

**North Bay Regional Health
Centre Foundation
Financial Statements
For the year ended March 31, 2022**

North Bay Regional Health Centre Foundation
Financial Statements
For the year ended March 31, 2022

Contents

Independent Auditor's Report	2 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Operations and Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 14
Schedule 1 - Unrestricted	15
Schedule 2 - Externally Restricted	16
Schedule 3 - Internally Restricted - Lottery	17
Schedule 4 - Internally Restricted - 50/50 Draw	18



Tel: 705-495-2000
Fax: 705-495-2001
Toll-Free: 800-461-6324
www.bdo.ca

BDO Canada LLP
101 McIntyre Street W
Suite 301
North Bay ON P1B 2Y5 Canada

Independent Auditor's Report

To the Trustees of North Bay Regional Health Centre Foundation

Opinion

We have audited the financial statements of the North Bay Regional Health Centre Foundation (the Foundation), which comprise the statement of financial position as at March 31, 2022, the statements of operations and 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 March 31, 2022, 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 Qualified Opinion

In common with many not-for-profit organizations, the Foundation derives revenue from fundraising activities 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. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at April 1 and March 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

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 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 the 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario
June 23, 2022

**North Bay Regional Health Centre Foundation
Statement of Financial Position**

March 31	2022	2021
Assets		
Current		
Cash and cash equivalents	\$ 2,239,759	\$ 1,936,418
Investments (Note 3)	5,064,162	4,778,213
Accounts receivable	52,147	67,709
Prepays and other	11,992	4,943
	7,368,060	6,787,283
Restricted cash and cash equivalents	638,860	299,518
Restricted investments (Note 3)	8,476,373	7,469,994
Capital assets (Note 4)	57,133	61,999
	\$16,540,426	\$ 14,618,794

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities	\$ 153,126	\$ 197,497
Due to North Bay Regional Health Centre (Note 5a)	162,927	156,965
	316,053	354,462
Net assets		
Internally restricted - 50/50 draw	535,817	200,041
Internally restricted - Lottery	103,043	99,477
Externally restricted (Note 8)	8,476,373	7,469,994
Unrestricted	7,109,140	6,494,820
	16,224,373	14,264,332
	\$16,540,426	\$ 14,618,794

Guarantee (Note 7)

On behalf of the Board:


 _____ Trustee


 _____ Trustee

North Bay Regional Health Centre Foundation Statement of Operations and Changes in Net Assets

For the year ended March 31	2022 Budget	2022 Actual	2021 Actual
Revenues (Schedules 1, 2, 3 and 4)			
Donations	\$ 921,045	\$ 2,547,626	\$ 1,780,321
Investment income	618,170	901,502	530,508
Unrealized investment gains	-	9,205	1,399,458
Cost recoveries and other (Note 5c)	27,284	42,624	27,276
Fundraising	974,300	2,032,344	824,940
	<u>2,540,799</u>	<u>5,533,301</u>	<u>4,562,503</u>
Expenses (Schedules 1, 2, 3 and 4)			
Fundraising and other	1,357,792	1,247,423	414,589
Salaries and benefits	727,731	707,360	654,092
Administrative	92,537	102,532	83,288
Amortization	7,868	4,865	7,046
	<u>2,185,928</u>	<u>2,062,180</u>	<u>1,159,015</u>
Excess of revenues over expenses before Charitable disbursements	354,871	3,471,121	3,403,488
Externally restricted disbursements and gifts in-kind (Note 5b)	-	1,472,188	803,893
Other disbursements (Note 5b)	-	38,892	34,191
Excess of revenues over expenses for the year	<u>\$ -</u>	<u>\$ 1,960,041</u>	<u>\$ 2,565,404</u>
Net Assets, beginning of year		\$14,264,332	\$ 11,698,928
Excess of revenues over expenses		<u>1,960,041</u>	<u>2,565,404</u>
Net Assets, end of year		\$16,224,373	\$ 14,264,332

The accompanying notes are an integral part of these financial statements.

North Bay Regional Health Centre Foundation Statement of Cash Flows

For the year ended March 31	2022	2021
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses for the year	\$ 1,960,041	\$ 2,565,404
Items not involving cash		
Amortization of capital assets	4,865	7,046
Non cash investment income	(9,205)	(1,399,458)
	<u>1,955,701</u>	<u>1,172,992</u>
Changes in non-cash working capital balances		
Investments	(285,949)	(932,031)
Accounts receivable	15,562	(43,918)
Prepaid expenses	(7,049)	4,720
Accounts payable and accrued liabilities	(44,370)	56,657
Due to North Bay Regional Health Centre	5,962	(20,100)
	<u>1,639,857</u>	<u>238,320</u>
Investing activities		
Redemption (acquisition) of restricted cash and investments	(1,336,516)	564,835
Increase in cash and cash equivalents during the year	303,341	803,155
Cash and cash equivalents, beginning of year	1,936,418	1,133,263
Cash and cash equivalents, end of year	\$ 2,239,759	\$ 1,936,418

The accompanying notes are an integral part of these financial statements.

