



Financial Statements of

ST. PAUL'S HOSPITAL FOUNDATION, INC.

And Independent Auditor's Report thereon
Year ended December 31, 2023



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of St. Paul's Hospital Foundation, Inc.

Opinion

We have audited the financial statements of St. Paul's Hospital Foundation, Inc., (the Entity), which comprise:

- the statement of financial position as at December 31, 2023
- 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, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, 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 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 Entity 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 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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.



- 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 Entity'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 Entity'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 Entity 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

Saskatoon, Canada
March 28, 2024

ST. PAUL'S HOSPITAL FOUNDATION, INC.

Statement of Financial Position

December 31, 2023, with comparative information for 2022


	2023	2022
Assets		
Current assets:		
Cash	\$ 5,847,012	\$ 3,564,839
Accounts receivable	118,649	612,832
Inventory	53,760	52,219
Prepaid expenses	406,093	276,052
	6,425,514	4,505,942
Investments (note 3)	15,887,392	13,615,299
Cash and investments in trust for designated fund (note 4)	3,365,449	3,000,200
Cash and investments in trust for endowment funds (note 5)	16,089,873	14,048,266
Equipment	90,398	87,556
Intangible asset	10,569	-
	\$41,869,195	\$ 35,257,263

Liabilities and Fund Balances

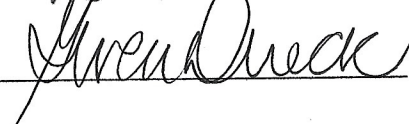
Current liabilities:		
Accounts payable and accrued liabilities	\$ 505,660	\$ 586,679
Fund balances:		
General	5,826,960	4,344,395
Designated (note 4)	19,446,702	16,277,923
Endowments (note 5)	16,089,873	14,048,266
	41,363,535	34,670,584
Commitments (note 7)		
	\$41,869,195	\$ 35,257,263

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

ST. PAUL'S HOSPITAL FOUNDATION, INC.

Statement of Operations and Changes in Fund Balances

Year ended December 31, 2023, with comparative information for 2022

				2023	2022
	General	Designated	Endowment	Total	Total
Revenue					
Donations- general (note 6)	\$ 274,458	\$4,977,037	\$ 17,200	\$ 5,268,695	\$ 4,639,383
Gaming	1,539,190	-	-	1,539,190	1,881,078
Events	269,846	88,628	-	358,474	228,644
Gift Shop – gross sales	191,746	-	-	191,746	132,988
Investment income	804,100	142,480	670,541	1,617,121	1,524,160
Fair market value adjustment on investments	1,416,974	310,290	1,500,607	3,227,871	(5,629,369)
	4,496,314	5,518,435	2,188,348	12,203,097	2,776,884
Expenses:					
Fundraising	218,314	-	-	218,314	233,744
Salaries and employee benefits	1,204,325	-	-	1,204,325	1,104,574
Gaming	237,768	-	-	237,768	271,343
Events	109,809	23,765	-	133,574	127,983
Gift Shop – cost of sales, salaries, and other costs	196,017	-	-	196,017	153,845
Communications	47,674	-	-	47,674	50,416
Administration	339,989	-	-	339,989	283,366
	2,353,896	23,765	-	2,377,661	2,225,271
Donation disbursements:					
St. Paul's Hospital (Grey Nuns) of Saskatoon	410,867	2,203,971	517,647	3,132,485	3,218,815
Excess (deficit) of revenue over expenses					
	1,731,551	3,290,699	1,670,701	6,692,951	(2,667,202)
Fund balances, beginning of year					
	4,344,395	16,277,923	14,048,266	34,670,584	37,337,786
Interfund transfers (note 9)	(248,986)	(121,920)	370,906	-	-
Fund balances, end of year					
	5,826,960	19,446,702	16,089,873	41,363,535	34,670,584

See accompanying notes to financial statements.

ST. PAUL'S HOSPITAL FOUNDATION, INC.

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash flows from (used in):		
Operations:		
Excess (deficit) of revenue over expenses	\$ 6,692,951	\$ (2,667,202)
Items not involving cash:		
Amortization of equipment	12,440	5,292
Fair market value adjustment on investments	(3,227,871)	5,629,369
Change in non-cash operating working capital:		
Accounts receivable	494,183	(577,983)
Inventory	(1,541)	(14,116)
Prepaid expenses	(130,041)	(13,861)
Accounts payable and accrued liabilities	(49,187)	10,745
	3,790,934	2,372,244
Investing:		
Increase in investments, net	(855,119)	(1,331,703)
Increase in cash and investments in trust for designated fund, net	(54,959)	(2,961,762)
(Increase) decrease in cash and investments in trust for endowment funds, net	(541,000)	1,357,237
Purchase of equipment	(49,826)	(41,460)
Purchase of intangible asset	(7,857)	-
	(1,508,761)	(2,977,688)
Increase (decrease) in cash	2,282,173	(605,444)
Cash, beginning of year	3,564,839	4,170,283
Cash, end of year	\$ 5,847,012	\$ 3,564,839

See accompanying notes to financial statements.

