

**BELLEVILLE GENERAL HOSPITAL
FOUNDATION INCORPORATED
FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023**

BELLEVILLE GENERAL HOSPITAL FOUNDATION INCORPORATED
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AS AT DECEMBER 31, 2023

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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, 2023, 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, 2023, 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, 2023 and December 31, 2022, 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.

INDEPENDENT AUDITORS' REPORT
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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

TRENTON, Canada
June 5, 2024

Chartered Professional Accountants
Licensed Public Accountants

WILKINSON 

BELLEVILLE GENERAL HOSPITAL FOUNDATION INCORPORATED
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023

	<u>General Fund</u>		<u>Restricted Funds</u>		<u>Endowment Fund</u>		<u>Total</u>	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$ (000's)	\$	\$ (000's)	\$	\$ (000's)	\$	\$ (000's)	\$
CURRENT ASSETS								
Cash	1,586	639	1,709	1,284	36	18	3,331	1,941
Restricted cash	154	90	-	-	-	-	154	90
Accounts receivable	128	127	6	4	-	-	134	131
Amounts due from internal funds	126	-	-	95	91	213	217	308
Prepaid expenses	31	8	-	-	-	-	31	8
	2,025	864	1,715	1,383	127	231	3,867	2,478
TANGIBLE CAPITAL ASSETS - Note 4	6	9	-	-	-	-	6	9
LONG-TERM								
Investments at fair market value - Note 2(e)	1,730	1,438	6,118	4,619	1,909	1,650	9,757	7,707
	3,761	2,311	7,833	6,002	2,036	1,881	13,630	10,194
CURRENT LIABILITIES								
Accounts payable and accrued liabilities	311	119	-	3	-	-	311	122
Amounts due to internal funds	-	308	217	-	-	-	217	308
	311	427	217	3	-	-	528	430
LONG-TERM								
Due to Quinte Health - Note 8	-	-	1,911	1,071	-	-	1,911	1,071
FUND BALANCES								
Externally restricted - Note 5	-	-	5,705	4,928	2,036	1,881	7,741	6,809
Unrestricted	3,450	1,884	-	-	-	-	3,450	1,884
	3,450	1,884	5,705	4,928	2,036	1,881	11,191	8,693
	3,761	2,311	7,833	6,002	2,036	1,881	13,630	10,194

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, 2023

	<u>General Fund</u>		<u>Restricted Funds</u>		<u>Endowment Fund</u>		<u>Total</u>	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$ (000's)	\$	\$ (000's)	\$	\$ (000's)	\$	\$ (000's)	\$
REVENUES								
Investment income (loss) - Note 3	196	(149)	728	(444)	176	(210)	1,100	(803)
Special event fundraising	596	434	419	640	-	-	1,015	1,074
Donations	2,207	1,554	2,171	1,094	-	159	4,378	2,807
	2,999	1,839	3,318	1,290	176	(51)	6,493	3,078
EXPENSES								
Accounting, audit and legal	20	13	6	8	-	-	26	21
Equipment - replacements	9	45	-	-	-	-	9	45
Fundraising expenses	137	110	77	80	-	-	214	190
Investment account fees	12	14	42	39	14	14	68	67
Office	217	140	76	91	-	-	293	231
Salaries and benefits	538	361	189	227	-	-	727	588
Special event expenses	341	206	115	129	-	-	456	335
	1,274	889	505	574	14	14	1,793	1,477
Transfers - Note 8	159	201	2,036	1,827	7	3	2,202	2,031
	1,433	1,090	2,541	2,401	21	17	3,995	3,508
EXCESS (DEFICIENCY) OF REVENUES								
OVER EXPENSES	1,566	749	777	(1,111)	155	(68)	2,498	(430)
FUND BALANCES - BEGINNING OF THE YEAR	1,884	3,473	4,928	3,701	1,881	1,949	8,693	9,123
Inter-fund transfers - Note 10	-	(2,338)	-	2,338	-	-	-	-
FUND BALANCES - END OF THE YEAR	3,450	1,884	5,705	4,928	2,036	1,881	11,191	8,693

