
Financial statements of
St. Joseph's Health Centre
Foundation of Toronto

March 31, 2023

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Independent Auditor's Report

To the Members of the Board of Directors
St. Joseph's Health Centre Foundation of Toronto

Opinion

We have audited the financial statements of St. Joseph's Health Centre Foundation of Toronto (the "Foundation"), which comprise the statement of financial position as at March 31, 2023, and the statements of revenue and expenses, 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 and other explanatory information (collectively referred to as the "financial statements").

In our opinion, 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 its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 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.

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 GAAS 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 GAAS, 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 14, 2023

St. Joseph's Health Centre Foundation of Toronto
Statement of financial position
As at March 31, 2023

	Notes	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents		18,903,436	47,741,471
Investments	3(a)	15,000,000	—
Prepaid expenses		23,500	—
Interest and other receivables		530,339	54,159
		34,457,275	47,795,630
Long-term investments	3(a)	23,702,483	12,903,458
Investment in insurance policies	3(c)	1,303,593	1,155,540
Art collection	9	280,480	280,480
		59,743,831	62,135,108
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		279,946	159,437
Due to St. Joseph's Health Centre	5(b)	35,517	196,767
		315,463	356,204
Fund balances			
Unrestricted fund		19,040,103	15,155,046
Externally restricted fund		38,873,881	45,109,474
Endowment fund		1,514,384	1,514,384
		59,428,368	61,778,904
		59,743,831	62,135,108

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

Approved by the Board


Diane Kazarian (Feb 22, 2024 16:24 EST), Chair of the Board


Jeff Snowden (Feb 22, 2024 11:56 EST), Treasurer

St. Joseph's Health Centre Foundation of Toronto
Statement of revenue and expenses
Year ended March 31, 2023

	Notes	Unrestricted \$	Externally restricted \$	2023 Total \$	2022 Total \$
Revenue					
Donations and other revenue		4,558,271	4,779,762	9,338,033	12,379,084
Fundraising events		1,518,352	210,739	1,729,091	955,582
Interest and other investment income	3(b)	6,577,164	466,436	7,043,600	1,234,914
		12,653,787	5,456,937	18,110,724	14,569,580
Expenses					
Fundraising		3,116,911	85,865	3,202,776	2,661,245
Administration		1,055,127	—	1,055,127	1,018,433
Investment management fees		76,379	8,267	84,646	93,373
		4,248,417	94,132	4,342,549	3,773,051
Excess of revenue over expenses for the year before disbursements to St. Joseph's Health Centre and unrealized gains on investments		8,405,370	5,362,805	13,768,175	10,796,529
Disbursements to St. Joseph's Health Centre	5(a)	(190,907)	(11,378,244)	(11,569,151)	(8,998,304)
Unrealized (losses) gains on investments	3(b)	(4,549,560)	—	(4,549,560)	854,694
(Deficiency) excess of revenue over expenses for the year		3,664,903	(6,015,439)	(2,350,536)	2,652,919

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

St. Joseph's Health Centre Foundation of Toronto
Statement of changes in fund balances
Year ended March 31, 2023

	Unrestricted	Externally restricted	Endowment	2023 Total	2022 Total
	\$	\$	\$	\$	\$
Fund balances, beginning of year	15,155,046	45,109,474	1,514,384	61,778,904	59,125,985
Excess (deficiency) of revenue over expenses for the year	3,664,903	(6,015,439)	—	(2,350,536)	2,652,919
Inter-fund transfers	220,154	(220,154)	—	—	—
Fund balances, end of year	19,040,103	38,873,881	1,514,384	59,428,368	61,778,904

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

St. Joseph's Health Centre Foundation of Toronto

Statement of cash flows

Year ended March 31, 2023

	2023 \$	2022 \$
Operating activities		
(Deficiency) excess of revenue over expenses for the year	(2,350,536)	2,652,919
Less endowment contributions	—	—
Items not affecting operating cash		
Realized (gains) on sale of investments	(4,741,749)	(425,420)
Unrealized losses (gains) on investments	4,549,560	(854,694)
Changes in non-cash working capital items		
Interest and other receivables	(476,180)	(14,566)
Prepaid expenses	(23,500)	—
Accounts payable and accrued liabilities	120,509	40,773
Due to St. Joseph's Health Centre	(161,250)	(264,165)
	(3,083,146)	1,134,847
Investing activities		
Payment of premiums on donated life insurance policies	(148,053)	(135,934)
Proceeds from disposal of long-term investments	29,954,670	6,134,636
Purchase of short-term investments	(15,000,000)	—
Purchase of long-term investments	(40,561,506)	(1,183,780)
	(25,754,889)	4,814,922
(Decrease) increase in cash and cash equivalents during the year	(28,838,035)	5,949,769
Cash and cash equivalents, beginning of year	47,741,471	41,791,702
Cash and cash equivalents, end of year	18,903,436	47,741,471
Cash and cash equivalents are comprised of the following		
Cash	18,903,436	45,879,724
Cash equivalents	—	1,861,747
	18,903,436	47,741,471

