

Financial Statements of

**HOTEL-DIEU GRACE
HEALTHCARE FOUNDATION**

And Independent Auditor's Report thereon

Year ended December 31, 2022



KPMG LLP
618 Greenwood Centre
3200 Deziel Drive
Windsor ON N8W 5K8
Canada
Tel 519-251-3500
Fax 519-251-3530

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Opinion

We have audited the financial statements of Hotel-Dieu Grace Healthcare Foundation (the Foundation), which comprise:

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

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Foundation as at December 31, 2022, and its results of operations and changes in fund balances and its cash flows for the year 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 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 for the Financial Statements and Those Charged with Governance

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 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 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.



Page 3

- 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.
- 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' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada

April 4, 2023

HOTEL-DIEU GRACE HEALTHCARE FOUNDATION

Statement of Financial Position

December 31, 2022, with comparative information for 2021

	Unrestricted Fund		Restricted Fund		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current assets:						
Cash	\$ 294,243	\$ 4,088	\$ 560,980	\$ 830,325	\$ 855,223	\$ 834,413
Short-term investments (note 3)	964,304	419,971	256,554	1,953,660	1,220,858	2,373,631
Accounts receivable	-	-	-	25,899	-	25,899
HST receivable	12,776	17,122	7,248	10,985	20,024	28,107
Inventory	1,395	-	-	-	1,395	-
Prepaid expenses	13,124	3,505	3,427	2,796	16,551	6,301
Due from Hôtel-Dieu Grace Healthcare	4,006	3,950	865	8,534	4,871	12,484
	1,289,848	448,636	829,074	2,832,199	2,118,922	3,280,835
Long-term investments (note 3)	103,026	1,013,113	4,464,108	2,378,887	4,567,134	3,392,000
	\$ 1,392,874	\$ 1,461,749	\$ 5,293,182	\$ 5,211,086	\$ 6,686,056	\$ 6,672,835
Liabilities and Fund Balances						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 2,109	\$ 2,732	\$ 2,214	2,985	\$ 4,323	\$ 5,717
Deferred revenue (note 4)	-	-	164,970	123,057	164,970	123,057
Due to Hôtel-Dieu Grace Healthcare	25,757	17,530	6,923	1,887	32,680	19,417
	27,866	20,262	174,107	127,929	201,973	148,191
Fund balances:						
Unrestricted	1,365,008	1,441,487	-	-	1,365,008	1,441,487
Restricted	-	-	5,119,075	5,083,157	5,119,075	5,083,157
	1,365,008	1,441,487	5,119,075	5,083,157	6,484,083	6,524,644
	\$ 1,392,874	\$ 1,461,749	\$ 5,293,182	\$ 5,211,086	\$ 6,686,056	\$ 6,672,835

See accompanying notes to financial statements.

On behalf of the Board of Directors:

Director

Director

HOTEL-DIEU GRACE HEALTHCARE FOUNDATION

Statement of Operations and Changes in Fund Balances

December 31, 2022, with comparative information for the six months ended December 31, 2021

	Unrestricted Fund		Restricted Fund		Total	
	2022	2021	2022	2021	2022	2021
Revenue:						
Donations	\$ 62,508	\$ 38,375	\$ 106,572	\$ 38,495	\$ 169,080	\$ 76,870
Gala, Probert Ride and Heart Breaker Challenge events revenue	53,905	7,083	151,269	266,332	205,174	273,415
Major gifts	175,753	-	190,270	424,118	366,023	424,118
Interest and other revenue	89,242	27,132	11,204	5,845	100,446	32,977
	<u>381,408</u>	<u>72,590</u>	<u>459,315</u>	<u>734,790</u>	<u>840,723</u>	<u>807,380</u>
Expenditures:						
Advertising and public relations	35,231	3,009	22,041	31,001	57,272	34,010
Professional fees	15,604	19,660	-	-	15,604	19,660
Software maintenance and contracts	13,791	4,034	-	-	13,791	4,034
Travel and course registration	258	6,127	-	-	258	6,127
Postage, printing and stationery	9,254	8,944	17,849	816	27,103	9,760
Other supplies and expenses	52,834	29,328	58,793	37,937	111,627	67,265
	<u>126,972</u>	<u>71,102</u>	<u>98,683</u>	<u>69,754</u>	<u>225,655</u>	<u>140,856</u>
Excess of revenue over expenditures	254,436	1,488	360,632	665,036	615,068	666,524
Fund balances, beginning of year	1,441,487	1,308,548	5,083,157	4,701,986	6,524,644	6,010,534
Disbursements to Hôtel-Dieu Grace Healthcare (note 2)	(220,620)	(4,539)	(294,610)	(340,617)	(515,230)	(345,156)
Unrealized gain (loss) on long-term investments	(110,295)	135,990	(30,104)	56,752	(140,399)	192,742
Fund balances, end of year	\$ 1,365,008	\$ 1,441,487	\$ 5,119,075	\$ 5,083,157	\$ 6,484,083	\$ 6,524,644

See accompanying notes to financial statements.

