



**NANAIMO & DISTRICT
HOSPITAL FOUNDATION**

For better healthcare it's our place to give

NANAIMO & DISTRICT HOSPITAL FOUNDATION

FINANCE, INVESTMENT, & AUDIT COMMITTEE

March 11, 2021 @ 3.00pm – 4.30pm

Zoom

AGENDA

1. Call to Order – Chair Mike Smith
2. Approval of the Agenda (A)
3. Approval of Minutes: (A)
November 26, 2020
4. Review Monitoring Reports: (A)
EE7 – Financial Condition – 2020-2021 3rd Quarter
EE8 – Board Restricted Funds
EE11 – Asset Protection
5. Policy Review: (A)
EE7 – Financial Condition
EE8 – Board Restricted Funds
EE9 – Investments
EE11 – Asset Protection
6. Other Business: (A)
2021-2022 Budget – Foundation, Lifeline, Code Brew
Audit Plan – For Information
Investment Portfolio Update
7. Future Meeting Dates (I)
TBD
8. Adjournment

Key: (A) – Action

(D) – Discussion

(I) – Information

NANAIMO & DISTRICT HOSPITAL FOUNDATION

Finance, Investment & Audit Committee

Minutes

Zoom

November 26, 2020 @ 3.00pm

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

Regrets: **Tony Harris**

Call to Order:

M. Smith called the meeting to order at 3.05 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 – September 14, 2020:

The Minutes were approved as presented.

MOTION: to approve the Minutes for September 14, 2020 as presented

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

Carried

Review Monitoring Reports – EE6 – Revenue Generation & Business Enterprise, EE7 – Financial Condition – 2nd Quarter, and EE9 – Investments:

The CEO's written reports were presented and discussed.

EE6: The CEO reported that although no funds had been provided to either of the businesses owned by the Foundation since the last report, Lifeline had lent Code Brew \$50,000 for the purchase of equipment required for the Kiosk rebuild. These funds will be paid back as soon as Code Brew cash flow permits.

EE7: The Committee reviewed the 2nd Quarter financial reports for the Foundation. The CEO mentioned that total revenues are \$1,075,622 compared to a pro-rated

budget of \$2,000,000 for half the year. Expenses are similarly down from a pro-rated budget of \$550,000 for Q2 to actuals of \$367,512. The expenses include wage subsidies received from the Government, which have been netted against salaries. The Committee noted that for reporting purposes, the subsidy should be shown as grant revenue, and the salaries should be shown at their gross amount. The CFO will change this on the Monitoring Report to the Board. Lifeline has continued to operate during Covid-19 much as before with net income of \$46,537 against a budget for the year of \$10,350 and \$72,767 for Q2 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 \$71,833 is therefore reported for the first two quarters against budgeted net income of \$3,500 for the year. Sales are continuing to improve, and the new Kiosk will open in mid-December.

EE9: The Committee noted that a meeting with the Foundation's investment advisor will be scheduled prior to the fiscal year-end. No changes to the Foundation's investment mandate are anticipated.

MOTION: to approve the Q2 Financial Statements
Moved by: P. Birrer, Seconded by: T. Wheeler

MOTION: to approve the Monitoring Reports for EE6, EE7, and EE9
Moved by: P. Birrer, Seconded by: T. Wheeler
Carried

Policy Review: BW8, BW9A, EE6, and EE10

Policy BW9A – Risk Management & Insurance Policy Review, EE6 – Revenue Generation & Business Enterprise, and EE10 – Endowing of Funds were reviewed by the Committee and no changes were made.

Policy BW8 was discussed; the Committee felt that it should be split into two sections, the first dealing with contracts and signing authority of an operational nature, and the second dealing with commitments to Island Health. The Policy was deferred until the next meeting.

