

Financial Statements of

**JOSEPH BRANT  
HOSPITAL FOUNDATION**

And Independent Auditor's Report thereon

Year ended March 31, 2025

**KPMG LLP**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Joseph Brant Hospital Foundation

***Opinion***

We have audited the accompanying financial statements of Joseph Brant Hospital Foundation (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2025
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

(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, 2025, 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 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 auditor's 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.



## ***Responsibilities 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.

## ***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 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 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 Entity's internal control.



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- 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 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Canada

May 28, 2025

# JOSEPH BRANT HOSPITAL FOUNDATION

## Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 7,424,420	\$ 4,808,999
Accounts receivable	1,425	17,236
Life insurance receivable (note 3)	5,970,119	—
HST rebate receivable	18,801	24,133
Cash surrender value (note 3)	—	3,852,128
Prepaid expenses	67,021	52,180
Investments (note 4)	13,607,650	13,733,170
Total current assets	27,089,436	22,487,846
Capital assets, net (note 5)	68,479	83,361
Total assets	\$ 27,157,915	\$ 22,571,207

## Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 446,427	\$ 504,034
HST payable	1,516	1,204
Grants payable to Joseph Brant Hospital	518,296	290,964
Deferred revenue	83,250	20,000
Total current liabilities	1,049,489	816,202
Fund balances:		
Undesignated fund	14,324,038	11,165,727
Designated fund (note 7)	4,176,738	3,356,108
Endowment fund	7,607,650	7,233,170
Total fund balances	26,108,426	21,755,005


Subsequent event (note 3)


Commitments (notes 9 and 12)

Total liabilities and fund balances	\$ 27,157,915	\$ 22,571,207
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See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

# JOSEPH BRANT HOSPITAL FOUNDATION

## Statement of Operations and Changes in Fund Balances

Year ended March 31, 2025, with comparative information for 2024

	Undesignated fund	Designated fund	Endowment fund	2025 Total	2024 Total
Revenues:					
Fundraising revenue (note 10)	\$ 10,820,971	\$ 1,629,520	\$ 13,709	\$ 12,464,200	\$ 6,369,859
Investment income	690,614	2,181	572,673	1,265,468	733,072
Unrealized gain (loss) on investments	–	–	(209,846)	(209,846)	377,979
	11,511,585	1,631,701	376,536	13,519,822	7,480,910
Expenses:					
Operating (note 11)	3,179,939	–	–	3,179,939	2,923,181
Excess of revenues over expenses before grants	8,331,646	1,631,701	376,536	10,339,883	4,557,729
Grants (note 12)	(5,663,034)	(323,428)	–	(5,986,462)	(3,546,634)
Excess of revenues over expenses	2,668,612	1,308,273	376,536	4,353,421	1,011,095
Fund balance, beginning of year	11,165,727	3,356,108	7,233,170	21,755,005	20,743,910
Interfund transfers (note 8)	489,699	(487,643)	(2,056)	–	–
Fund balance, end of year	\$ 14,324,038	\$ 4,176,738	\$ 7,607,650	\$ 26,108,426	\$ 21,755,005

See accompanying notes to financial statements.

# JOSEPH BRANT HOSPITAL FOUNDATION

## Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Donations, net of expenses	\$ 9,284,261	\$ 3,446,678
Investment income	1,265,468	733,072
Grants to Joseph Brant Hospital	(5,986,462)	(3,546,634)
Decrease (increase) in cash surrender value	3,852,128	(99,118)
Depreciation, not requiring cash	26,022	20,627
Changes in non-cash working capital (note 14)	(5,730,530)	(1,303,783)
	2,710,887	(749,158)
Investing activities:		
Purchase of capital assets	(11,140)	(69,945)
Purchase of investments	(13,511,653)	(21,214,184)
Decrease in cost basis of investments	13,427,327	24,284,841
	(95,466)	3,000,712
Increase in cash and cash equivalents	2,615,421	2,251,554
Cash and cash equivalents, beginning of year	4,808,999	2,557,445
Cash and cash equivalents, end of year	\$ 7,424,420	\$ 4,808,999

See accompanying notes to the financial statements.

# JOSEPH BRANT HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended March 31, 2025

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## 1. Purpose of the Organization:

The Joseph Brant Hospital Foundation ("Foundation") is incorporated under the Province of Ontario as a not-for-profit organization and is a registered charity under the Income Tax Act.

The purpose of the Foundation is to raise and administer funds to provide for the urgent funding needs of the Joseph Brant Hospital ("Hospital").

