

**Sechelt Hospital Foundation Society**

**Financial Statements**

**December 31, 2021**

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**Sechelt Hospital Foundation Society**  
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## Independent Auditor's Report

To the Members of Sechelt Hospital Foundation Society

### *Opinion*

We have audited the financial statements of (the "Society"), which comprise the statement of financial position as at December 31, 2021, and the statement of operations and changes in fund balances and the statement of 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 Society 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 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 Society 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 the financial statements in accordance with ASNPO, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 skepticism throughout the audit. We also:

## Independent Auditor's Report, continued

- ♦ 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 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 Society'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 Society'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 consolidated 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 Society 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 (British Columbia), we report that, in our opinion, the accounting policies applied by Sechelt Hospital Foundation Society in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding period.

Sechelt, British Columbia  
May 16, 2022

*Crowe MacKay LLP*

Chartered Professional Accountants



**Sechelt Hospital Foundation Society**  
**Statement of Financial Position**

December 31,	Unrestricted Fund	Restricted Fund	2021	2020
<b>Assets</b>				
<b>Current</b>				
Cash	\$ 2,241,309	\$ 656,890	\$ 2,898,199	\$ 3,758,801
Accounts receivable	-	-	-	805
Sales taxes receivable	1,689	-	1,689	3,380
Restricted cash (Note 4)	-	27,758	27,758	58
Prepaid expenses	8,063	-	8,063	5,758
Interfund receivable (Note 10)	-	28,807	-	-
	<b>2,251,061</b>	<b>713,455</b>	<b>2,935,709</b>	<b>3,768,802</b>
<b>Investments</b>				
Tangible capital assets (Note 6)	1,701,902	519,649	2,221,551	1,075,997
Art collection (Note 7)	324,171	-	324,171	339,998
	182,689	-	182,689	156,434
	<b>\$ 4,459,823</b>	<b>\$ 1,233,104</b>	<b>\$ 5,664,120</b>	<b>\$ 5,341,231</b>

**Liabilities**


<b>Current</b>				
Accounts payable and accrued liabilities	\$ 62,009	\$ -	\$ 62,009	\$ 43,376
Interfund payable (Note 10)	28,807	-	-	-
	<b>90,816</b>	<b>-</b>	<b>62,009</b>	<b>43,376</b>

**Fund balances**

Invested in tangible capital assets (Note 6)	324,171	-	324,171	339,998
Externally restricted (Note 8)	-	1,233,104	1,233,104	1,174,132
Internally restricted (Note 9)	1,107,417	-	1,107,417	2,798,964
Unrestricted	2,937,419	-	2,937,419	984,761
	<b>4,369,007</b>	<b>1,233,104</b>	<b>5,602,111</b>	<b>5,297,855</b>
	<b>\$ 4,459,823</b>	<b>\$ 1,233,104</b>	<b>\$ 5,664,120</b>	<b>\$ 5,341,231</b>

**COVID-19 Pandemic (Note 2)**

Approved on behalf of the Board

Director   
 Frank Belfry, Chair

Director 

**Sechelt Hospital Foundation Society**  
**Statement of Operations**

	Unrestricted Fund	Restricted Fund	2021	2020
<b>For the year ended December 31</b>				
<b>Revenues</b>				
Donations - unrestricted	\$ 1,271,052	\$ -	\$ 1,271,052	\$ 471,477
Donations - restricted	-	558,536	558,536	433,290
Special events	86,529	-	86,529	7,250
Investment income	157,904	33,404	191,308	99,999
	<b>1,515,485</b>	<b>591,940</b>	<b>2,107,425</b>	<b>1,012,016</b>
<b>Expenditures</b>				
<b>Operating</b>				
Amortization	15,827	-	15,827	17,397
Accounting services	15,960	-	15,960	13,948
Governance and board development	1,489	-	1,489	823
Insurance	6,116	-	6,116	5,846
Office and administration	9,474	-	9,474	11,600
Professional fees	18,348	-	18,348	16,000
Wages and benefits (Note 11)	23,409	-	23,409	23,904
	90,623	-	90,623	89,518
<b>Fund development costs</b>				
Community engagement and marketing	38,657	-	38,657	38,580
Donor recognition	-	-	-	97
Staff development education	3,449	-	3,449	2,913
Wages and benefits (Note 11)	156,979	-	156,979	147,308
	199,085	-	199,085	188,898
<b>Programs</b>				
Art Program (Note 7)	626	-	626	734
Education funding	7,220	-	7,220	5,041
Foundation house	28,982	-	28,982	23,114
Special events costs	58,340	-	58,340	737
MedTalks (net of sponsorships)	(1,355)	-	(1,355)	4,150
Wages and benefits (Note 11)	24,927	-	24,927	17,928
	118,740	-	118,740	51,704
<b>Distributions</b>				
Contributions to Sechelt Hospital (Note 15)	875,270	519,213	1,394,483	762,830
	<b>1,283,718</b>	<b>519,213</b>	<b>1,802,931</b>	<b>1,092,950</b>
	231,767	72,727	304,494	(80,934)
<b>Other income/(expenses)</b>				
Investment fair value adjustments	13,519	(13,755)	(236)	54,523
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 245,286</b>	<b>\$ 58,972</b>	<b>\$ 304,258</b>	<b>\$ (26,411)</b>

