

The Georgetown Hospital Foundation
Financial Statements
For the year ended March 31, 2021

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Independent Auditor's Report

To the Members of
Georgetown Hospital Foundation

Qualified Opinion

We have audited the financial statements of Georgetown Hospital Foundation (the "Foundation"), which comprise the statement of financial position as at March 31, 2021, and the statements of changes in net assets, operations, 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 matters described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of Georgetown Hospital Foundation as at March 31, 2021, 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 charitable organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were unable to determine whether any adjustments might be necessary to donations, excess of revenues over expenses and cash flows from operations for the years ended March 31, 2021 and March 31, 2020, and assets and net assets as at April 1 and March 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 31, 2020 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 these 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 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.

Independent Auditor's Report

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
Oakville, Ontario
June 22, 2021

The Georgetown Hospital Foundation
Statement of Financial Position

As at March 31	2021	2020
ASSETS		
Cash	\$ 1,988,260	\$ 1,168,494
Accounts receivable	18,218	25,518
Prepaid expenses	20,205	30,747
	\$ 2,026,683	\$ 1,224,759
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	\$ 8,000	\$ 7,195
Deferred revenue	-	1,250
Due to Halton Healthcare Services Corporation (note 2)	39,690	56,557
	47,690	65,002
Net Assets		
Donor restricted funds	575,575	115,153
Unrestricted funds	1,403,418	1,044,604
	1,978,993	1,159,757
	\$ 2,026,683	\$ 1,224,759

On behalf of the Board of Directors:


 _____ Chair

 _____ Treasurer

The Georgetown Hospital Foundation
Statement of Changes in Net Assets

March 31, 2021	Donor Restricted Funds	Unrestricted Funds	Total
Balance , beginning of year	\$ 115,153	\$ 1,044,604	\$ 1,159,757
Excess of revenue over expenditure for the year	461,664	560,187	1,021,851
Donations and grants distributed (note 3)	(1,242)	(201,373)	(202,615)
Balance , end of year	\$ 575,575	\$ 1,403,418	\$ 1,978,993

March 31, 2020	Donor Restricted Funds	Unrestricted Funds	Total
Balance, beginning of year	\$ 131,498	\$ 1,783,785	\$ 1,915,283
Excess of revenue over expenditure for the year	1,080	478,268	479,348
Donations and grants distributed (note 3)	(17,425)	(1,217,449)	(1,234,874)
Balance, end of year	\$ 115,153	\$ 1,044,604	\$ 1,159,757

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

The Georgetown Hospital Foundation
Statement of Operations

For the year ended March 31	2021	2020
Revenue		
Fundraising, special events and donations (note 4)	\$ 1,618,590	\$ 1,197,572
Government subsidies (note 7)	61,073	3,920
Investment income	12,883	35,976
	1,692,546	1,237,468
Expenditures		
Fundraising	670,695	758,120
Excess of revenue over expenditures for the year	\$ 1,021,851	\$ 479,348

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

The Georgetown Hospital Foundation
Statement of Cash Flows

For the year ended March 31	2021	2020
Cash provided by (used in)		
Operating Activities		
Excess of revenue over expenditures	\$ 1,021,851	\$ 479,348
Changes in non-cash working capital items		
Accounts receivable	7,300	(2,497)
Prepaid expenses	10,542	42,147
Accounts payable and accrued liabilities	805	194
Deferred revenue	(1,250)	(48,020)
Due to Halton Healthcare Services Corporation	(16,867)	(35,104)
	<u>1,022,381</u>	<u>436,068</u>
Financing Activity		
Donations and grants distributed (note 3)	(202,615)	(1,234,874)
	<u>819,766</u>	<u>(798,806)</u>
Increase (decrease) in cash during the year	819,766	(798,806)
Cash, beginning of year	<u>1,168,494</u>	<u>1,967,300</u>
Cash, end of year	<u>\$ 1,988,260</u>	<u>\$ 1,168,494</u>

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

The Georgetown Hospital Foundation

Notes to the Financial Statements

March 31, 2021

1. Significant Accounting Policies

Nature and Purpose of Organization

The Georgetown Hospital Foundation ("Foundation") is associated with Halton Healthcare Services Corporation ("HHSC"). Operations commenced on January 2, 2006, on the day the operations of the Georgetown Hospital were transferred to HHSC. According to the Corporation's by-laws, all resources of the Foundation must be provided to or used for the benefit of the Georgetown site of HHSC. The Foundation is incorporated, without share capital, under the Ontario Corporations Act and is a registered charity under the Income Tax Act and, as such, is exempt from income taxes.

Revenue Recognition

The Foundation follows the restricted fund method of accounting for contributions. Restricted and unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized when earned.

Deferred Revenue

Deferred revenue of the unrestricted fund represents amounts received in advance relating to restricted revenue from external sources. These amounts will be recognized as revenue in the ensuing fiscal year corresponding with the period in which the related expenses are incurred.

Contributed Services

A substantial 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.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards 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 revenues and expenditures during the reporting period. Actual results could differ from management's best estimates, as additional information becomes available in the future.

Donor Restricted Funds

The donor restricted funds are to be used for specific purposes as specified by the donor.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments and investments for endowment and donor restricted endowment are reported at fair value, 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 that an asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instruments for those measured at amortized cost.

The Georgetown Hospital Foundation
Notes to the Financial Statements

March 31, 2021

2. Due to Halton Healthcare Services Corporation

During the year ended March 31, 2021, the Foundation had several transactions with HHSC. These transactions are in the normal course of operations and include reimbursements of funds disbursed on the Foundation's behalf. These amounts are repaid on a cost recovery basis.

The amount due to HHSC is non-interest bearing, unsecured and will be repaid subsequent to year-end.

3. Donations and Grants Distributed

The following summarises the total donations and grants distributed to Halton Healthcare Services Corporation.

	2021	2020
Donor designated funds	\$ 1,242	\$ 17,425
Annual Capital	\$ 164,223	\$ 271,735
Diagnostic Imaging Equipment	\$ 37,150	945,714
	<u>\$ 202,615</u>	<u>\$ 1,234,874</u>

4. Fundraising, Special Events and Donations Revenue

	2021	2020
Unrestricted donations and revenue from fundraising	\$ 1,156,926	\$ 1,196,492
Donor designated	461,664	1,080
	<u>\$ 1,618,590</u>	<u>\$ 1,197,572</u>

5. Commitments

The Foundation made a pledge to grant to HHSC \$1,500,000 for diagnostic imaging equipment for the Georgetown hospital site. At March 31, 2021, \$1,468,251 (2020 - \$1,431,101) has been paid. Halton Healthcare has now completed the project and the remaining \$31,749 commitment has been released.

6. Impact of the Covid-19 Pandemic

On March 11, 2020 The World Health Organization declared the outbreak of the coronavirus ("COVID-19"), a pandemic, resulting in economic uncertainties. Though non-essential businesses were shutdown temporarily by the government, the Foundation's operations continued remotely.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Foundation. The Board of Directors are actively monitoring the impact of the global situation on its financial condition, liquidity, operations and workforce.

The Georgetown Hospital Foundation
Notes to the Financial Statements

March 31, 2021

7. Government Subsidies

During the year, the Foundation recognized \$55,573 (2020 - \$nil) in financial assistance from the Canada Emergency Wage Subsidy ("CEWS") program and \$5,500 (2020 - \$nil) in financial assistance from the Temporary Wage Subsidy program. At year end, the Foundation has a receivable of \$1,903 (2020 - \$nil) related to the CEWS program. In the prior year, the Foundation recognized \$3,920 related to Summer Student Grant program.