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

St. Joseph's Health Centre Foundation of Toronto

Notes to the financial statements

March 31, 2023

1. Nature of the Foundation

St. Joseph's Health Centre Foundation of Toronto (the "Foundation") is a non-profit corporation, incorporated under the provisions of the Canada Not-for-Profit Corporations Act, without share capital and has been granted status as a registered charity under the Income Tax Act. The Foundation's charitable registration number is 119183382 RR 0001.

The objectives of the Foundation are to receive and maintain funds for the benefit of St. Joseph's Health Centre location of Unity Health Toronto (the "Health Centre") for the enhancement or improvement of the facilities or the services provided by the Health Centre. These objectives specifically do not include disbursement of any funds toward operating costs or expenses associated with the Health Centre that are otherwise funded by the Ministry of Health.

2. Summary of significant accounting policies

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

Fund accounting and capital management

The Foundation follows the restricted fund method of accounting for contributions, which consist of donations, bequests and proceeds from special events.

The financial statements separately disclose the activities of the following funds maintained by the Foundation:

Unrestricted fund

This fund includes donations, bequests and net proceeds from fundraising activities, which are for the enhancement or improvement of the facilities or services provided by the Health Centre.

Externally restricted fund

This fund includes donations and bequests for specific purposes as designated by the donors.

Endowment fund

This fund includes donations and bequests which are subject to external restrictions and internal allocations, specifying that the fund balance be maintained permanently. Net investment income earned on resources held for endowment are recognized under the externally restricted fund and then disbursed for specific projects as designated by the donors or the Board of Directors.

Revenue recognition

Contributions are recognized as revenues in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions are recognized as revenue in the unrestricted fund. Donor restricted contributions for specific purposes are recognized as revenue in the externally restricted fund, unless the capital is maintained for a specified period of time, in which case the contributions are recognized as revenue in the endowment fund.

2. Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid investments that are readily convertible into known amounts of cash. Interest in respect of the cash equivalents is accrued as earned.

Investment income

Investment income is allocated to certain externally restricted funds to help fund its activities at the discretion of the Board of Directors.

Financial instruments

The Foundation initially recognizes financial instruments at fair value and subsequently measures them at each reporting date, as follows:

Asset/liability	Measurement
Cash	Fair value
Interest receivable	Fair value
Long term investments	Fair value
Long term investment – insurance policies	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to St. Joseph's Health Centre	Amortized cost

Financial assets measured at amortized cost are assessed at each reporting date for indications of impairment. If such impairment exists the asset shall be written down and the resulting impairment loss shall be recognized in the statement of revenue and expenses.

Transaction costs are expensed as incurred.

Art collection

The Foundation's collection is recorded at cost, being the fair value at the date of donation.

Donated services, goods and investments

The Foundation does not recognize the substantial value of services contributed by volunteers due to the difficulty in determining their fair value, or the value of goods contributed to the organization.

Donated investments are recorded at market value at the date received and are included in donations.

Pledges

The amount of any pledges to donate funds is not included in revenue until such time as the funds are received.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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. Actual results could differ from those estimates. Accounts requiring significant estimates and assumptions include long-term investments and accrued liabilities.

St. Joseph's Health Centre Foundation of Toronto

Notes to the financial statements

March 31, 2023

3. Investments

(a) Investments are comprised of the following:

	Cost \$	2023 Market value \$	Cost \$	2022 Market value \$
Short-term				
BMO GIC - due December 29, 2023	10,000,000	10,000,000	-	-
BMO GIC - due February 12, 2024	5,000,000	5,000,000	-	-
	15,000,000	15,000,000	-	-
Long-term				
BMO GIC - due December 30, 2024	5,000,000	5,000,000	-	-
BMO GIC - due February 10, 2025	5,000,000	5,000,000	-	-
Common stocks, equity pooled funds and other	13,003,908	13,702,483	7,655,322	12,903,458
	23,003,908	23,702,483	7,655,322	12,903,458

(b) Interest and other investment income

	2023 \$	2022 \$
Net realized investment gains	4,741,749	425,420
Interest and other investment income		
Interest	2,114,720	539,273
Dividends	169,219	277,757
Foreign currency gains (losses)	17,912	(7,536)
	7,043,600	1,234,914
Unrealized (losses) gains on investments	(4,549,560)	854,694
	2,494,040	2,089,608

Interest and other investment income under the externally restricted fund includes \$464,812 (\$58,350 in 2022) relating to income earned on resources held for endowment.