HOTEL-DIEU GRACE HEALTHCARE FOUNDATION

Statement of Cash Flows

December 31, 2022, with comparative information for the six months ended December 31, 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenditures	\$ 615,068	\$ 666,524
Unrealized gain (loss) on investments	(140,399)	192,742
Net change in non-cash working capital	83,732	(1,470)
	<u>558,401</u>	<u>857,796</u>
Investing and financing activities:		
Disbursements to Hôtel-Dieu Grace Healthcare	(515,230)	(345,156)
Short-term investments	1,152,773	(12,016)
Long-term investments	(1,175,134)	(192,346)
	<u>(537,591)</u>	<u>(549,518)</u>
Increase in cash during the year	20,810	308,278
Cash, beginning of year	834,413	526,135
Cash, end of year	<u>\$ 855,223</u>	<u>\$ 834,413</u>

See accompanying notes to financial statements.

HOTEL-DIEU GRACE HEALTHCARE FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2022

Hotel-Dieu Grace Healthcare Foundation (the “Foundation”), was incorporated December 11, 2015 and has been established to receive and maintain funds and to apply all or part of the principal and income to any charity registered under the Income Tax Act (Canada) which benefits directly or indirectly Hôtel-Dieu Grace Healthcare (“HDGH”), which is owned and operated by The Religious Hospitallers of Hotel Dieu of St. Joseph of the Diocese of London. The Foundation is a registered charity and is classified as a public foundation under Section 149.1(1) (g) of the Income Tax Act (Canada) and as such, is exempt from income tax. The Foundation was formerly named Changing Lives Together Foundation.

1. Significant accounting policies:

The financial statements of the Foundation have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook. The more significant of these accounting policies are summarized below:

(a) Fund accounting:

In order to ensure observance of the limitations and restrictions placed on the uses of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the donors or in accordance with directives issued by the Board of Directors.

The General Fund accounts for the Foundation’s general fundraising, granting and administrative activities including Campaign Fund donations that are not designated for a specific purpose. The General Fund reports unrestricted resources available for immediate purposes.

The Restricted Fund reports, as revenues, resources that are to be used for specific purposes as specified by the donors. Included in the Restricted Fund, are donations with a specified purpose, Campaign Fund donations that have been designated for a specific purpose as well as donations of enduring property (Endowment Funds).

To the extent that fundraising and administrative expenses exceed the revenues generated within the General Fund, the excess is accounted for as expenses of the Restricted Fund. Fundraising and administrative expenses incurred for a campaign initiative are applied only to the Campaign Funds. There can be no allocation of expenses against the Endowment Funds without specific approval of the Board of Directors.

(b) Revenue recognition:

The Foundation follows the restricted fund method of accounting for contributions. Contributions are recognized as revenue when the amount to be received or receivable can be reasonably estimated and collection is reasonably assured. Unrestricted contributions are recognized as revenue of the General Fund. Restricted contributions are recognized as revenue of the Restricted Fund. Revenues from the Golf Event are recognized as revenue of the General Fund in the period in which the event is held, unless the donor specifies a specific restricted fund. Revenues from the Bob Probert Memorial Ride, Gala Event and Heart Breaker Challenge are recognized in the Restricted Fund. Major gift donation revenues are recognized as revenue of the General Fund in the period received unless the donor specifies a specific restricted fund. Interest income is recognized in the General Fund unless otherwise specified in the fund specific reference manual and it is based on their proportionate share of investments held in each fund.

HOTEL-DIEU GRACE HEALTHCARE FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies:

(c) Financial instruments:

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

(d) Use of estimates:

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

2. Transactions with Hôtel-Dieu Grace Healthcare:

During the year, the Foundation disbursed \$515,230 (2021 - \$345,156) to HDGH for the purpose of purchasing medical equipment, operational expenditures and renovations.