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**Sechelt Hospital Foundation Society**  
**Statement of Changes in Fund Balances**

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	Unrestricted Fund	Restricted Fund	2021	2020
<b>For the year ended December 31</b>				
Balance, beginning of year	\$ 4,123,722	\$ 1,174,132	\$ 5,297,854	\$ 5,324,265
Excess (deficiency) of revenues over expenditures	245,286	58,972	304,258	(26,411)
<b>Balance, ending of year</b>	<b>\$ 4,369,008</b>	<b>\$ 1,233,104</b>	<b>\$ 5,602,112</b>	<b>\$ 5,297,854</b>

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**Sechelt Hospital Foundation Society**  
**Statement of Cash Flows**

For the year ended December 31,	Unrestricted Fund	Restricted Fund	2021	2020
<b>Operating activities</b>				
Excess (deficiency) of revenues over expenditures	\$ 245,286	\$ 58,972	\$ 304,258	\$ (26,411)
Adjustments for				
Amortization	15,827	-	15,827	17,397
Fair value adjustment on marketable securities	(13,519)	13,755	236	(54,523)
In-kind contributions to the Art collection	(26,255)	-	(26,255)	(50,595)
	(23,947)	13,755	(10,192)	(87,721)
	<b>221,339</b>	<b>72,727</b>	<b>294,066</b>	<b>(114,132)</b>
<b>Change in non-cash working capital items</b>				
Accounts receivable	805	-	805	1,564
Prepaid expenses	(2,305)	-	(2,305)	(4,239)
Accounts payable and accrued liabilities	18,633	-	18,633	13,365
Sales taxes receivable	1,691	-	1,691	(238)
Interfund receivable/payable	17,337	(17,337)	-	-
	<b>257,500</b>	<b>55,390</b>	<b>312,890</b>	<b>(103,680)</b>
<b>Investing activities</b>				
Acquisition of investments	(500,000)	(500,000)	(1,000,000)	-
Net change in portfolio investments	(112,387)	(33,405)	(145,792)	(31,741)
<b>Decrease in cash</b>	<b>(354,887)</b>	<b>(478,015)</b>	<b>(832,902)</b>	<b>(135,421)</b>
<b>Cash, beginning of year</b>	<b>2,596,196</b>	<b>1,162,663</b>	<b>3,758,859</b>	<b>3,894,280</b>
<b>Cash, end of year</b>	<b>\$ 2,241,309</b>	<b>\$ 684,648</b>	<b>\$ 2,925,957</b>	<b>\$ 3,758,859</b>
<b>Cash consists of:</b>				
Cash	\$ 2,241,309	\$ 656,890	\$ 2,898,199	\$ 3,758,801
Restricted cash	-	27,758	27,758	58
	<b>\$ 2,241,309</b>	<b>\$ 684,648</b>	<b>\$ 2,925,957</b>	<b>\$ 3,758,859</b>



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## **Sechelt Hospital Foundation Society**

### **Notes to the Financial Statements**

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**December 31, 2021**

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#### **1. Incorporation and purpose**

Sechelt Hospital Foundation Society was incorporated on March 18, 1995 under the laws of the Society Act of British Columbia as a not-for-profit organization and has transitioned to the British Columbia Societies Act and is a registered charity under the Income Tax Act.

