

**BELLEVILLE GENERAL HOSPITAL
FOUNDATION INCORPORATED
FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021**

BELLEVILLE GENERAL HOSPITAL FOUNDATION INCORPORATED
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Belleville General Hospital Foundation Incorporated

Qualified Opinion

We have audited the financial statements of Belleville General Hospital Foundation Incorporated (the Foundation), which comprise the statement of financial position as at December 31, 2021, and the statements of operations and changes in fund balances 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, 2021, and its financial performance 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 charitable organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether, as at and for the years ended December 31, 2021 and December 31, 2020, any adjustments might be necessary to donations revenue, excess of revenues over expenditures, assets and fund balances.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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 qualified 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 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 these 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.

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Auditors' 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 auditors' 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.

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.

Wilkinson & Company LLP

Chartered Professional Accountants
Licensed Public Accountants

TRENTON, Canada
May 17, 2022

WILKINSON 

BELLEVILLE GENERAL HOSPITAL FOUNDATION INCORPORATED
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

	General Fund		Restricted Funds		Endowment Fund		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$ (000's)	\$	\$ (000's)	\$	\$ (000's)	\$	\$ (000's)	
CURRENT ASSETS								
Cash	1,385	1,991	190	461	51	93	1,626	2,545
Accounts receivable	60	20	2	-	-	-	62	20
Amounts due from internal funds	406	-	-	334	54	50	460	384
Prepaid expenses	6	7	-	-	-	-	6	7
	1,857	2,018	192	795	105	143	2,154	2,956
TANGIBLE CAPITAL ASSETS - Note 4	13	15	-	-	-	-	13	15
LONG-TERM								
Investments at fair market value - Note 2(e)	1,662	791	4,294	3,137	1,844	1,546	7,800	5,474
	3,532	2,824	4,486	3,932	1,949	1,689	9,967	8,445
CURRENT LIABILITIES								
Accounts payable and accrued liabilities	59	58	3	17	-	-	62	75
Amounts due to internal funds	-	384	460	-	-	-	460	384
	59	442	463	17	-	-	522	459
LONG-TERM								
Due to Quinte Healthcare Corporation - Note 8	-	-	322	178	-	-	322	178
FUND BALANCES								
Externally restricted - Note 5	-	-	3,701	3,737	1,949	1,689	5,650	5,426
Unrestricted	3,473	2,382	-	-	-	-	3,473	2,382
	3,473	2,382	3,701	3,737	1,949	1,689	9,123	7,808
	3,532	2,824	4,486	3,932	1,949	1,689	9,967	8,445

APPROVED ON BEHALF OF THE BOARD

 Director

 Director

The accompanying notes form an integral part of these financial statements

BELLEVILLE GENERAL HOSPITAL FOUNDATION INCORPORATED
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund		Restricted Funds		Endowment Fund		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$ (000's)	\$	\$ (000's)	\$	\$ (000's)	\$	\$ (000's)	\$
REVENUES								
Investment income - Note 3	187	78	717	268	278	34	1,182	380
Special event fundraising	540	377	390	256	-	-	930	633
Donations	1,096	1,349	645	1,012	-	273	1,741	2,634
	1,823	1,804	1,752	1,536	278	307	3,853	3,647
EXPENSES								
Accounting, audit and legal	14	13	8	8	-	-	22	21
Equipment - replacements	21	27	-	-	-	-	21	27
Fundraising expenses	93	111	53	76	-	-	146	187
Investment account fees	14	6	27	16	14	12	55	34
Office	95	96	71	76	-	-	166	172
Salaries and benefits	271	259	148	172	-	-	419	431
Special event expenses	77	24	42	17	-	-	119	41
Transfers - Note 8	585	536	349	365	14	12	948	913
	147	79	1,439	1,234	4	6	1,590	1,319
	732	615	1,788	1,599	18	18	2,538	2,232
EXCESS (DEFICIENCY) OF REVENUES								
OVER EXPENSES	1,091	1,189	(36)	(63)	260	289	1,315	1,415
FUND BALANCES - BEGINNING OF THE YEAR	2,382	1,193	3,737	3,800	1,689	1,400	7,808	6,393
FUND BALANCES - END OF THE YEAR	3,473	2,382	3,701	3,737	1,949	1,689	9,123	7,808