(c) Investment in insurance policies

The Foundation is the named beneficiary of life insurance policies for which the Foundation has taken over responsibility for premium payments and is recording these payments as an asset. The total death benefit value of the life insurance policies is \$3,300,000 (\$3,300,000 in 2022).

4. Pledges

The Foundation has outstanding pledges of \$11,070,784 (\$11,570,188 in 2022) made to various campaigns, which are not reflected in these financial statements as their ultimate collection cannot be reasonably assured.

St. Joseph's Health Centre Foundation of Toronto

Notes to the financial statements

March 31, 2023

5. Related party transactions

(a) Disbursements to the Health Centre are as follows:

	Unrestricted	Externally restricted	2023 Total	2022 Total
	\$	\$	\$	\$
Capital projects	100,000	11,106,102	11,206,102	8,413,349
Other grants	90,907	272,142	363,049	584,955
	190,907	11,378,244	11,569,151	8,998,304

(b) Due to St. Joseph's Health Centre represents amounts payable in respect of the reimbursement of operating expenditures paid by the Health Centre on behalf of the Foundation.

(c) All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

6. Allocation of expenses

The Foundation reports its expenses by function in the statement of revenues and expenses. The following classifies these expenses by object:

	2023	2022
	\$	\$
Salaries and benefits	1,771,469	2,076,282
General and office	73,279	148,528
Professional and consulting	691,722	346,456
Marketing	593,646	487,228
Fundraising	1,212,433	714,557
	4,342,549	3,773,051

7. Commitments, contingencies and guarantees

In the normal course of business, the Foundation enters into agreements that meet the definition of a guarantee. The Foundation's primary guarantees are as follows:

- (i) Indemnity has been provided to all directors, committee members and officers of the Foundation for various items including, but not limited to, all costs to settle suits or actions due to association with the Foundation, subject to certain restrictions. The Foundation has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of indemnification is not explicitly defined, but is limited to the period over which the indemnification party served as a director or officer of the Foundation.
- (ii) In the normal course of business, the Foundation has entered into agreements that include indemnities in favour of third parties. These indemnification agreements may require the Foundation to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction.

7. Commitments, contingencies and guarantees (continued)

The nature of these indemnification agreements prevents the Foundation from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability, which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Foundation has not made any significant payments under such or similar indemnification agreements and, therefore, no amount has been accrued in the balance sheet with respect to these agreements.

8. Financial instruments and risk management

The Foundation, through its exposure to financial assets and liabilities has exposure to the following risks from its use of financial instruments: interest rate risk, credit risk, market risk and currency risk.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income securities held by the Foundation. The short-term interest bearing investments held by the Foundation have a limited exposure to interest rate risk due to their short-term maturity. The Foundation has formal policies and procedures that establish target asset mix, minimum credit ratings and varying terms of the securities held.

Credit risk

The Foundation's principal financial assets are cash, short-term investments, accounts receivable and long term investments, which are subject to credit risk. The carrying amounts of financial assets on the balance sheet represent the Foundation's maximum credit exposure at the balance sheet date.

The Foundation's credit risk is primarily attributable to its long term investments. The credit risk on cash, and short-term investments is limited since the counterparties are chartered banks with high credit-ratings assigned by national credit-rating agencies.

Market risk

Market risk arises as a result of trading in equity securities and fixed income securities. Fluctuations in the market expose the Foundation to a risk of loss. The Foundation mitigates this risk through controls to monitor and limit concentration levels.

Currency risk

Currency risk is the risk to the Foundation's earnings that arise from fluctuations in foreign exchange rates and the degree of validity of these rates. The Foundation mitigates this risk through controls to monitor such rates.

9. Works of art

The Foundation received a donation of an art collection with a fair market value of \$280,480 at the time of donation. The Foundation's collection is held at St. Joseph's Health Centre for display.

10. Inter-fund transfers

A total of \$220,154 (\$552,226 in 2022) was transferred to the unrestricted fund from the Externally restricted and Endowment funds as a 10% allocation on restricted donations as per Foundation Policy.