The purpose of the Society is to:

- (a) to raise funds from the community to help enhance the scope and sustain excellence of health care services provided by Vancouver Coastal Health, primarily at Sechelt Hospital and secondarily at other VCH locations across the Sunshine Coast Local Health Area (LHA 46);
- (b) to fund capital facilities and equipment, special projects, medical and scientific research and educational activities aligned, where possible, with the policies, programs and priorities of Vancouver Coastal Health, Sechelt Hospital and the needs of our community;
- (c) to receive, hold and invest bequests, donations, gifts, stocks, bonds, funds and property and to administer and distribute funds, property, endowments, trusts and financial programs for the funding and support of activities of the above;
- (d) to do all such other things as are incidental and ancillary to the attainment of the foregoing purposes and the exercise of the powers of the Society.

The Foundation raises funds to support the highest quality of health care for the Lower Sunshine Coast for Sechelt/shishalh Hospital, Totem Lodge, Shorncliffe Intermediate Care Home, Home Care Services, Public and Community Health Services and Mental Health and Substance Use Services.

#### **2. COVID-19 Pandemic**

On March 11, 2020, the World Health Organization declared a global pandemic. The outbreak of the novel strain of the coronavirus, COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility. Governments and central banks including Canadian federal, provincial, territorial and municipal governments have responded with significant monetary and fiscal interventions designed to stabilize economic conditions.

At the time of approval of these financial statements, in response to the COVID-19 pandemic:

- Staff continued to have the option to work from home but opted to work at the office, inside Sechelt Hospital, and followed precautionary measures guided by the public health authorities to limit the spread of Covid-19 and the impact of the pandemic.
- The Society hosted nearly all meetings and fundraising events via a digital platform for the purposes of health and wellness education, community outreach, board meetings and donor engagement.
- The Society utilized the balance of its Covid Emergency Response Fund to support Community Vaccination efforts and remote resident access with the purchase of a Mobile Health Services van from funds received to support pandemic response.
- Donations leveled off from the initial response to Covid but remained strong among annual donor support in recognition of the value of local hospital services for the Sunshine Coast community.

The rapidly evolving event, including health and safety conditions, economic environment and resulting government measures, creates a high level of uncertainty and risk that may result in significant impacts to the Society's activities, results of operations and financial condition. The

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**Sechelt Hospital Foundation Society**  
**Notes to the Financial Statements**

**December 31, 2021**

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duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. As such it is not possible to estimate the length and severity of these development and the impact on the financial results and condition on the Society and its operations in future periods.

**3. Significant accounting policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. These financial statements have, in management's opinion, been properly prepared within the framework of the accounting policies summarized as follows.

**(a) Basis of accounting**

The Society follows fund accounting principles consisting of the following funds:

The Unrestricted Fund accounts for the Society's unspecified donations, fundraising, membership activities and expenses related to the Society's general operations.

The Restricted Fund accounts for the receipt and distributions of specific donations and bequests of the Society.

**(b) Cash equivalents**

Cash and cash equivalents include cash and deposits maturing within 90 days of the original date of acquisition.

**(c) Financial Instruments**

**(i) Measurement of financial instruments**

The Society initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Society subsequently measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, restricted cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include marketable securities, which are quoted in an active market.

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**Sechelt Hospital Foundation Society**  
**Notes to the Financial Statements**

**December 31, 2021**

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**3. Significant accounting policies, continued**

**(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 recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- ♦ the present value of the cash flows expected to be generated by the asset or group of assets;
- ♦ the amount that could be realized by selling the assets or group of assets;
- ♦ the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

**(d) Revenue recognition**

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

Contributed capital assets or short-term investments are recorded at fair market value at the time of receipt. Interest income is recognized on an accrual basis. Dividend income is recognized when received.

**(e) Use of estimates**

The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

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**Sechelt Hospital Foundation Society**  
**Notes to the Financial Statements**

**December 31, 2021**

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**3. Significant accounting policies, continued**

**(f) Contributed services**

Contributions of materials and services are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations, and would otherwise have been purchased.

A substantial number of volunteers contribute a significant amount of time to the Society each year. Because of the difficulty in determining their fair values, these contributed services are not recognized in the financial statements.

**(g) Tangible capital assets**

Tangible capital assets are accounted for at cost. Amortization is based on their useful life using the straight-line method and following durations:

Buildings	Straight-line	40 years
Office equipment	Straight-line	5 years
Furniture and fixtures	Straight-line	5 years
Leasehold improvements	Straight-line	5 years
Computer software	Straight-line	1 year

It is the Society's policy to capitalize capital expenditures greater than \$2,500.