ST. PAUL'S HOSPITAL FOUNDATION, INC.

Notes to Financial Statements

Year ended December 31, 2023

General Information:

St. Paul's Hospital Foundation, Inc. (the "Foundation") is a charitable organization incorporated under *The Non-Profit Corporations Act, 2022* of Saskatchewan. The Foundation is an independent body responsible for the fundraising programs and allocating funds in keeping with donors' wishes to the best advantage of St. Paul's Hospital (Grey Nuns) of Saskatoon.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

(a) Fund accounting:

The Foundation follows the restricted fund method of accounting for contributions. The financial statements include the following funds:

General Fund – consists of donations and investment income upon which no restrictions have been imposed by the donor or the Board of Directors. These funds are managed in accordance with general Board policies and may be restricted through Board motion.

Designated Fund – consists of certain donations and contributions specifically designated for the education, research and equipment needs of various appeals, campaigns and departments within St. Paul's Hospital (Grey Nuns) of Saskatoon and the Hospice at Glengarda.

Endowment Fund – consists of donations for which the principal is restricted permanently in accordance with donor's wishes. Investment earnings provide annual support of specified equipment, programs or initiatives as per the terms of reference. Undistributed investment income is capitalized to principal.

(b) Cash:

Cash consists of cash balances and short-term investments held in Canadian financial institutions with a maturity of less than three months and are readily convertible to cash.

(c) Inventory:

Inventory is valued at the lower of cost and net realizable value. Inventory consists of items held for sale at the Gift Shop.

ST. PAUL'S HOSPITAL FOUNDATION, INC.

Notes to Financial Statements

Year ended December 31, 2023

1. Significant accounting policies (continued):

(d) Financial instruments:

Financial instruments are initially measured at fair market value and their subsequent measurement is dependent on their classification as described below:

Cash, accounts receivable, accounts payable and accrued liabilities are measured at amortized cost. The carrying amounts reported approximate their respective fair values due to the short-term nature of these instruments. The fair value of investments in debt and security instruments that are quoted in an active market are initially recognized and subsequently measured at fair value.

When there is an indication of impairment and such impairment has occurred, the carrying amount of the financial asset is reduced to the greater of discounted cash flows expected or the proceeds that could be realized from the sale of the financial asset. Such impairments are subsequently reversed if the fair value subsequently improves.

(e) Equipment and amortization:

Equipment is recorded at cost and is amortized on a straight-line basis over the estimated useful life. The estimated useful life of equipment is 5 - 10 years. When an equipment asset no longer contributes to the Foundation's ability to provide services, its carrying amount is written down to its residual value.

(f) Intangible asset:

Intangible assets are recorded at cost and are amortized on a straight-line basis over the estimated useful life. The estimated useful life of intangible assets is 3 years. When an intangible asset no longer contributes to the Foundation's ability to provide services, its carrying amount is written down to its residual value.

ST. PAUL'S HOSPITAL FOUNDATION, INC.

Notes to Financial Statements

Year ended December 31, 2023

1. Significant accounting policies (continued):

(g) Revenue recognition:

Under the restricted fund basis of accounting for contributions, revenue is recognized as follows:

- i. Donation, gaming and event revenue is recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- ii. Pledges for specific equipment, programs or campaign are recognized as donation revenue when proceeds are received.
- iii. Investment income earned on cash and investments is recognized as revenue in the General Fund. Investment income earned on investments in trust for designated and endowment funds are recognized as revenue in the Designated and Endowment Fund and must be used in accordance with the conditions imposed by the donor.
- iv. The Foundation receives donations of life insurance policies and charitable remainder trusts, charitable annuities, and bequests by wills. Planned giving revenue is recognized by the Foundation when proceeds are received.
- v. Gift Shop sales revenue is recognized when transfer of ownership has occurred at point of sale.

(h) Contributed services:

The Foundation receives a significant amount of services from volunteers each year and due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(i) Government assistance and grants:

Government assistance and grants are recognized where there is reasonable assurance that all conditions of the government program are met and the assistance claimed will be received. The Foundation uses the income approach and recognizes government assistance as revenue in the period the conditions were met and application for assistance made.

