

*Milton District Hospital Foundation*  
*Financial Statements*  
*For the year ended March 31, 2022*

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## Independent Auditor's Report

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To the Members of  
Milton District Hospital Foundation

### Qualified Opinion

We have audited the financial statements of Milton District Hospital Foundation (the "Foundation"), which comprise the statement of financial position as at March 31, 2022, 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 matters described in the *Basis for Qualified Opinion* paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of Milton District Hospital Foundation 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 Qualified Opinion

In common with many charitable organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were unable to determine whether any adjustments might be necessary to donations, excess of revenues over expenses and cash flows from operations for the years ended March 31, 2022 and March 31, 2021, and assets and net assets as at April 1 and March 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *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 opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.

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## Independent Auditor's Report

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### 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Oakville, Ontario  
June 22, 2022

# Milton District Hospital Foundation

## Statement of Financial Position

As at March 31	2022	2021
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### ASSETS

Cash	\$ 2,184,507	\$ 6,693,295
Investments (note 2)	14,921,673	6,225,349
Accounts receivable	21,406	16,221
Prepaid expenses	21,129	11,005
	\$ 17,148,715	\$ 12,945,870

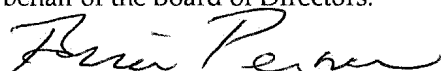
### LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ 8,401	\$ 9,750
Deferred revenue	69,445	2,465
Due to Halton Healthcare Services Corporation (note 3)	89,770	60,037
	167,616	72,252

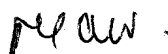
### Net Assets

Internally restricted	1,430,567	1,430,567
Donor restricted	146,942	152,358
Unrestricted	15,403,590	11,290,693
	16,981,099	12,873,618
	\$ 17,148,715	\$ 12,945,870

On behalf of the Board of Directors:



Chair



Treasurer

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

***Milton District Hospital Foundation***  
***Statement of Changes in Net Assets***

<b>March 31, 2022</b>	<b>Internally Restricted</b>	<b>Donor Restricted</b>	<b>Capital Campaign</b>	<b>Unrestricted</b>	<b>Total</b>
<b>Balance, beginning of year</b>	<b>\$ 1,430,567</b>	<b>\$ 152,358</b>	<b>\$ -</b>	<b>\$ 11,290,693</b>	<b>\$ 12,873,618</b>
Excess of revenues over expenses for the year	-	24,000	-	4,295,014	4,319,014
Donations and grants distributed (note 4)	-	(29,416)	-	(182,117)	(211,533)
<b>Balance, end of year</b>	<b>\$ 1,430,567</b>	<b>\$ 146,942</b>	<b>-</b>	<b>\$ 15,403,590</b>	<b>\$ 16,981,099</b>

<b>March 31, 2021</b>	<b>Internally Restricted</b>	<b>Donor Restricted</b>	<b>Capital Campaign</b>	<b>Unrestricted</b>	<b>Total</b>
<b>Balance, beginning of year</b>	<b>\$ 1,430,567</b>	<b>\$ 110,298</b>	<b>\$ 1,477,016</b>	<b>\$ 6,350,450</b>	<b>\$ 9,368,331</b>
Excess of revenues over expenses for the year	-	50,400	268,473	4,358,149	4,677,022
Donations and grants distributed (note 4)	-	(8,340)	(476,133)	(687,262)	(1,171,735)
Fund Transfers			(1,269,356)	1,269,356	-
<b>Balance, end of year</b>	<b>\$ 1,430,567</b>	<b>\$ 152,358</b>	<b>\$ -</b>	<b>\$ 11,290,693</b>	<b>\$ 12,873,618</b>

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

***Milton District Hospital Foundation***  
***Statement of Operations***

<b>For the year ended March 31</b>	<b>2022</b>	<b>2021</b>
<b>Revenues</b>		
Fundraising, special events and donations	\$ 4,937,852	\$ 4,676,529
Government subsidies	4,598	10,603
Investment income (note 5)	240,283	825,528
	<u>5,182,733</u>	<u>5,512,660</u>
<b>Expenses</b>		
Fundraising	<u>863,719</u>	<u>835,638</u>
<b>Excess of revenues over expenses for the year</b>	<b>\$ 4,319,014</b>	<b>\$ 4,677,022</b>

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

***Milton District Hospital Foundation***  
***Statement of Cash Flows***

<b>For the year ended March 31</b>	<b>2022</b>	<b>2021</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenues over expenses	\$ 4,319,014	\$ 4,677,022
Adjustment for items not affecting cash included in excess of revenues over expenses		
Unrealized (gains) losses on investments (note 5)	176,876	(707,359)
Changes in non-cash working capital items		
Accounts receivable	(5,185)	9,632
Prepaid expenses	(10,124)	8,732
Accounts payable and accrued liabilities	(1,349)	1,750
Deferred revenue	66,980	(93,420)
Due to Halton Healthcare Services Corporation	29,733	(16,701)
	<hr/> 4,575,945	<hr/> 3,879,656
<b>Investing activity</b>		
Purchase of investments, net	<hr/> (8,873,200)	<hr/> (3,908,655)
<b>Financing activity</b>		
Donations and grants distributed (note 4)	<hr/> (211,533)	<hr/> (1,171,735)
<b>Decrease in cash during the year</b>	<hr/> (4,508,788)	<hr/> (1,200,734)
<b>Cash, beginning of year</b>	<hr/> 6,693,295	<hr/> 7,894,029
<b>Cash, end of year</b>	<hr/> \$ 2,184,507	<hr/> \$ 6,693,295