MOTION: to recommend approval of Policy BW9A, EE6, and EE10, to the Board
Moved by: G. Scott, Seconded by: M. Jenkins
Carried

Other Business

No Other Business was presented

Future Meeting Dates

Thursday, March 18, 2021

Adjournment: The meeting adjourned at 4.35 pm

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

March 2021

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.
 - 3rd Quarter Financial Reports have been completed to December 31, 2020 and will be presented to the Board for approval at the March 23, 2021 meeting. Overall revenue is \$2,889,309 compared to a prorated budget of \$3,000,000 for 75% of the year. Total expenses are \$720,400 compared to a prorated budget of \$825,000 for the first three quarters. Total expenses as a percentage of total revenue was budgeted at 28% for the year, and for the first three quarters, expenses are tracking at 25% of revenue. The expense to revenue target is therefore within Policy. Revenue to date includes major gifts from the Windsor Plywood Foundation, and several private donors. The ICU Campaign is almost complete with approximately \$4.1 million raised of the \$5 million pledged.
 - During the year, Lifeline lent Code Brew \$100,000 for cash flow reasons during the construction of the new Café and the purchase of all new equipment. We are proposing that Lifeline forgive the loan in the 4th Quarter. The impact will be that Code Brew's projected deficit will be reduced from \$95,000 to a projected surplus of \$5,000, and Lifeline's projected surplus of \$50,000 will be reduced to a projected deficit of \$50,000. Similarly, Code Brew's projected Retained Earnings will increase from a projected deficit of \$58,000 to a projected surplus of \$42,000, and Lifeline's Retained Earnings will decrease from \$629,500 to \$529,500.
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 almost \$4.8 million, the gaming account has a balance of just over \$69,000.

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. Recently, the Foundation's HR policies were reviewed at the Board's request by a Board member with a legal practice focussing on employment law.
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 3rd quarter financial report up to and including December 31, 2020 in the required format at the March 23, 2021 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 2020-2021 Audit will commence in May and is scheduled to complete in mid-June in time for the planned AGM in late June, 2021. The auditors have already sent the audit plan and timetable, and we are preparing the required materials.

To: The Board of Directors
From: Janice Perrino
Re: Monitoring Report on Executive Expectations - EE8 – Board Restricted Funds

March 2021

Policy Wording EE8: The Foundation needs to protect itself against unforeseen loss of income or unanticipated expense.

Accordingly, the Board has set aside funds within the Unrestricted Fund to protect the Foundation against any unexpected fluctuations in either revenue or expenses. These funds may only be used with the permission of the Board, and the CEO shall:

- Invest these Board Restricted Funds with the Foundation's Investment Manager according to the Foundation's Investment Policy.
- Maintain the Board Restricted Funds amount at not less than \$550,000, representing the funds set aside by the Board.

The CEO and the CFO will be (virtually) meeting with the Foundation's Investment Manager, Anna Nemeth, on March 3 to discuss our portfolio performance to January 31, 2021. We will brief the Committee at the FIAC meeting on March 11, 2021 and report to the Board at the March 23 Board meeting.

I confirm that the Board Restricted Funds amount is recorded at \$550,000, with a fair market value of \$1,049,633 as at December 31, 2020.

To: The Board of Directors
From: Janice Perrino
Re: Executive Expectations – EE11 – Asset Protection

March 2021

Report on Executive Expectation #11 – Asset Protection. This is presented in accordance with the Monitoring Schedule as approved by the Board. I certify that the information contained in this report is true.

The CEO shall ensure the assets of the Foundation and its subsidiaries are protected and maintained so that the Foundation is not put at risk unnecessarily.

Accordingly, the CEO ensures the provision of:

1. Insurance against casualty losses and claims of liability to at least \$10 million replacement value and against liability losses to the Foundation.
2. Director and Officers' insurance of at least \$5 million.
3. Insurance against theft of at least \$250,000.

All insurance is in place and our current policy expires on April 1, 2021. We will be recording our current information for policy renewal during March, and the CFO will review the all documents and coverages to ensure they are in compliance with this EE, and reflect current requirements. We are expecting an increase in our policy rate this year; this seems to be the trend for policy renewals in general, and it is being driven by Covid and potential risks as a result of the pandemic.

4. Office, Office Equipment, and work place maintenance

All staff have access to the necessary equipment to carry out their functions. Maintenance and janitorial work for office space and equipment is carried out by Facilities & Maintenance at NRGH.

5. A policy that meets all the requirements of BC's FIPPA (Freedom of Information and Protection of Privacy Act) and PIPA (Personal Information Protection Act) as applicable.
6. Policies for securing and backing up electronic data files.
7. An investment policy outlining the parameters for investment and management of Foundation funds.

