

**JANEWAY CHILDREN'S HOSPITAL FOUNDATION**

**Financial Statements**

**Year Ended March 31, 2023**

**JANEWAY CHILDREN'S HOSPITAL FOUNDATION**

**Index to Financial Statements**

**Year Ended March 31, 2023**

---

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Fund Balances	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 15
Children's Miracle Network Telethon Expenses ( <i>Schedule 1</i> )	16
General Administrative Expenses ( <i>Schedule 2</i> )	17

# NOSEWORTHY CHAPMAN

chartered professional accountants



**A:** Suite 201, 516 Topsail Rd / St. John's NL / A1E 2C5  
**T:** 709.364.5600 **F:** 709.368.2146 **W:** noseworthychapman.ca

---

## INDEPENDENT AUDITOR'S REPORT

---

To the Directors of Janeway Children's Hospital Foundation

### *Qualified Opinion*

We have audited the financial statements of Janeway Children's Hospital Foundation (the foundation), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in 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* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the foundation as at March 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the foundation derives revenue from donations 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 donation revenue, excess of revenues over expenditures, and cash flows from operations for the year ended March 31, 2023, current assets and fund balances as at March 31, 2023. The predecessor auditor's opinion on the financial statements for the year ended March 31, 2022 was modified accordingly because of the possible effects of this limitation of scope.

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 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 audit opinion.

### *Other Matter*

The financial statements for the year ended March 31, 2022 were audited by another auditor who expressed a qualified opinion on those financial statements on August 9, 2022 for the reasons described in the *Basis for Qualified Opinion* section.

### *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 ASNPO, 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 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.

(continues)

# NOSEWORTHY CHAPMAN

chartered professional accountants



**A:** Suite 201, 516 Topsail Rd / St. John's NL / A1E 2C5

**T:** 709.364.5600 **F:** 709.368.2146 **W:** [noseworthychapman.ca](http://noseworthychapman.ca)

## Independent Auditor's Report to the Directors of Janeway Children's Hospital Foundation (*continued*)

### *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.

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.

A handwritten signature in black ink that reads "Noseworthy Chapman". The signature is written in a cursive, flowing style.

Chartered Professional Accountants  
St. John's, NL  
September 11, 2023

**Janeway Children's Hospital Foundation**  
**Statement of Financial Position**  
**As at March 31, 2023**

	General Fund	Restricted Fund	Endowment Fund	Total 2023	Total 2022
<b>ASSETS</b>					
<b>CURRENT</b>					
Cash and cash equivalents	\$ 849,028	\$ -	\$ -	\$ 849,028	\$ 954,985
Receivables	402,685	-	-	402,685	207,049
HST receivable	23,283	-	-	23,283	18,982
Due from Endowment Fund	74,972	-	-	74,972	49,102
Investments (Note 2)	4,574,113	3,545,006	2,440,951	10,560,070	11,158,276
Prepaid expenses	82,494	-	-	82,494	52,593
<b>Total current assets</b>	<b>6,006,575</b>	<b>3,545,006</b>	<b>2,440,951</b>	<b>11,992,532</b>	<b>12,440,987</b>
<b>LONG-TERM RECEIVABLE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200,000</b>
<b>CAPITAL ASSETS, NET OF AMORTIZATION (Note 3)</b>	<b>46,018</b>	<b>-</b>	<b>-</b>	<b>46,018</b>	<b>45,772</b>
<b>Total assets</b>	<b>\$6,052,593</b>	<b>\$ 3,545,006</b>	<b>\$2,440,951</b>	<b>\$12,038,550</b>	<b>\$ 12,686,759</b>

**LIABILITIES AND FUND BALANCES**

**CURRENT**

Accounts payable and accrued liabilities	\$ 200,225	\$ -	\$ -	\$ 200,225	\$ 104,257
Employee benefits payable	30,860	-	-	30,860	39,596
Due to Eastern Health Regional Health Authority	219,488	-	-	219,488	258,397
Due to General Fund	-	-	74,972	74,972	49,102
<b>Total current liabilities</b>	<b>450,573</b>	<b>-</b>	<b>74,972</b>	<b>525,545</b>	<b>451,352</b>