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



*Milton District Hospital Foundation*  
*Notes to the Financial Statements*

March 31, 2022

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**1. Significant Accounting Policies**

**Nature and Purpose of Organization**

The Milton District Hospital Foundation ("Foundation") is related to the Halton Healthcare Services Corporation. According to the Corporation's by-laws, all resources of the Foundation must be provided to or used for the benefit of the Milton site of Halton Healthcare Services Corporation ("HHSC"). The Foundation is incorporated, without share capital, under the Ontario Corporations Act and is a registered charity under the Income Tax Act and, as such, is exempt from income taxes.

**Revenue Recognition**

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

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

Investment income (loss) is recognized when earned.

**Deferred Revenue**

Deferred revenue of the unrestricted fund represents amounts received in advance relating to restricted revenue from external sources. These amounts will be recognized as revenue in the ensuing fiscal year corresponding with the period in which the related expenses are incurred.

**Donations In-Kind**

The Foundation receives non-cash donations throughout the year. These donations in-kind are not recognized in the financial statements.

**Contributed Services**

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

**Internally Restricted**

The capital base is invested and intended to be held in perpetuity. Investment earnings and capital is available for use by the Foundation, at the discretion of the Foundation's Board of Directors.

**Donor Restricted Funds**

The donor restricted funds are to be used for specific purposes as specified by the donor.

**Capital Campaign Funds**

The capital campaign funds are internally restricted by the Board of Directors of the Foundation and are to be granted to HHSC for equipment purchases for the Milton District Hospital expansion project.

**Net Assets Internally Restricted**

These funds are to be invested and the investment income earned to be used at the discretion of the Board of Directors of the Foundation.

*Milton District Hospital Foundation*  
*Notes to the Financial Statements*

March 31, 2022

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**1. Significant Accounting Policies (continued)**

**Cash and Investments**

Investments are recorded at market value and the net increase or decrease in the year is recorded as income. The income consists of both investment income that is received and any unrealized increase or decrease in the market value of these investments. The investments are managed in accordance with the Foundation's Statement of Investment Objectives and Policies.

The cash balance is held in an interest bearing account that is earning interest at the prime lending rate less 1.85%.

**Financial Instruments**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments and investments for endowment and donor restricted endowment are reported at fair value, all other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate that an asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instruments for those measured at amortized cost.

Risks arising from financial instruments

(a) Interest rate risk

The Foundation has limited interest rate risk through its holdings of bonds, debentures and term notes. This risk has not changed from the prior year.

b) Market risk

The Foundation is subject to market risk with respect to its investments. The values of these investments will fluctuate as a result of changes in market prices or other factors affecting the values of the investments. This risk has not changed from the prior year.

**Use of Estimates**

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from managements best estimates, as additional information becomes available in the future.

# *Milton District Hospital Foundation*

## *Notes to the Financial Statements*

**March 31, 2022**

<b>2. Investments</b>	<b>2022</b>	<b>2021</b>
Investments consist of the following:		
Cash	\$ 179,646	\$ 259,810
Bonds, debentures and term notes	10,145,464	4,204,591
Equities	4,596,563	1,760,948
Total market value of investments	<u>\$ 14,921,673</u>	<u>\$ 6,225,349</u>

The bonds, debentures and term notes earn interest at rates ranging between 1.05% and 3.89% (2021 - 1.51% and 2.09%) and mature at various dates from June 2023 to July 2030 (2021 - April 2022 to July 2030).

### **3. Due to Halton Healthcare Services Corporation**

During the year ended March 31, 2022, the Foundation had several transactions with HHSC. These transactions are in the normal course of operations and include reimbursements of funds disbursed on the Foundation's behalf. These amounts are repaid on a cost recovery basis.

The amount due to HHSC is non-interest bearing, unsecured and will be repaid subsequent to year-end.

<b>4. Donations and Grants Distributed</b>	<b>2022</b>	<b>2021</b>
The following summarises the total donations and grants distributed to HHSC.		
Capital campaign	\$ -	\$ 476,133
Donor designated - equipment	29,416	8,340
Annual Capital	182,117	687,262
	<u>\$ 211,533</u>	<u>\$ 1,171,735</u>

<b>5. Investment Income (loss)</b>	<b>2022</b>	<b>2021</b>
Realized gains (losses)	\$ 61,303	\$ (11,191)
Unrealized gains (losses)	(176,876)	707,359
Interest and dividends	397,174	142,670
Investment expenses	(41,318)	(13,310)
	<u>\$ 240,283</u>	<u>\$ 825,528</u>

# *Milton District Hospital Foundation*

## *Notes to the Financial Statements*

**March 31, 2022**

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### **6. Impact of the Covid-19 Pandemic**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus, the "COVID-19 outbreak". In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

As the impacts of COVID-19 continue, there could be further impact on the Foundation, its funders and donors. Management is actively monitoring the affect on its financial condition, liquidity, operations, suppliers, industry, and workforce. As a result, management anticipates a temporary decline in donation revenue and has postponed a number of its regular fundraising events.

Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Foundation is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, investments, financial condition, or liquidity at this time.