



## Financial Statements

Saanich Peninsula Hospital and Healthcare  
Foundation

March 31, 2021

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# Independent Auditors' Report

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To the members of Saanich Peninsula Hospital and Healthcare Foundation

## Opinion

We have audited the financial statements of the Saanich Peninsula Hospital and Healthcare Foundation (“the Foundation”), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Saanich Peninsula Hospital and Healthcare 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 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 Organization 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 scepticism 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 Organization'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 Organization'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 Organization 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.

### Report on other legal and regulatory requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the account principles in the Canadian accounting standards for not-for-profit organizations have been applied on a consistent basis.

Victoria, Canada  
August 27, 2021



# Saanich Peninsula Hospital and Healthcare Foundation

## Statement of Operations

Year ended March 31

	General	Externally Restricted	Endowment	Total 2021	Total 2020
<b>Revenue</b>					
Donations in kind	\$ -	\$ 5,840	\$ -	\$ 5,840	\$ 4,500
Fall Campaign, net (Note 7)	1,036,447	-	-	1,036,447	853,922
Donations	355,721	320,934	505,006	1,181,661	369,171
Bequests	1,248,018	865,000	-	2,113,018	1,194,282
Fundraising events (Note 8)	70,104	-	-	70,104	97,175
Other events	19,384	-	-	19,384	(18,785)
	<u>2,729,674</u>	<u>1,191,774</u>	<u>505,006</u>	<u>4,426,454</u>	<u>2,500,265</u>
Interest and dividends	362,609	102,342	-	464,951	437,704
Unrealized gain (loss) on investments	962,346	389,253	-	1,351,599	(798,245)
Realized gain on investments	51,640	46,652	-	98,292	50,808
Increase in cash surrender values	-	-	-	-	2,342
Rental income (net) and other revenue	-	-	-	-	21,628
	<u>4,106,269</u>	<u>1,730,021</u>	<u>505,006</u>	<u>6,341,296</u>	<u>2,214,502</u>
<b>Expenditures</b>					
Administration (Page 14)	390,631	-	-	390,631	460,748
Fundraising (Page 14)	276,415	-	-	276,415	333,905
Charitable purpose (Page 14)	63,524	-	-	63,524	72,566
Transfer to qualified donees (Page 15)	2,486,112	863,700	-	3,349,812	3,515,638
	<u>3,216,682</u>	<u>863,700</u>	<u>-</u>	<u>4,080,382</u>	<u>4,382,857</u>
Excess (deficiency) of revenue over expenditures	\$ <u>889,587</u>	\$ <u>866,321</u>	\$ <u>505,006</u>	\$ <u>2,260,914</u>	\$ <u>(2,168,355)</u>

See accompanying notes to the financial statements.

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## Saanich Peninsula Hospital and Healthcare Foundation

### Statement of Changes in Fund Balances

Year ended March 31

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	General Fund	Externally Restricted	Endowment Fund	Total 2021	Total 2020
Fund balances, beginning of year	\$ 6,816,213	6,068,125	2,650,985	\$ 15,535,323	\$ 17,703,678
Excess (deficiency) of revenue over expenditures	889,587	866,321	505,006	2,260,914	(2,168,355)
Inerfund transfers	(691,818)	691,818	-	-	-
Fund balances, end of year	\$ <u>7,013,982</u>	\$ <u>7,626,264</u>	\$ <u>3,155,991</u>	\$ <u>17,796,237</u>	\$ <u>15,535,323</u>

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See accompanying notes to the financial statements.

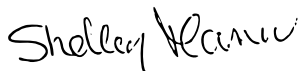
# Saanich Peninsula Hospital and Healthcare Foundation

## Statement of Financial Position

March 31

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 6,235,409	\$ 3,134,011
Investments, at fair value (Note 3)	12,012,533	12,719,066
Bequests and other receivables	47,037	87,549
Accrued interest	2,717	24,963
Prepaid expenses	<u>9,132</u>	<u>13,986</u>
	<b>18,306,828</b>	15,979,575
Cash surrender value of life insurance policies (Note 4)	79,152	79,152
Capital assets (Note 5)	<u>505,436</u>	<u>498,163</u>
	<b>\$ 18,891,416</b>	<b>\$ 16,556,890</b>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ <u>1,095,179</u>	\$ <u>1,021,567</u>
<b>Fund Balances</b>		
Externally restricted	7,626,264	6,068,125
Endowments (Note 6)	3,155,991	2,650,985
General	<u>7,013,982</u>	<u>6,816,213</u>
	<b>17,796,237</b>	<b>15,535,323</b>
	<b>\$ 18,891,416</b>	<b>\$ 16,556,890</b>

On behalf of the Board:



Director



Director

See accompanying notes to the financial statements.

