



A very special thank you to our donors.

If you have made, or are considering a charitable gift through your estate plans, we encourage you to inform us so that we may celebrate your generosity through the "Building a Bridge to the Future" Legacy Society. This is a way for us to honour those donors who have made a gift through their estate for the future support of the Sault Area Hospital Foundation.

When you inform us of your intentions, it will allow us the opportunity to properly thank you, keep you up to date about the developments at our Hospital and Foundation and also ensure that your gift can be carried out in the way that you intended.

How Can We Help You?

- We may be able to help you plan a suitable lasting memorial to you or a loved one.
- We can give you options to reduce your taxes and benefit Sault Area Hospital.
- We can help you make the most immediate tax savings of your retirement funds or securities.
- We may be able to parallel your gift giving ideas with the needs of the Sault Area Hospital.

Find out how you can become a member by contacting:
Giselle Chiarello at 705-759-3827,
Cheryl Pavoni at 705-759-3832,
or toll-free at 1-888-623-3904.

"All of us are born for a reason, but all of us don't discover why. Success in life has nothing to do with what you are in life or accomplish for yourself. It's what you do for others."
— Danny Thomas



Building a Bridge to the Future - Winter 2014

Estate Planning - Gifts for the Future

"We make a living by what we get - we make a life by what we give."
— Winston Churchill

Estate planning is as simple as looking after your loved ones while also remembering the charities you care about during your lifetime. Your gift is an expression of your values, hopes and dreams – a vision of excellence in healthcare for the patients we serve and our community.

Ways to Give

The following general information is an overview, not formal legal or tax advice. Whatever strategy you choose, charitable giving can be very rewarding. It's wonderful to see your gifts at work while receiving tax benefits!

Bequests

When creating or revising your will, consider how a bequest can provide a lasting legacy through the Sault Area Hospital Foundation.

RRSPs / RRIFs

By designating remaining RRSPs and RRIFs to the Sault Area Hospital Foundation, the asset is transferred directly from the financial institution to the Foundation. The estate receives a tax credit to offset the tax on income.

Securities

There is a real advantage to making a bequest of shares. A charitable tax receipt is issued for the fair market value of the shares when received and the estate is not required to declare any resulting capital gains on income.

Life Insurance

This can be an economical way to give a larger or more lasting gift than might otherwise be possible without drawing on your assets now or depleting your estate.

There are two primary ways to donate a life insurance policy. Each method has a different tax benefit.

- a) Make the charity the owner and beneficiary
- b) The insured is the owner and the charity is the beneficiary

Endowment

An endowment is an investment fund set aside for the long-term support and future of the hospital. It is like a savings account and it keeps on growing in value. Some of the interest gained is used as a steady stream of financial help to support the latest in medical technology purchases, education or innovation. This takes place each year in your honour.

Help us Reduce Our Costs
The Foundation is very mindful of the generosity of our donors and we are always looking at ways to reduce costs. You can assist us with this goal by receiving this publication by email if you prefer. Please let us know by calling 705-759-3848 or email at: foundation@sah.on.ca



Building a Bridge to the Future

Winter 2014

Planning Today for Our Hospital's Needs of Tomorrow



The Impact of Estate Planning

Peter and Nancy Cresswell came to Sault Ste. Marie in December, 1964, bringing with them two children, and a mutual love of the big cities they were from. Peter grew up in Montreal, and Nancy hailed from Toronto. But together they were eager to see what a new life in Northern Ontario would have in store for them.

family would need the Hospital. Another example is... the property that the Algoma Residential Community Hospice (ARCH) is on was donated by the Algoma Central Corporation, under my direction."



Peter & Nancy Cresswell

Peter went to work for Algoma Central Corporation, and stayed with them for 38 years, retiring in 2002 from his position as President and CEO. Peter is clearly proud of his work with Algoma Central. *"In the Sault, everybody thinks of Algoma Central as being the railway, which it was in the early days,"* he said. *"But about the time I left, we had sold the railway... and were essentially a shipping company. And we are... the largest Canadian shipping fleet on the Great Lakes. In addition we have ships that never come to Canada, they're all around the world."*

Already donors to the Sault Area Hospital Foundation, the Cresswells were soon presented with another occasion to support the Foundation when Peter was asked to honour his sister Joan Reid's wishes after she passed on. She and her husband had left money, as part of their estate, which they indicated should *"go to charitable organizations, particularly medical, so that's how the Hospital became involved."* As dedicated members of the Sault community, donating funds to the Sault Area Hospital Foundation was an obvious choice. *"The Hospital is brand new here, and that sort of put it and its needs in the spotlight,"* Peter mused. *"And you know, I guess there was always the thought that, sooner or later, I would need the Hospital [too]... in time most people end up here [and] they're going to have... health needs. So it's just obvious that you've got to do your part, however you are able to."*

He and Nancy welcomed a third child to the family, and found themselves at home in their new community. Almost 50 years later, they are still proud to call Sault Ste. Marie home, and continuously look for opportunities to give back to their community.