North Bay Regional Health Centre Foundation

Notes to Financial Statements

March 31, 2022

1. Summary of Significant Accounting Policies

**Nature and Purpose
of Organization**

The North Bay Regional Health Centre Foundation (formerly North Bay General Hospital Foundation) (the "Foundation") was incorporated by Letters Patent under the Ontario Corporations Act on September 30, 1999 as a not for profit Foundation. Its primary goal is to receive and maintain funds and other property and to use, apply, give, devote or distribute all or part of the funds of the corporation by way of gift to the North Bay Regional Health Centre or any other charitable organization, which will best promote the interest of the Corporation and the North Bay Regional Health Centre; or to enhance and improve the services or patient and/or resident care provided by the North Bay Regional Health Centre; or to enhance and improve the facilities of the North Bay Regional Health Centre.

Income Taxes

The Foundation qualifies as a registered charity under the Income Tax Act and is therefore exempt from corporate income taxes.

Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Fund Accounting

The Foundation follows the restricted fund method of accounting for contributions.

The General Fund accounts for the Foundation's administrative activities. This fund reports unrestricted resources.

The Externally Restricted Fund represents resources that are to be used for the new hospital building campaign, the new medical equipment campaign and for other restricted purposes related to specific care programs as described in Note 8.

The Internally Restricted Fund represents lottery resources that are to be used for healthcare equipment and treatment programs under a provincial lottery license.

**Cash and
Cash Equivalents**

Cash and cash equivalents includes cash on hand, balances with banks (restricted and unrestricted) and short-term deposits with original maturities of three months or less.

North Bay Regional Health Centre Foundation

Notes to Financial Statements

March 31, 2022

1. Summary of Significant Accounting Policies (continued)

Capital Assets	<p>Capital assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:</p> <table><tr><td>Donor walls systems</td><td>- 25 years straight line basis</td></tr><tr><td>Computers</td><td>- 3 years straight line basis</td></tr><tr><td>Equipment</td><td>- 3 years straight line basis</td></tr></table>	Donor walls systems	- 25 years straight line basis	Computers	- 3 years straight line basis	Equipment	- 3 years straight line basis
Donor walls systems	- 25 years straight line basis						
Computers	- 3 years straight line basis						
Equipment	- 3 years straight line basis						
Revenue Recognition	<p>Restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. However, if no appropriate restricted fund is presented, then the restricted contribution is recognized as revenue of the General Fund in the year in which the related expenses are incurred.</p> <p>Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Contributions for endowments are recognized as revenue in the Restricted Fund.</p> <p>Investment income earned on Endowment Fund resources that must be spent on specific activities is recognized as revenue of the Restricted Fund. Other unrestricted net investment income is recognized as revenue of the General Fund when earned.</p> <p>Lottery revenue is recognized as revenue of the internally restricted fund in the year it is collected.</p>						
Contributed Services	<p>The Foundation relies on volunteers to carry out its fundraising activities. In addition the Foundation receives "in kind" services such as accounting and human resource services from North Bay Regional Health Centre. Because of the difficulty in determining fair value, contributed services are not recognized in the financial statements.</p>						

North Bay Regional Health Centre Foundation

Notes to Financial Statements

March 31, 2022

1. Summary of Significant Accounting Policies (continued)

Gifts in Kind	Contributions of gifts to be used for fundraising purposes are not recognized by the Foundation until the gifts are sold. The related proceeds generated from the sale of the gifts are recognized as revenue of the appropriate restricted fund when received.
Financial Instruments	Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in operations. In addition, all bonds and guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.
Use of Estimates	The preparation of financial statements in accordance with Canadian generally accepted accounting principles for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

North Bay Regional Health Centre Foundation

Notes to Financial Statements

March 31, 2022

2. Financial Instrument Risk

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 arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is exposed to credit risk arising from its cash and cash equivalents, short and long-term investments and accounts receivable. The Foundation maintains cash and cash equivalents in excess of federally insured limits with three separate financial institutions.

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 (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The foundation is exposed to fluctuations in markets on its short and long-term term investments which are invested in bond, money market and equity pooled mutual fund units. The future economic impact of the pandemic on the markets is uncertain.