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## Saanich Peninsula Hospital and Healthcare Foundation

### Statement of Cash Flows

Year ended March 31

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	2021	2020
Cash provided by (used in):		
<b>Operations</b>		
Excess (deficiency) of revenue over expenditures	\$ 2,260,914	\$ (2,168,355)
Amortization	10,794	32,377
Unrealized loss (gain) on investments	(1,351,599)	798,245
Realized gains on investments	(98,292)	(50,808)
Increase in cash surrender value of life insurance policies	-	(2,342)
Changes in non-cash operating working capital	141,224	955,209
	<b>963,041</b>	(435,674)
<b>Investing</b>		
Purchase of capital assets	(18,067)	(4,492)
Proceeds from disposition of investments	3,147,052	797,966
Purchase of investments	(990,628)	(265,590)
	<b>2,138,357</b>	527,884
Increase in cash and cash equivalents	<b>3,101,398</b>	92,210
Cash and cash equivalents, beginning of year	<b>3,134,011</b>	3,041,801
Cash and cash equivalents, end of year	<b>\$ 6,235,409</b>	<b>\$ 3,134,011</b>
<hr/>		
Changes in non-cash operating working capital		
Bequests and other receivables	40,512	178,625
Accrued interest	22,246	(15,489)
Prepaid expenses	4,854	6,174
Accounts payable and accrued liabilities	73,612	785,899
	<b>\$ 141,224</b>	<b>\$ 955,209</b>

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See accompanying notes to the financial statements.



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# Saanich Peninsula Hospital and Healthcare Foundation

## Notes to the Financial Statements

March 31, 2021

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### 1. Authority and purpose

The Saanich Peninsula Hospital and Healthcare Foundation (the “Foundation”) is incorporated under the Society Act of British Columbia. The Foundation is registered as a charity with the Canada Revenue Agency under registration number 11913 0540 RR0001.

The Foundation’s purpose is to further the aims, interests and objectives of the Saanich Peninsula Hospital and other such organizations carrying on healthcare activities in the Saanich Peninsula that are qualified donees under the provisions of the Income Tax Act of Canada and to raise the necessary funds for this purpose. Donations received by the Foundation are used to enhance health care through equipment purchase, facility enhancement or by assisting in health-related research and education. Donations are not applied to hospital operating expenses.

The Saanich Peninsula Hospital is operated by the Vancouver Island Health Authority (the “Authority”). The Foundation has the use of facilities and certain administrative services without charge from the Authority.

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### 2. Summary of significant accounting policies

#### Basis of presentation

The Foundation has elected to apply the standards of Part III of the CPA Canada Handbook in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”).

#### Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable.

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 endowment are recognized as revenue in the Endowment Fund.

Investment income with no restrictions on how it is to be spent is recorded to the General Fund as earned. Investment income subject to restrictions on how it is to be spent is recorded to the restricted fund as earned.

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# Saanich Peninsula Hospital and Healthcare Foundation

## Notes to the Financial Statements

March 31, 2021

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### 2. Summary of significant accounting policies (continued)

#### Fund accounting

##### *General Fund*

The General Fund accounts for the Foundation's administrative and fundraising activities. This Fund also reports bequests, legacies and unspecified donations received for which there is no restrictions attached by the donor. Funds that are internally restricted have been designated by the Foundation for specific uses. Board restricted resources can be made available for other purposes.

##### *Restricted Funds*

Funds that are externally restricted are subject to externally imposed instructions specifying how the funds are to be used.

Funds that are internally restricted include resources subject to internally imposed restrictions of the Foundation's management and board.

Endowment funds are contributions externally restricted by the donor which must be retained in perpetuity.

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks.

#### Employee future benefits

All eligible employees participate in a multi-employer defined benefit pension plan. Defined contribution plan accounting has been applied to the plan as the Foundation has insufficient information to apply defined benefit plan accounting. Accordingly, the Foundation's contributions are expensed in the year in which the services are rendered, and represent its total pension obligation.

#### Capital assets

Capital assets are recorded at cost other than donated assets, which are recorded at their estimated fair market value upon receipt. Minor asset purchases are expensed as acquired. Rates and bases of amortization applied to write-off the cost less estimated salvage value of capital assets over their estimated useful lives are as follows:

Furniture and equipment, office improvements and donor wall	- 5 years, straight line
Website	- 3 years, straight line

Artwork is recorded at cost and is not subject to amortization.

