# North Bay Regional Health Centre Foundation
## Financial Statements
### For the year ended March 31, 2023

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### For the year ended March 31, 2023

**Contents**

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# Independent Auditor's Report

**To the Trustees of the 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, 2023, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2023, 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 Opinion

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.



BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

**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
September 21, 2023

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

| March 31 | 2023 | 2022 |
|---|---|---|
| **Assets** | | |
| **Current** | | |
| Cash and cash equivalents | $ 1,764,834 | $ 2,239,759 |
| Investments (Note 3) | 5,637,443 | 5,064,162 |
| Accounts receivable | 60,039 | 52,147 |
| Prepaids and other | 12,798 | 11,992 |
| | 7,475,114 | 7,368,060 |
| **Restricted cash and cash equivalents** | 917,177 | 638,860 |
| **Restricted investments** (Note 3) | 8,613,036 | 8,476,373 |
| **Capital assets** (Note 4) | 62,638 | 57,133 |
| | $17,067,965 | $ 16,540,426 |

| | 2023 | 2022 |
|---|---|---|
| **Liabilities and Net Assets** | | |
| **Current** | | |
| Accounts payable and accrued liabilities | $ 127,345 | $ 153,126 |
| Due to North Bay Regional Health Centre (Note 5a) | 171,128 | 162,927 |
| | 298,473 | 316,053 |
| **Net assets** | | |
| Internally restricted - 50/50 draw | 777,525 | 535,817 |
| Internally restricted - Lottery | 139,652 | 103,043 |
| Externally restricted (Note 7) | 8,613,036 | 8,476,373 |
| Unrestricted | 7,239,279 | 7,109,140 |
| | 16,769,492 | 16,224,373 |
| | $17,067,965 | $ 16,540,426 |

**Guarantee** (Note 6)

On behalf of the Board:

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

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

| For the year ended March 31 | 2023 Budget | **2023 Actual** | 2022 Actual |
|---|---|---|---|
| **Revenues** (Schedules 1, 2, 3 and 4) | | | |
| Donations | $ 1,345,400 | **$ 2,278,475** | $ 2,547,626 |
| Investment income | 546,100 | **768,887** | 901,502 |
| Unrealized investment (losses) gains | 169,900 | **(509,191)** | 9,205 |
| Cost recoveries and other (Note 5c) | 67,300 | **61,801** | 42,624 |
| Fundraising | 1,812,000 | **1,691,449** | 2,032,344 |
| | 3,940,700 | **4,291,421** | 5,533,301 |
| **Expenses** (Schedules 1, 2, 3 and 4) | | | |
| Fundraising and other | 1,207,679 | **1,010,131** | 1,247,423 |
| Salaries and benefits | 790,101 | **665,952** | 707,360 |
| Administrative | 107,200 | **130,408** | 102,532 |
| Amortization | 7,200 | **5,985** | 4,865 |
| | 2,112,180 | **1,812,476** | 2,062,180 |
| **Excess of revenues over expenses before items below** | 1,828,520 | **2,478,945** | 3,471,121 |
| **Less:** Charitable disbursements (Note 5) | - | **1,933,826** | 1,472,188 |
| **Less:** Other disbursements | - | **-** | 38,892 |
| **Excess of revenues over expenses for the year** | $ - | **$ 545,119** | $ 1,960,041 |

| | **2023** | 2022 |
|---|---|---|
| **Net Assets**, beginning of year | **$16,224,373** | $ 14,264,332 |
| **Excess of revenues over expenses** | **545,119** | 1,960,041 |
| **Net Assets**, end of year | **$16,769,492** | $ 16,224,373 |

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 | 2023 | 2022 |
|---|---|---|
| **Cash provided by (used in)** | | |
| **Operating activities** | | |
| Excess of revenues over expenses for the year | **$ 545,119** | $ 1,960,041 |
| Items not involving cash | | |
| Amortization of capital assets | **5,985** | 4,865 |
| Unrealized losses (gains) | **509,191** | (9,205) |
| | **1,060,295** | 1,955,701 |
| Changes in non-cash working capital balances | | |
| Investments | **(573,281)** | (285,949) |
| Accounts receivable | **(7,892)** | 15,562 |
| Prepaid expenses | **(806)** | (7,049) |
| Accounts payable and accrued liabilities | **(25,781)** | (44,370) |
| Due to North Bay Regional Health Centre | **8,201** | 5,962 |
| | **460,736** | 1,639,857 |
| **Investing activities** | | |
| Purchase of capital assets | **(11,490)** | - |
| Purchase of investments | **(924,171)** | (1,336,516) |
| | **(935,661)** | (1,336,516) |
| **(Decrease) increase in cash and cash equivalents during the year** | **(474,925)** | 303,341 |
| **Cash and cash equivalents,** beginning of year | **2,239,759** | 1,936,418 |
| **Cash and cash equivalents,** end of year | **$ 1,764,834** | $ 2,239,759 |

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

## 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 7.

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.

