

**Hamilton Health Sciences Foundation**  
**Financial Statements**  
For the year ended December 31, 2021

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## Independent Auditor's Report

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### To the Members of Hamilton Health Sciences Foundation

#### Qualified Opinion

We have audited the financial statements of Hamilton Health Sciences Foundation (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 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

The predecessor auditor was not able to obtain the requisite service auditor's report over the Foundation's on-line donation service provider's controls for the year ended December 31, 2020, or be satisfied concerning the completeness of donations by alternative means. Accordingly, the verification of this revenue was limited to the amounts recorded in the records of the Foundation and the predecessor auditor was unable to determine whether any adjustments would be necessary to revenue, excess (deficiency) of revenue over expenses and cash flows from operations for the year ended December 31, 2020, current assets and fund balances as at December 31, 2020. Sufficient audit procedures were performed on donation revenue for the year ended December 31, 2021 and therefore, our opinion on the current year's financial position, results of operations and changes in fund balances and cash flows is modified because of the possible effects of this matter on the current year's opening fund balances and the comparability of the financial statements.

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 qualified opinion.

#### Other Matter

The financial statements for the year ended December 31, 2020 were audited by another auditor who expressed a qualified opinion on those financial statements on March 5, 2021 for reasons discussed in the *Basis for Qualified Opinion* section.

#### 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.



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## Independent Auditor's Report (Continued)

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### 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  
March 11, 2022



## Hamilton Health Sciences Foundation Statement of Financial Position

December 31	2021	2020
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 16,934,215	\$ 14,216,125
Accounts receivable (Note 15)	1,276,683	1,245,578
Prepaid expenses	163,009	89,170
	<u>18,373,907</u>	<u>15,550,873</u>
Portfolio investments (Notes 4 and 11)	150,202,934	134,103,347
Capital assets (Note 5)	614,681	693,924
	<u>\$ 169,191,522</u>	<u>\$ 150,348,144</u>
<b>Liabilities and Fund Balances</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 1,112,943	\$ 1,183,037
Due to Hamilton Health Sciences	1,546,832	2,710,791
	<u>2,659,775</u>	<u>3,893,828</u>
<b>Fund Balances</b>		
Invested in capital assets	614,681	693,924
General Fund	48,447,745	36,463,668
Restricted Fund (Note 6)	92,336,148	84,336,441
Endowment Fund (Note 6)	25,133,173	24,960,283
	<u>166,531,747</u>	<u>146,454,316</u>
	<u>\$ 169,191,522</u>	<u>\$ 150,348,144</u>

On behalf of the Board: \_\_\_\_\_ Director

\_\_\_\_\_ Director

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

# Hamilton Health Sciences Foundation

## Statement of Operations and Changes in Fund Balances

For the year ended December 31

	General Fund		Restricted Fund		Endowment Fund		Total
	2021	2020	2021	2020	2021	2020	2020
<b>Revenue</b>							
Donations and events	\$ 665,943	\$ 1,264,850	\$ 23,036,774	\$ 16,565,078	\$ 120,043	\$ 281,507	\$ 18,111,435
Investment income (Notes 7 and 8)	14,247,880	7,188,773	1,233,622	1,264,721	39,514	36,904	8,490,398
Lottery (Note 9)	-	-	1,864,484	1,370,911	-	-	1,370,911
	14,913,823	8,453,623	26,134,880	19,200,710	159,557	318,411	27,972,744
<b>Expenses</b>							
Salaries and employee benefits	995,111	1,051,160	2,770,653	2,809,974	-	-	3,765,764
Administrative	1,338,705	987,334	1,027,399	1,423,531	-	-	2,366,104
Lottery costs (Note 9)	-	-	1,057,654	726,112	-	-	1,057,654
Amortization	122,897	114,454	-	-	-	-	122,897
	2,456,713	2,152,948	4,855,706	4,959,617	-	-	7,312,419
<b>Excess of revenue over expenses before donations and charitable programs</b>	12,457,110	6,300,675	21,279,174	14,241,093	159,557	318,411	20,860,179
Donations and charitable programs	(537,300)	(318,555)	(13,281,110)	(13,235,818)	-	-	(13,554,373)
<b>Excess of revenue over expenses</b>	11,919,810	5,982,120	7,998,064	1,005,275	159,557	318,411	7,305,806
<b>Fund balance, beginning of year</b>	37,157,592	31,522,257	84,336,441	83,161,718	24,960,283	24,464,535	139,148,510
<b>Interfund transfers (Note 10)</b>	(14,976)	(346,785)	1,643	169,448	13,333	177,337	-
<b>Fund balance, end of year</b>	\$ 49,062,426	\$ 37,157,592	\$ 92,336,148	\$ 84,336,441	\$ 25,133,173	\$ 24,960,283	\$146,454,316

