

**YARMOUTH HOSPITAL FOUNDATION**

**Audited Financial Statements**

**Year Ended December 31, 2024**

# YARMOUTH HOSPITAL FOUNDATION

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Year Ended December 31, 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Chair and Members of the Board of the Yarmouth Hospital Foundation:

### *Qualified Opinion*

We have audited the financial statements of Yarmouth Hospital Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net assets 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, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Qualified Opinion*

Common with many not-for-profit organizations, the Foundation receives donation revenue, 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, and we are not able to determine whether any adjustments might be necessary to donation revenues, and any related impact on excess or revenue over expenditures, or net assets as at December 31, 2024.

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 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 audit opinion.

### *Other Information*

Management is responsible for the other information. The other information comprises the Annual Report and a summary of the financial information, but does not include the financial statement and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, our verification of the donation revenue is limited to the amounts recorded in the records of the Foundation. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

(continues)

Independent Auditor's Report to the Chair and Members of the Board of the Yarmouth Hospital Foundation:  
(continued)

*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 ASNPO, 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.

Independent Auditor's Report to the Chair and Members of the Board of the Yarmouth Hospital Foundation:  
(continued)

Yarmouth, Nova Scotia  
May 27, 2025

White Perkins Associates  
Chartered Professional Accountants



**YARMOUTH HOSPITAL FOUNDATION****Statement of Financial Position****December 31, 2024**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 261,875	\$ 392,256
HST receivable	13,019	8,729
Prepaid expenses	2,350	4,918
	<u>277,244</u>	<u>405,903</u>
INVESTMENTS ( <i>note 5</i> )	<u>41,043,101</u>	<u>36,966,795</u>
	<u>\$ 41,320,345</u>	<u>\$ 37,372,698</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 113,180	\$ 76,605
Payable to Digby General Hospital	845	845
Payable to Shelburne Roseway Hospital	252	252
Payable to Nova Scotia Health (short-term)	551,690	2,588,052
Deferred revenue	380	255
Deferred contributions ( <i>note 6</i> )	256,210	257,028
	<u>922,557</u>	<u>2,923,037</u>
PAYABLE TO NOVA SCOTIA HEALTH (long-term)	<u>2,167,165</u>	<u>629,760</u>
<b>Liabilities</b>	<u>3,089,722</u>	<u>3,552,797</u>
<b>NET ASSETS</b>		
Endowment Fund	2,173,471	1,812,667
Healthcare Enhancement Endowment Fund	24,467,511	22,610,624
Future / Unrestricted Fund	11,589,641	9,396,610
	<u>38,230,623</u>	<u>33,819,901</u>
	<u>\$ 41,320,345</u>	<u>\$ 37,372,698</u>

**YARMOUTH HOSPITAL FOUNDATION****Statement of Operations****Year Ended December 31, 2024**

	2024	2023
<b>REVENUES</b>		
Donations and fundraising	\$ 1,503,679	\$ 544,102
Investment income	1,587,387	1,170,814
Gain on disposition of investments	482,902	52,198
Rent	25,000	25,000
	<u>3,598,968</u>	<u>1,792,114</u>
<b>EXPENSES</b>		
Salaries and benefits	189,195	220,644
Fundraising and event expenses	74,690	84,101
Bursary	26,500	24,000
Contributions to Nova Scotia Health	2,074,581	2,406,941
Contributions to Roseway Hospital Charitable Foundation	2,185	2,429
Contributions to Digby and Area Health Services Charitable Foundation	23,008	37,849
Contributions to other charities	76,000	98,884
Bank charges	246	271
Investment fees	202,228	190,559
Marketing and promotion	30,404	29,356
Insurance	6,813	6,428
Office expenses	11,017	8,404
Professional fees	15,158	28,305
Licenses, dues, and fees	22,266	20,373
Staff conferences	8,685	7,517
Staff, board training, and technical maintenance	3,386	4,821
Physician recruitment initiatives	71,476	64,204
Travel, meals, and meeting expenses (recoveries)	1,717	(544)
	<u>2,839,555</u>	<u>3,234,542</u>
Excess (deficiency) of revenue over expenses before undernoted	759,413	(1,442,428)
<b>OTHER INCOME</b>		
Unrealized gain on equity investments	3,596,846	2,499,300
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 4,356,259</u>	<u>\$ 1,056,872</u>

