



FINANCIAL STATEMENTS

MARCH 31, 2024

Our Vision: A fully engaged community supporting Windsor Regional Hospital.

Our Mission: To promote public awareness and encourage philanthropy in support of Windsor Regional Hospital.

We respectfully acknowledge that the Windsor Regional Hospital Foundation occupies the traditional, ancestral, and contemporary lands of the Niswi Ishkodewan Anishinaabeg: The Three Fires Confederacy (Ojibwe, Odawa, and Potawatomi). We acknowledge the land and the surrounding waters for sustaining us and we are committed to protecting and restoring these lands and waters from environmental degradation.



KPMG LLP

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Windsor Regional Hospital Foundation

Qualified Opinion

We have audited the financial statements of Windsor Regional Hospital Foundation (the "Foundation"), which comprise:

- the statement of financial position as at March 31, 2024
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" section of our auditors' report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2024 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 of Qualified Opinion

In common with many not-for-profit organizations, the Foundation derives revenue from donations and fundraising 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:

- the current assets reported in the statements of financial position as at end of March 31, 2024 and March 31, 2023
- the donations and other income and excess (deficiency) of revenues over expenses reported in the statements of operations and changes in fund balances for the years ended March 31, 2024 and March 31, 2023



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- the unrestricted net assets and restricted net assets, at the beginning and end of the year, reported in the statements of operations and changes in net assets for the years ended March 31, 2024 and March 31, 2023
- the excess of revenues over expenses reported in the statements of cash flows for the years ended March 31, 2024 and March 31, 2023.

Our opinion on the financial statements for year ended March 31, 2023 was also qualified 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 the Financial Statements" section of our auditors' 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 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 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.

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.



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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.

- 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Windsor Canada

June 20, 2024

WINDSOR REGIONAL HOSPITAL FOUNDATION

(Incorporated without share capital under the laws of Ontario)

Statement 1

STATEMENT OF FINANCIAL POSITION

March 31, 2024
(amount stated in 000's)
(with comparative amount to March 31, 2023)

	General Fund	Restricted Fund	Johnson Endowment Fund	March 31, 2024 Total	March 31, 2023 Total
ASSETS					
Interest bearing deposits	\$ 76	\$ 2,866	\$ 86	\$ 3,028	\$ 2,520
Accrued interest and other receivable	5	212	-	217	155
Prepaid expenses	95	-	-	95	110
Investments (Note 4)	584	22,788	-	23,372	21,617
	760	25,866	86	26,712	24,402
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accrued liabilities	2	96	-	98	54
Due to Windsor Regional Hospital (Note 3)	177	2,420	-	2,597	2,249
Deferred revenue (Note 5)	-	316	-	316	218
	179	2,832	-	3,011	2,521
Fund balances:					
Unrestricted net assets	581	-	-	581	907
Restricted next assets	-	23,034	86	23,120	20,974
	581	23,034	86	23,701	21,881
Commitments (Note 8)					
	760	25,866	86	26,712	24,402

See accompanying notes to financial statements

On behalf of the Board:



John Jedlinska
Chairperson



Andrea Pontoni
Treasurer

WINDSOR REGIONAL HOSPITAL FOUNDATION

(Incorporated without share capital under the laws of Ontario)

Statement 2

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For the year ended March 31, 2024
(with comparative figures for the year ended March 31, 2023)
(amount stated in 000's)

	General Fund		Restricted Funds		Johnson Endowment Fund		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
REVENUE								
Donations (Note 6)	\$ 552	\$ 452	\$ 1,816	\$ 3,076	\$ 4	-	\$ 2,372	\$ 3,528
Lottery (Note 5)	-	-	-	83	-	-	-	83
Other income	-	-	361	163	-	-	361	163
Investment income	337	340	897	1,032	4	3	1,238	1,375
Unrealized gain on investment	16	-	669	-	-	-	685	-
	905	792	3,743	4,354	8	3	4,656	5,149
EXPENSES								
Salaries and benefits	239	141	483	396	-	-	722	537
Other supplies and expenses	331	281	702	744	-	-	1,033	1,025
Investment management fees	41	29	74	84	-	-	115	113
Donations to Hospital (Note 3)	641	225	326	837	-	-	967	1,062
Unrealized loss on investment	-	49	-	1,121	-	-	-	1,170
	1,252	725	1,585	3,182	-	-	2,837	3,907
Excess (deficiency) of revenue over expenses	(347)	67	2,159	1,172	8	3	1,820	1,242
Fund balances, beginning of year	907	840	20,896	19,724	78	75	21,881	20,639
Fund Balances, end of year	\$ 560	\$ 907	\$ 23,055	\$ 20,896	\$ 86	\$ 78	\$ 23,701	\$ 21,881

