

**DUNNVILLE HOSPITAL AND
HEALTHCARE FOUNDATION**

**FINANCIAL STATEMENTS
For the year ended December 31, 2023**

**DUNNVILLE HOSPITAL AND
HEALTHCARE FOUNDATION**

For the year ended December 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the Directors of
Dunnville Hospital and Healthcare Foundation

Qualified Opinion

We have audited the financial statements of Dunnville Hospital and Healthcare Foundation (the 'Foundation'), which comprise the statement of financial position as at December 31, 2023, and the statements of changes in fund balances, 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 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 December 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Foundation derives revenue from fundraising and donation activities, 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 fundraising and donation revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2023 and 2022, current assets as at December 31, 2023 and 2022, and net assets as at January 1 and December 31 for both the 2023 and 2022 years.

Our audit opinion on the financial statements for the year ended December 31, 2022 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 *Auditors' Responsibilities for the Audit of 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 qualified 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 relating 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.

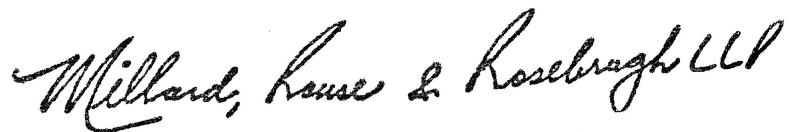
Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.



May 16, 2024
Hagersville, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

DUNNVILLE HOSPITAL AND HEALTHCARE FOUNDATION

STATEMENT OF FINANCIAL POSITION

As at December 31	Operating Fund	Endowment Fund	2023 Total	2022 Total
ASSETS				
Current Assets				
Cash and bank	486,081	-	486,081	655,995
Investment cash	11,735	6,338	18,073	14,564
HST/GST/ORST refundable	12,335	-	12,335	25,532
Premium deposits	38,513	-	38,513	30,260
Prepaid expense	3,561	-	3,561	2,872
Inter-Fund balances	315,771	-	315,771	265,554
	867,996	6,338	874,334	994,777
Investments (Note 3)	1,534,302	2,248,883	3,783,185	3,681,388
Property, Plant and Equipment (Note 4)	5,064	-	5,064	6,126
	2,407,362	2,255,221	4,662,583	4,682,291
LIABILITIES				
Current Liabilities				
Accounts payable	13,718	-	13,718	2,922
Employee deductions payable (Note 5)	(397)	-	(397)	17,510
Accrued liabilities	12,549	-	12,549	12,549
Inter-Fund balances	-	315,771	315,771	265,554
	25,870	315,771	341,641	298,535
Long Term Liability (Note 6)	-	-	-	40,000
	25,870	-	341,641	338,535
FUND BALANCES				
- Operating	2,381,492	-	2,381,492	2,394,481
- Endowment Fund	-	1,939,450	1,939,450	1,949,275
	2,381,492	1,939,450	4,320,942	4,343,756
	2,407,362	2,255,221	4,662,583	4,682,291

See accompanying notes

DUNNVILLE HOSPITAL AND HEALTHCARE FOUNDATION

STATEMENT OF CHANGES IN FUND BALANCES

As at December 31	Operating Fund	Endowment Fund	2023 Total	2022 Total
FUND BALANCES				
- Beginning of Year	2,394,481	1,949,275	4,343,756	5,408,651
Excess of Expenses over Revenues	(153,940)	131,126	(22,814)	(1,064,895)
Transfer to operating	140,951	(140,951)	-	-
FUND BALANCES				
- End of Year	2,381,492	1,939,450	4,320,942	4,343,756

