

Policy Type: <u>—</u> Board Work Policy Name: <u>—</u> Signing Policy	Policy Number: BW-8 Date of Acceptance of Policy: October 3, 2009
Date to Review Policy: Annually <u>at Board Planning Meeting</u>	Date Policy Reviewed: <u>November 26, 2020</u> January 17, 2017 Date Policy Revised: <u>December 8, 2020</u> January 17, 2017

Signing authority is set out in the Bylaws of the Foundation, which authorize the Board to establish signing authority and responsibility for matters necessary to allow for the management of day-to-day operations by policy adoption.

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The purpose of this policy is to set out the individuals (Board and Foundation Senior Management) who are authorized to commit, expend, or release funds on behalf of the Foundation, and to record the signing authority limits, parameters, and responsibilities for those individuals. 'Foundation' includes the Society's business ventures, and 'Senior Management' includes the respective managers of such ventures.

1. This policy applies to all contracts, commitments, or obligations to which the Foundation is a party and to all funds administered by the Foundation.
2. Approval of the Foundation's operating and grant budget by the Board, and the subsequent detailed budgets prepared by the CEO, confer authority upon Foundation Senior Management to enter into contracts, commitments, or obligations and to make expenditures within the amounts and scope of the accounts delegated to them in the budgets and subject to the dollar limits outlined in Appendix A.
3. The CEO must ensure that expenditures are required for Foundation purposes and are in compliance with Foundation policies and procedures, grant terms and conditions, income tax regulations, and donor designations, where applicable.
4. The Board delegates to any two of the CEO, CFO, CDO, and certain Officers of the Society, signing authority for any withdrawal from the Foundation's General and Gaming Bank Accounts, and the Bank Accounts of the Society's Business Ventures subject to the dollar limits outlined in Appendix A.
5. No other withdrawals of any kind, other than by cheque, from any bank accounts can be made.
6. The Board delegates to any two of the CEO, CFO, CDO, and certain Officers of the Society, signing authority to initiate withdrawal of funds from the Foundation's Investment Account. Any other investment activity is managed solely by independent

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[investment advisors pursuant to criteria set out by the Board in Policy EE9 – Investment of Funds.](#)

Appendix A
Approval Authority Table

1. Contracts, Commitments, Agreements and other Obligations

Dollar Threshold	Position
> \$5,000,000	Board of Directors (by motion)
Up to \$3,500,000	Chief Executive Officer
Up to \$250,000	Chief Financial Officer
Up to \$250,000	Chief Development Officer
Up to \$50,000	Executive Director, Nanaimo Lifeline Program
Up to \$25,000	Business Manager, Code Brew

1. ~~The Directors are responsible for signing of certain documents as required by third parties.~~

2. ~~The Board delegates any two of the President/CEO, Chief Financial Officer, the Chief Development Officer, and certain the Officers of the Society authority for General and Gaming Bank Accounts as authorized signatories.~~

2. Bank Accounts and Investment Accounts

Dollar Threshold	Position
> \$5,000,000	Board of Directors (by motion)
Up to \$1,000,000	Chief Executive Officer
Up to \$1,000,000	Chief Financial Officer
Up to \$1,000,000	Chief Development Officer
Up to \$50,000	Executive Director, Nanaimo Lifeline Program
Up to \$25,000	Business Manager, Code Brew

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Policy Type: Board Work Policy Name: Risk Management	Policy Number: BW9A Date of Acceptance of Policy: June 26, 2014
Date to Review Policy: Annually	Date Policy Reviewed: August 30, 2019 <u>November 26, 2020</u> Date Policy Revised: September 10, 2019 <u>December 8, 2020</u>

The Board is responsible for developing, implementing and monitoring a Risk Management Plan. The Board works closely with the CEO who reports ~~bi-monthly~~quarterly through the Executive Expectations (EE's) to the Board. The Board reviews the risk exposure identified in the Plan, and the adequacy of the proposed solution to manage the risk, working closely with the CEO to mitigate the risk.

The Board is tasked with ensuring the implementation of the Risk Management Plan. It is the CEO's responsibility to identify any risks arising during the year and not addressed in this Plan, and to ensure the Board is fully briefed on the risk, and the proposed solution.

Attached is a copy of the Risk Management Plan Grid.

Nanaimo & District Hospital Foundation

Risk Management Assessment - Updated September 2020

#	Risk Sector	Risk	Description	Impact			Probability			Mitigation	Assigned To	Current Project	
				Low	Med	High	Low	Med	High				
1	Financial/Strategic Risk	ICU Campaign is delayed and does not include the HAU (High Acuity Unit)	Ability to raise funds diminishes; NRGH has a new ICU but ability to care for high acuity patients is diminished. Donors may be disappointed, ICU staff may not get what they need			X			X		Continue to lobby, support, and keep informed of progress on ICU HAU approval. Update: ICU will continue for the Christmas Appeal, and HAU addition may be announced in the next few months.	CEO/Board	Development of Campaign Fundraising Plan is underway, creative is underway, and Communications & Marketing Plan is in place.
2	Operational Risk	Retirement/Resignation of Staff/Board	Key Staff Positions leave unexpectedly; Board turnover is too great			X			X		A detailed Succession Plan is in place and recently reviewed. Nominations Committee will consider Board terms	CEO/CFO/Board	Succession Plans for Code Brew and Lifeline are also complete.
3	Reputational/Financial Risk	Negative Press for Island Health	Limits Foundation's ability to Fundraise. Corporate Culture Document Union Negotiations Change of Service Supplier C-Difficile or Norwalk Outbreak		X				X		Ensure Foundation is in regular touch with IH Communications Staff; develop key messages and methodologies for potential issues	CEO	Regular monitoring of all Media. Regular meetings between NDHF and IH
4	Financial/Strategic Risk	Philips Lifeline Technology or Model	Technology improvements to product offerings are always being made, but the demand for products is high causing supply delays - eg. GoSafe			X			X		Ensure regular attendance at Philips information briefings and training; keep inventory up to date as much as possible	CEO/CFO	Lifeline Executive Director in regular communication with Philips Lifeline. Staff Training is current.