BELLEVILLE GENERAL HOSPITAL FOUNDATION INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>General Fund</u>		<u>Restricted Funds</u>		<u>Endowment Fund</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$ (000's)	\$	\$ (000's)	\$	\$ (000's)	\$	\$ (000's)	\$
OPERATING ACTIVITIES								
Excess (Deficiency) of revenues over expenses	1,091	1,189	(36)	(63)	260	289	1,315	1,415
Adjustment for:								
Amortization of tangible capital assets	2	16	-	-	-	-	2	16
Increase in accounts payable and accrued liabilities	1	(25)	(14)	(234)	-	-	(13)	(259)
Decrease (increase) in accounts receivable	(40)	5	(2)	1	-	-	(42)	6
Increase (decrease) in due to Quinte Healthcare Corporation	-	-	144	(846)	-	-	144	(846)
Increase (decrease) in due to general account	(790)	(470)	794	471	(4)	(1)	-	-
Decrease (increase) in prepaid	1	12	-	-	-	-	1	12
Decrease (increase) in investments	(871)	(504)	(1,157)	(927)	(298)	(245)	(2,326)	(1,676)
CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES	(606)	223	(271)	(1,598)	(42)	43	(919)	(1,332)
INVESTMENT AND FINANCING ACTIVITIES								
Purchase of tangible capital assets	-	-	-	-	-	-	-	-
Interfund transfers	-	-	-	-	-	-	-	-
NET INCREASE IN CASH	(606)	223	(271)	(1,598)	(42)	43	(919)	(1,332)
CASH - BEGINNING OF YEAR	1,991	1,768	461	2,059	93	50	2,545	3,877
CASH - END OF YEAR	1,385	1,991	190	461	51	93	1,626	2,545

BELLEVILLE GENERAL HOSPITAL FOUNDATION INCORPORATED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. PURPOSE OF THE ORGANIZATION

The Belleville General Hospital Foundation (The "Foundation") is a public Foundation incorporated for the purpose of raising and managing funds that will assist Quinte Health Care – Belleville General Hospital and Quinte Health Care - North Hastings District Hospital in providing quality healthcare services to the area communities. In addition, the Foundation raises and manages funds that support a variety of other healthcare services in its catchment area. The Foundation raises these funds through comprehensive fundraising programs and the management of its investment portfolio.

The Foundation's investment policies and decisions are made by an Investment Finance Committee of the Board of Directors (the "Board") with the support of a professional fund manager. In accordance with these policies, investments in shares in publicly traded companies are restricted to well capitalized corporations listed on major North American stock exchanges, guaranteed investment certificates and high-grade corporate and government bonds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Foundation have been prepared in accordance with Canadian generally accepted accounting principles. The following summary of significant accounting policies is set forth to facilitate the understanding of these financial statements:

Fund Accounting

In order to ensure observance of the limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the donors or in accordance with directives issued by the Board. Transfers between the funds are made when it is considered appropriate and authorized by the Board. To meet these objectives of financial reporting and stewardship over assets, certain inter-fund transfers are necessary to ensure the appropriate allocation of assets and liabilities to the respective funds. These inter-fund transfers are reported on the Statement of Operations and Changes in Fund Balances.

For financial reporting purposes, the accounts have been classified into the following funds:

a) General Funds

The General Fund accounts for the Foundation's general fund-raising and granting activities. This fund reports unrestricted resources available for immediate purposes. This fund also reports restricted resources to be used for an identified purpose as specified by donors.

BELLEVILLE GENERAL HOSPITAL FOUNDATION INCORPORATED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont'd)

b) Restricted Funds

The Restricted Funds include those funds where resources are to be used for an identified purpose as specified by the donor, as stipulated by the fund-raising appeal, or as determined by the Board.

c) Endowment Funds

The Endowment Funds consist of externally restricted contributions received by the Foundation where the endowment principal is required to be maintained intact. The investment income generated from the assets held for endowment purposes must be used as directed by the donor.

d) Financial Instruments

(i) Measurement of Financial Instruments

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost except for equities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in income.

Financial assets measured at fair value include investments.

Financial assets measured at amortized cost include cash and accounts receivables.

Financial liabilities measured at amortized cost include accounts payables and accrued liabilities and due to Quinte Healthcare Corporation.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recorded in net income. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the impairment amount previously recognized.

e) Investments

Investments are measured at fair value. Fair values are based on the listed market values. Gains and losses arising from changes in fair value are included in the Statement of Operations and Changes in Fund Balances for the year.

BELLEVILLE GENERAL HOSPITAL FOUNDATION INCORPORATED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont'd)

f) Translation of Foreign Currencies

The cost of revenues and expenses denominated in foreign currencies are translated into Canadian dollars at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date.

g) Revenue Recognition

Unrestricted contributions are recognized as revenue in the General Fund in the year received. Donor restricted contributions for specific purposes are recognized as revenue in the Restricted Fund unless the principal is to be maintained permanently, in which case the contributions are recognized as revenue in the Endowment Fund. Pledges receivable are recognized when they are received.