**YARMOUTH HOSPITAL FOUNDATION****Statement of Changes in Net Assets****Year Ended December 31, 2024**

	Endowment Fund	Healthcare Enhancement Endowment Fund	Future / Unrestricted Fund	2024	2023
Net assets - beginning of year	\$ 1,812,667	\$ 22,610,624	\$ 9,396,610	\$ 33,819,901	\$ 32,738,029
Excess (deficiency)	46,118	1,077,454	(364,160)	759,412	(1,442,428)
Unrealized gain on equity investments	199,515	2,269,492	1,127,840	3,596,847	2,499,300
Endowment contributions received	54,463	-	-	54,463	25,000
Interfund transfers	60,708	(1,490,059)	1,429,351	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 2,173,471</b>	<b>\$ 24,467,511</b>	<b>\$ 11,589,641</b>	<b>\$ 38,230,623</b>	<b>\$ 33,819,901</b>

**YARMOUTH HOSPITAL FOUNDATION****Statement of Cash Flows****Year Ended December 31, 2024**

	2024	2023
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 4,356,259	\$ 1,056,872
Items not affecting cash:		
Gain on disposal of investments	(482,902)	(52,198)
Unrealized loss (gain) on equity investments	(3,596,846)	(2,499,300)
	<u>276,511</u>	<u>(1,494,626)</u>
Changes in non-cash working capital:		
Accrued interest receivable	-	459
HST receivable	(4,290)	4,802
Prepaid expenses	2,568	(2,796)
Accounts payable and accrued liabilities	36,575	(513)
Payable to Digby General Hospital	-	(834)
Payable to Nova Scotia Health	(2,036,362)	372,057
Deferred revenue	125	30
Deposits received	1,537,405	629,760
	<u>(463,979)</u>	<u>1,002,965</u>
Cash flow used by operating activities	<u>(187,468)</u>	<u>(491,661)</u>
<b>INVESTING ACTIVITIES</b>		
Additions to investments	(3,742,312)	(3,059,909)
Proceeds received on disposition of investments	3,750,579	3,580,248
Cash flow from investing activities	<u>8,267</u>	<u>520,339</u>
<b>FINANCING ACTIVITIES</b>		
Additions to deferred contributions	72,990	27,947
Deferred contributions spent during the year	(78,633)	(8,437)
Endowment contributions received during the year	54,463	25,000
Advances to related parties	-	(537)
Cash flow from financing activities	<u>48,820</u>	<u>43,973</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<u>(130,381)</u>	<u>72,651</u>
Cash - beginning of year	<u>392,256</u>	<u>319,605</u>
<b>CASH - END OF YEAR</b>	<u>\$ 261,875</u>	<u>\$ 392,256</u>

# YARMOUTH HOSPITAL FOUNDATION

## Notes to Financial Statements

Year Ended December 31, 2024

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### 1. GENERAL

The Yarmouth Hospital Foundation is a non-profit organization incorporated to provide funding for capital improvements and other needs of the Yarmouth Regional Health Centre which serves Digby, Shelburne, and Yarmouth counties. The Foundation is a registered charity under the Income Tax Act and accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

The Foundation's mission is to support and enhance our Hospital as a Community and Regional Centre of Excellence in Health Care, and its vision is advancing opportunities that inspire donors, both of today and tomorrow, the Foundation strives to be a leader in health care philanthropy by building meaningful, life-long donor relationships.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Financial reporting framework

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Revenue recognition

The Yarmouth Hospital Foundation follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

(c) Deferred contributions

Deferred contributions represent the unspent portion of donations received, which were externally restricted for the purchase and donation of specific health care equipment. These contributions will be recorded as revenue in the statement of operations in the year that the related equipment purchases are expensed. Contributions externally designated for the Future Fund are recorded as revenue in the year received.

(d) Endowments

Endowment contributions are recorded directly on the statement of net assets. Investment income related to endowment contributions are recorded in the manner restricted by the contributor. Investment income from endowments that are unrestricted is recorded through the statement of operations. Investment income that is externally restricted and unspent is reported through the statement of net assets. Please refer to note 4 for further details.

(e) Cash

Cash is comprised of bank accounts and investments maturing within 30 days.