5	Strategic Risk	Relationship with NRGH Auxiliary	The relationship with the Auxiliary has thawed somewhat, but they continue to distance themselves from the Foundation. The risk if this continues is that fundraising opportunities are diluted.	X				X		Continue to monitor Auxiliary activities. Regular discussions with IH leadership ensure that they understand the difficulties.	CEO	Auxiliary have been approached for a major gift to the ICU. Discussions are ongoing.
6	Strategic Risk	External Fundraising	Other Community Organizations fundraise in our area: Children's Health Foundation is building a 'Janece Place' at NRGH, and United Way continues to be well supported by Island Health.		X			X		Continue to work on key strategic relationships within the community. In particular, pay close attention to the activities of other Hospital Foundations (Victoria) fundraising in our area.	All Staff & Board	
7	Strategic Risk	Change in Island Health Senior Leadership	Possible changes in Strategic Direction or Funding Model impacting Foundations			X	X			Continue to strengthen relationship with IH Leadership within NRGH and Executive	CEO/Board	
8	Hazard Risk	Major External Disaster	Evacuation from the office due to catastrophic event (Earthquake, Fire etc.) Limited or no access to office, files, and systems			X	X			Business Continuity Plans are in place and monitored to ensure potential adverse effects on the workplace are minimized. Staff would work from home. Systems are backed up remotely by IH and Blackbaud	All Staff	Foundation has substantial insurance including D&O Liability Insurance
9	Hazard/Financial Risk	Covid-19	Covid-19 'Second Wave' hits in the Fall of 2020. Office is closed down, NRGH is closed to all but essential workers/services, all construction at NRGH is halted		X				X	Foundation Staff will work from home as before, so business would continue. Code Brew would layoff staff and close. ICU/Endoscopy/Cardiac/Lobby/Code Brew projects would cease.	CEO	Code Brew would provide no income, but no expenses either. Fundraising plans would be impacted by halt in projects.

10	Reputational/Financial Risk	Fraud & Error	Risk of material misstatement on Financial Statements as a result of fraud and/or error			X	X			Comprehensive guiding principles and policies are in place and regularly reviewed. Strong internal controls are also in place which ensure segregation of duties wherever possible	CFO	Annual Audit. D&O Liability Insurance. New Auditors recently appointed.
11	Reputational/Operational Risk	Loss of Records/Privacy Breach	Privacy Breach of Donor Records, or Breach of Confidentiality (Board or Staff)			X	X			Confidentiality agreements are in place for all staff and Board members. Most donor records are electronic with significant security protocols in place	All Staff & Board	D&O Liability Insurance
12	Reputational/Operational Risk	Non-Compliance with CRA Fundraising Guideline	The Foundation does not comply with the FR Guideline, and in particular the FR Ratios			X	X			The CFO keeps track of and monitors the Foundation's FR Ratios after each Charitable tax Return is filed. An audit by the CRA in 2007 found us in compliance. If the CRA determined we were not in compliance, we could lose our charitable status.	CEO & CFO	Ongoing monitoring of CRA ratios and categorization of revenues and expenses for the Charitable Tax Return.
13	Reputational/Financial Risk	Island Health does not follow through with Projects as planned	The Foundation loses current or potential major donors if they feel the projects they fund do not proceed in a timely fashion			X		X		The CEO is in regular touch with Island Health leadership to ensure they are aware of the importance of proceeding with projects as presented. The Board continues with the Priority Planning work it began in July/August 2019	CEO/Board	The Board Chair and CEO converse with IH executive as applicable to ensure alignment of priorities. The CEO has built solid relationships with local community organizations and politicians to ensure projects are well supported

*Foundation Insurance Policy renewed in April, 2020

*All CRA and Government Reports & Remittances are up to date

Policy Type: Executive Expectations Policy Name: Endowing of Funds	Policy Number: EE10 Date of Acceptance of Policy: October 3, 2009
Date to Review Policy: Annually	Date Policy Reviewed: November 14, 2019 <u>November 26, 2020</u> Date Policy Revised: November 19, 2019 <u>December 8, 2020</u>
Monitoring Type and Frequency: Internal/Annual	Monitoring Date: November

The CEO is responsible for managing the Endowment Funds in a manner consistent with the spirit of the donation as well as the direction of the Foundation's Strategic Plan.