The Foundation has all necessary policies in place as outlined above.

8. A response to the recommendations of the annual audit of the Foundation's Financial Statements.

All recommendations and comments have been reviewed, and any necessary changes have been made.

9. A Communication Strategy including such details as:
 - a. Designating and training a spokesperson for the Foundation for media relations
 - b. Maintenance of a website
 - c. Basic promotional materials
 - d. Role of the Board in the Strategy

The CEO or Board Chair are the designated spokespeople for the Foundation in the Media. The Foundation website has been redesigned and now reflects the Foundation's Brand throughout. It is always a work in progress, however, and is constantly reviewed and updated as required. We now have the Trees of Life replicated on our website so that all donors with a 'leaf' can find a picture of their actual 'leaf' and can request it from us if they would like to keep it.

- 10.A Risk Management process that identifies and evaluates risks to the Foundation and its subsidiaries, Staff, Board, property, finances, goodwill and image, and employs measures to control identified risks.

A risk management assessment document was prepared for the Board and presented at the November 2020 Board meeting. The CEO and CFO monitor the document and update the Board as required.

Policy Type: Executive Expectations Policy Name: Financial Condition	Policy Number: EE7 Date of Acceptance of Policy: October 3, 2009
Date to Review Policy: Annually	Date Policy Reviewed: March 11, 2020<u>March 11, 2021</u> Date Policy Revised: March 24, 2020<u>March 23, 2021</u>
Monitoring Type and Frequency: Internal – Quarterly, External – Audit	Monitoring Dates: Internal: Quarterly External: Completion of the Audit

The CEO is responsible for managing the financial resources of the Foundation wisely and responsibly.

Accordingly, the CEO shall:

1. Ensure expenses do not exceed 40% of total revenue annually;
2. Only disburse funds pursuant to the Board's Ends Policies (E3) and its Purposes as set out in the Constitution;
3. Ensure the operating account does not drop below the amount needed to settle payroll and debts in a timely manner;
4. Ensure all regulatory payments and filings, e.g. Payroll remittances, GST reports, Charitable and other Tax Returns, are accurate and filed on time;
5. Make sure that policies are in place to ensure the Foundation's financial stability, and to safeguard its assets;
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 actual against the approved budget, with explanations for any material variances;
 - A Balance Sheet;
 - An Income Statement.

At the request of the Board, ensure an audit of the Foundation financial statements is conducted by a qualified external auditor.

Policy Type: Executive Expectations Policy Name: Board Restricted Funds	Policy Number: EE8 Date of Acceptance of Policy: October 3, 2009
Date to Review Policy: Annually	Date Policy Reviewed: March 11, 2020<u>March 11, 2021</u> Date Policy Revised: March 24, 2020<u>March 23, 2021</u>
Monitoring Type and Frequency: Annually	Monitoring Date: 4th Quarter

The Foundation needs to protect itself against unforeseen loss of income or unanticipated expense.

Accordingly, the Board has set aside funds within the Unrestricted Fund, to protect the Foundation against any unexpected fluctuations in either revenue or expenses. These funds may only be used with the permission of the Board, and the CEO shall:

1. Invest these Board Restricted Funds with the Foundation's Investment Manager according to the Foundation's Investment Policy
2. Maintain the Board Restricted Funds amount at not less than \$550,000, representing the funds set aside by the Board.