HOTEL-DIEU GRACE HEALTHCARE FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2022

3. Investments:

(a) Short-term investments:

Short-term investments consist of the following:

	2022	2021
Fixed income	\$ 1,067,336	\$ 2,373,631
Mutual funds	153,522	—
	<u>\$ 1,220,858</u>	<u>\$ 2,373,631</u>

(b) Long-term investments:

Long-term investments consist of the following:

	2022	2021
Fixed income	\$ 2,387,650	\$ 1,086,129
Mutual funds	16,898	—
Common shares	1,970,341	2,077,651
Other	192,245	228,220
	<u>\$ 4,567,134</u>	<u>\$ 3,392,000</u>

4. Deferred revenue and lottery bank account activity:

The deferred revenue reported on the statement of financial position includes the unspent Lottery funds, which must be used for specific purposes as stated on related licenses. Lottery funds represent the net proceeds from Raffle sales raised during the year, but not yet used to purchase equipment on behalf of HDGH. Lottery funds are restricted and used for specific purposes as stated on their related licenses. The deferred revenue relating to the lottery funds amounted to \$81,736 at December 31, 2022 (2021 - \$83,517).

Deferred revenue also includes \$82,034 of sponsorship revenue for those programs that were deferred due to COVID-19 and \$1,200 estate annual distributions received in advance.

HOTEL-DIEU GRACE HEALTHCARE FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2022

5. Allocation of expenses:

Fundraising and administrative expenses not specifically identified for a specific purpose are first charged to the General Fund up to the level of unspecified donations received in the year, and then to the Restricted Fund. In the period ended December 31, 2022 \$nil (2021 - \$105,000) was allocated to restricted funds.

6. Bob Probert Memorial Ride:

During the period, the Foundation recognized \$118,521 (2021 - \$nil) of revenue from the Bob Probert Memorial Ride event. This revenue was recognized as revenue in the Mental Health Programs and Services Fund.

Annual Gala - The Big Night Gala:

The Big Night Gala has been postponed to 2023 due to COVID-19. Sponsorships from 2022 are deferred to the fiscal year 2023. Revenue includes donations dedicated to 2022 and event expenses include goods and services received and delivered.

During the period, the Foundation recognized \$4,940 (2021 - \$36,453) of revenue from the Big Night Gala event. This revenue was recognized as revenue in the Mental Health Programs and Services Fund.

Heart Breaker Challenge:

The Heart Breaker Challenge has been postponed to 2023 due to COVID-19. Sponsorships from 2020 are deferred to 2023. This revenue was recognized in the Cardiac Wellness Fund.

During the period, the Foundation recognized \$620 (2021 - \$nil) of revenue from the Heart Breaker Challenge event. Event expenses include goods and services received and delivered.

7. Financial risks:

(a) Liquidity risk:

Liquidity risk is the risk that the Foundation will be unable to fulfil 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 budgets and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) Interest rate risk:

The Foundation is exposed to interest rate risk on its fixed interest rate financial instruments.

(c) Currency risk:

The Foundation is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, the Foundation purchases investments denominated in US dollars.

HOTEL-DIEU GRACE HEALTHCARE FOUNDATION

Schedule of Donations

Schedule 1

Year ended December 31, 2022 with comparative information for the six months ended December 31, 2021