Accordingly, the CEO shall:

1. Manage the current or new Endowments in a manner that will ensure the Foundation is in compliance with the Income Tax Act

2. Develop an Endowment Agreement for any new Endowments. The Agreement will set out the terms for management of the Endowment, and shall include any investment considerations, or designations, as appropriate

Policy Type: Executive Expectations Policy Name: Revenue Generation and Business Enterprises	Policy Number: EE 6 Date of Acceptance of Policy: October 3, 2009
Date to Review Policy: Annually	Date Policy Reviewed: November 14, 2019 November 26, 2020 Date Policy Revised: November 19, 2019 December 8, 2020
Monitoring Type and Frequency: Internal/Annual	Monitoring Dates: November

The CEO is responsible for obtaining funding to support the mission of the Foundation. Such funding activities should not jeopardize the financial or reputational standing of the Foundation.

Accordingly, the CEO shall:

1. Spend donated funds in a manner that complies with CRA requirements for registered charities;
2. Seek Board approval prior to the establishment of any new business;
3. Seek Board approval to expand an existing business where the anticipated expenses to expand will exceed \$50,000;
4. Seek Board approval prior to lending unrestricted funds, required for continuing normal operations, to any of the Foundation's existing businesses in excess of \$100,000.

NANAIMO & DISTRICT HOSPITAL FOUNDATION

FINANCE, INVESTMENT, & AUDIT COMMITTEE

November 26, 2020 @ 3.00pm – 4.30pm

Zoom

AGENDA

1. Call to Order – Chair Mike Smith
2. Approval of the Agenda (A)
3. Approval of Minutes: (A)
September 14, 2020
4. Review Monitoring Reports: (A)
EE6 – Revenue Generation & Business Enterprise
EE7 – Financial Condition – 2020-2021 2nd Quarter
EE9 – Investments
5. Policy Review: (D)
BW8 – Signing Authorities
BW9A – Risk Management & Insurance Policy Review
EE6 – Revenue Generation & Business Enterprise
EE10 – Endowing of Funds
6. Other Business: (D)
7. Future Meeting Dates (I)
Thursday, March 18, 2021
8. Adjournment

Key: (A) – Action

(D) – Discussion

(I) – Information

NANAIMO & DISTRICT HOSPITAL FOUNDATION

Finance, Investment & Audit Committee

Minutes

Room 1074 - NRGH

September 14, 2020: 3.00 pm

Present: **M. Smith (Treasurer)** **J. Perrino (CEO)**
 P. Birrer **S. Ryan (CFO)**
 M. Jenkins
 T. Harris
 G. Scott

Guests: **Cory Vanderhorst, Jane Lumb - MNP**

Call to Order:

M. Smith called the meeting to order at 3.00 pm

Approval of Agenda:

The agenda was approved as presented.

MOTION: to accept the Agenda as presented

Moved by: P. Birrer, Seconded by: G. Scott

Carried

Approval of Minutes – June 18, 2020:

The Minutes were approved as presented.

MOTION: to approve the Minutes for June 18, 2020 as presented

Moved by: P. Birrer, Seconded by: M. Smith

Carried

Presentation of the 2019-2020 Audited Financial Statements

Cory Vanderhorst, the Audit Engagement Partner with MNP, presented the Foundation audited statements and the 2020 Audit Findings report. The Committee had some questions around the wording in some of the Notes and minor editorial changes were suggested. In Note 10 regarding Commitments, the point was made that several commitments are multi-year projects, and funds are disbursed at Island Health's request over several months/years. Additional wording to reflect this timeframe is to be added. A sentence was added to Note 1 to explain that the net proceeds of the two Foundation owned subsidiaries flow to the Foundation each year to offset costs. In the cash flow statement, a reclassification of the amount payable to Island Health at March 31, 2019 was

made; the payable had been classified as Cash paid for Operating Expenses rather than Grants to Programs. The Committee then went in-camera with the Auditors; the CEO and CFO left the room to allow discussion on any items requiring the Board's attention. The CEO and CFO rejoined the meeting after the discussion and departure of the auditors.

Review Monitoring Reports – EE7 – Financial Condition – 1st Quarter, EE10 – Endowing of Funds, and EE13 – Contracts & Agreements:

The CEO's written reports were presented and discussed.

EE7: The Committee reviewed the 1st Quarter financial reports for the Foundation. The CEO mentioned that revenues were down both against budget but up against the same period in the previous year. Overall revenues are \$767, 633 compared to a pro-rated budget of \$1,000,000. Expenses are similarly down from a pro-rated budget of \$275,000 for Q1 to actuals of \$173,686. Lifeline has continued to operate during Covid-19 much as before with net income of \$38,318 against a budget for the year of \$10,350 and \$50,019 for Q1 of last year. Code Brew closed on March 20 as a result of the pandemic, and did not re-open until June 1, 2020. A net loss of \$31,309 is therefore reported in the first quarter. Sales are continuing to improve and a suggestion was made that inventory be estimated each quarter and adjusted to better reflect the COGS and margin percentage as business increases.

EE10 and EE13: The Committee reviewed the Monitoring Reports and there was no discussion.

MOTION: to approve the Q1 Financial Statements
Moved by: G. Scott, Seconded by: P. Birrer

MOTION: to approve the Monitoring Reports for EE10 and EE13
Moved by: P. Birrer, Seconded by: G. Scott
Carried

Policy Review: BW6, EE13, BW8 and BW9A

Policy BW6 – Board Expense Claims and EE13 – Contracts & Agreements were reviewed by the Committee and no changes were made.

Policy BW8 was discussed and some wording changes were suggested. The Policy was deferred until the next meeting. Policy BW9A was also deferred until the next meeting.