REVENUE 2020-2021				Q3			Q3				COMMENTS			
				OCT-DEC	2020-2021		YTD %	OCT-DEC	2019 YTD	19-20 LFY				
Source				2020	2020 YTD TOTAL	BUDGET	Budget	2019	TOTAL	TOTAL	75%			
Individuals				1,113,399	1,596,492	2,125,000		481,108	749,096	1,009,518				
Corporate				121,666	378,737	315,000		54,064	285,276	366,886				
Service Clubs & Community Organizations				10,845	138,290	75,000		97,226	134,197	93,148				
Estates				271,253	323,221	1,025,000		351,759	953,185	1,085,464				
Third Party Gifts & Events				63,290	63,290	100,000		34,587	40,524	48,504				
Other Income (Includes rent revenue, ATM's, LL&CB Mgt Fees & Donations)				92,771	259,293	195,000		27,278	76,457	127,913	Includes Wage Subsidies of \$167,105			
Investment Income				31,691	129,985	165,000		30,541	113,920	31,191				
Total Revenue				\$ 1,704,914	\$ 2,889,309	\$ 4,000,000	72%	\$ 1,076,563	\$ 2,352,655	\$ 2,762,624				
EXPENSES 2020-2021														
Administration Costs														
Bank & Investment Fees				\$ 10,518	\$ 27,515	\$ 34,000	81%	\$ 8,542	\$ 24,228	\$ 32,497				
Board Expenses				\$ -	\$ -	\$ 5,500	0%	\$ 199	\$ 4,870	\$ 4,925				
Education				\$ -	\$ -	\$ 5,000	0%	\$ -	\$ 300	\$ 300				
Insurance				\$ 1,365	\$ 4,094	\$ 4,000	102%	\$ 882	\$ 2,645	\$ 3,527	Increased Premium			
Office Expenses				\$ -	\$ 1,126	\$ 1,700	66%	\$ -	\$ 257	\$ 1,241				
Professional Fees				\$ 219	\$ 401	\$ 15,800	3%	\$ 5,381	\$ 5,045	\$ 10,545				
Salaries & Benefits				\$ 187,997	\$ 529,862	\$ 774,000	68%	\$ 168,872	\$ 566,400	\$ 778,761				
Software, Website & Computer Lease Costs				\$ 14,074	\$ 38,147	\$ 61,000	63%	\$ 15,125	\$ 47,126	\$ 47,549	No database consultant fees this year			
Subscriptions & Dues				\$ 676	\$ 1,747	\$ 2,500	70%	\$ 919	\$ 1,837	\$ 2,453				
Telephone				\$ 1,794	\$ 4,234	\$ 6,000	71%	\$ 1,560	\$ 4,230	\$ 5,898				
Travel & Mileage (Volunteers & Staff)				\$ 118	\$ 1,113	\$ 1,500	74%	\$ 659	\$ 829	\$ 1,390				
Amortization				\$ 9,292	\$ 27,877	\$ 28,000	100%	\$ 2,522	\$ 24,284	\$ 25,769				
Total Administration Costs				\$ 226,053	\$ 636,117	\$ 939,000	68%	\$ 204,661	\$ 682,050	\$ 914,855				
Fundraising Costs														
Spring / Annual / Christmas				\$ 28,076	\$ 73,305	\$ 76,000	96%	\$ 34,631	\$ 53,179	\$ 56,286				
Events				\$ -	\$ 573	\$ 25,000	2%	\$ 3,515	\$ 11,143	\$ 9,693	Golf Tournament was a third party event this year			
Donor Relations & Planned Giving				\$ 5,150	\$ 10,405	\$ 60,000	17%	\$ 1,553	\$ 14,727	\$ 56,921				
Total Fundraising Costs				\$ 33,226	\$ 84,283	\$ 161,000	52%	\$ 39,699	\$ 79,049	\$ 122,900				
Total Costs				\$ 259,278	\$ 720,400	\$ 1,100,000	65%	\$ 244,360	\$ 761,099	\$ 1,037,755				
Net Income				\$ 1,445,636	\$ 2,168,909	\$ 2,900,000		\$ 832,203	\$ 1,591,556	\$ 1,724,869				
					25%	28%			32%	38%				
Grants - CASH BASIS				\$ 663,908	\$ 1,143,099	\$ 2,000,000		\$ 184,362	\$ 504,845	\$ 822,958				