(f) Investments

Investments are recorded at their published fair market value. Any unrealized holding gains and losses, being the difference between the cost and the fair market value, are included in the statement of operations.

(g) Use of estimates

In preparing the Foundation's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported amounts of revenue and expenses. Actual amounts could differ from these estimates. Balances carried as Payable to Nova Scotia Health represent management's best estimates of the costs to be paid for unbilled equipment purchases.

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# YARMOUTH HOSPITAL FOUNDATION

## Notes to Financial Statements

Year Ended December 31, 2024

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Contributed services

Volunteers contribute an indeterminable number of hours per year. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements. The Foundation also receives contributions for material that would otherwise not be purchased. The Foundation chooses not to recognize the contributed materials in the financial statements.

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### 3. FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash, HST receivable, investments, accounts payable, and payables to Nova Scotia Health and hospitals. All financial instruments are initially recognized at fair value and are subsequently measured at amortized cost, except investments, which are measured at fair value. Changes in fair value are recognized in the statement of income in the period incurred.

When financial assets are determined to be impaired, the carrying amount is reduced to the greater of the discounted future cash flows expected, or the proceeds that could be realized from the sale of the financial asset. Such impairments can be reversed if the value subsequently improves.

#### Market risk

The Foundation's investments in publicly-traded securities exposes the Foundation to price risks as these investments are subject to price changes in an open market due to market movements, global economic conditions, global markets, and changes to market rates of interest.

#### Price risk

The Foundation is potentially exposed to price risk on the balance payable to Nova Scotia Health for medical equipment purchased but not yet invoiced by Nova Scotia Health, in respect to current levels of inflation. While the Foundation has only committed to paying the stated balance for the respective equipment, Nova Scotia Health may approach the Foundation for additional funding as required.

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### 4. NET ASSETS

The Endowment Fund is comprised of external contributions and funds the Board internally restricts for endowment purposes. The capital of the internally restricted endowment monies are to be held in perpetuity, with only the investment income earned being available for current operations.

	Endowment Contributions	Internally Restricted	Total 2024	Total 2023
Balance, beginning of year	\$ 277,145	\$ 1,535,522	\$ 1,812,667	\$ 1,653,632
Excess of realized income over expenses	13,914	86,667	100,581	32,070
Unrealized gain on disposal of investments	19,113	125,939	145,052	111,256
Contributions received	54,463	-	54,463	25,000
Interfund transfer	-	60,708	60,708	(9,291)
Balance, end of year	\$ 364,635	\$ 1,808,836	\$ 2,173,471	\$ 1,812,667

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# YARMOUTH HOSPITAL FOUNDATION

## Notes to Financial Statements

Year Ended December 31, 2024

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### 4. NET ASSETS (continued)

The above noted investment income from externally restricted and internally restricted endowment contributions is recorded on the statement of operations.

The Healthcare Enhancement Endowment Fund originated from an anonymous donation received by the Foundation. Investment income earned in this fund is unrestricted. The Foundation's Board of Directors has committed that up to 4% of the capital received in addition to all realized investment income earned annually within this fund will be allocated to enhancing health care services each year for people in Yarmouth, Digby, and Shelburne now and for the benefit of future generations of Southwestern Nova Scotia. Most of this will be spent on capital equipment, special projects, and programs carried out by the Yarmouth Regional Hospital.

The purpose of the Future / Unrestricted Fund is to allow the Foundation to grow its investments for future donations to the Yarmouth Regional Hospital.

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### 5. INVESTMENTS

	2024	2023
Connor, Clark and Lunn Private Capital Ltd. managed Equity Funds:		
Fixed Income	\$ 16,718,582	\$ 16,392,176
Canadian Equity	10,036,336	8,679,375
Canadian Income Equity	1,055,236	1,416,059
Global Equity	11,311,709	9,624,866
Alternative Investments	1,143,422	854,318
Holding account - donation received in December 2024	777,816	-
	<u>\$ 41,043,101</u>	<u>\$ 36,966,794</u>

The Foundation's investments are segregated into the following accounts:

Endowment	\$ 1,566,508	\$ 1,357,437
Scholarships	606,963	455,230
Future / Unrestricted	13,010,438	11,955,620
Alternative investments	613,866	587,885
Healthcare Enhancement Endowment	23,937,954	22,344,189
Healthcare Enhancement Endowment alternative investments	529,556	266,433
Holding account - donation received in December 2024	777,816	-
	<u>\$ 41,043,101</u>	<u>\$ 36,966,794</u>

During the year, investments were drawn down by a total of \$2,250,000 to finance current year equipment contributions to Nova Scotia Health. Of this, \$1,500,000 came from the Healthcare Enhancement Endowment investments and \$750,000 came from Future/Unrestricted investments.