MOTION: to recommend approval of Policy BW6 and Policy EE13, to the Board
Moved by: P. Birrer, Seconded by: M. Jenkins
Carried

Other Business

No Other Business was presented

Future Meeting Dates

Thursday, November 26, 2020

Thursday, March 18, 2021

Adjournment: The meeting adjourned at 4.45 pm

HEALTH, SENIORS AND COMMUNITY SERVICES INSURANCE PROGRAM

PREMIUM SUMMARY

Client Number: 170813
Declaration Number: HSCS00024

Broker	Marsh Canada Limited 550 Burrard Street, Suite 800 Vancouver, British Columbia V6C 2K1
Insurers	As indicated on each Declarations Page
Legal Entity	Nanaimo & District Hospital Foundation
Named Insured	Nanaimo & District Hospital Foundation, and 606895 B.C. Ltd., and 629814 B.C. Ltd.
Mailing Address	1200 Dufferin Crescent Nanaimo, BC V9S 2B7
Location(s) Insured	As outlined in the Schedule of Locations
Loss Payable	As outlined in the Loss Payee Schedule attached to this policy
Additional Insured(s)	Not Applicable
Policy Period	From: April 1, 2020 To: April 1, 2021 Both dates to 12.01 a.m. Standard Time at the Mailing Address of the Named Insured

Premiums	
Property Insurance	\$2,312.00
Boiler and Machinery Insurance	\$Not Insured
Professional and General Liability Insurance	\$9,464.00
Comprehensive Dishonesty, Disappearance and Destruction Insurance	
Sexual Wrongdoing Liability Insurance	\$Not Insured
Group Accident Insurance	\$Not Insured
Applicable Taxes	\$Not Applicable
Total Premium including Taxes	\$11,776.00



PART I - PROFESSIONAL AND GENERAL LIABILITY INSURANCE

DECLARATIONS PAGE

Broker	Marsh Canada Limited 550 Burrard Street, Suite 800 Vancouver, British Columbia V6C 2K1					
Insurer	Aviva Insurance Company of Canada, Toronto, Ontario					
Insurer Participation	100%					
Master Policy Number	HCI 2008					
Declaration Number	HSCS00024					
<p>This Declaration certifies that the Insured named herein is insured under Master Policy HCI 2008 issued to Health, Seniors and Community Services entities</p> <p>The Insurer, in consideration of the payment of the Premium, in reliance upon the statements in the Declarations and subject to the Conditions, Special Provisions, and Limitations, does hereby agree with the Named Insured herein as follows:</p>						
Legal Entity	Nanaimo & District Hospital Foundation					
Named Insured	Nanaimo & District Hospital Foundation, and 606895 B.C. Ltd., and 629814 B.C. Ltd.					
Additional Insured(s)	Not Applicable					
Mailing Address	1200 Dufferin Crescent Nanaimo, BC V9S 2B7					
Policy Period	From: April 1, 2020 To: April 1, 2021 Both dates to 12.01 a.m. Standard Time at the Mailing Address of the Named Insured					
Professional and General Liability Premium	\$ 9,464.00					
Retroactive Date: (N/A means Not Applicable) Applies To:	Retroactive Date (1)	Limit of Liability (1)	Retroactive Date (2)	Limit of Liability (2)	Retroactive Date (3)	Limit of Liability (3)
Coverages C1, C2:	April 1, 2007	\$ 10,000,000	April 1, 2003	\$ 5,000,000	N/A	N/A
Coverage G:	April 1, 2007	\$ 10,000,000	April 1, 2003	\$ 5,000,000	N/A	N/A
Coverage H:	April 1, 2003	\$ 50,000	N/A	N/A	N/A	N/A
Extended Reporting Period	Automatic coverage for 90 Days Maximum 24 Months - As per Extended Reporting Period Endorsement					

THIS POLICY CONTAINS A CLAUSE(S) THAT MAY LIMIT THE AMOUNT PAYABLE



AVIVA

Insurance

Coverage	Limits of Liability	Basis of Coverage	Deductible
Description of Coverage	Subject to Sub-limits stated in the Policy and the Aggregate Limit as stated in the Master Policy	Occurrence or Claims Made	
A1. Bodily Injury	\$ 10,000,000	Occurrence	Not Applicable
A2. Personal Injury	\$ 10,000,000	Occurrence	Not Applicable
A3. Medical Payments	\$ 10,000 Each Person	Occurrence	Not Applicable
	\$ 100,000 Per Occurrence	Occurrence	Not Applicable
B1. Property Damage	\$ 10,000,000	Occurrence	Not Applicable
B2. Tenant's Legal Liability	\$ 10,000,000	Occurrence	Not Applicable
C1. Professional Liability	\$ 10,000,000	Claims-Made	Not Applicable
C2. Transfusion Legal Liability	\$ 10,000,000	Claims-Made	Not Applicable
D. Voluntary Compensation	\$ 10,000,000	Occurrence	Not Applicable
E. Non-Owned Automobile: Section I - SPF 6 Non-Owned Automobile Insurance Section II - SEF 94 Legal Liability for Damage to Non-Owned Automobiles	\$ 10,000,000	Occurrence	Not Applicable
	\$ 50,000	Occurrence	\$1,000
F. Employee Benefits Errors and Omissions	\$ 2,500,000 Per Claim	Claims-Made	\$1,000
	\$ 2,500,000 Annual Aggregate		
G. Administrators Errors and Omissions	\$ 10,000,000 Per Claim	Claims-Made	Not Applicable
H. Legal Expense	\$ 50,000 Per Proceeding	Claims-Made	Not Applicable
	\$ 250,000 Annual Aggregate		