BALANCE SHEET HIGHLIGHTS					DECEMBER 31, 2020	MARCH 31 2020 <i>Audited</i>
Assets						
Bank Balances:				5,470,761	4,253,110	
Investments - Unrestricted				1,049,633	967,044	
Investments - Endowments				1,313,569	1,316,501	
Investment in Businesses				616,398	616,398	
Due from Subsidiaries				-	156,521	
Capital Assets				347,276	375,154	
Other Assets				125,945	93,605	
Total Assets				\$8,923,581	\$7,778,333	
Liabilities						
Trade Payables & Accrued Liabilities				231,486	111,786	
Unrestricted Fund Balance				3,840,868	3,813,921	
Restricted Fund Balance				3,540,895	2,537,531	
Endowment Fund Balance				1,310,333	1,315,095	
Total Liabilities				\$8,923,581	\$7,778,333	
Outstanding Equipment Invoices - Island Health						
Amount Committed & Owing				\$7,110,747	\$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	1,965,000	1,454,141	510,859
Endoscopy Suite Project (Endo)	Endoscopy	2018-2019	1,750,000	527,779	1,222,221
Code Brew Refresh & Relocation	NRGH	2019-2020	670,000	162,862	507,138
High Risk OB Room	Perinatal	2019-2020	40,000	-	40,000
			\$ 9,425,000	\$ 2,314,253	\$ 7,110,747

Code Brew-NRGH
Statement of Income & Retained Earnings
3rd Quarter ending December 31, 2020

	2020-2021 FULL YEAR BUDGET	2020-2021 Q3 ACTUAL	2019-2020 Q3 ACTUAL	Budget Variance	Comments - Actual vs. Budget
Sales	\$ 782,500	\$ 259,050	\$ 573,909	\$ (523,450)	Code Brew closed for March, April, May and slow sales thereafter
Cost of Sales	364,000	143,243	269,857	220,757	
Gross Margin	\$ 418,500	\$ 115,807	\$ 304,052	\$ (302,693)	Includes \$48,599.35 in Wage Subsidies
Interest & other income	2,500	49,166	2,227	46,666	
	53%	45%	53%		
	\$ 421,000	\$ 164,972	\$ 306,279	\$ (256,028)	
Expenses					
Bank charges	9,000	4,923	6,509	4,077	
Insurance	3,500	2,729	2,024	771	Insurance Premium increase
Meetings and meals	-	-	-	-	
Office	5,000	1,320	2,700	3,680	
Professional Fees	4,000	400	-	3,600	
Publicity and promotions	500	976	75	476	Decals and Signs for the new Kiosk
Utilities	1,000	-	-	1,000	
Repairs and maintenance	3,500	2,215	4,542	1,285	
Salaries and benefits	316,500	202,443	193,218	114,057	Increase in Minimum Wage and new Manager hire
Telephone	1,000	649	500	351	
Training and education	500	115	75	385	
Travel	1,000	302	423	467	
Provision for Income Taxes	-	-	49	-	
Total Expense	\$ 345,500	\$ 216,072	\$ 210,115	\$ 129,197	
Net Income before Amortization and Management	\$ 75,500	\$ (51,099)	\$ 96,164	\$ (126,831)	
Donation to Foundation	18,000	-	-		
Management Fees to NDHF	50,000	37,500	26,250	12,500	
Amortization	4,000	5,872	2,436	1,872	
Net Income (Loss)	\$ 3,500	\$ (94,472)	\$ 67,478	\$ (141,203)	

Code Brew-NRGH

Balance Sheet

At December 31, 2020

	Dec 31, 2020 Actual	March 31, 2020 Audited	Comments
Assets			
Current:			
Cash	45,385	\$ 108,092	Code Brew closed for March, April, May & slow sales thereafter
Accounts receivable	3,693	2,893	
Inventory	10,119	10,119	
Prepaid expenses	2,223	967	
Total Current Assets	61,420	122,071	
Property, Plant & Equipment	88,525	9,745	Purchase of new equipment for the Kiosk
Future Income Taxes	1,852	1,852	
Total Assets	\$ 151,798	\$ 133,668	
Liabilities			
Current:			
Accounts payable and accruals	54,657	\$ 14,424	Gift cards will be adjusted at year end. \$30K to be paid back by Dec 2022 - addn \$20K granted in Feb/21 Loan from Lifeline to CB for new kiosk equipment purchases
Income taxes payable	-	1,299	
Deferred revenue	14,727	14,727	
Short Term Federal Business Loan	40,000	-	
Advances from related parties	100,000	66,332	
Total Current Liabilities	209,383	96,782	
Shareholder's Equity			
Share Capital	1	1	
Retained earnings	(57,587)	36,885	
Total Liabilities + Retained Earnings	\$ 151,798	\$ 133,668	