## 2. Significant accounting policies:

The 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.

### (a) Fund accounting:

The Foundation follows the restricted fund method of accounting for contributions.

#### **Undesignated Fund**

The Undesignated Fund records unrestricted donations.

Investment income earned on the unrestricted funds, certain restricted funds and internally restricted funds is recorded in the Undesignated Fund.

All of the Foundation's salaries and benefits and other operating expenses are charged to the Undesignated Fund.

#### **Designated Fund**

The Designated Fund records donations that are restricted by the donors.

The balance in the Designated Fund represents various funds, all of which must be spent as specified by the donors.

None of the Foundation's salaries and benefits and operating expenses were charged to the Designated Fund in the current year or prior year.

Investment income earned on these various funds and on the externally restricted portion of the Endowment Funds is recorded in the Designated Fund.

# JOSEPH BRANT HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

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## 2. Significant accounting policies (continued):

### (a) Fund accounting (continued):

#### **Endowment Fund**

The Endowment Fund records resources that have been contributed to the Foundation with the stipulation that the capital amount be permanently retained (externally restricted). Investment income earned on these funds is recorded in Designated Fund. The principal portion of the endowment is invested in an investment portfolio whereby any market fluctuations will be recorded in the Endowment Fund.

### (b) Capital assets:

Capital assets are stated at cost. Amortization is provided annually on the straight-line basis over five years. Contributed capital assets received for the benefit of the Hospital are recorded at fair value at the time of receipt.

### (c) Revenue recognition:

Restricted contributions related to general operations are recognized as revenue of the Undesignated Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate Designated Fund.

Unrestricted contributions are recognized as revenue of the Undesignated Fund in the year received.

Investment income earned on the Endowment Fund principal invested in an investment portfolio is recognized as revenue in the Endowment Fund. Investment income on Undesignated Fund and Designated Fund resources are recognized as revenue in the respective fund. Other investment income is recognized as revenue of the Undesignated Fund when earned.

### (d) Contributed materials and services:

Donated materials, when received, are reflected in donation revenue and expenses of the Undesignated Fund. A number of volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

# JOSEPH BRANT HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

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## 2. Significant accounting policies (continued):

### (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 not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (f) Use of estimates:

The preparation of the financial statements 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 revenue and expenses during the year. Actual results could differ from those estimates.

# JOSEPH BRANT HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

## 3. Cash surrender value:

The Foundation received a donation in the form of an irrevocable insurance policy. The Foundation has included within the financial statements the life insurance policy which includes a cash surrender value option. During the year the policy was entitled to a death benefit, with payout having occurred on April 7, 2025, including the cash surrender value held of \$3,970,119. Accordingly, the gain of \$2,000,000 has been recognized in fundraising revenue and a Life insurance receivable of \$5,970,119 has been recognized as of March 31, 2025. No investment was made into the policy during the year-ended March 31, 2025 (2024 - \$nil).

## 4. Investments:

	2025 Cost	2025 Market	% of Total
Cash & Cash Equivalents	\$ 6,716,932	\$ 6,769,982	50%
Fixed Income	2,413,445	2,587,385	19%
Equities	3,863,665	4,250,283	31%
	\$ 12,994,042	\$13,607,650	100%

	2024 Cost	2024 Market	% of Total
Cash & Cash Equivalents	\$ 7,037,046	\$ 7,069,749	55%
Fixed Income	2,652,891	2,713,966	20%
Equities	3,203,926	3,949,455	25%
	\$12,893,863	\$13,733,170	100%

	2025	2024
Change in market investments during the year:		
Opening market value of investments	\$ 13,733,170	\$ 16,425,849
Proceeds on redemption of investments	(14,000,000)	(24,333,542)
Purchase of investments	13,511,653	21,214,184
Interest earned	572,673	48,700
Unrealized gains (losses)	(209,846)	377,979
	\$ 13,607,650	\$ 13,733,170

# JOSEPH BRANT HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

## 5. Capital assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Equipment and furniture	\$ 477,379	\$ 408,900	\$ 68,479	\$ 83,361

## 6. Due to Joseph Brant Hospital:

Included in accounts payable and accrued liabilities is \$320,646 (2024 - \$412,589) due to the Joseph Brant Hospital (the "Hospital"). The amount due represents amounts payable for payment of accounts payable, and are non-interest bearing, unsecured and without fixed terms of repayment. These amounts are measured at the exchange amount at the time of the transaction agreed to by the related parties.