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

## Hamilton Health Sciences Foundation

### Statement of Cash Flows

**For the year ended December 31** **2021** **2020**

**Increase (decrease) in cash and cash equivalents**

**Operating**

Excess of revenue over expenses	\$ 20,077,431	\$ 7,305,806
Adjustments required to reconcile excess of revenue over expenses with net cash provided by operating activities		
Amortization of capital assets	122,897	114,454
Realized gain on disposal of portfolio investments (Note 7)	(7,338,407)	(136,831)
Unrealized fair market value adjustment (Note 7)	(4,826,677)	(4,466,710)
Changes in non-cash working capital balances		
Accounts receivable	(31,105)	(358,083)
Prepaid expenses	(73,839)	4,893
Accounts payable and accrued liabilities	(70,094)	5,398
Due to Hamilton Health Sciences	(1,163,959)	1,653,071
	<u>6,696,247</u>	<u>4,121,998</u>

**Investing**

Purchase of capital assets	(43,654)	(6,965)
Proceeds on disposal of portfolio investments	41,249,447	46,865,844
Purchase of portfolio investments	(45,183,950)	(58,413,518)
	<u>(3,978,157)</u>	<u>(11,554,639)</u>

**Increase (decrease) in cash and cash equivalents during the year** **2,718,090** **(7,432,641)**

**Cash and cash equivalents, beginning of year** **14,216,125** **21,648,766**

**Cash and cash equivalents, end of year** **\$ 16,934,215** **\$ 14,216,125**

**Cash and cash equivalents comprise of:**

Cash in bank	\$ 12,926,063	\$ 9,366,587
Cash and cash equivalents held in portfolio	4,008,152	4,849,538
	<u>\$ 16,934,215</u>	<u>\$ 14,216,125</u>

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

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## Hamilton Health Sciences Foundation

### Notes to Financial Statements

**December 31, 2021**

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#### **1. Purpose of the Organization**

The mission of the Hamilton Health Sciences Foundation ("the Foundation") is to raise funds and manage donor gifts for the purpose of supporting outstanding clinical care and research for the communities served by Hamilton Health Sciences.

The Foundation is incorporated by Letters Patent as a corporation without share capital under the laws of Ontario and is a registered charity under the Income Tax Act. The Foundation is exempt from income taxes and able to issue donation receipts for income tax purposes under Registration #131159543 RR0001.

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#### **2. Basis of Presentation**

The principles of fund accounting are used to ensure observance of limitations and restrictions placed on the use of resources. Resources are classified into funds that are in accordance with specified activities or objectives and these have been summarized under the following fund groups:

- (i) The General Fund accounts for the receipt and expenditures of donations or bequests that are not specifically designated to a program or project. Receipted gifts to the Foundation, not restricted by the donors, unrestricted investment income and certain Foundation expenses are allocated to the General Fund.
- (ii) The Restricted Fund accounts for the receipt and expenditures of donations or bequests that have been restricted by the donor. Revenue of the Restricted Fund is limited to donor restricted contributions, investment income and lottery. Internally restricted funds are amounts that have been restricted for specific purposes by the Board of Directors which have been transferred to the Restricted Fund. Operating expenses are allocated to the Restricted Fund based on the cost of each initiative including the cost of personnel, services and other expenses that are directly related to raising the restricted funds.
- (iii) The Endowment Fund accounts for the receipt of donations or bequests that have been endowed by the donor or internally endowed by the Board of Directors. Revenue of the Endowment Fund is limited to amounts that have been designated for endowment purposes by the external donor. The balance in the Endowment Fund includes original contributions plus accumulated investment income that may be endowed by the gift agreement. The Foundation's Endowment Management Policy ensures that the purchasing power of original contributions is protected against the impact of inflation. Grants are made out of the available portion of the Endowment Fund interest from the Restricted or General Fund as appropriate.

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## Hamilton Health Sciences Foundation

### Notes to Financial Statements

**December 31, 2021**

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### 3. Significant Accounting Policies

The Foundation follows Canadian accounting standards for not-for-profit organizations (ASNPO) in preparing its financial statements. The significant accounting policies used are as follows:

#### **Fund Accounting and Revenue Recognition**

The Foundation follows the restricted fund method of accounting for contributions. Contributions are recorded when received. Bequests and donations are recorded in the statement of operations and changes in fund balances of the respective fund in the year received. Pledges for future bequests and donations are not recognized until the pledge commitments are realized.