See accompanying notes to financial statements

STATEMENT OF CASH FLOWS

For the year ended March 31, 2024
(with comparative figures for the year ended March 31, 2023)
(amount stated in 000's)

	2024	2023
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 1,820	\$ 1,242
Add item not involving cash:		
Unrealized loss (gain) on investments	(685)	1,170
	1,135	2,412
CASH FROM CHANGE IN OPERATING BALANCES	96	34
CASH FLOW FROM (USED FOR) INVESTING AND FINANCING ACTIVITIES		
Due to Windsor Regional Hospital, net	348	(1,241)
Investments, net of transfers to interest bearing deposits	(1,071)	(323)
	(723)	(1,564)
Increase in interest bearing deposits during the year	508	882
Interest bearing deposits, beginning of year	2,520	1,638
Interest bearing deposits, end of year	3,028	2,520

See accompanying notes to financial statements

WINDSOR REGIONAL HOSPITAL FOUNDATION

Notes to Financial Statements

YEAR ENDED MARCH 31, 2024

1. Nature of Foundation:

The Foundation is a registered charity incorporated in the Province of Ontario without share capital 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 objects of the Foundation include:

- a) To receive and maintain a fund or funds and to apply from time to time all or part of the principal and the income therefrom for charitable purposes carried on by, in connection with, in relation to, for the benefit of or to enhance or improve services provided by or the facilities of Windsor Regional Hospital or for any qualified donees as defined in subsection 149.1(1) of the Income Tax Act (Canada) that operate in conjunction with or with a view to benefiting the Windsor Regional Hospital or its clients or patients, and/or for such other purposes as the Board may deem to be in the best interest of the Windsor Regional Hospital.
- b) To establish, equip, maintain and operate facilities for the benefit of Windsor Regional Hospital.
- c) To promote the advancement of education by providing scholarships and tuition assistance to individuals pursuing continuing studies and research in the field of healthcare.
- d) To do such activities that are incidental and ancillary to the foregoing charitable purposes including, without limitation, activities in conjunction with or with a view to benefiting the Windsor Regional Hospital or any other charitable organization, health service provider, or foundation (including other hospitals or universities) which the Foundation determines to be for the benefit of the Windsor Regional Hospital who provide health related services and/or support to residents of the Windsor Regional Hospital's catchment area.

WINDSOR REGIONAL HOSPITAL FOUNDATION

Notes to Financial Statements

YEAR ENDED MARCH 31, 2024

2. 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 CICA Handbook. The following summary of significant accounting policies is set forth to facilitate the understanding of these financial statements:

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.

For financial reporting purposes, the accounts have been classified into the following funds:

i) General Fund

The General Fund accounts for the Foundation's general fundraising, granting and administrative activities. The General Fund reports unrestricted resources available for immediate purposes.

ii) Restricted Funds

The Restricted Funds reports, as revenues, resources that are to be used for specific purposes as specified by the donor and as expenses, the use of these resources for the specified purposes. Included within these funds are the unspent Bingo and Lottery accounts, which must be used for the specific purposes as stated on their related licenses.

iii) Johnson Endowment Fund

The income earned in "The Daniel William Johnson Memorial Education Fund Endowment" is to be used for the purposes of providing pain management education to the staff of Windsor Regional Hospital Oncology Unit. In addition, two staff will be acknowledged on an annual basis for their outstanding effort in the area of pain management in the delivery of care to patients.

WINDSOR REGIONAL HOSPITAL FOUNDATION

Notes to Financial Statements

YEAR ENDED MARCH 31, 2024

2. Significant accounting policies: (Cont'd)

b) Interest Bearing Deposits

Interest bearing deposits include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months.

Investment income earned on the Restricted Funds and the Johnson Endowment Fund is recognized as revenue within these specific funds.

c) Contributed Services

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

d) Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant estimates include the valuation of financial instruments. Actual results could differ from those estimates.

e) Revenue Recognition

Contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred, provided the amount to be received or receivable, can be reasonably estimated and collection is reasonably assured. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Investment income is recognized as earned and allocated proportionately to the various funds. Unrealized gains or losses on investments are allocated in a similar manner.