Nanaimo Lifeline Program
Statement of Income & Retained Earnings
3rd Quarter ending December 31, 2020

	2020-2021 FULL YEAR BUDGET	2020-2021 Q3 ACTUAL	2019-2020 Q3 ACTUAL	Budget Variance	Comments - Actual vs. Budget
Monitoring and Installation Revenue	\$ 965,500	\$ 669,846	\$ 732,954	\$ (295,654)	
Direct Expenses	120,500	94,487	78,148	26,013	
Gross Margin	\$ 845,000	\$ 575,360	\$ 654,806	\$ (269,640)	
Interest and Other Income	6,000	- 3,783	2,422	- 9,783	Includes \$7,693 in Wage Subsidies, and a \$4,200 rebate from Phillips Lifeline Also includes disposal of Assets over 15 years old - obsolescence
	\$ 851,000	\$ 571,577	\$ 657,228	\$ (279,423)	
	88%	86%	89%		
Expenses					
Bank charges	3,000	1,528	1,556	1,472	
Insurance	3,500	3,093	2,422	407	Insurance Premium increase
Rent and occupancy costs	82,500	61,220	53,872	21,280	Increase in strata fees & property taxes
Office	15,500	13,119	9,345	2,381	Includes Plexi-glass additions to the Call Centre for physical distancing
Professional fees	4,150	937	3,419	3,213	
Marketing & PR	13,500	11,836	8,509	1,664	Printing Costs for additional brochures and rack cards
Repairs and maintenance	4,000	328	1,093	3,672	
Salaries and benefits	502,500	332,747	308,623	169,753	Increase in minimum wage, additional hours as no volunteers being used
Telephone	9,000	7,453	6,061	1,547	
Training and education	1,000	-	-	1,000	
Travel	12,000	2,443	9,777	9,557	No volunteer travel
Total Expenses	\$ 650,650	\$ 434,702	\$ 404,674	\$ 215,946	
Net Income before Amortization and Management Fees	\$ 200,350	\$ 136,876	\$ 252,555	\$ (63,477)	
Donation to NDHF	40,000	-	-		
Management Fees to NDHF	50,000	37,500	27,250	12,500	
Amortization	100,000	49,380	42,533	64,279	
Net Income	\$ 10,350	\$ 49,996	\$ 182,773	\$ (11,698)	
Net Income before Amortization/Total Revenue	23.54%	23.95%	38.43%		
Net Income/Total Revenue	1.22%	8.75%	27.81%		

Nanaimo Lifeline Program
Balance Sheet
At December 31, 2020

	Dec 31, 2020 Actual	March 31, 2020 Audited	Comments
Assets			
Current:			
Cash	308,380	337,196	
Accounts & Loan Receivable	105,455	-	Includes \$100,000 lent to Code Brew
Prepaid Expenses	6,294	4,639	
Total Current Assets	420,129	341,835	
Plant and equipment	294,174	343,106	
Security deposit receivable	7,544	7,544	
Total Assets	\$ 721,847	\$ 692,485	
Liabilities			
Current:			
Accounts payable and accrued liabilities	52,343	17,296	
Advances (to) from related parties	-	90,189	
Short Term Federal Business Loan	40,000	-	Interest Free, to be paid back by Dec 2022, \$10 K forgivable
Deferred revenue	-	5,489	
Total Current Liabilities	92,343	112,974	
Shareholder's Equity			
Share Capital	1	1	
Retained earnings	629,503	579,510	
Total Liabilities + Retained Earnings	\$ 721,847	\$ 692,485	

Policy Type: Executive Expectations Policy Name: Investment of Funds	Policy Number: EE9 Date of Acceptance of Policy: October 3, 2009
Date to Review Policy: Annually in May	Date Policy Reviewed: June 18, 2020 <u>March 11, 2021</u> Date Policy Revised: June 23, 2020 <u>March 23, 2021</u>
Monitoring Type and Frequency: Internal/4 times per year at FIAC – External/Annually at Spring Meeting	Monitoring Dates: June, September , December, March

The CEO has the authority and is responsible for investing funds on behalf of the Foundation.