**COMMITMENTS (Note 7)**

**FUND BALANCES**

Unrestricted	5,602,020	-	-	5,602,020	6,473,905
Internally restricted	-	-	2,220,231	2,220,231	2,252,751
Externally restricted	-	3,545,006	145,748	3,690,754	3,508,751
<b>Total fund balances</b>	<b>5,602,020</b>	<b>3,545,006</b>	<b>2,365,979</b>	<b>11,513,005</b>	<b>12,235,407</b>
<b>Total liabilities and fund assets</b>	<b>\$6,052,593</b>	<b>\$ 3,545,006</b>	<b>\$2,440,951</b>	<b>\$12,038,550</b>	<b>\$ 12,686,759</b>

DocuSigned by:  
ON BEHALF OF THE BOARD:

DocuSigned by:

Director

Director

F149167C3E9B417...

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

**Janeway Children's Hospital Foundation**  
**Statement of Operations**  
**Year end March 31, 2023**

	General Fund		Restricted Fund		Endowment Fund		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>REVENUES</b>								
Telethon	\$ 2,333,307	\$ 2,552,663	\$ 157,867	\$ 161,443	\$ -	\$ -	\$ 2,491,174	\$ 2,714,106
Major Gifts	64,781	233,378	537,218	2,370,228	-	-	601,999	2,603,606
Janeway Festive 50/50	384,510	261,465	-	-	-	-	384,510	261,465
Christmas Appeal	183,412	159,259	100	500	-	-	183,512	159,759
Tribute	28,325	95,873	8,367	2,544	-	-	36,692	98,416
Jamarama	86,799	86,551	-	-	-	-	86,799	86,551
Planned Giving	47,409	58,719	1,000	500	-	-	48,409	59,219
Calvert Masters/Leaders Who Care	-	48,295	-	-	-	-	-	48,295
Frontline Fund	-	-	33	10,126	-	-	33	10,126
	<b>3,128,543</b>	<b>3,496,203</b>	<b>704,585</b>	<b>2,545,341</b>	<b>-</b>	<b>-</b>	<b>3,833,128</b>	<b>6,041,544</b>
<b>EXPENSES</b>								
Calvert Masters/Leaders Who Care	-	14,865	-	-	-	-	-	14,865
Christmas Appeal	35,844	31,662	-	-	-	-	35,844	31,662
General and administration (Schedule 2)	186,346	212,954	-	-	17,533	28,926	203,879	241,880
Jamarama	1,467	6,362	-	-	-	-	1,467	6,362
Janeway Festive 50/50	288,407	218,315	-	-	-	-	288,407	218,315
Major Gifts	4,599	5,536	-	-	-	-	4,599	5,536
Planned Giving	30	-	-	-	-	-	30	-
Salaries and benefits	639,167	629,274	-	-	-	-	639,167	629,274
Telethon (Schedule 1)	439,921	436,621	-	-	-	-	439,921	436,621
Tribute	2,658	-	-	-	-	-	2,658	-
	<b>1,598,439</b>	<b>1,555,589</b>	<b>-</b>	<b>-</b>	<b>17,533</b>	<b>28,926</b>	<b>1,615,972</b>	<b>1,584,515</b>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>1,530,104</b>	<b>1,940,614</b>	<b>704,585</b>	<b>2,545,341</b>	<b>(17,533)</b>	<b>(28,926)</b>	<b>2,217,156</b>	<b>4,457,029</b>
<b>OTHER INCOME (LOSS)</b>								
Interest Income	35,866	11,685	-	-	-	-	35,866	11,685
Investment Income (loss) (Note 2)	(623,809)	275,423	-	-	59,984	217,595	(563,825)	493,018
Miscellaneous	4,282	160	-	-	-	-	4,282	160
	<b>(583,661)</b>	<b>287,268</b>	<b>-</b>	<b>-</b>	<b>59,984</b>	<b>217,595</b>	<b>(523,677)</b>	<b>504,863</b>
Contributions to Janeway Hospital (Note 4)	1,731,047	668,205	522,581	1,104,026	-	-	2,253,628	1,772,231
Contributions to other pediatric initiatives (Note 4)	162,253	279,810	-	-	-	-	162,253	279,810
	<b>1,893,300</b>	<b>948,015</b>	<b>522,581</b>	<b>1,104,026</b>	<b>-</b>	<b>-</b>	<b>2,415,881</b>	<b>2,052,041</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (946,857)</b>	<b>\$ 1,279,867</b>	<b>\$ 182,004</b>	<b>\$ 1,441,315</b>	<b>\$ 42,451</b>	<b>\$ 188,669</b>	<b>\$ (722,402)</b>	<b>\$ 2,909,850</b>