**(h) Impairment of long-lived assets**

The Society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

**(i) Income taxes**

The Society is exempt from income taxes under section 149 of the Income Tax Act.

**(j) Collections**

Collections are recorded on the statement of financial position at cost and are not amortized. For items contributed to collections, cost is deemed to be fair value at the date of contribution plus all costs directly attributable to the acquisition of the collection items. Fair value may be estimated using appraisal values.

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**Sechelt Hospital Foundation Society**  
**Notes to the Financial Statements**

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**3. Significant accounting policies, continued**

**(k) Measurement uncertainty**

The preparation of financial statements in conformity 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 and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to valuation of useful lives for amortization of capital assets and provisions for accrued liabilities and contingencies. Actual results may ultimately differ from these estimates.

**(l) General and administrative expenses**

All expenses related to general management, marketing and administrative activities, are expensed in the period in which they are incurred. General and administration expenses are included in the unrestricted fund and not allocated to the restricted fund.

**4. Restricted cash**

Restricted cash in the amount of \$27,758 (2020 - \$58) relates to the Society's lotteries as required under the BC Gaming licences.

**5. Investments**

The Society's portfolio investments are managed by an external investment manager in accordance with the Society's investment policy.

During the year the Society contributed \$500,000 towards internally restricted investments as well as \$500,000 towards externally restricted investments.

	2021	2020
Investments are comprised of the following:		
Fixed Income	\$ 900,338	\$ 484,036
Equity	1,321,213	591,961
	<u>2,221,551</u>	<u>1,075,997</u>
Investment income (loss) is comprised of the following:		
Realized portfolio gains (losses)	110,615	(10,364)
Interest income	63,967	101,234
Management fees	(12,418)	(10,244)
	<u>29,144</u>	<u>19,373</u>
	<u>\$ 191,308</u>	<u>\$ 99,999</u>

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**Sechelt Hospital Foundation Society**  
**Notes to the Financial Statements**

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**6. Tangible capital assets**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2021 Net book value</b>	<b>2020 Net book value</b>
Land	\$ 228,000	\$ -	\$ 228,000	\$ 228,000
Buildings	259,231	163,060	96,171	102,652
Office equipment	6,911	6,911	-	-
Furniture and fixtures	8,723	8,723	-	-
Leasehold improvements	46,731	46,731	-	9,346
Computer software	16,955	16,955	-	-
	<b>\$ 566,551</b>	<b>\$ 242,380</b>	<b>\$ 324,171</b>	<b>\$ 339,998</b>

**7. Art collection**

In January of 2018 the Foundation established The Hospital Art Program which includes a permanent collection of donated artwork to enhance the Sechelt Hospital's healing environments. The collection comprises paintings, drawings, photography, prints and other visual art materials. The Art Collection is held for the perpetual benefit of the Sunshine Coast and its citizens.

All art included in the collection is donated to the Society and accepted upon the recommendation of the Art Program Committee. All art with a fair value of \$1,000 or greater is appraised by an independent appraiser and the donation is recorded at the appraised amount.

During the year ended December 31, 2021 the Society spent \$626 (2020 - \$734) on the administration, installation and maintenance of The Art Program.

There were no disposals of any collection items during the year.



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**Sechelt Hospital Foundation Society**  
**Notes to the Financial Statements**

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**8. Externally restricted net assets (Donor specified)**

	<b>2021</b>	<b>2020</b>
Externally restricted net assets (Donor specified)	\$ -	\$ -
Ambulatory Care Unit	15,696	17,579
COVID-19 CMAF	-	66,508
COVID-19 Support	1,899	8,624
Capital Equipment	64,220	-
Emergency	9,090	32,853
Employee Wellness	1,969	1,410
Home Care	2,063	1,415
Lab	100	-
Maternity	13,973	-
Medical Equipment	15,300	15,300
Medical Imaging	2,000	-
Mental Health	1,081,270	982,502
Nurses Lounge	-	550
Obstetrics	-	20,048
Palliative	8,498	4,948
REHAB	5,100	2,500
Shorncliffe	-	1,030
Surgical Needs	11,676	7,500
Totem Lodge	250	11,365
	<b>\$ 1,233,104</b>	<b>\$ 1,174,132</b>

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**Sechelt Hospital Foundation Society**  
**Notes to the Financial Statements**