North Bay Regional Health Centre Foundation Notes to Financial Statements

March 31, 2022

3. Investments

	2022	2021
Guaranteed investment certificates (i)	\$ 2,643,693	\$ 2,421,664
Bonds and money market fund units	3,655,623	3,821,038
Equities (ii)	7,241,219	6,005,505
	\$13,540,535	\$ 12,248,207

These balances are reflected as follows on the statement of financial position:

	2022	2021
Investments	\$ 5,064,162	\$ 4,778,213
Restricted investments	8,476,373	7,469,994
	\$13,540,535	\$ 12,248,207

- (i) Guaranteed investment certificate bearing interest at at rates from 1.10% to 1.85% and maturing at different dates ranging from June 2022 to February 2025.
- (ii) Equity mutual fund units and shares of Canadian publicly traded companies, with a cost of \$6,179,909 (2021 - \$6,005,898).
- (iii) The Foundation received two gifts of life insurance policies in prior years, with a total cash surrender value of \$18,930 (2021 - \$18,601), which has not been recorded in the financial accounts of the Foundation. The gifts result in the Foundation becoming the beneficiary of the two life insurance contracts which total \$175,000.

4. Capital Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Donor walls system	\$ 102,980	\$ 52,152	\$ 102,980	\$ 47,776
Computer equipment	7,897	2,181	7,897	2,181
Equipment	883	294	883	196
	\$ 111,760	\$ 54,627	\$ 111,760	\$ 49,761
Net book value		\$ 57,133		\$ 61,999

North Bay Regional Health Centre Foundation Notes to Financial Statements

March 31, 2022

5. Related Party Transactions

- a. Included in current liabilities is \$162,927 (2021 - \$156,965) owed to the North Bay Regional Health Centre (NBRHC). NBRHC, a medical and mental health care facility in North Bay, Ontario, is related to the Foundation by virtue of it being the beneficiary of the proceeds of certain donation and fundraising activities.
- b. Restricted and unrestricted fund disbursements totaling \$1,498,555 (2021 - \$823,651) were paid or payable to NBRHC and are measured at exchange amounts, being amounts agreed to by the respective related parties. Gifts in-kind totaling \$12,525 (2021 - \$14,433) were also received and gifted to NBRHC during the year. The gifts in-kind are recorded at the value of the goods donated.
- c. Included in other revenue is an administrative charge to NBRHC in exchange for collecting and processing of municipal donations. As per the service agreement, this administrative fee is set at 1% of municipal share received on behalf of NBRHC. Total fees received during the year were \$1,013 (2021 - \$1,259). These transactions are measured at exchange amounts.

6. Comparative figures

The comparative figures have been restated to conform with the presentation adopted for the current year.

7. Guarantee

The Foundation has a letter of credit in the amount of \$34,021 (2021 - \$34,021) to support lottery account activities.

North Bay Regional Health Centre Foundation Notes to Financial Statements

March 31, 2022

8. Externally Restricted Net Assets

	2022	2021
Cancer Care Close to Home	\$ 1,967,646	\$ 2,357,303
Diagnostic Imaging	1,210,312	301,147
Women & Children	1,008,503	1,004,569
Mental Health Collaborative Fund	889,179	889,179
Surgical Care	450,251	392,997
Mental Health Care	447,659	503,810
Cardiac Care	341,324	318,274
Renal Care	337,524	75,811
Medical-Various Areas	215,910	186,882
Critical Care	229,578	267,405
Cancer Care	191,234	121,287
Physician Recruitment	117,319	50,000
Medical Affairs	34,998	3,372
Patient Comfort	13,905	6,967
Education	7,542	8,042
Community Education	7,114	-
Environment	1,284	1,284
Medical Equipment	-	51,031
Other	-	750
Endowment - Terry McKerrow (i)	415,532	400,386
Terry McKerrow - Equipment	50,925	35,225
Endowment - Diabetes Care (i)	150,833	150,833
Diabetes Care	93,709	78,194
Endowment - Maria MacMillan (i)	81,105	81,105
Maria MacMillan - Mental Health Ccare	29,363	23,667
Endowment - Staff Education (i)	55,771	53,531
Staff Education	25,851	22,355
Endowment - Cunningham (i)	59,062	51,562
Cunningham - Mental Health Care	7,164	4,814
Endowment - Leslie Burt-Manary (i)	26,150	21,786
Leslie Burt-Manary - RN Leadership Award	4,028	2,506
Endowment - Paine-Mantha (i)	4,925	3,525
Paine-Mantha - Renal Care	673	395
	\$ 8,476,373	\$ 7,469,994

(i) Included in the above Externally Restricted Net Assets is \$793,378 (2021 - \$762,728) in Endowment contributions with externally imposed restrictions stipulating that the resources be maintained permanently. During the year \$30,650 (2021 - \$32,625) was received in endowment contributions.