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

## Janeway Children's Hospital Foundation

### Statement of Changes in Fund Balances Year end March 31, 2023

	General Fund	Restricted Fund	Endowment Fund	Total 2023	Total 2022
<b>FUND BALANCES, BEGINNING OF YEAR</b>	\$ 6,473,905	\$ 3,363,002	\$ 2,398,500	\$ 12,235,407	\$ 9,325,557
Excess (deficiency) of revenues over expenses	(946,857)	182,004	42,451	(722,402)	2,909,850
Interfund transfers ( <i>Note 8</i> ):					
Endowment fund administrative fee	122,380	-	(122,380)	-	-
Internally restricted	(47,408)	-	47,408	-	-
<b>FUND BALANCES, END OF YEAR</b>	\$ 5,602,020	\$ 3,545,006	\$ 2,365,979	\$ 11,513,005	\$ 12,235,407

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

## Janeway Children's Hospital Foundation

### Statement of Cash Flows Year ended March 31, 2023

	General Fund	Restricted Fund	Endowment Fund	Total 2023	Total 2022
<b>CASH PROVIDED BY (USED IN):</b>					
<b>OPERATING ACTIVITIES</b>					
Excess (deficiency) of revenues over expenses	(946,857)	182,004	42,451	<b>(722,402)</b>	2,909,850
<b>Adjustments for</b>					
Interfund transfers	74,972	-	(74,972)	-	-
Amortization	13,445	-	-	<b>13,445</b>	10,022
Unrealized (gains) losses	581,524	-	131,951	<b>713,475</b>	(492,634)
Realized (gain) loss on sale of investments	26,247	-	(154,889)	<b>(128,642)</b>	-
Net Change in non-cash working capital balances related to operations <i>(Note 5)</i>	200,489	(182,004)	-	<b>18,485</b>	507,129
	(50,180)	-	(55,459)	<b>(105,639)</b>	2,934,368
<b>INVESTING ACTIVITIES</b>					
Proceeds on sale of investments	8,048,742	-	2,283,361	<b>10,332,103</b>	28,926
Purchase of Investments	(8,090,828)	-	(2,227,902)	<b>(10,318,730)</b>	(3,000,000)
Purchase of capital assets	(13,691)	-	-	<b>(13,691)</b>	-
	(55,777)	-	55,459	<b>(318)</b>	(2,971,074)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(105,957)	-	-	<b>(105,957)</b>	(36,706)
Cash and cash equivalents - beginning of year	954,985	-	-	<b>954,985</b>	991,691
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 849,028</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 849,028</b>	<b>\$ 954,985</b>

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

## THE JANEWAY CHILDREN'S HOSPITAL FOUNDATION

Notes to Financial Statements  
Year Ended March 31, 2023

---

The Janeway Children's Hospital Foundation (the "Foundation") is a registered charitable organization created to raise funds to meet the financial needs of the Janeway Children's Health and Rehabilitation Centre (the "Janeway") for capital projects, equipment, programs and research directly related to the health and welfare of Newfoundland and Labrador children, while promoting public awareness of these needs.

As a registered charity, the Foundation is exempt from income tax and may issue charitable donation receipts.

### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Part III of the Chartered Professional Accountants of Canada Accounting Handbook - Accounting Standards for Not-for-Profit Organizations, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies set out below.

#### (a) Fund accounting

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

The General Fund contains all of the operating assets, liabilities, revenues and expenses of the Foundation related to the Foundation's mandate to raise funds to meet the financial needs of the Janeway Children's Health and Rehabilitation Centre for capital projects, equipment, programs and research.