When asked where she would like to see the money used,

Nancy has been involved with the Sault Area Hospital for many years. She was on the Hospital Board for a term of ten years, and has been volunteering for upwards of 25 years. She loves her work, and encourages her husband to get involved as well.



Nancy said, *"Wherever it is really needed to help patients who need the service. With donor support, the quality of care gets better, which attracts more physicians to the Hospital."* Peter shared his thoughts as well, *"I think it's up to... the Foundation and staff. They know best what the needs of the Hospital are. Although we have a new state-of-the-art hospital, there are still many equipment needs. I hope that, with continued donor support, the Foundation will always be able to meet those needs."*

Peter too, has found ways to give back to his community. *"I think I've always had the sympathy for the sources that meet the needs of people generally, where they live, [the] Hospital being a perfect example. I guess I always thought that, sooner or later, I and my*

A long time community supporter... Lili Luoma remembered

When remembering the times that she spent with **Lili Luoma**, **Mary Ann Markkula** describes a friendship full of the interests they shared and the joy they experienced. Mary Ann is the Executor of Lili's estate, but most importantly she spent 40+ years as one of her closest friends. Mary Ann holds their memories of travel, leisure and most of all, making a difference in this community, very close.

"Lili had a community-minded mentality and now her efforts live on at the Sault Area Hospital where the healthcare delivered helps save, extend and ultimately improve the lives of every person that seeks it."

The two first met during the planning stages of the Ontario Finnish Resthome here in Sault Ste. Marie. This was a project that the two, along with a large portion of the Finnish community in the area, supported. It was one of the earliest causes Lili focused on, as it became a part of her character to find ways to build a better community.

The hard working Lili Luoma, as Mary Ann remembers her, had always found ways to be the most active member of the groups she was a part of. These organizations were her family. Between her attendance and participation at the Zion Lutheran Church, the Ladies Auxiliary at the Ontario Finnish Resthome, and the group of ladies she travelled with, Lili was always doing the things she loved most. Lili had never married but through her 92 year life she built a very large family of people she cared dearly for.

Lili and Mary Ann both loved to travel, an activity they more than often shared. The two planned trips around the world, seeking the warmth of sun in foreign lands. One of Lili's favourite activities was admiring the wildlife and exotic plant life. Lili also traveled to Finland on occasion. Although she was born in Canada, Lili was a 'Finlander' at heart.

Lili found her profession within the walls of the libraries here in Sault Ste. Marie. She attended the University of Toronto - Library School in 1944-1945 and returned to eventually become the Assistant Director and Head of Technical Services at the Sault Ste. Marie Library. She took personal pride in ensuring that the library always had a selection of Finnish language books on the shelves.

Lili was one of the creators of the OFRA Ladies Auxiliary. She was the chair for 17 years and used this opportunity to continue to help the organization she cherished very much. She was known for her time spent at the OFRA Ladies Auxiliary store. Even when she was ill and was not able to assist in the operations, she would continue to give her support and guidance in any way possible. *Although Lili was adamant in supporting OFRA within our community, she never used its services. It is unclear whether she wanted to ensure that every person requiring a bed had one or whether she was just set on staying in the house that she was born in.*



The life that Lili lived was not always filled with the excitement of jet setting and community gatherings, she also enjoyed the simpler things in life. An avid gardener, Lili had ensured her property was always immaculate, bar none. Even when she was no longer able to keep the property up to her standards, she hired a master gardener to ensure that the landscaping was perfect. Lili also enjoyed crocheting, needlework, petit point and the art of bobbin lace.

Described as hardworking, quiet, reserved but assertive, gentle, kind and able to argue without ever raising her voice or holding a grudge, Lili's personality fit the way she lived her life: *A librarian with one eye on travelling the world and the other on ensuring her home (both her personal residence and her community) was taken care of.*

Lili became a frequent visitor of the Sault Area Hospital, in her later years, battling heart problems. Although her time here was necessary, it was minimal due to Lili's unwillingness to 'take a bed' from a patient who needed it more. It was too important to her to be in her own home which led her to find an alternative method of care. She spent her final days in the home she lived in for the majority of her life.

It was the time she spent in the hospital that had her truly focused on another cause close to her heart. Lili took notice of the need our community has for great healthcare and the affect it can have on individuals. Much like the way Lili had focused earlier in her life on bringing OFRA to where it is now; Lili had come to the decision to assist the Sault Area Hospital through her estate plans. At the time she passed away in 2007, the SAH Foundation was the recipient of a large estate gift.

As the executor of the estate, Mary Ann Markkula was able to help bring her great friend's wishes to life. She spent some great moments with Lili and will always remember the way in which Lili lived her life. Lili had a community-minded mentality and now her efforts live on at the Sault Area Hospital where the healthcare delivered helps save, extend and ultimately improve the lives of every person that seeks it.