The accompanying notes form an integral part of these financial statements

BELLEVILLE GENERAL HOSPITAL FOUNDATION INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>General Fund</u>		<u>Restricted Funds</u>		<u>Endowment Fund</u>		<u>Total</u>	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$ (000's)	\$	\$ (000's)	\$	\$ (000's)	\$	\$ (000's)	\$
OPERATING ACTIVITIES								
Excess (Deficiency) of revenues over expenses	1,566	749	777	(1,111)	155	(68)	2,498	(430)
Adjustment for:								
Amortization of tangible capital assets	3	2	-	-	-	-	3	2
Increase (decrease) in accounts payable and accrued liabilities	192	60	(3)	-	-	-	189	60
Increase in accounts receivable	(1)	(67)	(2)	(2)	-	-	(3)	(69)
Increase in due to Quinte Health	-	-	840	749	-	-	840	749
Increase (decrease) in due to general account	(434)	714	312	(555)	122	(159)	-	-
Increase in prepaid	(23)	(2)	-	-	-	-	(23)	(2)
Decrease (increase) in investments	(292)	224	(1,499)	(325)	(259)	194	(2,050)	93
CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES	1,011	1,680	425	(1,244)	18	(33)	1,454	403
INVESTMENT AND FINANCING ACTIVITIES								
Purchase of tangible capital assets	-	-	-	-	-	-	-	-
Interfund transfers	-	(2,338)	-	2,338	-	-	-	-
CASH USED IN INVESTING AND FINANCING ACTIVITIES	-	(2,338)	-	2,338	-	-	-	-
NET INCREASE IN CASH	1,011	(658)	425	1,094	18	(33)	1,454	403
CASH - BEGINNING OF YEAR	729	1,387	1,284	190	18	51	2,031	1,628
CASH - END OF YEAR	1,740	729	1,709	1,284	36	18	3,485	2,031
REPRESENTED BY:								
Cash	1,586	639	1,709	1,284	36	18	3,331	1,941
Restricted cash	154	90	-	-	-	-	154	90

The accompanying notes form an integral part of these financial statements

BELLEVILLE GENERAL HOSPITAL FOUNDATION INCORPORATED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 – Belleville General Hospital and Quinte Health - 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, 2023

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 Health.

(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, 2023

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, 2023

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. Restricted cash represents cash held for raffles.

3. INVESTMENT INCOME

The investment income consists of the following:

	2023	2022
	\$	\$
	(000's)	(000's)
Realized income	328	201
Unrealized income (loss)	772	(1,004)
	1,100	(803)

BELLEVILLE GENERAL HOSPITAL FOUNDATION INCORPORATED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

4. TANGIBLE CAPITAL ASSETS

	2023		2022	
	Cost	Accumulated amortization	Cost	Accumulated amortization
	\$	\$	\$	\$
	(000's)	(000's)	(000's)	(000's)
Donor Wall	98	94	98	92
Website	39	39	39	39
Software	14	14	14	14
Sign	8	6	8	5
	159	153	159	150
Cost less accumulated amortization	\$ 6		\$ 9	

BELLEVILLE GENERAL HOSPITAL FOUNDATION INCORPORATED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

5. RESTRICTED FUNDS

The Restricted Funds consist of the following:

	2023 \$ (000's)	2022 \$ (000's)
Donor-Restricted Balances		
Restricted for the purchase of medical equipment at the Belleville General Hospital	(3,394)	(1,658)
Restricted Special Purposes as designated by the donors	3,659	2,984
Restricted for the redevelopment and improvement of the Belleville General Hospital	2,278	2,080
Restricted for the redevelopment and improvement of the North Hastings District Hospital	2,937	1,317
Restricted donation by donor - Child Bereavement	225	205
	5,705	4,928

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	2,650	950
Medicine and General Equipment - North Hastings	2,716	2,549

BELLEVILLE GENERAL HOSPITAL FOUNDATION INCORPORATED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 Health. Transactions with this related party have been recorded at the exchange amount and include:

- (i) During the year, the Foundation committed \$1,820,731 and transferred \$950,000 to Quinte Health from the Medical Equipment Fund as part of the 2022/2023 and 2023/2024 fiscal commitments.
- (ii) The Foundation has committed \$2.716 million in financial support towards the purchase of medical equipment at Quinte Health - North Hastings. As at December 31, 2023, \$2.505 million of this amount has been transferred to Quinte Health, leaving a commitment of \$211,000 outstanding. \$89,711 of the total amount outstanding relates to the \$159,500 commitment made during the 2023 year.

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 it's issuer, or factors affecting all similar financial trades 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.

BELLEVILLE GENERAL HOSPITAL FOUNDATION INCORPORATED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

9. FINANCIAL INSTRUMENTS - (Cont'd)

Interest Rate Risk

Interest rate risk has 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. INTERFUND TRANSFERS

During the year, the Board of Directors passed motion to transfer \$Nil from the general fund to the medical equipment fund (2022 - \$2,338,500).

11. SUBSEQUENT EVENTS

On January 17, 2024, the Finance Committee approved \$1,216,000 towards medical equipment commitments.