THIS POLICY CONTAINS A CLAUSE(S) THAT MAY LIMIT THE AMOUNT PAYABLE



AVIVA

Insurance

Endorsements to Part I	Endorsement no. 1	Coverage Sub-limits - Punitive Damages and Aircraft Endorsement
	Endorsement no. 2	Advertising Injury Liability Endorsement
	Endorsement no. 3	Good Samaritan Endorsement
	Endorsement no. 4	Data Exclusion Endorsement
	Endorsement no. 5	Terrorism Exclusion Endorsement
	Endorsement no. 6	Asbestos Exclusion Endorsement
	Endorsement no. 7	Fungi and Fungal Derivatives Exclusion Endorsement
	Endorsement no. 8	Pollution Exclusion Endorsement
	Endorsement no. 9	Short Rate Cancellation Table
	Endorsement no. 10	General Endorsement - Other Insurance
	Endorsement no. 11	Legal Expense Reimbursement Endorsement
	Endorsement no. 12	Revised Exclusion 1
Endorsements Applicable unless identified as Not Applicable	Endorsement no. 13	Ambulance Operations Endorsement (Not Applicable)
	Endorsement no. 14	Religious Counselling Services Endorsement (Not Applicable)
	Endorsement no. 15	Prior Acts Extension - Professional Liability and Transfusion Legal Liability (Not Applicable)
	Endorsement no. 15	Prior Acts Extension - Administrators' Errors and Omissions Insurance (Not Applicable)
	Endorsement no. 17	Increased Limits of Liability for Administrators' Errors and Omissions Prior Acts Extensions (Not Applicable)
	Endorsement no. 18	Extended Reporting Period Endorsement (Not Applicable)
	Endorsement no. 19	Additional Insured Endorsement (Not Applicable)
	Endorsement no. 20	Sexual Abuse Exclusion (Not Applicable)
	Endorsement no. 21	Liability General Aggregate Endorsement (Not Applicable)
	Endorsement no. 22	General Endorsement - Hairdressing Operations (Not Applicable)
	Endorsement no. 23	Territory Endorsement (Not Applicable)
	Endorsement no. 24	Midwives Endorsement (Not Applicable)
	Endorsement no. 25	Non-Owned Auto Amendment (Not Applicable)
	Endorsement no. 25	Water Quality Operations Endorsement (Not Applicable)
	Endorsement no. 27	O.E.F. 98B Reduction of Coverage for Lessees or Drivers of Leased Vehicles Endorsement (Not Applicable)
	Endorsement no. 28	Transfusion Legal Liability Exclusion Endorsement (Not Applicable)
	Endorsement no. 29	Policy Territory Amendment (Not Applicable)
	Endorsement no. 30	Territory Endorsement (Not Applicable)
	Endorsement no. 31	Administrators Errors and Omissions Amendment (Not Applicable)
	Endorsement no. 32	Insurer Name Change
	Endorsement no. 33	Contagious Disease Exclusion - Effective May 8, 2020
	Additional Endorsement(s) as attached to Individual Certificate of Insurance	



AVIVA
Insurance

Important	<p>All rights and liabilities of the parties are governed by all terms and conditions, limitations and exclusions of the Master Policy and/or as it may be amended.</p> <p>The Insurer must give ninety (90) days written notice by registered mail to the declaration holder prior to the cancellation of this declaration or fifteen days (15) notice of cancellation for non-payment of premium.</p> <p>In the event of loss or damage or any change in risk, immediate notice must be given to the insurer or to Marsh Canada Limited at 800 - 550 Burrard Street, Vancouver, British Columbia V6C 2K1, Canada</p>
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Marsh Canada Limited

A handwritten signature in black ink, appearing to be 'Seymour'.

Signed on Behalf of Aviva
Insurance Company of
Canada

THIS POLICY CONTAINS A CLAUSE(S) THAT MAY LIMIT THE AMOUNT PAYABLE

To: The Board of Directors
From: Janice Perrino
Re: Executive Expectations - EE6 - Revenue Generation & Business Enterprises

November, 2020

Report on Executive Expectation #6 - Revenue Generation & Business Enterprises. Presented in accordance with the Monitoring Schedule as approved by the Board. I certify that the information contained in this report is true.

Policy Wording EE6: The President/CEO is responsible for obtaining funding to support the mission of the Foundation. Such funding activities should not jeopardize the financial or reputational standing of the Foundation.

Accordingly, the CEO shall:

1. Spend donated funds in a manner that complies with CRA requirements for registered charities
 - All grants to the hospital made from donated funds are supported by a Funding Request, signed by the appropriate signatory of the NRGH department requesting funding. Upon receipt of the invoice, the Foundation pays the amount agreed to in the Funding Request. All expenses of the Foundation, including fundraising expenses, are made pursuant to the budget, approved each year by the Board.
2. Seek Board approval prior to the establishment of any new business.
 - No new businesses have been established by the Foundation
3. Seek Board approval to expand an existing business where the anticipated expenses to expand will exceed \$50,000.
 - No expansions or changes to either of the businesses owned by the Foundation have been made since the last report.
4. Seek Board approval prior to lending working capital, required for continuing normal operations, to any of the Foundation's existing businesses in excess of \$100,000.
 - No funds have been provided to either of the businesses owned by the Foundation since the last report. However, in the second quarter, Lifeline lent \$50,000 to Code Brew for the purchase of equipment required for the Kiosk rebuild. This amount was set up as a Loan Payable in Code Brew, and will be paid back as funds become available.