The Restricted Fund represents donations received from donors for a designated purpose. These donations are disbursed for the designated purpose.

The Endowment Fund represents donations received from donors which have been designated as a contribution to the Foundation's Little Red Wagon endowment program. Also included in the fund balance are any bequests that have not been designated for a specific purpose. Donations of this nature have been internally restricted by the Board of Directors as additional contributions to the endowment program. Externally restricted donations are held in perpetuity in bank and investment accounts, with earnings on those contributions disbursed based on the recommendations from the Board of Directors.

#### (b) Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions, which include grants and donations. Corporate gifts, grants and bequests are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recorded when received since pledges cannot be reasonably estimated and ultimate collection is not reasonably assured. Pledges not collected in the year amount to \$6,510 (2022 - \$7,640).

**THE JANEWAY CHILDREN'S HOSPITAL FOUNDATION**

Notes to Financial Statements

Year Ended March 31, 2023

---

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)****(b) Revenue recognition (continued)**

Unrestricted contributions are recognized as revenue in the General Fund when initially recorded in the accounts. Externally restricted contributions, except endowment contributions, are recorded in revenue within the Restricted Fund when initially recognized in the accounts. Externally restricted endowment contributions are recognized in revenue within the Endowment Fund when initially recognized in the accounts.

Investment income (losses) consists of interest and realized and unrealized gains and losses. Investment income earned on Endowment Fund assets is recognized as income of the Fund in the year that it is earned. Investment income earned on assets in the General Fund and Restricted Fund is unrestricted and is recognized as revenue in the General Fund. Investment income earned on assets in the Endowment Fund is internally restricted, except for the portion that relates to administrative costs incurred by the General Fund. A transfer between the Endowment Fund and the General Fund is made to reimburse the General Fund for those costs.

In the event that a restricted contribution is received subsequent to the disbursement of the funds for which the restriction relates, the restricted contribution is recognized in the Restricted Fund when initially recognized in the accounts and then transferred to the General Fund to reimburse the General Fund for the earlier disbursement.

**(c) Capital contributions**

Capital contributions are recorded as deferred contributions and amortized to income on the same basis as the amortization expense related to the capital assets purchased. Capital contributions for capital assets that are not amortized are recorded as direct increases in fund balances. Capital contributions for the year were \$nil (2022 - \$nil).

**(d) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances with banks and short-term investments with maturities of three months or less.

**(e) Vacation pay and other benefits**

Vacation pay and other benefits are recorded in the accounts of the Foundation on an accrual basis.

# THE JANEWAY CHILDREN'S HOSPITAL FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2023

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (f) Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Major equipment	10 years	straight-line method
Computers and software	2 years	straight-line method
Donor wall	10 years	straight-line method

### (g) Pension costs

Employees of the Foundation are members of the Public Service Pension Plan (PSPP) administered by the Public Service Pension Plan Corporation and the Government Money

Purchase Plan (GMPP) administered by the Government of Newfoundland and Labrador, collectively (the "Plans").

PSPP is a defined benefit pension plan covering full-time employees of the Province of Newfoundland and Labrador, the Legislature and various crown corporations, agencies and commissions created by or under a statute of the Province. As there is insufficient information available at the employer level to account for this plan as a defined benefit plan, the Foundation accounts for PSPP as a defined contribution plan. PSPP's deficit is disclosed on the Public Service Pension Plan website. There are no significant changes in the contractual elements of PSPP.

GMPP is a defined contribution plan covering employees of the government of Newfoundland and Labrador that are not eligible to participate in other plans sponsored by the Government of Newfoundland and Labrador.

Contributions to the Plans are required from both the employees and the Foundation. The annual contributions to pensions are recognized as an expense in the period.

### (h) Financial instruments

Recognition and derecognition:

A financial asset or a financial liability is initially recognized when the Foundation becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished. Where the terms of a financial liability are renegotiated in an arm's length transaction, resulting in substantially different terms, this is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, with any difference recognized in the statement of operations. Where the terms of a financial liability are renegotiated with a related party, this is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Any difference is recognized in excess of revenue over expenditures or directly into the fund balances, depending on the circumstances.

