

**BRIGHTSHORES HEALTH SYSTEM OWEN SOUND FOUNDATION**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2025**



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**BRIGHTSHORES HEALTH SYSTEM OWEN SOUND FOUNDATION**  
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**MARCH 31, 2025**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **Brightshores Health System Owen Sound Foundation**:

### **Qualified Opinion**

We have audited the financial statements of **Brightshores Health System Owen Sound Foundation** (the Foundation), which comprise the statement of financial position as at March 31, 2025 and the statements of changes in fund balances, operations, and cash flow 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 March 31, 2025, and 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**

**Brightshores Health System Owen Sound Foundation** derives revenue from charitable donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation. Consequently, we were unable to determine whether any adjustments were necessary to revenues, excess of revenues over expenditures, and cash flows for the years ended March 31, 2025 and March 31, 2024 and assets and fund balances as at March 31, 2025 and March 31, 2024. Our audit opinion for both years was modified accordingly because of the possible effect of this scope limitation.

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 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 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 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants  
Licensed Public Accountants  
Owen Sound, Ontario  
June 24, 2025

**BRIGHTSHORES HEALTH SYSTEM OWEN SOUND FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31**

	General Fund \$	Endowment Fund \$	2025 \$	2024 \$
<b>Assets</b>				
Current				
Cash	190,429	955	<b>191,384</b>	130,218
HST receivable	12,584	6,680	<b>19,264</b>	18,483
	<u>203,013</u>	<u>7,635</u>	<b>210,648</b>	<u>148,701</u>
Investments (Note 2)	-	21,032,144	<b>21,032,144</b>	19,613,995
	<u>203,013</u>	<u>21,039,779</u>	<b>21,242,792</b>	<u>19,762,696</u>
<b>Liabilities and fund balances</b>				
Current				
Due to Brightshores Health System (Note 3)	39,790	-	<b>39,790</b>	38,090
Accounts payable	17,997	27,996	<b>45,993</b>	43,169
	<u>57,787</u>	<u>27,996</u>	<b>85,783</b>	<u>81,259</u>
Restricted (Note 4)	-	21,011,783	<b>21,011,783</b>	19,614,746
Unrestricted	145,226	-	<b>145,226</b>	66,691
	<u>145,226</u>	<u>21,011,783</u>	<b>21,157,009</b>	<u>19,681,437</u>
	<u>203,013</u>	<u>21,039,779</u>	<b>21,242,792</b>	<u>19,762,696</u>

Approved on behalf of the board

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**BRIGHTSHORES HEALTH SYSTEM OWEN SOUND FOUNDATION**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED MARCH 31**

	General Fund \$	Endowment Fund \$	2025 \$	2024 \$
Balance at beginning of year	66,691	19,614,746	<b>19,681,437</b>	18,340,737
Excess of revenue over expenditures	78,535	1,397,037	<b>1,475,572</b>	1,340,700
<b>Fund balance at end of year</b>	<b>145,226</b>	<b>21,011,783</b>	<b>21,157,009</b>	<b>19,681,437</b>

See accompanying notes to the financial statements

**BRIGHTSHORES HEALTH SYSTEM OWEN SOUND FOUNDATION**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31**

	General Fund \$	Endowment Fund \$	2025 \$	2024 \$
<b>Revenue</b>				
Donations, fundraising and bequests				
- General fund	3,344,508	-	<b>3,344,508</b>	2,895,758
- Endowment fund	-	196,641	<b>196,641</b>	284,634
- MRI	20,000	-	<b>20,000</b>	54,310
Investment income (Note 2)	42,826	1,034,941	<b>1,077,767</b>	912,338
	<u>3,407,334</u>	<u>1,231,582</u>	<b><u>4,638,916</u></b>	<u>4,147,040</u>
<b>Expenses</b>				
Advertising and public relations	16,434	-	<b>16,434</b>	9,673
Bookkeeping	6,216	-	<b>6,216</b>	4,700
Donor recognition and committee expenses	14,063	-	<b>14,063</b>	10,308
Office, bank fees and postage	24,327	-	<b>24,327</b>	29,664
Professional services	18,500	-	<b>18,500</b>	20,700
Salaries and employee benefits	452,011	-	<b>452,011</b>	424,082
Staff training and travel	7,449	-	<b>7,449</b>	16,701
	<u>539,000</u>	<u>-</u>	<b><u>539,000</u></b>	<u>515,828</u>
Fundraising general fund	384,799	-	<b>384,799</b>	339,830
Investment fees	-	100,733	<b>100,733</b>	94,358
	<u>923,799</u>	<u>100,733</u>	<b><u>1,024,532</u></b>	<u>950,016</u>
Excess of revenue over expenditures before unrealized gains and contributions	2,483,535	1,130,849	<b>3,614,384</b>	3,197,024
Unrealized gains on fair value investments	-	946,188	<b>946,188</b>	1,226,008
Excess of revenue over expenditures before contributions	2,483,535	2,077,037	<b>4,560,572</b>	4,423,032
Contributions to Brightshores Health System	(2,405,000)	(680,000)	<b>(3,085,000)</b>	(3,082,332)
<b>Excess of revenue over expenditures</b>	<b><u>78,535</u></b>	<b><u>1,397,037</u></b>	<b><u>1,475,572</u></b>	<b><u>1,340,700</u></b>

