

Financial Statements of

BRIDGEPOINT FOUNDATION

March 31, 2015

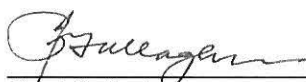
BRIDGEPOINT FOUNDATION

Statement of Financial Position March 31, 2015 with comparative information for 2014

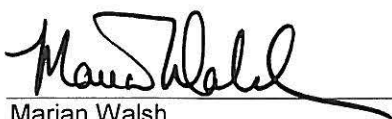
	2015	2014
Assets		
Cash	\$ 82,811	\$ 1,530,210
Investments (note 3)	9,600,234	6,321,573
Other	46,509	81,018
	<u>\$ 9,729,554</u>	<u>\$ 7,932,801</u>
Liabilities and Fund Balances		
Accounts payable and accrued liabilities (note 4)	\$ 124,336	\$ 210,254
Deferred revenue	151,012	514,603
Due to related entities (note 6)	324,958	8,217
	<u>600,306</u>	<u>733,074</u>
Fund balances (notes 7 and 10)		
Endowed	4,030,625	3,838,336
Restricted	5,647,897	4,581,877
Unrestricted	(549,274)	(1,220,486)
	<u>9,129,248</u>	<u>7,199,727</u>
	<u>\$ 9,729,554</u>	<u>\$ 7,932,801</u>

See accompanying notes to financial statements.

Approved by the Board:



Paul Gallagher
Chair, Board of Directors



Marian Walsh
Treasurer, Board of Directors

BRIDGEPOINT FOUNDATION

Statement of Operations and Changes in Fund Balances Year ended March 31, 2015 with comparative information for 2014

	2015				2014
	Endowed	Restricted	Unrestricted	Total	Total
Revenue:					
Donations	\$ 9,520	\$ 2,140,346	\$ 440,718	\$ 2,590,584	\$ 3,888,013
Events	-	23,110	1,618,399	1,641,509	1,253,929
Investment income (note 3)	184,197	403,460	49,119	636,776	613,939
	193,717	2,566,916	2,108,236	4,868,869	5,755,881
Expenses:					
Fundraising	-	-	311,054	311,054	749,006
Events	-	-	601,557	601,557	556,250
Administration	-	-	771,538	771,538	708,575
	-	-	1,684,149	1,684,149	2,013,831
Excess of revenue over expenses before grants	\$ 193,717	\$ 2,566,916	\$ 424,087	\$ 3,184,720	3,742,050
Grants (note 5)	-	(1,202,709)	(52,490)	(1,255,199)	(3,196,232)
Excess of revenue over expenses and grants	\$ 193,717	\$ 1,364,207	\$ 371,597	\$ 1,929,521	\$ 545,818
Inter-fund transfers (note 9)	(1,428)	(298,187)	299,615	-	-
Net change in year	\$ 192,289	\$ 1,066,020	\$ 671,212	\$ 1,929,521	\$ 545,818
Fund balances, beginning of year	\$ 3,838,336	\$ 4,581,877	\$ (1,220,486)	\$ 7,199,727	\$ 6,653,909
Fund balances, end of year	\$ 4,030,625	\$ 5,647,897	\$ (549,274)	\$ 9,129,248	\$ 7,199,727

See accompanying notes to financial statements.

BRIDGEPOINT FOUNDATION

Statement of Cash Flows

Year ended March 31, 2015 with comparative information for 2014

	2015	2014
Cash provided by (used for):		
Operations:		
Excess of revenue over expenses and grants	\$ 1,929,521	\$ 545,818
Items not involving cash		
Realized net gain included in investment income	(300,032)	(108,163)
Unrealized gain included in investment income	(211,427)	(406,751)
Changes in non-cash working capital		
Changes in other assets	34,509	(26,896)
Changes in current liabilities	(132,768)	(32,197)
	1,319,803	(28,189)
Investing:		
Purchase of investments	(7,280,976)	(638,208)
Proceeds on redemption/sale of investments	4,513,774	2,010,868
	(2,767,202)	1,372,660
Increase (decrease) in cash	(1,447,399)	1,344,471
Cash, beginning of year	1,530,210	185,739
Cash, end of year	\$ 82,811	\$ 1,530,210

See accompanying notes to financial statements.