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

**THE JANEWAY CHILDREN'S HOSPITAL FOUNDATION**

Notes to Financial Statements

**Year Ended March 31, 2023**

---

**(h) Financial instruments (continued)****Measurement:**

The Foundation initially measures financial assets originated or acquired and financial liabilities issued or assumed in an arm's length transaction at fair value. These financial assets and liabilities are subsequently measured at amortized cost, except for equity investments quoted in active markets and derivative financial instruments, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenses. Financial assets measured at amortized cost include cash and cash equivalents and receivables. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Where transactions with related parties result in the recognition of derivative contracts, quoted debt or equity instruments, or debt instruments where significant inputs to measure their fair value are observable, these are initially measured at fair value. All other financial assets originated or acquired, and financial liabilities issued or assumed in a related party transaction are initially measured at cost. For financial instruments with repayment terms, cost is determined as the sum of undiscounted cash flows, excluding interest payments, less any impairment losses previously recognized by the transferor. For financial instruments with no repayment terms, cost is determined by reference to the consideration transferred or received by the Foundation in the transaction. Equity instruments quoted in active markets are subsequently measured at fair value, with changes in fair value recognized in excess of revenues over expenses. All other financial instruments resulting from related party transactions are subsequently measured at cost less any reduction for impairment.

Transaction costs on financial assets and liabilities measured at amortized cost are adjusted against the carrying value of the related asset or liability and then recognized over the expected life of the instrument using the straight-line method. Transaction costs on equity investments quoted in active markets are recognized immediately in the statement of operations.

**Impairment:**

At the end of each reporting period, the Foundation assesses whether there are any indications that a financial asset measured at cost or amortized cost may be impaired. If there are indicators of impairment, and the Foundation determines there has been a significant adverse change in the expected amount or timing of future cash flows, an impairment is recognized.

For all financial assets, other than investments in debt or equity instruments originated or acquired in a related party transaction and initially measured at cost, the carrying amount of the asset is reduced to the higher of: the expected cash flows expected to be generated by holding the asset, discounted using a current market rate of interest, the amount that could be realized by selling the asset at financial position date, and the amount that could be realized by exercising the Foundation's right to any collateral held, net of all costs necessary to exercise those rights.

If circumstances change, a previously recognized impairment may be reversed to the extent of the improvement, provided the adjusted carrying amount is no greater than the amount that would have been recognized if the impairment had not been recorded.

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**THE JANEWAY CHILDREN'S HOSPITAL FOUNDATION**

Notes to Financial Statements

**Year Ended March 31, 2023**(i) Use of accounting estimates

In preparing the Foundation's financial statements in conformity with Canadian accounting standards for not-for-profit organizations, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of management estimates include the collectability of receivables and the amortization of capital assets including the estimated useful lives of capital assets. Actual results could differ from these estimates.

**2. INVESTMENTS**

	2023		2022
<b>General and Restricted Fund</b>			
Cash and cash equivalents	\$ (1,621)	\$	4
Fixed income	7,602,767		867,772
Balanced	-		1,832,278
Canadian equity	-		2,507,361
Canadian specialty	-		-
Foreign equity	-		1,932,093
Asset allocation fund	-		1,571,167
Mutual funds/segregated funds	517,973		-
	\$ 8,119,119	\$	8,710,674
<b>This portfolio is allocated as:</b>			
General Fund	\$ 4,574,113	\$	5,347,672
Restricted Fund	3,545,006		3,363,002
	\$ 8,119,119	\$	8,710,674

## THE JANEWAY CHILDREN'S HOSPITAL FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2023

### 2. INVESTMENTS (continued)

	2023		2022	
<b>Endowment Fund</b>				
Cash and cash equivalents	\$	-	\$	-
Fixed income		-		197,873
Balanced		-		455,236
Canadian equity		<b>586,071</b>		567,874
Canadian specialty		-		370,710
Foreign equity		<b>394,188</b>		515,551
Asset allocation fund		-		340,358
Global equity		<b>478,529</b>		-
Global infrastructure		<b>423,928</b>		-
Mutual funds/segregated funds		<b>558,235</b>		-
	\$	<b>2,440,951</b>	\$	2,447,602

The Foundation is prudent in its investment strategy ensuring donors' gifts are preserved and are able to be promptly liquidated as capital items are purchased and available for use at the hospital. The Foundation's current commitments to the hospital are included in note 7.