See accompanying notes to the financial statements

**BRIGHTSHORES HEALTH SYSTEM OWEN SOUND FOUNDATION**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED MARCH 31**

	General Fund \$	Endowment Fund \$	2025 \$	2024 \$
<b>Cash provided by (used for)</b>				
<b>Operating activities</b>				
Excess of revenue over expenditures	78,535	1,397,037	<b>1,475,572</b>	1,340,700
Items not involving cash				
Charitable remainder trust	-	(537)	<b>(537)</b>	(536)
Unrealized gains on fair value investments	-	(946,188)	<b>(946,188)</b>	(1,226,008)
	78,535	450,312	<b>528,847</b>	114,156
Change in				
Accounts receivable	-	-	-	5,000
HST receivable	(2,284)	1,503	<b>(781)</b>	(3,805)
Due to Brightshores Health System	1,700	-	<b>1,700</b>	4,519
Due to (from) other funds	(12,559)	12,559	-	-
Accounts payable	1,316	1,509	<b>2,825</b>	(7,481)
	66,708	465,883	<b>532,591</b>	112,389
<b>Investing</b>				
Sale (purchase) of investments (net)	-	(471,425)	<b>(471,425)</b>	(129,114)
<b>Change in cash</b>	66,708	(5,542)	<b>61,166</b>	(16,725)
Cash at beginning of year	123,721	6,497	<b>130,218</b>	146,943
<b>Cash at end of year</b>	190,429	955	<b>191,384</b>	130,218

See accompanying notes to the financial statements

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**BRIGHTSHORES HEALTH SYSTEM OWEN SOUND FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2025**

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**Purpose and status**

The purpose of the Foundation is to receive, accumulate and distribute funds and/or the income to Brightshores Health System.

The Foundation was incorporated without share capital, under the laws of Ontario and has been classified as a Public Foundation under the Income Tax Act of Canada and as such is exempt from income taxes and able to issue donation receipts for income tax purposes. In order to maintain its status as a Public Foundation registered under the Act, the Foundation must meet certain requirements within the Act. In the opinion of management, these requirements have been met. On February 9, 2023, the Foundation was continued under section 211 of the Canada Not-for-profit Corporations Act.

During the year the Foundation officially changed its name from Owen Sound Regional Hospital Foundation to Brightshores Health System Owen Sound Foundation (Foundation).

**1. Summary of significant accounting policies**

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

**(a) Fund accounting**

The Foundation follows the restricted fund method of accounting for contributions. The Foundation ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

The General Fund accounts for the program delivery and administrative activities.

The Endowment Fund reports contributions where either external or internal restrictions require that the principal must be maintained permanently.

**(b) Financial instruments**

The Foundation measures its financial assets and financial liabilities initially at fair value. Subsequently, financial assets and financial liabilities are measured either at fair value or amortized cost. Financial instruments measured at amortized cost are tested for impairment annually.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include due to Brightshores Health System and accounts payable.

Investments: The Charitable Remainder Trust is measured at net present value which approximates amortized cost. Equity investments quoted on an active market and those held in pooled funds are measured at fair value. Short term fixed income securities are measured at amortized cost.

**(c) Revenue recognition**

Restricted and all unrestricted contributions/earnings which include, fundraising, bequests, and investment income are recognized as revenue in the appropriate fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**BRIGHTSHORES HEALTH SYSTEM OWEN SOUND FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2025**

**1. Summary of significant accounting policies (continued)**

**(d) Contributed services**

Volunteers contribute to the Brightshores Health System Owen Sound Foundation each year to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair market value, contributed services are not recognized in the financial statements.