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**9. Internally restricted net assets**

	<b>2021</b>	<b>2020</b>
COVID-19 support	\$ 18,481	\$ 144,067
Cardiac Monitors and other equipment	-	56,275
Care Aide Education Support	35,192	120,000
Clinical Lab Service - Water Purification System	17,000	-
Externally Managed Fund	-	1,075,997
Infant Warming System	148,000	-
Maternity	-	67,937
Mental Health	500,000	500,000
Mobility and Rehab	92,334	104,500
O/B Pediatrics - Incubator	17,000	-
OR Clinical Services	-	90,000
Physicians Lounge	46,592	159,792
Portable X-ray Machine	157,000	-
Surgical/Endoscopy and other equipment	49,554	411,412
Surgical/Ophthalmology	26,264	26,264
Totem and Shorncliffe	-	42,720
	<b>\$ 1,107,417</b>	<b>\$ 2,798,964</b>

**10. Interfund balances**

Interfund amounts receivable and payable are non-interest bearing and have no set terms of repayment

**11. Employee remuneration**

Total remuneration for the year, including benefits, for the Society's Executive Director was \$117,046 (2020 - \$119,521). Total remuneration, including benefits for the other part time employees of the Society totaled \$88,270 (2020 - \$69,619).

**12. Contributed Services**

Volunteers contribute a significant amount of time to assist the Society in fulfilling its mandate and supporting its programs. In 2021, volunteers committed 1,310 hours to the Society. Contributed services are not reflected in these financial statements because of the difficulty determining their fair value.

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**Sechelt Hospital Foundation Society**  
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**13. Foundation House**

The Society operates Foundation House, a rental property located in Sechelt which aids in the recruiting and accommodation of visiting health care professionals, medical students and specialists who serve at Sechelt Hospital. Guests of Foundation House either pay for their stays or recognize the use of accommodation as an earned income benefit.

**14. Thrift Store**

The Society owns the Thrift Store property, located at 5533 Cowrie Street in Sechelt, BC, and rents it to the Sunshine Coast Healthcare Auxiliary for a nominal \$1 per year.

**15. Transactions with Vancouver Coastal Health**

During the year, the Society made contributions of \$1,394,483 (2020 - \$762,830) to Vancouver Coastal Health. These contributions were for the Sechelt Hospital's state-of-the-art medical equipment and facility renovations, including:

- Surgical suite (endoscopy suite, cystoscopy tower and cameras, hysteroscope, medical device repositioning sinks),
- Medical imaging (ultrasound),
- Emergency department blood analyser,
- Physicians lounge,
- Staff wellness yurt,
- Home care (aide education),
- Covid emergency support funds,
- Immunization clinic support,
- Covid testing tents,
- Shorncliffe and Totem Lodge beds and support.

The Society also receives certain administrative services from Vancouver Coastal Health, including the use of payroll and benefit administration, housekeeping and information technology support.

Because of the difficulty in determining their fair value, these contributed services are not recognized in the financial statements.

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**Sechelt Hospital Foundation Society**  
**Notes to the Financial Statements**

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**16. Financial instruments**

**Credit risk**

The Society's investments in guaranteed investment certificates, income funds and equities are subject to credit risk. The maximum exposure to credit risk on these instruments is their carrying value. The Society manages the risk by retaining professional investment counselors who act in accordance with the Society's investment policies.

Other credit risk can arise from holding receivables which are generally not material and as such the credit risk is minimal.

There has been no change in the credit risk exposure from the prior year.

**Market risk**

The market risk associated with the term deposits is reduced to a minimum since these assets are invested in low risk, highly liquid, interest bearing investments, in accordance with the Society's investment policies. The market risk associated with the short-term investments is reduced to a minimum as it is the Society's policy to either liquidate those investments as soon as possible after receipt or if the underlying investments are determined to be appropriately low-risk by the finance committee then the investments are held and monitored on a regular basis until such time as the committee determines to divest of the holdings. The Society is exposed to other price risk through its investments in listed shares for which the value fluctuates with the quoted market price.

COVID-19 has resulted in an increase in other market risk by increasing volatility in investment markets. The Society cannot predict changes in economic conditions that impact individual financial instruments or similar financial instruments or issuers. Such changes arising from the COVID-19 pandemic, could have a material effect in the Society's operations and financial condition.

**17. Comparative amounts**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.