WINDSOR REGIONAL HOSPITAL FOUNDATION

Notes to Financial Statements

YEAR ENDED MARCH 31, 2024

2. Significant accounting policies: (Cont'd)

f) Financial Instruments

The Foundation has recorded its financial investments at fair value. For bonds and equities, fair value is determined by quoted market prices and the change in market value is presented as an increase (decrease) to the investment and as an unrealized gain (loss) on the investments. All other financial instruments are subsequently recorded at cost or amortized cost as the Foundation has not elected to carry such financial instruments at fair value.

g) Allocation of Expenses

Expenses, which include salaries, benefits and other supplies and expenses (including general fundraising expenses) incurred specifically for a fundraising initiative are applied against the revenues received from that initiative. Expenses incurred by the Foundation not specifically identified to a particular fundraising initiative will be first charged to the general fund up to the level of the unspecified donations received in that particular year and then to the rest of the restricted funds on a pro-rata basis.

Investment management fees are allocated proportionately to the various funds based on the percentage of investment income allocated to that fund for the fiscal year.

Donation expenses to the Hospitals are specifically assigned to the fund to which they relate.

3. Related party transactions:

The receipt and disbursement of Foundation funds is administered by Windsor Regional Hospital. In the year ending March 31, 2024, the Foundation donated \$967,000 (\$1,062,000 – 2023) towards the costs incurred by the Hospitals for capital improvements, the employee tuition assistance program and for minor operating expenses within various hospital departments. Any balance owing to the Hospitals for the payment of the above donations, net of the reimbursement of operating costs of the Foundation, is recorded as due to Windsor Regional Hospital on the statement of financial position and are settled as mutually agreed upon in the next fiscal year.

WINDSOR REGIONAL HOSPITAL FOUNDATION

Notes to Financial Statements

YEAR ENDED MARCH 31, 2024

4. Investments:

The Foundation has placed a portion of its assets with professional investment managers. These externally managed funds are comprised of the following:

(Amounts in 000's)

	March 31, 2024				March 31, 2023	
	Market Value	Cost	Allocation at Market Value	Permissible Range	Market Value	Cost
<u>New Hospital fund</u>						
Cash equivalents	\$ 17	\$ 17	0.3%	0 – 100%	\$ 75	\$ 75
Domestic bonds	<u>5,321</u>	<u>5,327</u>	<u>99.7%</u>	0 – 100%	<u>4,175</u>	<u>4,255</u>
Total	<u>5,338</u>	<u>5,344</u>	100.0%	0 – 100%	<u>4,250</u>	<u>4,330</u>
Due from Long Term fund	\$ <u>228</u>				\$ <u>933</u>	
Total	<u>\$ 5,566</u>				<u>\$ 5,183</u>	
<u>Long term fund</u>						
Cash equivalents	\$ 629	\$ 629	3.5%	0 – 15%	\$ 1,058	\$ 1,058
Domestic bonds	<u>6,173</u>	<u>6,366</u>	<u>34.2%</u>	25 – 55%	<u>5,489</u>	<u>5,807</u>
Total	6,802	6,995	37.7%	25 – 60%	6,547	6,865
Domestic equities	5,657	4,799	31.4%	18 – 57%	5,343	4,434
Global equities	<u>5,575</u>	<u>4,224</u>	<u>30.9%</u>	18 – 57%	<u>5,477</u>	<u>4,650</u>
Total	11,232	9,023	62.3%	40 – 75%	10,820	9,084
Total	<u>\$18,034</u>	<u>\$16,018</u>	<u>100.0%</u>		<u>\$17,367</u>	<u>\$15,949</u>
Due to New Hospital fund	\$ <u>(228)</u>				\$ <u>(933)</u>	
Total	<u>\$17,806</u>				<u>\$16,434</u>	
Total Investments	<u>\$23,372</u>	<u>\$21,362</u>			<u>\$21,617</u>	<u>\$20,279</u>

WINDSOR REGIONAL HOSPITAL FOUNDATION

Notes to Financial Statements

YEAR ENDED MARCH 31, 2024

5. Deferred revenue and bingo and lottery bank account activity:

Included in the restricted fund's interest bearing deposits are the following accounts:

	<u>(Amounts in 000's)</u>			
	<u>Bingo Account</u>	<u>Nevada</u>	<u>50/50 Lottery</u>	<u>Total</u>
Bank balance/deferred revenue – March 31, 2023	\$ 41	\$ 132	\$ 45	\$ 218
Proceeds received, net	28	35	309	372
License fees and ticket supply costs, 50/50 costs	-	-	(104)	(104)
Equipment purchased on behalf of Hospital	-	-	-	-
Winner's Payout 50/50 Lottery	<u>-</u>	<u>-</u>	<u>(170)</u>	<u>(170)</u>
Bank balance/deferred revenue – March 31, 2024	<u>\$ 69</u>	<u>\$ 167</u>	<u>\$ 80</u>	<u>\$ 316</u>

The deferred revenue reported in the Restricted Fund on the statement of financial position represents restricted net proceeds from Bingo, Nevada and 50/50 sales raised during the year, but not yet used to purchase equipment on behalf of the Hospital.