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**YARMOUTH HOSPITAL FOUNDATION****Notes to Financial Statements****Year Ended December 31, 2024**

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**6. DEFERRED CONTRIBUTIONS**

Unspent externally restricted donations received during the year relate to:

	Additions	Disbursements	2024	2023
Cancer centre	\$ 19,300	\$ -	\$ 56,904	\$ 37,604
Oncology	1,200	27,748	20,952	47,498
Palliative care - Digby	-	-	3,470	3,470
Palliative care - YHF	18	-	4,689	4,671
Renal dialysis	500	20,846	25,330	44,650
Veteran's unit	1,121	-	5,500	4,379
Diagnostic imaging	33,291	-	35,347	2,056
Scholarships	450	5,000	10,816	15,366
Mental health	2,520	14,961	80,076	92,519
Maternal child	20	-	3,928	3,908
Residency program	-	157	-	157
Radiation	-	-	750	750
Radiothon	5,000	-	5,000	-
4 North EOL (Hospice)	9,922	9,922	-	-
In-Patient Recreation Therapy	1,888	-	1,888	-
Respiratory	60	-	60	-
OR Education conferences	1,500	-	1,500	-
	<u>\$ 76,790</u>	<u>\$ 78,634</u>	<u>\$ 256,210</u>	<u>\$ 257,028</u>

Disbursements of restricted donations are recorded in the statement of operations as Contributions to Nova Scotia Health.

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# YARMOUTH HOSPITAL FOUNDATION

## Notes to Financial Statements

Year Ended December 31, 2024

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### 7. COMMITMENTS

The Yarmouth Hospital Foundation has allocated the following to be advanced to Nova Scotia Health:

<u>Commitments made for 2025</u>	
Digital Mammography Unit for Diagnostic Imaging	\$ 750,000
Mobile C-Arm for Diagnostic Imaging	270,805
Ultrasound Unit for Diagnostic Imaging	197,922
Digital Fluoroscopy Unit for Diagnostic Imaging	1,625,418
Portable Ultrasound for Perioperative Services	72,000
Three ERBE Machines for Perioperative Services	171,000
ScrubEX Automatic Scrub Dispenser for Perioperative Services	175,000
Two Incubators for Women and Children's Health	92,295
Birthing Bed for Women and Children's Health	35,893
Five Infant Scales for Women and Children's Health	35,893
Three Crib Beds for Women and Children's Health	30,765
	<u>3,456,991</u>
<u>Commitments made in prior years not yet invoiced by Nova Scotia Health</u>	
Cellavision System for the Laboratory	226,943
13 Vital Sign Monitors for Perioperative Services	333,288
3 Anesthetic Machines for Perioperative Services	461,475
	<u>1,021,706</u>
	<u>\$ 4,478,697</u>

The Foundation has also committed \$60,000 annually to the Yarmouth and Area Chamber of Commerce's Doctor Recruitment Program for 2025.

The Foundation has committed to the use of 15% of the prior year's annual investment revenue from its Healthcare Enhancement Endowment Fund for community initiatives to improve the health of individuals living in Yarmouth, Digby, and Shelburne Counties. For 2025, this represents a \$161,618 commitment.

The Foundation has also committed to a 60 month lease with NS Health for 27 multiparameter vital sign monitors, with monthly payments of \$13,120. This lease obligation of \$157,440 annually from 2024 to 2027, totals \$472,320 over the remainder of the lease term.

The Foundation had committed to supporting a proposed REDUCE-IT Program at the Yarmouth Regional Hospital for recovering cardiac patients; however, that project has been deferred by Hospital Management for an indefinite period of time.

In early 2024, the Nova Scotia Government announced its plan for the redevelopment of the Emergency Department at the Yarmouth Regional Hospital. The Foundation has committed to the support of this project; however, the dollar value of the commitment has not yet been determined. As at the issuance of these financial statements, the Province has not announced the expected cost of the project.

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