To: The Board of Directors
From: Janice Perrino
Re: Executive Expectations – EE7 – Financial Condition

November, 2020

Report on Executive Expectation #7 – Financial Condition. Presented in accordance with the Monitoring Schedule as approved by the Board. I certify that the information contained in this report is true.

Policy Wording EE7: The CEO is responsible for managing the financial resources wisely and responsibly.

Accordingly, the CEO shall:

1. Ensure expenses do not exceed 40% of overall revenue.
 - 2nd Quarter Financial Reports have been completed to September 30, 2020 and will be presented to the Board for approval at the December 8, 2020 meeting. Overall revenue is \$1,075,622 compared to a prorated budget of \$2,000,000 for half the year. Total expenses are \$367,512 compared to a prorated budget of \$550,000 for the first six months. Total expenses as a percentage of total revenue was budgeted at 28% for the year, and in the first six months, expenses are tracking at 34% of revenue. The expense to revenue target is therefore within Policy. Revenue to date does not include the Golf for Life Event during September, and we continue to receive donations for the Spring Appeal in aid of the ICU.
2. Only disburse funds pursuant to the Board's Ends Policies and its Purposes as set out in the Constitution.
 - All funds have been disbursed in accordance with the Ends.
3. Ensure the operating account does not drop below the amount needed to settle payroll and debts in a timely manner.
 - There are no amounts owing to Island Health at this time. Sufficient funds are on hand to cover the payroll and other payables. The operating bank account has a balance of approximately \$4.9 million, the gaming account has a balance of just over \$68,000.
4. Ensure all regulatory payments and filings, e.g. Payroll remittances, GST reports, Charitable and other Tax Returns, are accurate and filed on time
 - All regulatory payments and filings have been made to date.
5. Make sure that policies are in place to ensure the Foundation's financial stability and to safeguard its assets.

- The Foundation operates within a comprehensive policy framework governing all financial and human resources issues.
6. Provide regular financial reports to the Board for the Foundation and each subsidiary company that include but are not limited to:
- A comparison of the current year over the previous year and the current year against the approved budget, with explanations for any material variances
 - A Balance Sheet
 - An Income Statement
 - The Board will receive the 2nd quarter financial report up to and including September 30, 2020 in the required format at the December 8, 2020 Board meeting.
7. At the request of the Board, ensure an audit of the Foundation financial statements is conducted by a qualified external auditor.
- The 2019-2020 Audit was completed and the results were presented to the Board at the September meeting. At the subsequent AGM of the Society, held on September 29, 2020, the audited non-consolidated financial statements for the Foundation were approved.

To: The Board of Directors
From: Janice Perrino
Re: Executive Expectations – EE9 – Investment of Funds

November, 2020

Report on Executive Expectation #9 – Investment of Funds. Presented in accordance with the Monitoring Schedule as approved by the Board. I certify that the information contained in this report is true.

Policy Wording EE9: The CEO has the authority and is responsible for investing funds on behalf of the Society pursuant to the Investment Policy set out in EE9. All investments are made and monitored according to the Investment Mandate provided to the Investment Advisor each year. No changes have been made to the mandate since May, 2019, and we are not anticipating any changes in the foreseeable future. All is proceeding as it should within our mandate, and FIAC will receive a briefing from our investment advisors before the end of the fiscal year, at which point any suggested adjustments to the mandate, will be reviewed and recommended to the Board, if required.