Revenue received prior to the fiscal year end, for special events that do not occur until after the fiscal year end, are recorded as deferred revenue as at December 31. The revenue is recognized when the event occurs and the Foundation has delivered its commitments to participants and sponsors.

Lottery revenue and revenue from special events are recognized in the fiscal year in which the program is concluded. Revenue related to lotteries for which prize draws and events take place subsequent to the year-end is deferred.

Investment income (loss), which consists of interest, dividends, income distributions from pooled funds, and realized and unrealized gains and losses, net of investment management expenses, is recorded in the statement of operations and changes in fund balances.

Gifts of securities are valued at fair value on the day the Foundation, or the Foundation's investment broker, received the securities. Any gains or losses arising from timing differences from the receipt and subsequent sale or transfer within the investment portfolio, of the securities are recognized by the Foundation in the statement of operations and changes in fund balances.

#### **Financial Instruments**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable, except for portfolio investments which are measured at fair value. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each Statement of Financial Position date and charged to the financial instrument for those measured at amortized cost.

#### **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 revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.



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## Hamilton Health Sciences Foundation

### Notes to Financial Statements

**December 31, 2021**

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### **3. Significant Accounting Policies (Continued)**

#### **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, demand deposits, deposits held with banks and other short-term highly liquid investments which are readily convertible to known amounts of cash and bank overdrafts. The Foundation considers securities with original maturities of three months or less to be readily convertible to known amounts of cash.

#### **Capital Assets**

Capital assets are recorded at cost less accumulated amortization. Capital assets are amortized to estimated residual values at the following annual rates over the estimated useful lives of the related assets:

Furniture and equipment	5 to 10 years straight-line
Computer equipment	2 to 4 years straight-line

Leasehold improvements are amortized over the remaining term of the lease.

The estimated useful lives of assets are reviewed by management and adjusted, if necessary.

#### **Contributed Materials and Services**

Contributed materials are recorded in the financial statements at fair value on the date of the donation. Contributed services are not recorded because the fair market value is not readily determinable. With the exception of volunteer time, such services are not significant.

#### **Allocation of Expenses**

The Foundation engages in fundraising initiatives to support capital expenditure, education, research and other special projects for the benefit of the Health System. The cost of each fundraising initiative includes the cost of personnel, services and other expenses that are directly related to undertaking the fundraising initiative. The Foundation also incurs a number of personnel related costs common to the administration of each of its ongoing fundraising initiatives. The Foundation allocates these personnel costs based on an estimate of time spent by the personnel on the fundraising initiative. The allocation percentages are reviewed by management and are applied consistently on an annual basis.

#### **Employee Benefit Plan**

Defined contribution plan accounting is applied to a multi-employer plan, whereby contributions are expensed when due.

## Hamilton Health Sciences Foundation

### Notes to Financial Statements

**December 31, 2021**

#### 4. Portfolio Investments

	2021	%	2020	%
		of total		of total
Cash and cash equivalents held in portfolio	\$ 4,008,152	3 %	\$ 4,849,538	3 %
Fixed income instruments	50,245,429	32 %	45,164,675	33 %
Equities				
Canadian	36,789,497	24 %	30,887,466	22 %
Foreign	62,794,497	41 %	57,716,655	42 %
Total equities	99,583,994		88,604,121	
	153,837,575		138,618,334	
Accrued interest and dividends	373,511		334,551	
Total	\$154,211,086	100 %	\$138,952,885	100 %
Less: cash and cash equivalents held in portfolio	4,008,152		4,849,538	
Portfolio investments	\$150,202,934		\$134,103,347	

Fixed income instruments consist of short-term investments with maturities of over three months and long-term notes and bonds with maturities ranging from 2023 to 2081 (2020 - 2021 to 2081) and interest rates ranging from 1.25% to 6.98% (2020 - 1.1% to 6.98%).

The Foundation manages its portfolio investments in accordance with its investment policy statement. One of the ways it manages the risk associated with the portfolio investments is to provide a percentage range for each type of investment. It does this on a whole portfolio basis including the cash and cash equivalents held in the portfolio.