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# Saanich Peninsula Hospital and Healthcare Foundation

## Notes to the Financial Statements

March 31, 2021

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### 2. Summary of significant accounting policies (continued)

#### **Donations and bequests**

Donations of goods and services are recorded at fair market value. Donations and bequests are recorded when the donated amount is determinable and receipt or collection is reasonably assured. The Foundation annually receives a significant amount of volunteer services. The value of volunteer time and facilities and services provided by the Authority are not recorded due to the difficulty in valuing such services.

#### **Financial instruments**

The Foundation's financial instruments consist of cash and cash equivalents, investments, receivables, and accounts payables and accrued liabilities.

Financial instruments are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has not elected to carry any such financial instruments at fair value.

Financial assets are assessed for impairment on an annual basis if there are indicators of impairment. The Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset.

#### **Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

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# Saanich Peninsula Hospital and Healthcare Foundation

## Notes to the Financial Statements

March 31, 2021

### 3. Investments, at fair value

The components of investments are as follows:

	<u>2021</u>	<u>2020</u>
Fixed income	\$ 6,761,321	\$ 8,827,406
Equities	<u>5,251,212</u>	<u>3,891,660</u>
	<u>\$ 12,012,533</u>	<u>\$ 12,719,066</u>

### 4. Life insurance policies

The Foundation has been named owner and beneficiary of \$82,000 (2020: \$82,000) of death benefit in life insurance policies. The cash surrender value of the life insurance policies at March 31, 2021 is \$79,152 (2020: \$79,152).

### 5. Capital assets

			<u>2021</u>	<u>2020</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Land	\$ 450,967	\$ -	\$ 450,967	\$ 450,967
Furniture and equipment	46,810	38,858	7,952	8,017
Office improvements	19,750	5,607	14,143	3,715
Artwork	5,088	-	5,088	5,088
Donor wall	108,508	95,425	13,083	19,133
Computer equipment	27,479	13,276	14,203	11,223
Website	<u>77,815</u>	<u>77,815</u>	<u>-</u>	<u>20</u>
	<u>\$ 736,417</u>	<u>\$ 230,981</u>	<u>\$ 505,436</u>	<u>\$ 498,163</u>

In 1996, the Foundation received certain land as part of a bequest from the Estate of George Mure Wood Graham.

### 6. Endowments

	<u>2020</u>	<u>2019</u>
Gerald G. and Lottie Few Fund	\$ 93,364	\$ 93,364
Iverson Fund	133,660	133,660
Hannah E. Rodwell Fund	140,301	140,301
Florence Yong Scholarship Fund	1,008,666	503,660
Enid Blakeney Fund	<u>1,780,000</u>	<u>1,780,000</u>
	<u>\$ 3,155,991</u>	<u>\$ 2,650,985</u>

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# Saanich Peninsula Hospital and Healthcare Foundation

## Notes to the Financial Statements

March 31, 2021

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<b>7. Fall campaign</b>	<u>2021</u>	<u>2020</u>
Income	\$ 1,176,208	\$ 1,035,253
Expense	<u>139,761</u>	<u>181,331</u>
	<b>\$ 1,036,447</b>	<b>\$ 853,922</b>

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<b>8. Fundraising events</b>	<u>2021</u>	<u>2020</u>
Gala		
Income	\$ 94,692	\$ 118,491
Expense	<u>24,588</u>	<u>40,436</u>
	<b>70,104</b>	78,055
Bed races		
Income	-	50,837
Expense	<u>-</u>	<u>31,717</u>
	-	19,120
Total		
Income	<b>94,692</b>	169,328
Expense	<u><b>24,588</b></u>	<u>72,153</u>
	<b>\$ 70,104</b>	<b>\$ 97,175</b>

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### **9. Employee future benefits**

The Foundation and its employees contribute to the Municipal Pension Plan. The British Columbia Pension Corporation administers the Plan, including the payment of pension benefits on behalf of employers and employees in accordance with the Public Sector Pension Plans Act and the Municipal Pension Plan Rules. The risks and rewards associated with the Plan's unfunded liability or surplus are shared between the employers and the Plan's members and may be reflected in their future contributions.

Based on the most recent actuarial valuation as of December 2018, the Municipal Pension Plan is fully funded as of that date. Portions of any surplus or deficiency are not attributed to individual employers.