REVENUE 2020-2021				Q2				Q2				COMMENTS			
Source	JUL-SEP	2020 YTD	2020-2021	YTD %	JUL-SEP	2019 YTD	19-20 LFY	50%							
	2020	TOTAL	BUDGET	Budget	2019	TOTAL	TOTAL								
Individuals	119,528	483,315	2,125,000		80,845	368,303	1,009,518								
Corporate	154,973	255,215	315,000		78,240	115,055	366,886								
Service Clubs & Community Organizations	900	127,345	75,000		11,969	80,925	93,148								
Estates	37,499	49,606	1,025,000		406,124	601,426	1,085,464								
Third Party Gifts & Events	-	-	100,000		4,654	5,937	48,504								
Other Income (Includes rent revenue, ATM's, LL&CB Mgt Fees & Donations)	31,653	61,845	195,000		24,495	49,179	127,913								
Investment Income	23,743	98,295	165,000		51,732	83,379	31,191								
Total Revenue	\$ 368,296	\$ 1,075,622	\$ 4,000,000	27%	\$ 658,059	\$ 1,304,203	\$ 2,762,624								
EXPENSES 2020-2021															
Administration Costs															
Bank & Investment Fees	\$ 8,000	\$ 16,998	\$ 34,000	50%	\$ 7,610	\$ 15,686	\$ 32,497								
Board Expenses	\$ -	\$ -	\$ 5,500	0%	\$ 2,557	\$ 4,671	\$ 4,925								
Education	\$ -	\$ -	\$ 5,000	0%	\$ -	\$ 300	\$ 300								
Insurance	\$ 1,365	\$ 2,729	\$ 4,000	68%	\$ 882	\$ 1,763	\$ 3,527								
Office Expenses	\$ 171	\$ 1,126	\$ 1,700	66%	\$ 134	\$ 257	\$ 1,241								
Professional Fees	\$ 182	\$ 182	\$ 15,800	1%	-\$ 336	-\$ 336	\$ 10,545								
Salaries & Benefits	\$ 153,839	\$ 248,255	\$ 774,000	32%	\$ 238,566	\$ 397,529	\$ 778,761		\$93,610 claimed to Sept 30 in wage subsidies.						
Software, Website & Computer Lease Costs	\$ 12,124	\$ 24,074	\$ 61,000	39%	\$ 16,077	\$ 32,001	\$ 47,549		\$39,166 claimed so far to October 31						
Subscriptions & Dues	\$ 386	\$ 1,071	\$ 2,500	43%	\$ 441	\$ 918	\$ 2,453								
Telephone	\$ 1,211	\$ 2,439	\$ 6,000	41%	\$ 842	\$ 2,670	\$ 5,898								
Travel & Mileage (Volunteers & Staff)	\$ 448	\$ 995	\$ 1,500	66%	\$ 747	\$ 170	\$ 1,390								
Amortization	\$ 9,622	\$ 18,585	\$ 28,000	66%	\$ 13,208	\$ 21,761	\$ 25,769								
Total Administration Costs	\$ 187,347	\$ 316,454	\$ 939,000	34%	\$ 280,726	\$ 477,390	\$ 914,855								
Fundraising Costs															
Spring / Annual / Christmas	\$ 3,514	\$ 45,230	\$ 76,000	60%	\$ 1,132	\$ 23,051	\$ 56,286								
Events	\$ 573	\$ 573	\$ 25,000	2%	\$ 5,894	\$ 9,144	\$ 9,693								
Donor Relations & Planned Giving	\$ 1,717	\$ 5,255	\$ 60,000	9%	\$ 3,986	\$ 7,154	\$ 56,921								
Total Fundraising Costs	\$ 5,803	\$ 51,057	\$ 161,000	32%	\$ 11,012	\$ 39,349	\$ 122,900								
Total Costs	\$ 193,151	\$ 367,512	\$ 1,100,000	33%	\$ 291,738	\$ 516,739	\$ 1,037,755								
Net Income	\$ 175,145	\$ 708,110	\$ 2,900,000		\$ 366,321	\$ 787,464	\$ 1,724,869								
		34%	28%			40%	38%								
Grants - CASH BASIS	\$ 393,110	\$ 479,192	\$ 2,000,000		\$ 180,987	\$ 320,483	\$ 822,958								

BALANCE SHEET HIGHLIGHTS				SEPTEMBER 30 2020	MARCH 31 2020 <i>Audited</i>
Assets					
Bank Balances:				4,575,183	4,253,110
Investments - Unrestricted				1,034,329	967,044
Investments - Endowments				1,311,133	1,316,501
Investment in Businesses				616,398	616,398
Due from Subsidiaries				-	156,521
Capital Assets				356,568	375,154
Other Assets				104,586	93,605
Total Assets				\$7,998,196	\$7,778,333
Liabilities					
Trade Payables & Accrued Liabilities				87,568	111,786
Unrestricted Fund Balance				3,916,529	3,813,921
Restricted Fund Balance				2,678,977	2,537,531
Endowment Fund Balance				1,315,122	1,315,095
Total Liabilities				\$7,998,196	\$7,778,333
Outstanding Equipment Invoices - Island Health					
Amount Committed & Owing				\$8,036,815	\$8,660,474

SCHEDULE OF COMMITMENTS

Item/Project	Fund/Project	Commitment Date	Commitment Amount	Paid to Date	Outstanding Commitment
2020-2021					
Intensive Care Unit Project (ICU)	ICU	2018-2019	5,000,000	169,472	4,830,528
Cardiac Expansion Project (Cardiac)	Cardiac	2018-2019	1,930,000	901,741	1,028,259
Endoscopy Suite Project (Endo)	Endoscopy	2018-2019	1,750,000	219,960	1,530,040
Code Brew Refresh & Relocation	NRGH	2019-2020	675,000	67,012	607,988
High Risk OB Room	Perinatal	2019-2020	40,000	-	40,000
			\$ 9,395,000	\$ 1,358,185	\$ 8,036,815

Code Brew-NRGH
Statement of Income & Retained Earnings
2nd Quarter ending September 30, 2020