One of Mary Ann's opportunities as Executor had her locating exactly where she would like to see Lili's name recognized. Due to the size of her gift, there are now several locations, chosen by Mary Ann, that bear Lili's name throughout the Hospital. These areas include an Ultrasound Exam room, X-ray waiting room, two Emergency exam rooms, and an isolation room in the Critical Care Unit. *These areas are set as a reminder of the life Lili lived, full of generosity and commitment to help others in need.*



For more information, please contact **Giselle Chiarello**, Major Gifts/Gift Planning Officer at 705-759-3827 or 1-888-623-3904.

Dear Friends of the Foundation:

Welcome to the Winter Edition 2014 of the Sault Area Hospital Foundation's "Building a Bridge to the Future" newsletter. This newsletter was designed to be both an information piece for you and a way to thank you for supporting the Sault Area Hospital Foundation throughout the year. Donors and friends, like you, make it possible for our Foundation to be successful, but more importantly, your kindness and generosity touch the lives of the thousands of patients who walk through our Hospital's doors for healthcare service, each year.

On behalf of our Board of Directors and Staff, we wish you and your families all the best for a healthy and successful 2014! Please enjoy reading this planned giving newsletter. If you have questions or wish to share your comments with me, feel free to email me at: chiarellog@sah.on.ca

Charitable Gifts – Consider Donating Securities Instead of Cash

Background

Both during your lifetime and on your death, you can donate property to a charity as an alternative to money. Such donations are called "gifts in kind" and can include property such as shares, life insurance or a residual interest in real property. Gifts in kind are normally valued at their fair market value. You use the same method to determine the value of the tax credit for a gift in kind as you do for a cash donation. Thus, the tax credit is generally worth about 46% of the value of the property, depending on your province. However, at the time of the donation, since you are deemed to have disposed of the property at its fair market value, you generally must recognize any capital gain or income that would result had you sold the property for that price.

Donating shares and mutual funds

Individuals and corporations who donate securities listed on prescribed stock exchanges, mutual funds and segregated funds of life insurance companies to charities do not have to include any portion of the resulting capital gain in their income.

Shares vs. cash from sale of shares – which should you donate?

The following example shows how donating securities directly can produce higher net tax savings than selling the same securities and donating the proceeds.

Say you want to make a \$2,000 donation to a favourite charity and you have publicly traded securities that originally cost you \$1,000, but are now worth \$2,000. Assuming your income is taxed at the top marginal rate of about 46% and you have already donated \$200 in the year, the tax savings that result from donating the shares directly and donating the proceeds from sold shares are as follows:

	Sell securities and donate gross proceeds	Donate securities
Value of donation (A)	\$2,000	\$2,000
Cost base (B)	\$1,000	\$1,000
Capital gain (A – B = C)	\$1,000	\$1,000
Capital gain inclusion rate (D)	50%	0
Taxable capital gain (C x D = E)	\$500	0
Tax on taxable capital gain (E x 46%)	(\$230)	\$0
Donation tax credit (A x 46%)	\$920	\$920
Net tax savings (S)	\$690	\$920
Net after-tax cost of donation (A – S)	\$1,310	\$1,080
By donating the securities, the donor's after-tax cost in this example is reduced by \$230.		

As you can see, you will come out ahead if you donate the securities directly to the organization.

We can help

KPMG can help you structure your donations in ways that will maximize the financial benefits of your gift to the charity of your choice and the tax benefits to you or your corporation. We can also assist you in reviewing your will to minimize the tax burden on your estate and help ensure that your charitable bequests will be made as you intend. For details, call KPMG at 705-949-5811 to speak with Mark Pitcher, CPA, CA, Tax Manager.

Are you interested in making a charitable gift?

Yes, I would like more information on how to:

- Include a gift to the SAHF in my will
- Donate stocks/bonds/mutual funds
- Donate RRSPs/RRIFs
- Donate life insurance
- I/We have already included the SAHF in my/our Estate Planning or Will.
- I am interested in becoming part of "Building a Bridge to the Future" Legacy Society. Please send me more information.

Name _____

Address _____

City _____

Province _____ Postal Code _____

Phone _____

Cell _____

E-mail _____



SAULT AREA HOSPITAL FOUNDATION

Please return this form to the SAHF by mailing it to:

Sault Area Hospital Foundation
750 Great Northern Road
Sault Ste. Marie, ON P6B 0A8

Sault Area Hospital Foundation respects your privacy. We protect your personal information and adhere to all legislative requirements with respect to protecting privacy. We do not rent, sell or trade our mailing lists. The information you provide will be used to deliver services and to keep you informed and up to date on the fundraising activities of the Foundation. If at any time you wish to be removed from our mailing list, simply contact us by phone at 705-759-3848 or by e-mail at foundation@sah.on.ca and we will gladly accommodate your request.

Thank you for considering leaving a legacy gift to the SAHF.