See accompanying notes

DUNNVILLE HOSPITAL AND HEALTHCARE FOUNDATION

STATEMENT OF OPERATIONS

For the year ended December 31	Operating Fund	Endowment Fund	2023 Total	2022 Total
Revenues				
Donations and annual fundraising	804,655	-	804,655	750,219
Interest earned	112	77	189	-
Dividends earned	61,028	85,040	146,068	118,463
Gain (Loss) on disposal of investments	19,710	66,672	86,382	101,218
Miscellaneous income (Note 6)	10,000	-	10,000	-
	895,505	151,789	1,047,294	969,900
Expenses				
Office wages and benefits	182,400	-	182,400	172,692
Fundraising and campaign expenses	77,644	-	77,644	58,979
Rent	1,200	-	1,200	600
Telephone	3,195	-	3,195	2,356
Foreign tax withholdings	958	1,818	2,776	-
Computer expense	21,396	-	21,396	26,547
Travel and convention	1,283	-	1,283	53
Staff training	3,666	-	3,666	5,114
Advertising and promotion	3,423	-	3,423	4,123
Office supplies and postage	13,943	-	13,943	12,638
Professional fees	30,580	-	30,580	48,701
Management fees	6,127	9,020	15,147	16,713
Interest and bank charges	6,126	-	6,126	7,188
Amortization	2,183	-	2,183	2,229
	354,124	10,838	364,962	357,933
Excess of Revenues over Expenses				
- Before Undernoted Items	541,381	140,951	682,332	611,967
Disbursements paid out to				
Haldimand War Memorial Hospital	(750,000)	-	(750,000)	(750,000)
Change in fair value of investments	54,679	(9,825)	44,854	(926,862)
Excess of Expenses over Revenues	(153,940)	131,126	(22,814)	(1,064,895)

See accompanying notes

DUNNVILLE HOSPITAL AND HEALTHCARE FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended December 31	2023	2022
Cash Flows From Operating Activities		
Excess of Expenses over Revenues	(22,814)	(1,064,895)
Charges (credits) to income not involving cash:		
Amortization	2,183	2,229
Change in fair value of investments	(44,854)	926,862
Gain on disposal of investments	(86,382)	(101,218)
	(151,867)	(237,022)
Net change in non-cash working capital balances related to operations		
Decrease (increase) in premium deposits	(8,253)	(1,321)
Decrease (increase) in prepaid expenses	(689)	5,175
Decrease (increase) in HST amounts refundable	13,197	(9,589)
Increase (decrease) in accounts payable	10,796	(12,795)
Increase (decrease) in employee deductions payable	(17,907)	14,382
Increase (decrease) in accrued liabilities	-	(3,055)
	(154,723)	(244,225)
Cash Flows From Financing Activities		
Long term liability	(40,000)	-
Cash Flows From Investing Activities		
Acquisition of investments	(112,983)	(62,579)
Proceeds on disposal of investments	138,913	181,394
Purchase of property, plant and equipment	(1,121)	(1,328)
	24,809	117,487
Net Decrease in Cash and Bank	(169,914)	(126,738)
Opening Cash and Bank	655,995	782,733
Closing Cash and Bank	486,081	655,995

See accompanying notes

DUNNVILLE HOSPITAL AND HEALTHCARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

1. PURPOSE OF THE ORGANIZATION

The Foundation has undertaken to raise funds to support the Haldimand War Memorial Hospital, Edgewater Gardens, and other health providing facilities within the Town of Dunnville. The Foundation is a registered Canadian Charity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(a) Use of Estimates

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

(b) Fund Accounting

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

General Fund

The General Fund (Operating Fund) reports unrestricted donations and all investment income.

Externally Restricted Fund

The fund represents donations made by individual donors for a specific purpose and therefore the use is restricted.

Endowment Fund

The policy has been to direct all bequests to the endowment fund, and to direct any income derived from those funds into the operating fund on an annual basis.

On June 1, 2023, the policy was revised to allocate all undirected bequests to the Operations account to be used in the area of greatest need.

(c) Pledges

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

(d) Donated Services, Materials and Facilities

The amount of any services or materials donated to the Foundation is included in revenues when received and recorded at fair market value when fair market value can be reasonably estimated.

(e) Recognition of Other Revenues

Revenues from fundraising activities are recognized when such activities are held.