Included in the Hospital balance is government remittances payable of \$nil (2024 - \$150), which includes amounts payable for payroll related liabilities.

## 7. Designated fund:

Designated funds are subject to externally and internally imposed restrictions. Major categories of imposed restrictions on net assets are as follows:

	2025	2024
Education and training	\$ 45,064	\$ 62,263
Endowment funds	49,333	47,153
Equipment	1,443,981	1,278,157
Labour and Delivery	2,016,216	1,166,046
Mental Health	428,379	623,399
Nina's Place	193,765	179,090
	\$ 4,176,738	\$ 3,356,108

Externally imposed restrictions for the Endowment Fund are reflected as \$7,607,650 (2024 - \$7,233,170) and \$49,333 (2024 - \$47,153) in the Designated Fund.

# JOSEPH BRANT HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

## 8. Interfund transfers and internally restricted net assets:

During the year, the following interfund transfers took place:

- a) \$267,952 was transferred from the Designated Fund to the unrestricted Undesignated Fund to fund critical needs of the Hospital as per the terms of the gift.
- b) \$219,690 was transferred from the Designated Fund to the unrestricted Undesignated Fund in adherence to the Designated Gift Allocation policy.
- c) \$2,056 was transferred from the Endowment Fund to the unrestricted Undesignated Fund in adherence to the Designated Gift Allocation policy.

During the prior year, the following interfund transfers took place:

- a) \$43,820 was transferred from the Designated Fund to the unrestricted Undesignated Fund in adherence to the Designated Gift Allocation policy.
- b) \$450 was transferred from the Endowment Fund to the unrestricted Undesignated Fund in adherence to the Designated Gift Allocation policy.

## 9. Commitments:

(a) Letter of guarantee:

The Foundation has a letter of guarantee through its financial institution to provide a guarantee to the City of Burlington. The outstanding letter of guarantee is for \$49,500.

(a) Operating lease commitment:

The Foundation is on a month to month lease arrangement as of March 1, 2025 for office equipment with no term ending date.

The future minimum annual payments under this operating lease consist of \$1,213 for 2026.

## 10. Fundraising revenue:

	2025	2024
Donations	\$ 9,407,834	\$ 5,324,777
Special events	802,736	809,088
Lottery	135,639	136,875
Other	2,117,991	99,119
	<u>\$ 12,464,200</u>	<u>\$ 6,369,859</u>

# JOSEPH BRANT HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

## 11. Operating expenses:

	2025	2024
Salaries and benefits	\$ 1,935,770	\$ 1,854,854
Fundraising	816,845	674,886
Other operating and administrative	401,302	372,814
Depreciation	26,022	20,627
	<u>\$ 3,179,939</u>	<u>\$ 2,923,181</u>

## 12. Grants to Joseph Brant Hospital:

Grants to Joseph Brant Hospital were for the following purposes:

	2025	2024
Critical Needs Equipment / Redevelopment	\$ 470,186	\$ 3,068,274
Mental Health & Addictions Redevelopment	5,000,000	—
Operating Grant	350,000	350,000
Other	166,276	128,360
	<u>\$ 5,986,462</u>	<u>\$ 3,546,634</u>

The Foundation has committed to raising \$20 million for the Hospital in relation to the Mental Health & Addictions Redevelopment Project. During the year the Foundation contributed \$5 million to the Hospital towards this commitment. In the prior year the Foundation completed its \$60 million commitment to the Capital Redevelopment project (2024 - \$2.8 million).

The Foundation has an outstanding commitment to the Hospital of \$2,758,544 as at March 31, 2025 (2024 - \$154,500) for equipment. The Foundation has raised and collected these funds but the Hospital has not yet incurred these expenditures.

# JOSEPH BRANT HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

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## 13. Financial instruments:

### (a) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk. There has been no change in the risk exposure from 2024.

The Foundation's investment activities are applied in accordance with the Foundation's investment policy and monitored by management and the Board of Directors.

### (b) Liquidity risk:

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change in the risk exposure from 2024.

## 14. Change in non-cash operating working capital:

	2025	2024
Accounts receivable	\$ 15,811	\$ (13,379)
Life insurance receivable	(5,970,119)	—
HST rebate receivable	5,332	(3,553)
Prepaid expenses	(14,841)	(22,770)
Account payable and accrued liabilities	(57,607)	6,227
HST payable	312	(289)
Grants payable to Joseph Brant Hospital	227,332	(1,231,269)
Deferred revenue	63,250	(38,750)
	<u>\$ 5,730,530</u>	<u>\$ (1,303,783)</u>