**(e) Planned giving and endowment expenses**

It is the Foundation's practice to have the General Fund pay for endowment fund expenses with the exception of the investment management fees.

**(f) Use of estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known. Actual results could differ from those estimates.

**(h) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and cash deposited in the Canadian bank accounts.

**2. Investments**

Investments are carried at either market or amortized cost as disclosed below.

Investments consist of the following:

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Canadian Money Market Fund - at fair value (equal to cost)	<b>685,636</b>	1,380,834
Canadian Bond Fund - at fair value (cost \$7,818,284)	<b>7,219,003</b>	6,202,299
Canadian Large Cap Fund - at fair value (cost \$3,007,931)	<b>3,219,440</b>	2,981,160
Canadian Small Cap Fund - at fair value (cost \$685,066)	<b>676,081</b>	687,135
U.S. Equity Fund - at fair value (cost \$1,696,896)	<b>3,631,935</b>	3,374,868
International Equity Fund - at fair value (cost \$3,272,428)	<b>3,964,750</b>	3,361,291
Global Small Cap Fund - at fair value (cost \$1,555,775)	<b>1,371,628</b>	1,385,312
Emerging Markets Fund - at fair value (cost \$245,108)	<b>238,501</b>	216,463
Charitable Remainder Trust - at net present value	<b>25,170</b>	24,633
	<b>21,032,144</b>	19,613,995

**BRIGHTSHORES HEALTH SYSTEM OWEN SOUND FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2025**

**2. Investments (continued)**

Investment income for the funds consists of:

	<b>2025</b>	<b>2024</b>
	\$	\$
General fund interest	42,826	33,708
Endowment fund interest, dividends and distributions	849,961	683,882
Endowment fund realized capital gains (losses)	184,980	194,748
	<b>1,077,767</b>	<b>912,338</b>

**3. Payments to Brightshores Health System**

The Foundation was incorporated on March 22, 1982 with the objective of raising funds for facility improvements, equipment, and staff education for the Brightshores Health System (formerly Grey Bruce Health Services) and is governed by an independent Board of Directors.

Brightshores Health System provides administrative services to the Foundation on a cost recovery basis pursuant to an agreement between the two organizations. The payable of \$39,790 (2024 \$38,090) to the Brightshores Health System at March 31, 2025 represents a reimbursement for the month of March 2025.

**4. Endowment funds**

The Endowment Funds consist of restricted contributions received by the Foundation where endowment principal is required to be maintained intact. The Endowment Fund also includes bequests transferred by the Board to the Endowment fund. The income from the funds is used to fund capital purchases related to the purpose of the fund and in the case of the Cardiac Trust and Staff Training Fund also to fund patient care staff training. Disbursements from the funds are made annually subject to market conditions and the needs of the Hospital.

The following designated funds (inclusive of unrealized/realized gains) are included in the Endowment Funds:

	<b>2025</b>	<b>2024</b>
	<b>Fund Balance at Fair Value</b>	<b>Fund Balance at Fair Value</b>
	\$	\$
Undesignated	19,550,247	18,249,339
Vision Care	242,267	227,315
Rehabilitation	10,423	9,987
Heart Care	56,397	52,669
Oncology	354,496	332,606
Diagnostic Imaging	49,495	46,132
Staff Training	439,189	406,093
Critical Care	161,240	151,686
Laboratory Equipment	148,029	138,919
	<b>21,011,783</b>	<b>19,614,746</b>

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**BRIGHTSHORES HEALTH SYSTEM OWEN SOUND FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2025**

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**5. Financial instruments**

The Foundation's exposure to risks from its financial instruments is described as follows:

**(a) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk as the value of the long-term bonds are affected by market changes in interest rates.

**(b) Currency risk**

Currency risk is the risk to the Foundation's operations that arise from fluctuations of foreign currency exchange rates. The Foundation is exposed to currency risk through its investments in foreign equities.

**(c) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Other Price Risk: Other price risk is the risk that the fair value future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar instruments traded in the market.

The Foundation is exposed to market and other price risk through its investments. These investments are managed by Mawer Investment Management Ltd., in accordance with the investment policy approved by the Board of Directors (reviewed annually), and monitored on a quarterly basis, and is considered the method by which the Foundation manages the risks. The manager may only invest in those investments authorized for Trustees pursuant to the Trustees Act (Ontario) and in accordance with the investment policy. The investment policy states criteria which must be met (i.e. bond ratings), asset allocation guidelines and expected performance measures.