**March 31, 2023**

## 1. Summary of Significant Accounting Policies (continued)

**Capital Assets**

Capital assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

| | |
|---|---|
| Donor walls systems | - 25 years straight line basis |
| Computers | - 3 years straight line basis |
| Equipment | - 3 years straight line basis |

**Revenue Recognition**

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.

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.

Contributions for endowments are recognized as revenue in the Restricted Fund.

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.

Lottery revenue is recognized as revenue of the internally restricted fund in the year it is collected.

**Contributed Services**

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.

**March 31, 2023**

**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.

## 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.

**March 31, 2023**

## 3. Investments

| | **2023** | 2022 |
|---|---|---|
| Guaranteed investment certificates (i) | **$ 2,667,429** | $ 2,643,693 |
| Bonds and money market fund units | **3,285,725** | 3,655,623 |
| Equities (ii) | **8,297,325** | 7,241,219 |
| | **$14,250,479** | $ 13,540,535 |
| Historical cost | **$13,894,135** | $ 12,679,753 |

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

| | **2023** | 2022 |
|---|---|---|
| Investments | **$ 5,637,443** | $ 5,064,162 |
| Restricted investments | **8,613,036** | 8,476,373 |
| | **$14,250,479** | $ 13,540,535 |

(i) Guaranteed investment certificate bearing interest at at rates from 1.23% to 5.16% and maturing at different dates ranging from May 2023 to August 2024.

(ii) Equities are comprised of mutual fund units and shares of Canadian publicly traded companies.

## 4. Capital Assets

| | **2023** | | 2022 | |
|---|---|---|---|---|
| | **Cost** | **Accumulated Amortization** | Cost | Accumulated Amortization |
| Donor walls system | **$ 102,980** | **$ 50,850** | $ 102,980 | $ 47,490 |
| Computer equipment | **9,144** | **7,932** | 7,897 | 7,897 |
| Equipment | **11,126** | **1,830** | 883 | 760 |
| | **$ 123,250** | **$ 60,612** | $ 111,760 | $ 54,627 |
| Net book value | | **$ 62,638** | | $ 57,133 |

## 5. Related Party Transactions

**a.** Included in current liabilities is $171,128 (2022 - $162,927) 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 $1,833,083 (2022 - $1,498,555) 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 $100,743 (2022 - $12,525) 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 $1,015 (2022 - $1,013). These transactions are measured at exchange amounts, being the amounts agreed to by the two parties.

## 6. Guarantee

The Foundation has a letter of credit in the amount of $34,021 (2022 - $34,021) to support lottery account activities.

**March 31, 2023**

## 7. Externally Restricted Net Assets

| | 2023 | 2022 |
|---|---|---|
| Cancer Care Close to Home | **$ 1,600,584** | $ 1,967,646 |
| Surgical Care | **1,247,176** | 450,251 |
| Women & Children | **1,090,455** | 1,008,503 |
| Mental Health Collaborative Fund | **836,398** | 889,179 |
| Diagnostic Imaging | **744,622** | 1,210,312 |
| Mental Health Care | **435,419** | 447,659 |
| Renal Care | **402,138** | 337,524 |
| Cardiac Care | **362,030** | 341,324 |
| Cancer Care | **303,485** | 191,234 |
| Medical-Various Areas | **213,967** | 215,910 |
| Critical Care | **213,620** | 229,578 |
| Physician Recruitment | **102,522** | 117,319 |
| Medical Affairs | **49,876** | 34,998 |
| Patient Comfort | **13,905** | 13,905 |
| Education | **7,542** | 7,542 |
| Community Education | **7,114** | 7,114 |
| Environment | **1,284** | 1,284 |
| Endowment - Terry McKerrow (i) | **415,532** | 415,532 |
| Terry McKerrow - Equipment | **31,111** | 50,925 |
| Endowment - Diabetes Care (i) | **150,833** | 150,833 |
| Diabetes Care | **88,595** | 93,709 |
| Endowment - Maria MacMillan (i) | **81,105** | 81,105 |
| Maria MacMillan - Mental Health Care | **24,893** | 29,363 |
| Endowment - Staff Education (i) | **57,699** | 55,771 |
| Staff Education | **22,384** | 25,851 |
| Endowment - Cunningham (i) | **65,062** | 59,062 |
| Cunningham - Mental Health Care | **5,621** | 7,164 |
| Endowment - Leslie Burt-Manary (i) | **27,405** | 26,150 |
| Leslie Burt-Manary - RN Leadership Award | **3,802** | 4,028 |
| Endowment - Paine-Mantha (i) | **6,225** | 4,925 |
| Paine-Mantha - Renal Care | **632** | 673 |
| | **$ 8,613,036** | $ 8,476,373 |

(i) Included in the above Externally Restricted Net Assets is $803,862 (2021 - $793,378) in Endowment contributions with externally imposed restrictions stipulating that the resources be maintained permanently. During the year $10,483 (2022 - $30,650) was received in endowment contributions.