BRIDGEPOINT FOUNDATION

Notes to Financial Statements

Year-ended March 31, 2015

Bridgepoint Foundation (The "Foundation") is incorporated without share capital under the laws of the province of Ontario. The Foundation is a public foundation registered under the Income Tax Act and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. The Foundation must meet certain requirements under the Act, and in the opinion of management, these requirements have been met. Effective April 8, 2013 the Foundation's legal name was changed from Bridgepoint Health Foundation to Bridgepoint Foundation. Effective March 5, 2015 the Foundation amended its General By-Law to reflect its new objects as a result of the amalgamation of Mount Sinai Hospital and Bridgepoint Hospital into the Sinai Health System.

Prior to March 5, 2015, the Foundation was dedicated to providing financial resources to support the objectives, programs and redevelopment of Bridgepoint Health ("Health"), Bridgepoint Hospital ("Hospital") and Bridgepoint Health Collaboratory for Research and Innovation ("Research"). This financial support was provided through the systematic process of identifying and acquiring financial resources from the community. The Foundation was committed to raising funds through annual appeals, endowment campaigns, planned giving, special events and capital campaigns.

Effective March 5, 2015, the main purpose of the Foundation is to maintain responsible stewardship of its existing bequests, donations and endowment, to accept contributions of new gifts and bequests, and to raise funds, but only as permitted or requested by Sinai Health System.

1. Significant accounting policies

The financial statements have been prepared by management in accordance with the Canadian accounting standards for not-for-profit organizations.

(a) Financial Instruments:

The Foundation initially recognizes financial instruments at fair value and subsequently measures them at each reporting date as follows:

Asset/Liability	Measurement
Cash	Fair value
Investments	Fair value
Other current assets	Amortized cost
Accrued liabilities	Amortized cost
Due to related entities	Amortized cost

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

BRIDGEPOINT FOUNDATION

Notes to Financial Statements

Year-ended March 31, 2015

1. Significant accounting policies (continued)

(b) Revenue recognition:

Restricted contributions are recognized as revenue of the Restricted Fund when received. Unrestricted contributions are recognized as revenue of the Unrestricted Fund when received.

Restricted investment income earned on Endowed Fund or Restricted Fund resources, which must be spent on donor restricted activities, is recognized as revenue of the Endowed or Restricted Fund respectively. Investment income subject to donor restrictions stipulating that it be added to the principal amount of the Endowed Fund is recognized as revenue of the Endowed Fund. Unrestricted investment income earned on Endowed Fund, Restricted Fund and Unrestricted Fund resources is recognized as revenue of the Unrestricted Fund.

Amounts received in advance for events held subsequent to year end are recorded as deferred revenue and recognized as revenue at the time of the event.

(c) Grants:

The Foundation may approve or commit to multi-year or future-dated grants. Amounts related to these grants are recorded one year at a time, as the related expenditures are incurred by the Hospital, Research or Health the purpose of which satisfies an approved grant application.

(d) Foreign currency translation:

Investments denominated in foreign currencies have been translated into Canadian dollars at exchange rates prevailing at the year-end date. Investment income has been translated using exchange rates prevailing on the transaction date. Gains and losses arising from these translation policies are included in the statement of operations.

(e) Volunteer fundraising activities:

The work of the Foundation is dependent on the fundraising activities of many volunteers. These services are not normally purchased by the Foundation, and there is difficulty in determining their fair value. Therefore, donated services are not recognized in these financial statements.

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and fund balances and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses and changes in fund balances for the year. Actual results could differ from these estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known.

BRIDGEPOINT FOUNDATION

Notes to Financial Statements

Year-ended March 31, 2015

2. Future Operations:

Following the amalgamation of Mount Sinai Hospital and Bridgepoint Hospital, the Foundation does not intend to conduct any new fundraising activities as the Sinai Health System Foundation will be responsible for the primary fundraising activities held for the benefit of the Sinai Health System. The Foundation will continue to host the Hero Ride and the Great Jewellery Heist events and will continue to collect pledges and bequests in order to reduce the deficiency in net assets.

3. Investments

	2015	2014
Cash and cash equivalents	\$ 5,632,874	\$ 2,083,689
Fixed income	1,269,942	1,323,295
Equities	2,697,418	2,914,589
	\$ 9,600,234	\$ 6,321,573

The investment income (loss) is comprised of the following:

	2015	2014
Interest income	\$ 85,763	\$ 77,460
Dividend income	73,809	63,977
Realized net gain	300,032	108,163
Unrealized net gain	211,427	406,751
Investment income before fees	671,031	656,351
Investment fees	(34,255)	(42,412)
Investment income	\$ 636,776	\$ 613,939

Fixed income bonds earn interest at a weighted average rate of 3.5% (2014 – 3.7%) maturing between June 2015 and June 2108 (2014 – September 2014 and June 2108).