DUNNVILLE HOSPITAL AND HEALTHCARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [cont'd]

(f) Property, Plant and Equipment

Property, plant and equipment are stated at cost. Amortization is provided for in the accounts as follows:

Leasehold improvements	10 years straight line
Furniture and fixtures	10 years straight line
Computer equipment	5 years straight line
Sign	8 years straight line
Computer software	100% expensed in year of purchase

(g) Government assistance

Government assistance toward current expenses, including salaries, is recognized separately as Government support revenues at the time they are incurred, provided there is reasonable assurance that the Foundation has complied and will continue to comply with all the conditions of the government assistance. See note 5.

(h) Financial Instruments

The Foundation initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value.

Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the organization is in the capacity of management, are initially measured at cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. When the instrument has repayment terms, cost is determined using its undiscounted cash flows, excluding interest payments, less any impairment losses. Other the cost is determined using the consideration transferred or received by the organization.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms.

The Foundation subsequently measures all its financial assets and liabilities at cost or amortized cost, except for marketable securities (Treasury bills and government bonds), which it chose to measure at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, term deposits, trade and other receivables, and grants receivable.

Financial liabilities measured at amortized cost include accounts payable and long-term debt.

The Foundation's financial assets measure at fair value include marketable securities.

Transaction costs related to financial assets measured at fair value are expensed as incurred. Transaction costs related to other financial assets and financial liabilities are included or deducted in the initial measurement of the asset or liability.

DUNNVILLE HOSPITAL AND HEALTHCARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

3.	INVESTMENTS	2023		2022	
		Cost	Market Value	Cost	Market Value
	Operating Fund	1,124,038	1,534,302	1,115,826	1,471,410
	Endowment Fund	1,864,093	2,248,883	1,815,363	2,209,978
	Total	2,988,131	3,783,185	2,931,189	3,681,388
4.	PROPERTY, PLANT AND EQUIPMENT	Cost	Accumulated Amortization	2023	2022
	Leasehold improvements	4,700	3,290	1,410	2,350
	Furniture and fixtures	21,841	21,078	763	902
	Computer equipment	35,778	34,023	1,755	1,414
	Sign	2,596	1,460	1,136	1,460
		64,915	59,851	5,064	6,126
5.	EMPLOYEE DEDUCTIONS PAYABLE	2023	2022		
	Employee source deduction remittance payable	3,627	17,807		
	Employee source deduction overpayment	(3,529)	-		
	Workers compensation payable	63	261		
	RRSP contribution amount	(558)	(558)		
		(397)	17,510		
6.	LONG TERM LIABILITY	2023	2022		
	Canada Emergency Business Account, interest free and 25% is eligible for loan forgiveness if paid by December 31, 2023.	-	40,000		

If the Canada Emergency Business Account is not repaid by December 31, 2023, it can be converted into a 3 year term loan, and will be charged an interest rate of 5% payable monthly. There will be no requirement for a principal payment until December 31, 2025.

The Foundation repaid the amount as required by the terms of the loan in order to be eligible for the forgivable portion and it was recorded as revenue in the current year.

DUNNVILLE HOSPITAL AND HEALTHCARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

7. ENDOWMENT FUND CONTRIBUTED SURPLUS

As of December 31, 2023, total cost base of gifted contributions to the endowment fund totalled \$1,554,660 (2022 - \$1,554,660).

8. FINANCIAL INSTRUMENTS

The Foundation has identified the following financial risks:

Credit Risk

The Foundation's exposure to credit risk relates to its accounts receivable. The risk of significant credit loss is considered remote. All financial instruments are initially recorded on the statement of financial position at fair value.

Market Risk

The Foundation's holds investments that may be subject to fluctuations in market value. The Foundation considers its investments to be conservative and with low market risk.

Liquidity Risk

Liquidity risk is the risk that a Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation's ability to meet obligations depends on the receipt of funds from donations and fundraising.

9. COMPARATIVE FIGURES

Certain of the prior year's figures, provided for purposes of comparison, have been reclassified to conform with the current year's presentation.