During the year, the Foundation created a new Investment Policy Statement and issued a request for proposals for investment managers. As a result of these policy changes, as well as a change in the Foundation's investment manager, the pre-existing investments were fully disposed of in September 2022 and repurchased with the new provider and in line with the Investment Policy Statement.

Equity investments quoted in active markets are recognized and subsequently measured at their fair market value. The subsequent measurements of these investments result in unrealized gains in some years and unrealized losses in others. The unrealized losses included in the statement of operations are a result of the historical unrealized gains reversing in the year. At the date of the disposition and reinvestment, the General and Endowment Funds had a combined adjusted cost base of \$10,220,656, which resulted in a realized gain of \$128,642.

### 3. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Major equipment	\$ 175,320	\$ 161,784	\$ 13,536	\$ 16,154
Computers and software	23,143	12,874	10,269	-
Donor wall	74,044	51,831	22,213	29,618
	\$ 272,508	\$ 226,489	\$ 46,018	\$ 45,772

**THE JANEWAY CHILDREN'S HOSPITAL FOUNDATION**

Notes to Financial Statements

Year Ended March 31, 2023

**4. CONTRIBUTIONS TO HEALTHCARE**

	2023	2022
<b>Contributions to the Janeway Hospital</b>		
Capital equipment	\$ 1,884,936	\$ 1,299,945
Research	213,835	130,133
Education	100,000	101,446
Program support	54,857	240,707
	<b>2,253,628</b>	1,772,231
<b>Contributions to other pediatric initiatives</b>	<b>162,253</b>	279,810
	<b>\$ 2,415,881</b>	\$ 2,052,041

**5. SUPPLEMENTAL CASH FLOW INFORMATION**

The net change in non-cash working capital balances related to operations consists of the following:

	2023	2022
Receivables	\$ (195,636)	\$ 77,158
HST receivable	(4,301)	6,307
Prepaid expenses	(29,901)	(12,834)
Long-term receivable	200,000	200,000
Accounts payable and accrued liabilities	95,968	14,244
Employee benefits payable	(8,736)	6,111
Due to Eastern Health Regional Health Authority	(38,909)	216,143
	<b>\$ 18,485</b>	\$ 507,129

**6. RELATED PARTY TRANSACTIONS**

The Foundation operates for the purpose of accumulating funds to assist Eastern Health with the purchase of medical equipment used in the provision of patient care at the Janeway Hospital. As a result of this relationship, Eastern Health is a related party. The pandemic continued to cause delays in equipment availability, purchasing timelines, human resource capacity and renovations for the hospital, resulting in slower transfers to the hospital. It is anticipated that disbursements to the hospital will increase in the 2023-2024 fiscal year as large infrastructure and IT projects move forward and the global supply chain issues ease.

During the year, the Foundation contributed \$2,253,628 (2022 - \$1,772,231) to Eastern Health, of which \$165,562 (2022- \$211,981) was payable at year end.

Eastern Health provides payroll processing services for the Foundation. At year end, \$53,926 (2022 - \$46,416) was payable to Eastern Health related to salary and benefits for the Foundation's employees.

Included in the receivables balance, are employee advances of \$1,480 (2022 - \$1,480).

Eastern Health also provided IT support services and insurance coverage for the Foundation's Board of Directors, at no cost to the Foundation. These in-kind contributions have not been reflected in these financial statements.

Transactions between the Foundation and Eastern Health are measured at their exchange amount and the amount is non-interest bearing and has no set terms of payment.