	2020-2021 FULL YEAR BUDGET	2020-2021 Q2 ACTUAL	2019-2020 Q2 ACTUAL	Budget Variance	Comments - Actual vs. Budget
Sales	\$ 782,500	\$ 138,211	\$ 381,026	\$ (644,289)	Code Brew closed for March, April, May and slow sales thereafter
Cost of sales	364,000	71,663	176,303	292,337	
Gross margin	\$ 418,500	\$ 66,548	\$ 204,723	\$ (351,952)	
Interest + other income	2,500	357	1,469	- 2,143	
	53%	48%	54%		
	\$ 421,000	\$ 66,903	\$ 206,192	\$ (354,097)	
Expenses					
Bank charges	9,000	2,436	4,220	6,564	
Insurance	3,500	1,819	1,345	1,681	
Meetings and meals	-	-	-	-	
Office	5,000	922	1,789	4,078	
Professional Fees	4,000	195	78	3,805	
Publicity and promotions	500	890	75	390	
Utilities	1,000	-	-	1,000	
Repairs and maintenance	3,500	192	3,426	3,308	
Salaries and benefits	316,500	104,844	130,326	211,656	\$15,423 claimed to Sep 30 in wage subsidies, \$27,734 claimed in Q3
Telephone	1,000	424	250	576	
Training and education	500	115	-	385	
Travel	1,000	181	199	467	
Provision for Income Taxes	-	-	-	-	
Total Expense	\$ 345,500	\$ 112,018	\$ 141,553	\$ 233,130	
Net Income before Amortization and Managerment	\$ 75,500	\$ (45,114)	\$ 64,639	\$ (120,967)	
Donation to Foundation	18,000	-	-		
Management Fees to NDHF	50,000	25,000	17,500	25,000	
Amortization	4,000	1,718	1,624	2,282	
Net Income (Loss)	\$ 3,500	\$ (71,833)	\$ 45,515	\$ (143,685)	

Code Brew-NRGH
Balance Sheet
At September 30, 2020

	Sept 30, 2020 Actual	March 31, 2020 Audited	Comments
Assets			
Current:			
Cash	3,604	\$ 108,092	Code Brew closed for March, April, May & slow sales thereafter
Accounts receivable	2,891	2,893	
Inventory	10,119	10,119	
Prepaid expenses	34,976	967	
Total Current Assets	51,589	122,071	
Property, Plant & Equipment	10,220	9,745	
Future Income Taxes	1,852	1,852	
Total Assets	\$ 63,661	\$ 133,668	
Liabilities			
Current:			
Accounts payable and accruals	33,879	\$ 14,424	Loan from Lifeline to CB for new kiosk equipment purchases
Income taxes payable	-	1,299	
Deferred revenue	14,727	14,727	
Advances from related parties	50,000	66,332	
Total Current Liabilities	98,605	96,782	
Shareholder's Equity			
Share Capital	1	1	
Retained earnings	(34,946)	36,885	
Total Liabilities + Retained Earnings	\$ 63,661	\$ 133,668	

Nanaimo Lifeline Program
Statement of Income & Retained Earnings
2nd Quarter ending September 30, 2020

	2020-2021 FULL YEAR BUDGET	2020-2021 Q2 ACTUAL	2019-2020 Q2 ACTUAL	Budget Variance	Comments - Actual vs. Budget
Monitoring and Installation Revenue	\$ 965,500	\$ 449,783	\$ 456,607	\$ (515,717)	
Direct Expenses	120,500	56,351	48,829	64,149	
Gross Margin	\$ 845,000	\$ 393,431	\$ 407,778	\$ (451,569)	
Interest and Other Income	6,000	1,375	2,312	- 4,625	
	\$ 851,000	\$ 394,806	\$ 410,090	\$ (456,194)	
	88%	87%	89%		
Expenses					
Bank charges	3,000	997	1,169	2,003	
Insurance	3,500	2,083	1,635	1,417	
Rent and occupancy costs	82,500	41,547	33,734	40,953	Increase in strata fees & property taxes
Office	15,500	4,196	6,858	11,304	
Professional fees	4,150	736	747	3,414	
Marketing & PR	13,500	9,421	5,877	4,079	
Repairs and maintenance	4,000	261	893	3,739	
Salaries and benefits	502,500	206,293	216,575	296,207	10% Wage Subsidy claimed from Apr - July of \$7,692.57.
Telephone and fax	9,000	5,236	4,233	3,764	
Training and education	1,000	-	-	1,000	
Travel	12,000	935	6,432	11,065	
Total Expenses	\$ 650,650	\$ 271,703	\$ 278,151	\$ 378,945	
Net Income before Amortization and Management Fees	\$ 200,350	\$ 123,105	\$ 131,940	\$ (77,248)	
Donation to NDHF	40,000	-	-		
Management Fees to NDHF	50,000	25,000	17,500	- 25,000	
Amortization	100,000	32,919	42,533	67,081	
Loss on Disposal of Assets	-	- 18,648	860		Disposal of Assets over 15 years old - obsolescence
Net Income	\$ 10,350	\$ 46,537	\$ 72,767	\$ (35,168)	
Net Income before Amortization/Total Revenue	23.54%	31.18%	32.17%		
Net Income/Total Revenue	1.22%	11.79%	17.74%		

Nanaimo Lifeline Program

Balance Sheet

At September 30, 2020

Sep 30, 2020 March 31, 2020			Comments
	Actual	Audited	
Assets			
Current:			
Cash	278,277	337,196	Drop in bank balance in part due to loan to Code Brew
Accounts receivable	48,091	-	
Prepaid expenses	10,724	4,639	
Total Current Assets	337,092	341,835	
Plant and equipment	305,063	343,106	
Security deposit receivable	7,436	7,544	
Total Assets	\$ 649,590	\$ 692,485	
Liabilities			
Current:			
Accounts payable and accrued liabilities	23,542	17,296	
Advances (to) from related parties	-	90,189	
Deferred revenue	-	5,489	
Total Current Liabilities	23,542	112,974	
Shareholder's Equity			
Share Capital	1	1	
Retained earnings	626,047	579,510	
Total Liabilities + Retained Earnings	\$ 649,590	\$ 692,485	