Investment risk management

Risk management relates to the understanding and active management of risks associated with all areas of the business and the associated operating environment. Investments are primarily exposed to interest rate, market and foreign currency risk. The Foundation has formal policies and procedures that establish target asset mix.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include two types of risks: currency risk and interest rate risk.

Currency risk

Currency risk relates to the Foundation transacting in different currencies. As of March 31, 2015 20% (2014 – 32%) of investments were invested in non-Canadian securities and subject to currency risk.

Interest rate risk

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Foundation is exposed to this risk through its interest bearing investments.

BRIDGEPOINT FOUNDATION

Notes to Financial Statements

Year-ended March 31, 2015

3. Investments (continued)

Interest rate risk on investments held is mitigated through the Foundation's formal policies and procedures that establish target asset mix, minimum credit ratings and varying terms of the securities held. At March 31, 2015 investments consist of Canadian and non-Canadian equities, fixed income and cash and cash equivalents.

There have been no significant changes to the market risk exposure from 2014.

4. Government remittances

Included in accounts payables and accrued liabilities are government remittances payable of \$85,266 (2014 - \$20,625), which includes payroll related taxes.

5. Grants

The Foundation provided grant payments to the Hospital, Health and Research totalling \$1,255,199 (2014 - \$3,196,232)

6. Related entities

The Foundation provides financial resources by way of grants in support of the activities of the Hospital, Research, and Health as approved by the Board of the Foundation. As well, Hospital pays suppliers on behalf of the Foundation.

At regular intervals throughout the year, the Foundation disburses grants to Health, and reimburses it for expenses incurred. No financing charges are incurred on these interim balances. As at March 31, 2015 the Foundation balances owed were: to Health \$0 (2014 - \$0), to Research \$18,818 (2014 - \$0) and to the Hospital \$306,140 (2014 - \$8,217).

Health provides space and administrative services to the Foundation. During the year, Health invoiced the Foundation \$73,224 (2014 - \$95,991) for these services. 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 entities.

7. Fund balances

The **Endowed Fund** holds monies to be maintained in perpetuity as specified by donors. The income earned on these amounts is to be used in accordance with the endowment agreements.

The **Restricted Fund** holds monies which are subject to restrictions by the donor or external party. Certain Restricted Funds are subject to the restriction that the Foundation grants the income earned on the fund balance to the Hospital annually. Grants in excess of the income earned may be made from the fund to the Hospital in support of operating costs of the Hospital.

The **Unrestricted Fund** holds monies which have been received and generated from various sources for which no specific purpose has been designated. Monies within this category may be set aside by the Board for specific purposes. The Board may alter the designation of Unrestricted Fund usage at its discretion.

As at March 31, 2015 and 2014 the balance in the unrestricted fund was in a deficit. Funds were borrowed from the restricted fund to cover the shortfall.

BRIDGEPOINT FOUNDATION

Notes to Financial Statements

Year-ended March 31, 2015

8. Pension

Substantially all employees are eligible to be members of the Healthcare of Ontario Pension Plan which is a multi-employer defined benefit pension plan. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the five consecutive years prior to retirement, termination, or death that provide the highest earnings.

The most recent actuarial valuation of the plan as at December 31, 2014 indicates the plan is 115% (2014 – 114%) funded. During the year, the Foundation contributed \$39,690 (2014 - \$68,602) to the plan on behalf of employees.

9. Inter-fund transfers

The Board of Directors has approved the following transfers among the funds:

	2015	2014
Endowed Funds		
Transfer administration levy to the Unrestricted Fund	\$ (1,428)	\$ (1,325)
	\$ (1,428)	\$ (1,325)
Restricted Funds		
Transfer administration levy to the Unrestricted Fund	\$ (298,187)	\$ (550,042)
Transfer from Unrestricted Fund disbursements determined to be Restricted	-	2,342
	\$ (298,187)	\$ (547,700)

10. Commitments

The Board of Directors approved a resolution to fund redevelopment and research activities through 2021 through current reserves and proceeds from fundraising.