(j) 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 at the statement of financial position date and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets. Actual results could differ from those estimates.

2. Tax status:

The Foundation has been granted tax-exempt status as a registered charity under paragraph 149(1)(f) of the *Income Tax Act*. In order to maintain registered status, a public foundation must fulfill certain annual expenditure requirements. At December 31, 2023 the Foundation believes it has fulfilled these annual expenditure requirements.

ST. PAUL'S HOSPITAL FOUNDATION, INC.

Notes to Financial Statements

Year ended December 31, 2023

3. Investments:

	2023	2022
Bond Pooled funds	\$ 1,552,744	\$ 1,977,737
Global balanced funds	14,331,861	11,636,400
Cash	2,787	1,162
	\$ 15,887,392	\$ 13,615,299

4. Designated funds:

	Beginning of year	Net revenue	Program payments	Interfund transfers	End of year
Departmental funds	\$ 2,159,333	\$ 539,702	\$ (257,070)	\$ 237,076	\$2,679,041
Allocated funds	10,790,756	3,177,322	(1,941,245)	989,963	13,016,796
Hospice campaign	1,348,145	423,084	(5,656)	(1,148,381)	617,192
Other capital campaigns	1,979,689	1,354,562	-	(200,578)	3,133,673
	\$ 16,277,923	\$ 5,494,670	\$ (2,203,971)	\$ (121,920)	\$19,446,702

Investments held for a designated fund were invested as follows:

	2023	2022
Bond pooled funds	\$ 330,714	\$ 428,120
Global balanced funds	3,034,370	2,571,775
Cash	365	305
	\$ 3,365,449	\$ 3,000,200

ST. PAUL'S HOSPITAL FOUNDATION, INC.

Notes to Financial Statements

Year ended December 31, 2023

5. Endowment funds:

	Beginning of Year	Investment Income/ Fair value adjustments	Donations	Program Payments	Interfund Transfers	End of Year
Grey Nuns' Legacy	\$4,026,777	\$ 614,140	\$ -	\$ (240,000)	\$ (21,965)	\$ 4,378,952
St. Marguerite d'Youville	1,080,554	165,075	5,000	(24,192)	(6,113)	1,220,324
Leslie and Irene Dubè Endowment for the Hospice at Glengarda	7,129,590	1,116,293	-	(222,855)	414,766	8,437,794
Named:						
Janice Bergan	46,967	7,174	1,000	(1,600)	(536)	53,005
Evelyn Burkitt	53,618	8,087	-	(1,900)	(598)	59,207
Sheila Cooper	22,504	3,394	-	(800)	(251)	24,847
Humanitas	16,851	2,541	-	(600)	(188)	18,604
J. Knox and M. Dahl	20,003	3,054	-	-	(230)	22,827
Roy E. Lloyd	14,281	2,172	200	(500)	(162)	15,991
Sr. Carmen Marquis	12,727	1,922	-	(400)	(143)	14,106
William F. Mitchell	122,365	18,458	-	(4,300)	(1,366)	135,157
E. McKay Reichardt	410,796	61,967	-	(14,400)	(4,585)	453,778
Drs. Yip and Jen	24,006	3,623	-	(800)	(268)	26,561
Drs. Yip and Jen - MRI	31,637	4,773	-	(1,100)	(353)	34,957
Iris and Barry Maber	78,975	11,998	1,000	(2,800)	(893)	88,280
Russell Muzyka and Delphine Winter	28,185	4,251	-	(1,000)	(314)	31,122
Orest Chorneyko Memorial	34,690	5,275	-	(400)	(395)	39,170
Sylvia and Peter Kiziak	393,736	60,106	-	-	(4,533)	449,309
Lily Soberlik Memorial	37,205	5,680	-	-	(428)	42,457
Mike and Jennie Riehl Memorial	43,559	6,650	-	-	-	50,209
Orano Canada Inc.	64,812	9,894	-	-	-	74,706
Hadley Family	36,737	6,124	10,000	-	(539)	52,322
T. and L. Smith Memorial	317,691	48,497	-	-	-	366,188
	\$ 14,048,266	\$2,171,148	\$ 17,200	\$ (517,647)	\$ 370,906	\$ 16,089,873

ST. PAUL'S HOSPITAL FOUNDATION, INC.