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# Saanich Peninsula Hospital and Healthcare Foundation

## Notes to the Financial Statements

March 31, 2021

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### 10. Allocated expenses

It is the practice of the Foundation to allocate salaries, wages and benefits of the executive director, the administrative assistant and certain contractor support costs between administration, fundraising, and charitable purposes. This allocation is based on management estimate of resource requirements by each individual function as follows:

	<u>Administration</u>	<u>Fundraising</u>	<u>Charitable Purposes</u>
President & CEO	45%	45%	10%
Administrative assistant	45%	45%	10%
Contractor expenses	45%	45%	10%

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### 11. Risk management

In the normal course of operations, the Foundation is exposed to interest rate risk, market risk and credit risk. The Foundation's primary risk management objective is to protect earnings and cash flow, and ultimately to continue to raise funds to meet the objectives of the Saanich Peninsula Hospital. Risks are managed within limits established by the Foundation's Board of Directors and implemented by management. These risks and actions taken to manage them are as follows:

#### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Foundation's main interest rate exposure relates to its investments that are invested in money market funds. It minimizes their exposure to interest rate risk whenever possible by utilizing a conservative investment policy.

#### Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Foundation's main market risk is in the equity fund investments that it owns which are traded on the public market. The Foundation manages this risk by maintaining a conservatively diversified portfolio and investing a small portion of its investments in equity funds traded on public markets.

#### Credit risk

Credit risk arises from the possibility that a debtor is unable to discharge its obligations to the Foundation in a timely manner. The Foundation minimizes its risk through regular monitoring and follow-up of its outstanding receivables.

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# Saanich Peninsula Hospital and Healthcare Foundation

## Notes to the Financial Statements

March 31, 2021

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### 12. British Columbia Societies Act remuneration disclosure

On November 28, 2016 the British Columbia Societies Act there is a requirement to disclose the remuneration paid to all directors, the ten highest paid employees and all contractors who are paid at least \$75,000 annually.

During the year the Society paid no remuneration to directors.

During the year, the Society paid \$333,918 in remuneration to three employees, whose remuneration, during the applicable period, was at least \$75,000.

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### 13. Impact of COVID-19

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

In response to the spread of COVID-19, the Foundation temporarily closed their office in March 2020. The office was subsequently reopened within the year with adapted working conditions to conform to Provincial health guidelines.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of operations of the Society for future periods.

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## Saanich Peninsula Hospital and Healthcare Foundation

### Schedule of Expenditures

Year ended March 31	2021	2020
<b>Administration</b>		
Salaries and benefits	\$ 192,704	\$ 228,123
Professional fees	109,250	93,722
Professional development	9,143	23,059
Office and stationery	29,268	41,279
Computer, software and training	36,495	33,532
Amortization	10,794	32,377
Dues and membership	2,902	4,966
Bad debts	-	3,000
Graham Land Project	75	690
	<b>\$ 390,631</b>	<b>\$ 460,748</b>
<b>Fundraising</b>		
Salaries and benefits	\$ 192,704	\$ 228,123
Advertising	55,882	70,514
Project support (newsletter/campaign)	25,476	32,351
Travel and subsistence	2,353	2,917
	<b>\$ 276,415</b>	<b>\$ 333,905</b>
<b>Charitable purpose</b>		
Salaries and benefits	\$ 55,246	\$ 50,694
Volunteer Appreciation	716	1,583
SPH Employee Appreciation	7,562	20,289
	<b>\$ 63,524</b>	<b>\$ 72,566</b>

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## Saanich Peninsula Hospital and Healthcare Foundation Schedule of Fund Transfers

Year ended March 31	2021	2020
Activation	\$ 405	\$ 16,859
Acute care	2,644	24,718
Capital equipment		
Acute Care	50,436	45,303
CT scanner	825	-
ECU renovation	388,598	505,678
Emergency room	-	33,375
Operating room	9,875	685,355
Chapel	1,025	7,794
Chaplain support	15,000	15,000
Community healthcare	285,553	72,056
Day surgery	1,870,214	29,165
Doctor of the day	49,019	85,165
Education	39,371	65,222
Emergency room	5,650	131
Equipment	484,672	50
Garden fund	-	380,340
Music therapy	832	30,927
Other	-	66,866
Palliative care	105,873	210,437
Primary Health Care Project	35,000	1,169,869
Physician lounge	4,233	52,122
Totem project	-	16,000
Volunteer services	587	3,206
	<u>\$ 3,349,812</u>	<u>\$ 3,515,638</u>

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