North Bay Regional Health Centre Foundation Notes to Financial Statements

March 31, 2022

9. Outstanding Pledges

Pledges are not recognized as revenue until they are received. At March 31, 2022 there are approximately \$1,260,151 (2021 - \$1,680,779) in outstanding pledges that when received will be recognized as revenue of the appropriate fund.

Management estimates that the \$1,260,151 in outstanding pledges will be collected in the following future fiscal years:

2023	\$ 408,902
2024	220,302
2025	201,209
2026	185,767
2027	126,363
Thereafter	<u>117,608</u>
	<u>\$ 1,260,151</u>

North Bay Regional Health Centre Foundation
Schedule 1 - Unrestricted
- Statement of Operations and Changes in Net Assets

For the year ended March 31	2022	2021
Revenues		
Donations	\$ 470,941	\$ 624,741
Investment income	836,438	491,374
Unrealized investment gains	3,479	1,255,150
Cost recoveries and other	42,624	27,276
Fundraising	74,301	66,083
	<u>1,427,783</u>	<u>2,464,624</u>
Expenses		
Salaries and benefits	657,378	613,865
Administrative	97,032	78,252
Fundraising and other	54,188	38,772
Amortization	4,865	7,046
	<u>813,463</u>	<u>737,935</u>
Excess of revenues over expenses for the year	\$ 614,320	\$ 1,726,689
Unrestricted, beginning of year	\$ 6,494,820	\$ 4,768,131
Excess of revenues over expenses for the year	<u>614,320</u>	<u>1,726,689</u>
Unrestricted, end of year	\$ 7,109,140	\$ 6,494,820

North Bay Regional Health Centre Foundation
Schedule 2 - Externally Restricted
- Statement of Operations and Changes in Net Assets

For the year ended March 31	2022	2021
Revenues		
Donations	\$ 2,076,685	\$ 1,155,580
Investment income	65,064	39,134
Unrealized investment gains	5,726	144,308
Fundraising	137,947	146,515
	<u>2,285,422</u>	<u>1,485,537</u>
Expenses		
Salaries and benefits	49,982	40,227
Fundraising and other	31,304	6,488
Administrative	4,935	4,516
	<u>86,221</u>	<u>51,231</u>
Excess of revenues over expenses before disbursements	2,199,201	1,434,306
Disbursements and gifts in-kind	<u>1,192,822</u>	<u>803,893</u>
Excess of revenues over expenses for the year	\$ 1,006,379	\$ 630,413
Externally restricted, beginning of year	\$ 7,469,994	\$ 6,839,581
Excess of revenues over expenses for the year	<u>1,006,379</u>	<u>630,413</u>
Externally restricted, end of year	\$ 8,476,373	\$ 7,469,994

**North Bay Regional Health Centre Foundation
Schedule 3 - Internally Restricted - Lottery
- Statement of Operations and Changes in Net Assets**

For the year ended March 31	2022	2021
Revenues		
Ticket sales	\$ 75,366	\$ 71,352
Expenses		
Prizes	27,000	23,950
Fundraising	5,343	4,430
Administrative	565	520
	<u>32,908</u>	<u>28,900</u>
Excess of revenues over expenses before disbursements	42,458	42,452
Disbursements	<u>38,892</u>	<u>34,191</u>
Excess of revenues over expenses for the year	\$ 3,566	\$ 8,261
Internally restricted - lottery, beginning of year	\$ 99,477	\$ 91,216
Excess of revenues over expenses for the year	<u>3,566</u>	<u>8,261</u>
Internally restricted - lottery, end of year	\$ 103,043	\$ 99,477

North Bay Regional Health Centre Foundation
Schedule 4 - Internally Restricted - 50/50 Draw
- Statement of Operations and Changes in Net Assets

For the year ended March 31	2022	2021
Revenues		
Ticket sales	\$ 1,744,730	540,990
Expenses		
Prizes paid	\$ 883,387	\$ 270,495
Licensing, advertising and other direct costs	246,201	70,454
	<u>1,129,588</u>	<u>340,949</u>
Excess of revenues over expenses before disbursements	615,142	200,041
Disbursements	<u>279,366</u>	-
Excess of revenues over expenses for the year	\$ 335,776	200,041
Internally restricted - 50/50 Draw, beginning of year	\$ 200,041	-
Excess of revenues over expenses for the year	<u>335,776</u>	<u>200,041</u>
Internally restricted - 50/50 Draw, end of year	\$ 535,817	200,041