Included in other income (Restricted Fund) on the statement of operations and changes in fund balances is revenue recognized from Bingo and Nevada proceeds.

6. Donation pledges:

As at March 31, 2024, an amount of \$15,426,250 (\$15,640,500 - 2023) has been pledged as future donations to the Foundation. These pledges will be recorded as donation revenue as they are received. The anticipated collection of these amounts is as follows:

2025	\$ 126,250
2026	65,000
2027	60,000
2028 and beyond	<u>15,175,000</u>
Total	<u>\$15,426,250</u>

In addition to these pledges, the Foundation promotes "Planned Giving" through the use of bequests and gifts of life insurance. Due to the nature of these pledges, the ultimate amount and timing of its receipts is not determinable at this time and is not included in the above pledge balance.

WINDSOR REGIONAL HOSPITAL FOUNDATION

Notes to Financial Statements

YEAR ENDED MARCH 31, 2024

7. Foundation expenses:

The Foundation endeavors to maximize the funds available for investment and donation to the Hospital by minimizing its cost of fundraising and its cost to manage its assets in support of its charitable objects. Its costs as a percentage of revenue are as follows:

	<u>2024</u>	<u>2023</u>	<u>Foundation's Policy Target</u>
Ratio of fundraising expenses to fundraising revenue	44.7%	33.4%	less than 25%
Ratio of total expenses to total revenue	47.1%	32.5%	less than 30%

For purposes of the above calculations, donations to the Hospital and unrealized gains or losses on investments are excluded.

The ratios are above target for 2023-24 due to the investment in fundraising activities to generate pledges for the New Hospital Campaign. As these pledges convert to donation revenues in future years when the cash is received, the fundraising and total expense ratios are expected to lower to Policy Target or less.

8. Commitments:

The Foundation has committed its financial support to Windsor Regional Hospital for the Cardiac Catheterization Lab/Day Surgery Relocation project in the amount of \$4.8 million. This project is still awaiting approval from the Ministry of Health before it can proceed. Subsequent to year end, the Foundation agreed to fund a further \$3.0 million for this project as part of its commitment to covering the local share of the project.

During the 2021-22 fiscal year, the Foundation began running an on-line lottery that required the Foundation's Bank to issue a \$25,000 Standby Letter of Credit. In the 2023-24 fiscal year, this Standby Letter of Credit was increased to \$200,000. As security, the Foundation must maintain on account an amount equal to any and all outstanding Letter of Credit amounts issued.

WINDSOR REGIONAL HOSPITAL FOUNDATION

Notes to Financial Statements

YEAR ENDED MARCH 31, 2024

9. Financial risks:

a) Liquidity Risk

Liquidity risk is the risk that the Foundation will be unable to fulfill 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. There has been no change to the risk exposure from 2023.

b) Interest Rate and Market Value Risk

The Foundation is exposed to interest rate risk and fluctuating market value risk on its investments. The investments most susceptible to this risk are described in Note 4. There has been no change to the risk exposure from 2023.

c) Currency Risk

Currency risk relates to the Foundation investing through its professional investment manager (Note 4) in global equities. Fluctuations of exchange rates may positively or negatively affect the market value of these investments. The Foundation's investment policy limits the range of exposure to non-Canadian currencies to 5 – 35% of the total investment portfolio. There has been no change in the risk exposure from 2023.

d) Cyber-Attack

In October 2023, Transform Shared Service Organization (TSSO), Windsor Regional Hospital and other local area Hospitals were victims of a criminal Cyber Attack that prompted the Hospitals to declare a Code Grey emergency. The majority of all hospital and TSSO information systems were inoperable for a period of time. Many of the Foundation systems remained shielded from the attack.

All Hospitals and TSSO rescinded the Code Grey in February 2024 when the majority of clinical system were back online; however, the accounts payable systems used by Windsor Regional Hospital and the Foundation via TSSO remained unrestored at March 31, 2024. The restoration of the accounts payable system is ongoing.