Notes to Financial Statements

Year ended December 31, 2023

5. Endowment funds (continued):

Investments held for endowment funds were invested as follows:

	2023	2022
Bond pooled funds	\$ 1,590,313	\$ 1,993,802
Global balanced funds	14,496,649	12,052,806
Cash	2,911	1,658
	\$ 16,089,873	\$ 14,048,266

6. Donations:

Donation revenue consists of the following:

	General	Designated	Endowment	2023 Total	2022 Total
Undesignated donations	\$ 266,292	\$ -	\$ -	\$ 266,292	\$ 290,375
Planned giving	8,166	860,074	-	868,240	1,291,301
Campaign donations	-	1,177,396	-	1,177,396	797,711
Designated donations	-	2,939,567	17,200	2,956,767	2,259,996
	\$ 274,458	\$ 4,977,037	\$ 17,200	\$ 5,268,695	\$ 4,639,383

7. Commitments:

The Foundation has committed to providing annual funding to St. Paul's Hospital (Grey Nuns) of Saskatoon for the acquisition of equipment, staff education and program funding as follows:

2024	\$20,365,260
2025	495,000
2026	485,000
2027	290,000
2028	280,000
2029	270,000
2030	240,000
Thereafter	240,000

The committed funding for 2024 includes numerous donor directed funds that are accessible upon demand.

ST. PAUL'S HOSPITAL FOUNDATION, INC.

Notes to Financial Statements

Year ended December 31, 2023

8. Planned giving and pledges:

Planned giving:

The Foundation has been notified that it is the beneficiary of bequests from approximately 74 (2022 – 72) estates valued at approximately \$2,382,000 (2022 - \$2,423,000) however the timing of these bequests is undeterminable at this time. Other planned gifts of life insurance and annuities total \$1,297,000 (2022 - \$1,307,000).

Pledges:

The Foundation has been notified of pledged donations from approximately 12 (2022 – 20) individuals or organizations totaling approximately \$1,236,716 (2022 - \$1,697,007) over multiple years.

9. Interfund transfers:

The Foundation implements an internal policy whereby the general fund will charge a fee to the restricted funds in order to recover a portion of fundraising and administrative costs. Pursuant to the policy, the general fund recovered administrative fees of \$129,094 (2022 - \$86,704) from the endowment fund and \$76,819 (2022 - \$48,626) from departmental funds within the designated fund based on set rates for annual recoveries per the policy. The general fund recovered \$734,897 (2022 - \$706,447) from other designated donations within the designated fund based on approval of such recoveries within policy limits (note 4).

Other interfund transfers totaling \$1,189,685 (2022 - \$2,148,137) were made from the general fund to the designated fund to fund program payments to St. Paul's Hospital (Grey Nuns) of Saskatoon. In 2023, the Foundation transferred \$500,000 (2022 - \$1,500,000) from the designated fund to the Leslie and Irene Dubè Endowment for the Hospice at Glengarda as part of the Close to Home campaign. In 2023, the Foundation transferred \$nil (2022 - \$2,890,592) from the Robert Steane Legacy Fund Endowment to the designated fund to reflect a change in the terms of the funding agreement.

10. Related party transactions:

The Foundation made \$3,132,485 (2022 - \$3,218,815) in program payments to St. Paul's Hospital (Grey Nuns) of Saskatoon during the year. There were no other related party transactions in 2023 or 2022.

These 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. The Foundation had \$351,082 payable to St. Paul's Hospital (Grey Nuns) of Saskatoon at December 31, 2023 (2022 - \$368,571) which is included in accounts payable and accrued liabilities.

ST. PAUL'S HOSPITAL FOUNDATION, INC.

Notes to Financial Statements

Year ended December 31, 2023

11. Financial instruments and risk management:

The Foundation is exposed to interest rate risk arising from fluctuation in interest rates on amounts invested in interest bearing accounts and investments. Cash is deposited into an interest bearing account with a Canadian chartered financial institution. There has been no change to the risk exposure from 2022.

The Foundation is exposed to market risk on its investments. Investments consist primarily of pooled funds managed by external investments advisors. These investments are subject to fluctuations in market value. The market value of investments is disclosed in notes 3, 4 and 5. There has been no change to the risk exposure from 2022.

The Foundation is also exposed to credit risk on its investments. Credit risk related to investments is minimized by dealing institutions that have strong credit ratings and by investing in a diversified pool of funds. There has been no change to the risk exposure from 2022.

The Foundation manages liquidity risks by maintaining adequate cash balances and managing cash flow needs on a regular basis to ensure it has sufficient cash flows to fund its operations and funding commitments to St. Paul's Hospital (Grey Nuns) of Saskatoon. There has been no change to the risk exposure from 2022.