Fund Description	2022	2021
Essential Equipment Fund	\$ 153,834	\$ 191,794
Pickthall Memorial Trust Fund	400,000	400,000
BK Cornerstone	86,794	86,794
Patient Enablers	130	130
Virtual Care for Substance Use Project	33,642	124,971
ACT 1 & 2	32,684	30,929
Social Worker(s)	500	500
Youth Wellness Hub	-	36,965
Alcohol Spectrum Disorder	2,987	-
Outpatient Rehab Centre	181,960	102,500
No One Dies Alone Fund	16,134	16,134
Cardiac Wellness and Pulmonary	445,353	426,893
Education Fund	48,708	49,617
Satellite Cardiac Wellness	447,322	430,926
Beyond Disability	6,207	6,207
Mental Health & Addictions Urgent Care	15,000	15,000
Palliative Care	79,949	96,854
Pastoral Care	1,744	1,614
Rehabilitation Services	21,444	40,094
Mental Health Programs and Services	557,569	469,975
Dr. Mok's Fund	59,426	59,426
RCC Fund	274,005	258,723
RCC - Jumpstart Program	4,328	4,078
Complex Continuing Care	(38,851)	(39,256)
Golf - In Honour	(7,500)	(7,500)
Wine Tour - In Honour	31,186	31,186
T2B - Transition to Betterness	(206)	(206)
WE Care for Kids	1,106	1,106
Dual Diagnosis	28,562	28,562
John Nicholls Memorial Fund	4,870	4,870
Bariatric Fund	310	310
Gary Proctor Memorial Fund	4,107	4,107
Help Link Central Access Services & RCC Crisis	75,624	75,624
RCC Staff Education - Kathy Cianci Memorial Fund	468	468
Rotary Club of Windsor - St.Clair Fund	4,337	4,337
RCC - Ozad Fund	603,914	591,705
Withdrawal Management Fund	700	1,558
Mission Achievement Fund	13,391	12,691
Acquired Brain Injury Fund	3,919	3,919
Occupational Therapy Fund	3,349	2,985
Chiropody Fund	192	192
Adult Day Care	5,624	5,624
Recreation Therapy Fund	3,156	3,156
Psychology Internship Fund	1,638	1,638
Diabetes Fund	25	25
Outreach Program	22,165	16,764
Geriatric Assessment Fund	14,422	8,996
Problem Gambling Fund	334,046	333,526
Alzheimer Fund	760	760
Psychogeriatric Community Outreach	836	836
Housekeeping Fund	339	339
Michael C. Rohrer Memorial Fund	37,460	37,460
Triple P Parenting Program	2,575	2,575
Outdoor Recreation Centre	984	984
Food & Nutrition	450	320
Transitional Stability Fund	12,125	12,005
Project of Estate of Robert Grant	(1,521)	(1,521)
Staff Benevolent Fund	11,344	11,344
Patients Benevolent Fund	13,311	10,173
Bus Fund	66,067	66,067
RCC Intensive Treatment Services	1,200	1,200
RCC Breakfast Program	19,714	18,692
MOST (Mobile Outreach & Support Team)	600	600
Pre Adolescent & Adolescent Program Fund	20,100	20,100
ALS John Wilkinson Fund	1,067	1,067
RCC Healing Hearts	21,685	22,235
Schizophrenia - WPEP Fund	171,318	171,318
CLTF Scholarship Fund	170	170
Opal Belawetz Memorial Fund	8,922	7,922
Chatham Kent Act Fund	710	710
COVID-19	20,520	20,340
Glengarda Legacy Fund	308,572	296,363
RHSJ - Caregiver Education Fund	200,608	210,682
TNI Fund	11,818	11,741
Parking & Security - T2B	35,697	20,097
Cable TV for Patient Rooms - T2B	2,784	3,377
Unrealized gain on long-term investments	168,459	198,690
Total Restricted	5,118,948	5,083,157
Unrestricted Fund	994,264	960,450
Unrealized gain on long-term investments	370,871	481,037
Total Unrestricted	1,365,135	1,441,487
Total Fund Balances	\$ 6,484,083	\$ 6,524,644

HOTEL-DIEU GRACE HEALTHCARE FOUNDATION

Schedule of Operations - Annual Gala Event

Schedule 2

Year ended December 31, 2022, with comparative information for the six month period ended
December 31, 2021

	2022	2021
Revenue:		
Ticket sales, sponsorships and donations (note 6)	\$ 4,940	\$ 36,453
Expenditures:		
Meal costs	-	8,403
Printing and promotional production	2,032	3,083
Advertising and miscellaneous	1,508	1,248
	3,540	12,734
Excess of revenue over expenditures	\$ 1,400	\$ 23,719

HOTEL-DIEU GRACE HEALTHCARE FOUNDATION

Schedule of Operations - Golf Tournament

Schedule 3

Year ended December 31, 2022, with comparative information for the six month period ended
December 31, 2021

	2022	2021
Revenue:		
Registration fees, sponsorships and donations	\$ 50,925	\$ 64,050
Expenditures:		
Meal costs	7,424	15,414
Green fees, donor recognition and miscellaneous	14,092	13,264
	<u>21,516</u>	<u>28,678</u>
Excess of revenue over expenditures	\$ 29,409	\$ 35,372

HOTEL-DIEU GRACE HEALTHCARE FOUNDATION

Schedule of Operations - Annual Probert Memorial Event

Schedule 4

Year ended December 31, 2022, with comparative information for the six month period ended
December 31, 2021

	2022	2021
Revenue:		
Donations, swag sale etc. (note 6)	\$ 118,521	\$ -
Expenditures:		
Entertainment	4,878	-
Printing and promotional production	7,072	-
Donor Recognition	10,007	-
Miscellaneous	2,467	-
	24,424	-
Excess of revenue over expenditures	\$ 94,097	\$ -

HOTEL-DIEU GRACE HEALTHCARE FOUNDATION

Schedule of Operations - Heartbreaker Challenge

Schedule 5

Year ended December 31, 2022, with comparative information for the six month period ended
December 31, 2021

	2022	2021
Revenue:		
Donations, swag sale, etc. (note 6)	\$ 620	\$ -
Expenditures:		
Miscellaneous	2,611	878
Deficiency of revenue over expenditures	\$ (1,991)	\$ (878)