

The Georgetown Hospital Foundation
Financial Statements
For the year ended March 31, 2022

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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, 2022, 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, 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 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, 2022 and March 31, 2021, and assets 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 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 (continued)

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, 2022

The Georgetown Hospital Foundation
Statement of Financial Position

As at March 31 **2022** 2021

ASSETS

Cash	\$ 2,256,596	\$ 1,988,260
Accounts receivable	19,464	18,218
Prepaid expenses	21,261	20,205
	<u>\$ 2,297,321</u>	<u>\$ 2,026,683</u>


LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ 28,870	\$ 8,000
Deferred revenue	10,000	-
Due to Halton Healthcare Services Corporation (note 2)	91,184	39,690
	<u>130,054</u>	<u>47,690</u>

Net Assets

Capital funds (note 7)	409,500	-
Donor restricted funds	440,128	575,575
Unrestricted funds	1,317,639	1,403,418
	<u>2,167,267</u>	<u>1,978,993</u>
	<u>\$ 2,297,321</u>	<u>\$ 2,026,683</u>

On behalf of the Board of Directors:



Chair

Treasurer

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

The Georgetown Hospital Foundation
Statement of Changes in Net Assets

March 31, 2022	Donor Restricted Funds	Capital Funds	Unrestricted Funds	Total
Balance , beginning of year	\$ 575,575	\$ -	\$ 1,403,418	\$ 1,978,993
Excess of revenue over expenditure for the year	50,080	409,500	-	459,580
Donations and grants distributed (note 3)	(185,527)	-	(85,779)	(271,306)
Balance , end of year	\$ 440,128	\$ 409,500	\$ 1,317,639	\$ 2,167,267

March 31, 2021	Donor Restricted Funds	Capital 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

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

The Georgetown Hospital Foundation
Statement of Operations

For the year ended March 31	2022	2021
Revenue		
Fundraising, special events and donations (note 4)	\$ 1,122,531	\$ 1,618,590
Government subsidies (note 6)	30,924	61,073
Investment income	13,326	12,883
	<u>1,166,781</u>	<u>1,692,546</u>
Expenditures		
Fundraising	<u>707,201</u>	<u>670,695</u>
Excess of revenue over expenditures for the year	\$ 459,580	\$ 1,021,851

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	2022	2021
Cash provided by (used in)		
Operating Activities		
Excess of revenue over expenditures	\$ 459,580	\$ 1,021,851
Changes in non-cash working capital items		
Accounts receivable	(1,246)	7,300
Prepaid expenses	(1,056)	10,542
Accounts payable and accrued liabilities	20,870	805
Deferred revenue	10,000	(1,250)
Due to Halton Healthcare Services Corporation	51,494	(16,867)
	<u>539,642</u>	<u>1,022,381</u>
Financing Activity		
Donations and grants distributed (note 3)	<u>(271,306)</u>	<u>(202,615)</u>
Increase in cash during the year	268,336	819,766
Cash, beginning of year	<u>1,988,260</u>	<u>1,168,494</u>
Cash, end of year	<u>\$ 2,256,596</u>	<u>\$ 1,988,260</u>

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

The Georgetown Hospital Foundation

Notes to the Financial Statements

March 31, 2022

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.

Donations In-Kind

The Foundation receives non-cash donations throughout the year. Only in-kind donations that are converted to cash are recognized in the financial statements.

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, 2022

2. Due to Halton Healthcare Services Corporation

During the year ended March 31, 2022, 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.

	2022	2021
Donor designated funds	\$ 185,527	\$ 1,242
Annual capital	85,779	164,223
Diagnostic imaging equipment	-	37,150
	<u>\$ 271,306</u>	<u>\$ 202,615</u>

4. Fundraising, Special Events and Donations Revenue

	2022	2021
Unrestricted donations and revenue from fundraising	\$ 1,072,451	\$ 1,156,926
Donor designated	50,080	461,664
	<u>\$ 1,122,531</u>	<u>\$ 1,618,590</u>

5. 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 pandemic 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, 2022

6. Government Subsidies

During the year, the Foundation recognized \$26,934 (2021 - \$55,573) in financial assistance from the Canada Emergency Wage Subsidy ("CEWS") program. At year end, there were no amounts receivable related to this program (2021 - \$1,903). Prior year results include \$5,500 in financial assistance from the Temporary Wage Subsidy program, which did not apply in the current fiscal year. The Foundation received \$3,990 of student funding from the Government of Canada in the current year (2021 - \$0).

7. Capital Funds

At the discretion of the Board of Directors, on April 1, 2021 the Foundation established a Capital Fund in preparation for future redevelopment capital needs. All unrestricted fundraising monies raised will support these initiatives until redevelopment needs are satisfied, or until such a time as the Board of Directors determines that this is no longer required.