## 8. Pledges and Life Insurance Gifts

Pledges are not recognized as revenue until they are received. At March 31, 2023 there are $851,249 (2022 - $1,260,151) in pledges outstanding that will be recognized as revenue of the appropriate fund if and when received.

The Foundation is the beneficiary of life insurance policies with a total cash surrender value of $18,894 (2022 - $18,930) and payout value of $175,000. This will be recognized as revenue of the appropriate fund if and when received.

Management estimates that the $851,249 in outstanding pledges will be collected in the following future fiscal years:

| | |
|---|---|
| 2024 | $ **220,302** |
| 2025 | **201,209** |
| 2026 | **185,767** |
| 2027 | **126,363** |
| Thereafter | **117,608** |
| | $ **851,249** |

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

| For the year ended March 31 | 2023 | 2022 |
|---|---|---|
| **Revenues** | | |
| Donations | **$ 531,493** | $ 470,941 |
| Investment income | **725,911** | 836,438 |
| Unrealized investment (losses) gains | **(463,456)** | 3,479 |
| Cost recoveries and other | **61,801** | 42,624 |
| Fundraising | **90,233** | 74,301 |
| | **945,982** | 1,427,783 |
| **Expenses** | | |
| Salaries and benefits | **621,327** | 657,378 |
| Administrative | **125,131** | 97,032 |
| Fundraising and other | **63,400** | 54,188 |
| Amortization | **5,985** | 4,865 |
| | **815,843** | 813,463 |
| **Excess of revenues over expenses for the year** | **$ 130,139** | $ 614,320 |
| **Unrestricted,** beginning of year | **$ 7,109,140** | $ 6,494,820 |
| Excess of revenues over expenses for the year | **130,139** | 614,320 |
| **Unrestricted,** end of year | **$ 7,239,279** | $ 7,109,140 |

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

| For the year ended March 31 | 2023 | 2022 |
|---|---|---|
| **Revenues** | | |
| Donations | **$ 1,746,982** | $ 2,076,685 |
| Investment income | **42,976** | 65,064 |
| Unrealized investment (losses) gains | **(45,735)** | 5,726 |
| Fundraising | **236,691** | 137,947 |
| | **1,980,914** | 2,285,422 |
| **Expenses** | | |
| Salaries and benefits | **44,625** | 49,982 |
| Fundraising and other | **18,488** | 31,304 |
| Administrative | **4,757** | 4,935 |
| | **67,870** | 86,221 |
| **Excess of revenues over expenses before item below** | **1,913,044** | 2,199,201 |
| **Less:** Charitable disbursements made during the year | **1,776,381** | 1,192,822 |
| **Excess of revenues over expenses for the year** | **$ 136,663** | $ 1,006,379 |
| **Externally restricted,** beginning of year | **$ 8,476,373** | $ 7,469,994 |
| Excess of revenues over expenses for the year | **136,663** | 1,006,379 |
| **Externally restricted,** end of year | **$ 8,613,036** | $ 8,476,373 |

# 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 | 2023 | 2022 |
|---|---|---|
| **Revenues** | | |
| Ticket sales | $ 69,300 | $ 75,366 |
| **Expenses** | | |
| Prizes | 27,000 | 27,000 |
| Fundraising | 5,171 | 5,343 |
| Administrative | 520 | 565 |
| | 32,691 | 32,908 |
| **Excess of revenues over expenses before item below** | 36,609 | 42,458 |
| **Less:** Disbursements made during the year | - | 38,892 |
| **Excess of revenues over expenses for the year** | $ 36,609 | $ 3,566 |
| **Internally restricted - lottery,** beginning of year | $ 103,043 | $ 99,477 |
| Excess of revenues over expenses for the year | 36,609 | 3,566 |
| **Internally restricted - lottery,** end of year | $ 139,652 | $ 103,043 |

# 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 | 2023 | 2022 |
|---|---|---|
| **Revenues** | | |
| Ticket sales | $ 1,295,225 | 1,744,730 |
| **Expenses** | | |
| Prizes paid | $ 710,650 | $ 883,387 |
| Licensing, advertising and other direct costs | 185,422 | 246,201 |
| | 896,072 | 1,129,588 |
| **Excess of revenues over expenses before disbursements** | 399,153 | 615,142 |
| **Less:** Disbursements made during the year | 157,445 | 279,366 |
| **Excess of revenues over expenses for the year** | $ 241,708 | 335,776 |
| **Internally restricted - 50/50 Draw,** beginning of year | $ 535,817 | 200,041 |
| Excess of revenues over expenses for the year | 241,708 | 335,776 |
| **Internally restricted - 50/50 Draw,** end of year | $ 777,525 | 535,817 |