#### 5. Capital Assets

	Cost	Accumulated Amortization	2021	2020
Leasehold improvements	\$ 759,767	\$ 278,948	\$ 480,819	\$ 556,902
Furniture and equipment	786,848	691,727	95,121	111,012
Computer equipment	582,622	543,881	38,741	26,010
	\$ 2,129,237	\$ 1,514,556	\$ 614,681	\$ 693,924

## Hamilton Health Sciences Foundation

### Notes to Financial Statements

**December 31, 2021**

#### 6. Restricted Fund Balances

Major categories of fund balances with restrictions are as follows:

	Restricted Fund	Endowment Fund	2021	2020
Hamilton Health Sciences Foundation	\$ 26,307,530	\$ 5,056,862	\$ 31,364,392	\$ 31,026,404
McMaster Children's Hospital Foundation	30,364,528	10,874,897	41,239,425	37,740,448
Hamilton General Hospital Foundation	4,888,783	1,414,241	6,303,024	5,789,316
Juravinski Hospital and Cancer Centre Foundation	24,067,261	6,870,892	30,938,153	27,286,652
St. Peter's Hospital Foundation	6,708,046	916,281	7,624,327	7,453,904
	<b>\$ 92,336,148</b>	<b>\$ 25,133,173</b>	<b>\$ 117,469,321</b>	<b>\$ 109,296,724</b>

The balance related to the Hamilton Health Sciences Foundation represents various restricted donations received by the Foundation. The balances related to individual sites are restricted for those specific sites. While the Foundation is the single legal entity, it uses the individual site identities for marketing and communication purposes.

Within the Restricted Fund, \$11,279,313 (2020 - \$11,356,175) is internally restricted and \$81,056,835 (2020 - \$72,980,266) is externally restricted.

Within the Endowment Fund \$7,077,811 (2020 - \$7,067,454) is internally restricted and \$18,055,362 (2020 - \$17,892,829) is externally restricted.

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## Hamilton Health Sciences Foundation

### Notes to Financial Statements

**December 31, 2021**

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#### **7. Investment Income**

Investment income earned on investments recorded at fair value consists of the following:

	<u>2021</u>	<u>2020</u>
Interest	\$ 1,302,475	\$ 1,447,622
Dividends and other investment income	2,063,388	2,533,470
Realized gain on disposal of portfolio investments	7,338,407	136,831
Fair market value adjustment	4,826,677	4,466,710
Foreign exchange loss	(9,931)	(94,235)
	<u>\$ 15,521,016</u>	<u>\$ 8,490,398</u>

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#### **8. Endowment Fund**

During the year, investment income of \$731,407 (2020 - \$725,000) was earned on the Endowment Fund of which \$691,893 (2020 - \$688,000) is included in investment income of the Restricted Fund and the remaining \$39,514 (2020 - \$37,000) is included in investment income of the Endowment Fund.

## Hamilton Health Sciences Foundation

### Notes to Financial Statements

**December 31, 2021**

#### 9. Lottery

During the year, the Foundation held 2 (2020 - 2) 50/50 lottery licences of which they held 26 (2020 - 26) staff 50/50 lottery draws and 5 (2020 - 2) community inspiration 50/50 lottery draws. The proceeds of the lotteries, net of expenses, are used to purchase equipment for Hamilton Health Sciences Foundation. Financial results included in the statement of revenue, expenses and fund balances are as follows:

<b>Staff 50/50 Lottery</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Ticket sales	\$ 1,093,758	\$ 1,073,455
Interest	13,490	28,601
	<u>1,107,248</u>	<u>1,102,056</u>
<b>Expenses</b>		
Prizes	546,879	536,728
Administrative	24,324	10,064
	<u>571,203</u>	<u>546,792</u>
<b>Net lottery proceeds</b>	<u>\$ 536,045</u>	<u>\$ 555,264</u>
<b>Community Inspiration 50/50 Lottery</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Ticket sales	\$ 754,400	\$ 268,855
Interest	2,836	-
	<u>757,236</u>	<u>268,855</u>
<b>Expenses</b>		
Prizes	377,220	135,428
Administrative	109,231	43,892
	<u>486,451</u>	<u>179,320</u>
<b>Net lottery proceeds</b>	<u>\$ 270,785</u>	<u>\$ 89,535</u>



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## Hamilton Health Sciences Foundation

### Notes to Financial Statements

**December 31, 2021**

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#### 10. Interfund Transfers

Transfers to (from) funds consist of the following:

	<b>2021</b>		
	<b>General Fund</b>	<b>Restricted Fund</b>	<b>Endowment Fund</b>
Transfers to Endowment Fund	\$ -	\$ (13,333)	\$ 13,333
Transfers to Restricted Fund	(14,976)	14,976	-
	<b>\$ (14,976)</b>	<b>\$ 1,643</b>	<b>\$ 13,333</b>

  

	<b>2020</b>		
	<b>General Fund</b>	<b>Restricted Fund</b>	<b>Endowment Fund</b>
Transfers to Endowment Fund	\$ -	\$ (177,337)	\$ 177,337
Transfers to Restricted Fund	(346,785)	346,785	-
	<b>\$ (346,785)</b>	<b>\$ 169,448</b>	<b>\$ 177,337</b>

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## Hamilton Health Sciences Foundation

### Notes to Financial Statements

**December 31, 2021**

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#### **11. Financial Instruments**

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposures and concentrations at December 31, 2021:

##### **Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation's main credit risk relates to its accounts receivable. The Foundation manages its credit risk by not recognizing pledges for future bequests and donations until the pledge commitment is realized which significantly reduces the credit risk. There was no significant change in exposure from the prior year.

##### **Market Price Risk**

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issue or all other factors affecting all instruments traded in the market. All of the Foundation's portfolio investments are carried at fair value with fair value changes recognized in the statement of operations and changes in fund balances (General Fund). Market price risk is managed by the Investment Managers through construction of a diversified portfolio of instruments traded on various markets and across various industries.

The Foundation is exposed to price risk through changes in market prices (other than changes arising from interest rate or currency risk) in connection with its investment in equity securities and pooled funds. There was no significant change in exposure from the prior year.

At December 31, 2021 the market value of portfolio investments is \$150,202,934 (2020 - \$134,103,347), the cost of which is \$125,306,147 (2020 - \$114,072,196).

##### **Liquidity Risk**

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Foundation manages its liquidity risk by monitoring its operating requirements and capital commitments. The Foundation prepares budgets and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations. There have been no changes to the risk exposures from the prior year.

##### **Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation holds United States dollar denominated portfolio investments. The current market value of these investments is \$62,167,553 (\$49,928,971 US) (2020 - \$58,379,391 (\$45,852,491 US)). The Foundation also holds cash in United States dollars at December 31, 2021 of \$2,275,893 (\$1,795,151 US) (2020 - \$3,506,552 (\$2,754,263 US)). The cash and investments are subject to foreign exchange rate fluctuations. There was no significant change in exposure from the prior year.

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## Hamilton Health Sciences Foundation

### Notes to Financial Statements

**December 31, 2021**

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#### 12. Commitments

The Foundation is committed to minimum payments under operating lease commitments with respect to premises and equipment:

2022	\$ 185,859
2023	191,546
2024	194,389
2025	194,389
2026	194,389
Thereafter	<u>248,786</u>
	<u>\$ 1,209,358</u>

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#### 13. Employee Benefit Plan

- (i) Most employees of the Foundation are members of the Healthcare of Ontario Pension Plan (the "Plan"), which is a multi-employer, defined benefit, final average earnings, contributory pension plan. The Plan is accounted for as a defined contribution plan. The Foundation's contributions to the Plan during the year amounted to \$379,038 (2020 - \$367,431) and are included in salaries and employee benefits expense in the statement of operations and changes in fund balances. The most recent actuarial valuation of the Plan as at December 31, 2020 indicates that the Plan has a 19% surplus in disclosed actuarial assets and is fully funded on a solvency basis.
  - (ii) The Foundation has accrued its estimated obligations for non-pension post retirement benefits based on an actuarial valuation performed in February 2021. As at December 31, 2021, the Foundation's accrued benefits liability is \$114,300 (2020 - \$109,200).
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#### 14. Credit Facilities

The Foundation's credit facilities include an unsecured \$1,300,000 demand operating line of credit bearing interest at prime minus 1.15% per annum. The amount outstanding on this credit facility as at December 31, 2021 is \$Nil (2020 - \$Nil).

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## **Hamilton Health Sciences Foundation**

### **Notes to Financial Statements**

**December 31, 2021**

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#### **15. COVID-19**

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.

It is management's opinion that the oversight from the integrated Board of Directors/ Board Committee of the operational business continuity program allowed for the Foundation to monitor and mitigate changes in the fundraising environment. The primary goal being to minimize the negative impact of this pandemic to the greatest extent possible.

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.

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#### **16. Comparative Figures**

Certain comparative figures have been reclassified to conform with the method of presentation adopted for the current year.