Investment income (loss) on Endowment Fund resources that must be spent on donor restricted activities is recognized in the Restricted Fund. Investment income (loss) subject to donor restrictions stipulating that it be added to the principal amount of the endowment is recognized in the Endowment Fund. Unrestricted investment income is recognized in the General Fund Fund.

h) Grant Recognition

Grants and commitments are recognized at the date of Board approval.

i) Contributed Services

A number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

j) Tangible Capital Assets

The Foundation's capital assets are carried at cost. Amortization of capital assets, which is based on the estimated useful life, is calculated using the rates and bases applied as follows:

Asset	Basis	Rate
Donor Wall	Straight-line	10 years
Website	Declining balance	55%
Software	Declining balance	50%
Sign	Straight-line	10 years

BELLEVILLE GENERAL HOSPITAL FOUNDATION INCORPORATED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont'd)

k) Allocation of expenses

The foundation allocates its general management and administration expenses based on the percentage of donation revenue received from each fund.

l) Cash and cash equivalents

Cash and cash equivalents represent cash held on hand.

3. INVESTMENT INCOME

Included in investment income is interest income of \$2,219 (2020 -\$20,623).

4. TANGIBLE CAPITAL ASSETS

	2021		2020	
	Cost \$ (000's)	Accumulated amortization \$ (000's)	Cost \$ (000's)	Accumulated amortization \$ (000's)
Donor Wall	98	90	98	84
Website	39	39	39	43
Software	14	13	14	14
Sign	8	4	8	3
	159	146	159	144
Cost less accumulated amortization	\$ 13		\$ 15	

BELLEVILLE GENERAL HOSPITAL FOUNDATION INCORPORATED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

5. RESTRICTED FUNDS

The Restricted Funds consist of the following:

	2021 \$ (000's)	2020 \$ (000's)
Donor-Restricted Balances		
Restricted for the purchase of medical equipment at the Belleville General Hospital	(2,343)	(1,396)
Restricted Special Purposes as designated by the donors	2,543	1,949
Restricted for the redevelopment and improvement of the Belleville General Hospital	2,249	1,995
Restricted for the redevelopment and improvement of the North Hastings District Hospital	1,030	1,002
Restricted donation by donor - Child Bereavement	222	187
	3,701	3,737

6. COMMITMENTS

The Board of Directors has approved the following commitments:

	Commitments \$ (000's)	Transfers to Date \$ (000's)
Medicine and General Equipment - Belleville General	12,796	12,792
Medicine and General Equipment - North Hastings	2,462	2,144

BELLEVILLE GENERAL HOSPITAL FOUNDATION INCORPORATED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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7. ENDOWMENT FUNDS

The Endowment Fund consists of externally restricted contributions received by the Foundation where the endowment principal is required to be maintained intact. The Endowment Fund also includes internal resources transferred by the Board of Directors (the "Board") to the Endowment Fund, with the intention that the principal be maintained intact, but may be drawn down to fund operating activities and grants as required.

8. RELATED PARTY TRANSACTIONS

Related party include the Quinte Healthcare Corporation. Transactions with this related party have been recorded at the exchange amount and include:

- (i) During the year, the Foundation committed \$1,147,375 and transferred \$1,143,106 to Quinte Health Care from the Medical Equipment Fund as part of the 2021/2022 fiscal commitments.
- (ii) The Foundation has committed \$2.462 million in financial support towards the purchase of medical equipment at Quinte Health Care - North Hastings. As at December 31, 2021, \$2.144 million of this amount has been transferred to Quinte Health Care, leaving a commitment of \$318,000 outstanding.

BELLEVILLE GENERAL HOSPITAL FOUNDATION INCORPORATED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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9. FINANCIAL INSTRUMENTS

The Foundation has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include interest rate risk, liquidity risk, and market (other price) risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices.

Market Risk

Market risk is the risk that the fair value or future cash flows to a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate, interest rate risk and price risk. The Foundation is mainly exposed to interest rate risk and price risk on its investment portfolio.

Price Risk

Price 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 traded in the market. The Foundation is exposed to price risk through its investment portfolio but has taken steps to mitigate this risk through the adoption of its investment policy.

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 interest rate risk on its investment portfolio, however management has mitigated this risk by adopting the investment policy.

10. IMPACT OF COVID-19

The Coronavirus disease COVID-19 developed rapidly in 2021, having a considerable impact, both globally and locally. As a result, measures were taken by various governments to contain the virus including restrictions impacting the operations of non-essential entities. During the year the Foundation experienced a decline in donations due to restrictions on in-person services and cancellations of fundraising events.

Subsequent to year-end, the Foundation has been able to meet all cashflow obligations as they come due and are able to finance ongoing operations. Management does not anticipate any significant changes financially or operationally at this time.