## THE JANEWAY CHILDREN'S HOSPITAL FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2023

### 7. COMMITMENTS

At the end of the year, the Foundation had cumulative commitments of:

	2023	2022
Equipment	\$ 10,201,227	\$ 10,736,358
Research	290,000	323,700
Education	100,000	100,000
Programs	229,955	242,449
Other hospital and therapeutic support programs	92,521	50,000
	<b>\$ 10,913,703</b>	<b>\$ 11,452,507</b>

Subsequent to year end, the Foundation disbursed \$23,456 in previously committed funds. The outstanding commitments from the current and prior years of approximately \$10,913,703 are expected to be disbursed in future fiscal years of the Foundation. These funds are expected to be disbursed up to 2027, the timing of which is not determinable by the Foundation.

### 8. INTERFUND TRANSFERS

During the year, the Foundation transferred \$47,408 from the General Fund to the Endowment Fund related to unrestricted bequests and \$122,380 from the Endowment Fund to the General Fund to cover administrative costs associated with the management of the endowment fund, in accordance with the Foundation's endowment policy.

#### (a) Externally restricted funds

Each year the Hospital provides a list of priority needs to the Foundation. The needs are historically funded over a three-year period. From time to time, to address urgent requirements for the Hospital, the Foundation will advance the Hospital funds prior to securing a donor for the requested item. These disbursements are shown as a Contribution to Healthcare from the general fund. As a result, the timing of the receipt of restricted donations and the item they are intended to fund do not always align in a single fiscal year. If a donor is subsequently found, the donation is recorded as restricted, and a transfer is made between the restricted fund and the general fund to reimburse it for the related contribution.

### 9. PENSION CONTRIBUTIONS

Contributions to the pension fund during the year were \$47,832 (2022 - \$40,485).

## **THE JANEWAY CHILDREN'S HOSPITAL FOUNDATION**

Notes to Financial Statements

**Year Ended March 31, 2023**

---

### **10. FINANCIAL RISKS**

(a) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligation. The Foundation's credit risk is primarily attributable to cash and cash equivalents and investments. The Foundation's cash and cash equivalents and investments are distributed among bank and investments accounts. The Foundation does not expect any liquidity issues or credit losses on these instruments.

(b) Liquidity risk

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they become due. With the current cash and future liquidity position expected by management into the foreseeable future, they do not expect to require additional funds to meet cash flow needs.

(c) Interest rate risk

The Foundation is exposed to interest rate risk with respect to its managed money portfolio investments because the fair value will fluctuate due to changes in market interest rates.

(d) Other price risk

The Foundation is exposed to other price risk through changes in market prices (other than changes arising from interest rate or currency risks) in connection with its investments in managed money portfolio investments.

(e) Currency risk

Certain underlying investments are in other jurisdictions, however the funds are denominated in Canadian dollars and therefore the Foundation bears no currency risk.

**THE JANEWAY CHILDREN'S HOSPITAL FOUNDATION**  
**Schedule 1 – Children's Miracle Network Telethon Expenses**

**Year Ended March 31, 2023, with comparative information for 2022**

	<b>2023</b>	<b>2022</b>
Advertising	\$ 49,156	\$ 42,206
Affiliation fees	103,304	100,768
Broadcasting and production costs	189,399	239,006
Consumables	1,942	2,115
Donor recognition	1,128	375
Fees and licenses	18,886	1,918
Merchandise	15,041	514
Postage	19,728	14,948
Printing	22,125	26,476
Telephone	4,768	6,672
Travel	14,444	1,623
	<b>\$ 439,921</b>	<b>\$ 436,621</b>

**THE JANEWAY CHILDREN'S HOSPITAL FOUNDATION**  
**Schedule 2 – General and Administration Expenses**

**Year Ended March 31, 2023, with comparative information for 2022**

	<b>2023</b>	<b>2022</b>
Advertising	\$ 1,710	\$ 546
Amortization	13,445	10,022
Bank and credit card charges	1,488	38,102
Conferences and Training	6,581	883
Investment fees	24,548	28,926
Memberships	1,686	3,500
Office supplies	7,814	10,329
Postage	11	1,008
Printing	4,119	6,386
Professional fees	38,360	25,171
Rent	67,245	65,518
Software maintenance	29,635	45,217
Telephone	5,094	6,271
Travel	2,143	-
	<b>\$ 203,879</b>	<b>\$ 241,880</b>