Fund		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Revenue:</b>								
Fundraising (note 5)	\$ 1,098,960	\$ 1,094,489	\$ 385,490	\$ 622,542	\$ 1,398,831	\$ 1,459,393	\$ 2,883,281	\$ 3,176,424
Investment income	7,127	34,322	441,126	886,625	-	-	448,253	920,947
	1,106,087	1,128,811	826,616	1,509,167	1,398,831	1,459,393	3,331,534	4,097,371
<b>Expenses:</b>								
Fundraising expenses (note 5)	48,330	92,863	-	-	29,434	33,695	77,764	126,558
Administrative costs	101,710	66,720	29,406	20,983	-	-	131,116	87,703
Salaries and benefits	266,635	257,315	-	-	-	-	266,635	257,315
	416,675	416,898	29,406	20,983	29,434	33,695	475,515	471,576
Excess of revenue over expenses before the undernoted	689,412	711,913	797,210	1,488,184	1,369,397	1,425,698	2,856,019	3,625,795
Disbursements to qualified donee WPSHC (note 6)	1,047,175	589,556	-	-	1,410,340	1,709,100	2,457,515	2,298,656
Excess (deficiency) of revenue over expenses	(357,763)	122,357	797,210	1,488,184	(40,943)	(283,402)	398,504	1,327,139
Fund balance - beginning of year	673,094	550,737	4,537,379	3,049,195	681,984	965,386	5,892,457	4,565,318
Fund balance - end of year	\$ 315,331	\$ 673,094	\$ 5,334,589	\$ 4,537,379	\$ 641,041	\$ 681,984	\$ 6,290,961	\$ 5,892,457

See accompanying notes to financial statements.

# WEST PARRY SOUND HEALTH CENTRE FOUNDATION

## Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 398,504	\$ 1,327,139
Changes in non-cash working capital:		
Decrease in accounts receivable	-	5,000
Decrease in prepaid expenses	1,154	2,363
(Decrease) increase in accounts payable and accrued liabilities	(14,936)	7,042
Decrease in due to West Parry Sound Health Centre	(1,008)	(55,777)
Decrease in deferred revenue - special events	-	(17,385)
	383,714	1,268,382
Investing activities:		
Net investment activity	315,299	(960,677)
Net increase in cash	699,013	307,705
Cash, beginning of year	400,581	92,876
Cash, end of year	\$ 1,099,594	\$ 400,581

See accompanying notes to financial statements.

# WEST PARRY SOUND HEALTH CENTRE FOUNDATION

Notes to Financial Statements

Year ended March 31, 2022

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The West Parry Sound Health Centre Foundation (the “Foundation”) was incorporated under the laws of Ontario under the Canada Corporations Act. The Foundation is a registered charity under the Income Tax Act and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

The Foundation is principally involved in raising funds for the benefit of the West Parry Sound Health Centre (the “WPSHC”). The fund balances and operations of the Foundation are ultimately for the benefit of the WPSHC. The Foundation is a legal entity operating independently of the WPSHC and therefore these financial statements have not been consolidated with the WPSHC.

## 1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada – Handbook - Accounting. The Foundation’s significant accounting policies are as follows:

### (a) Basis of presentation:

In order to ensure observance and restrictions placed on the use of resources, the accounts are maintained in accordance with the principles of fund accounting.

The General Fund accounts for the Foundation’s program delivery, fundraising and administrative activities. This fund reports unrestricted resources.

The Restricted Fund reports resources where either donor or internal restrictions require that the principal be maintained by the Foundation for a period of time.

The Endowment Fund includes those funds where donor restrictions require that the principal be maintained by the Foundation on a permanent basis.

The Designated Fund reports funds where resources are to be used for an identified purpose as specified by the donor, as stipulated by the fundraising appeal or as determined by the Board.

### (b) Revenue recognition:

The financial statements are prepared according to the restricted fund method of accounting. Under this method, the following principles have been applied.

Restricted contributions received are recognized as revenue of the appropriate specific fund (Restricted, Endowment or Designated) in the year received since the related restriction generally prohibits the disbursement of the original capital.

Unrestricted contributions including donations are recognized as revenue in the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

### (c) Contributed services:

Contributions of services are not recognized in the financial statements.

# WEST PARRY SOUND HEALTH CENTRE FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

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## 1. Significant accounting policies (continued):

### (d) Donated assets:

Donated assets consist of donated artwork and other non-depreciable property. Donated assets are recorded at the appraised value at the date of receipt and are not depreciated. Donated artwork is used for display throughout the hospital to enhance the environment for the benefit of patients, their families, staff and visitors.

Assets over \$1,000 were appraised at the date of the donation and the fair value at the time of the financial statements has not been determined.

### (d) Use of estimates:

The preparation of the 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 date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. These estimates are reviewed annually, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

### (e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has elected to carry its investments at fair value. Fair value is determined at quoted market prices.

Sales and purchases of financial instruments are recorded on the settlement date. Transaction costs incurred on the acquisition of financial instruments are expensed as incurred.

# WEST PARRY SOUND HEALTH CENTRE FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

## 2. Investments:

	2022	2021
Portfolio investments	\$ 954,890	\$ 1,672,914
Endowment investments	4,122,381	3,719,656
	<b>\$ 5,077,271</b>	<b>\$ 5,392,570</b>
Investments:		
Cash	\$ 15,956	\$ 94,347
GIC's	338,634	329,130
Investment in pooled funds	4,722,681	4,969,093
	<b>\$ 5,077,271</b>	<b>\$ 5,392,570</b>

The Foundation's endowment investments include approximately \$1.6 million of investments with no donor restrictions other than the requirement for the Foundation to preserve the original capital. Of this amount, approximately \$0.6 million represents interest earned on the original donations, which is available for use by the Foundation at its discretion.

## 3. Capital assets:

	2022	2021
Equipment	\$ 36,297	\$ 36,297
Less accumulated amortization	(36,297)	(36,297)
	<b>\$ -</b>	<b>\$ -</b>

## 4. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities consist of:

	2022	2021
Accrued liabilities	\$ 6,200	\$ 6,130
Accrued wages and benefits	15,203	30,754
Government remittances	3,356	2,811
	<b>\$ 24,759</b>	<b>\$ 39,695</b>

# WEST PARRY SOUND HEALTH CENTRE FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

## 5. Fundraising:

	General fund		Designated fund	
	2022	2021	2022	2021
Fundraising revenue:				
Donations:				
Designated	\$ –	\$ –	\$ 996,063	\$ 1,239,669
Annual campaign	990,526	999,469	–	–
In Memoriam	73,551	41,433	21,583	6,866
Special events	–	–	376,185	212,858
Northern Angel	–	–	5,000	–
Nevada, bingo and lottery	34,883	53,587	–	–
	<u>1,098,960</u>	<u>1,094,489</u>	<u>1,398,831</u>	<u>1,459,393</u>
Direct expenses:				
Fundraising	21,644	64,256	–	–
Special events	–	–	29,434	33,695
Nevada, bingo and lottery	26,686	28,607	–	–
	<u>48,330</u>	<u>92,863</u>	<u>29,434</u>	<u>33,695</u>
	<u>\$ 1,050,630</u>	<u>\$ 1,001,626</u>	<u>\$ 1,369,397</u>	<u>\$ 1,425,698</u>

The fundraising revenue in the Endowment, Restricted and Designated funds are annual donations.

# WEST PARRY SOUND HEALTH CENTRE FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

## 6. Related party transactions:

The Foundation has transferred the following to the WPSHC (a qualified donee) and related organizations as of March 31, 2022 (only the amounts transferred have been recorded):

	Specified donations	Building donations	General donations	Total
2002	\$ 37,395	\$ —	\$ —	<b>37,395</b>
2003	166,310	—	—	<b>166,310</b>
2004	136,312	1,819,399	—	<b>1,955,711</b>
2005	219,402	2,307,044	—	<b>2,526,446</b>
2006	92,816	719,348	—	<b>812,164</b>
2007	377,869	425,209	—	<b>803,078</b>
2008	372,723	61,343	—	<b>434,066</b>
2009	460,579	—	—	<b>460,579</b>
2010	478,848	—	—	<b>478,848</b>
2011	277,952	—	—	<b>277,952</b>
2012	722,975	—	—	<b>722,975</b>
2013	439,403	—	26,822	<b>466,225</b>
2014	493,730	—	452,142	<b>945,872</b>
2015	615,284	—	205,174	<b>820,458</b>
2016	483,087	—	372,615	<b>855,702</b>
2017	666,936	—	827,324	<b>1,494,260</b>
2018	427,528	—	893,138	<b>1,320,666</b>
2019	522,791	—	2,708,077	<b>3,230,868</b>
2020	864,068	—	1,469,194	<b>2,333,262</b>
2021	1,709,100	—	589,556	<b>2,298,656</b>
2022	1,410,340	—	1,047,175	<b>2,457,515</b>
	<b>\$ 10,975,448</b>	<b>\$ 5,332,343</b>	<b>\$ 8,591,217</b>	<b>\$ 24,899,008</b>

- (a) The WPSHC provides certain services to the Foundation and pays some expenses on behalf of the Foundation. The Foundation reimburses the WPHSC for all direct costs associated with services provided and expenses paid.
- (b) Amounts due to the WPSHC are non-interest bearing and due on demand. Transactions between the WPSHC and the Foundation are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

# WEST PARRY SOUND HEALTH CENTRE FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

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## 7. Commitment:

The Foundation has made various commitments to the WPSHC. The amounts recorded are limited to actual transfers made.

## 8. Financial risks and concentration of credit risk:

The Foundation manages its investment portfolio to earn investment income and invests according to an Investment and Donated Securities Policy approved by the Board. The Foundation is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes. There has been no change from 2021.

The Foundation believes that it is not exposed to significant interest-rate, market, credit or cash flow risk arising from its financial instruments. There has been no change from 2021.

Additionally, the Foundation believes it is not exposed to significant liquidity risk as all investments are held in instruments that are highly liquid and can be disposed of to settle commitments. There has been no change from 2021.

Other risks:

The Foundation's main sources of revenue are fundraising and investment revenue. In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus.

At the time of approval of these financial statements, the Foundation has experienced the following in relation to the COVID-19 pandemic:

- Experienced temporary declines in the fair value of investments and investment income;
- The format of certain fundraising events was amended to allow for remote participation.

The impact of COVID-19 is not expected to have a significant impact on the future operations of the Foundation. The further overall operational and financial impact is highly dependent on the duration of COVID-19, including the potential occurrence of additional waves of the pandemic, and could be affected by other factors that are currently not known at this time. Management is actively monitoring the effect of the pandemic on its financial condition, liquidity, operations, suppliers, and workforce. Given the daily evolution of the pandemic and the global responses to curb its spread, the Foundation is not able to fully estimate the effects of the pandemic on its results of operations, financial condition, or liquidity at this time.

## 9. Comparative information:

Certain comparative information have been reclassified to conform with the presentation adopted in the current year.