When investing funds the CEO shall:

1. Administer the Unrestricted Fund which includes the General Fund, Code Brew, Nanaimo Lifeline Program, and the Capital Asset Fund.
2. Administer the Restricted Funds which include Specified Equipment, Education Funds and Designated Contributions.
3. Administer the Endowment Funds, as designated by the donors.
4. Administer the Gaming Fund which includes the revenues and costs associated with gaming funds donated from other charitable organizations
5. Make any investments authorized by Section 15 of the Trustee Act of the Province of BC for the investment of trust funds.
6. Ensure a pre-defined asset allocation target for the investment portfolio is established and approved by the Board, and rebalance the portfolio at least annually to stay within these asset allocation ranges.
7. Report on the return objectives as outlined, noting the primary goal of the Foundation being the preservation of capital, pursuant to the following objectives:
 - Primary: Invest the total assets of the Fund to achieve a rate of return of 3% to 5% gross per year over a five-year rolling period.
 - Secondary: Achieve a rate of return that meets or exceeds the return achieved by a benchmark portfolio for the total portfolio over a five-year period.

Tertiary: Achieve a rate of return in each asset class that ranks in the top third of a comparative measurement survey over a four-year period.

The horizon for the portfolio is over a five year rolling time period and it is understood that the duration of the time horizon may affect the construction of the portfolio.

8. Meet the investment constraints as outlined below:

- the fixed income portfolio will not hold more than 10% in bonds in a single issuer not guaranteed by the Government of Canada or Provincial Governments. In the case of Guaranteed Investment Contracts, Term Deposits, or Money Market Investments, the fixed income portfolio will not hold more than 10% in a single issuer;
- the Fund will maintain a minimum credit rating of R1 for money market investments and ~~BBB~~CCC rated and higher for other fixed income investments as rated by the Dominion Bond Rating Service or the equivalent by Moody's. In the case of a split rating, the lower credit rating will be used;
- the equity portfolio will not hold more than 10% in a single stock of a corporation;
- the Foundation will not invest in private placements;
- the Foundation will not invest in commodities, except for Gold and Silver ETF's to a maximum of 10% of the portfolio;
- the Foundation will not purchase securities on margin;
- the Foundation will not engage in short sales.

9. Ensure the Investment Manager reports quarterly the following:

- the current economic outlook, compare this to the investment strategies of the investment manager and report outcomes to the Board.
- statistics on the investment performance of the total fund, asset classes and fund managers.
- the market value of each investment as calculated by the Investment Manager to ensure compliance with the approved allocations.

10. Ensure the Investment Manager reports to the FIAC at least annually, preferably in the Spring, and to the Board, as requested.

11. Take any actions necessary to ensure compliance with this Policy.

Policy Type: Executive Expectations Policy Name: Asset Protection	Policy Number: EE11 Date of Acceptance of Policy: October 3, 2009
Date to Review Policy: Annually	Date Policy Reviewed: March 11, 2020<u>March 10, 2021</u> Date Policy Revised: March 24, 2020<u>March 23, 2021</u>
Monitoring Type and Frequency: Annual	Monitoring Date: 4th Quarter

The CEO shall ensure the assets of the Foundation and its subsidiaries are protected and maintained so that the Foundation is not put at risk unnecessarily.

Accordingly, the CEO ensures the provision of:

1. Insurance against casualty losses and claims of liability to at least \$10 million replacement value and against liability losses to the Foundation.
2. Director and Officers' insurance of at least \$5 million.
3. Insurance against theft of at least \$250,000.
4. Office, office equipment and work place maintenance.
5. A policy that meets all the requirements of BC's FIPPA (Freedom of Information and Protection of Privacy Act) and PIPA (Personal Information Protection Act) as applicable.
6. Policies for securing and backing up electronic data files.
7. An investment policy outlining the parameters for investment and management of Foundation funds.
8. A response to the recommendations of the annual audit of the Foundation's Financial Statements.
9. A Communication Strategy including such details as:
 - Designating and training a spokesperson for the Foundation for media relations
 - Maintenance of a website
 - Basic promotional materials
 - Role of the Board in the Strategy
10. A Risk Management process that identifies and evaluates risks to the Foundation and its subsidiaries, Staff, Board, property, finances, goodwill and image, and employs measures to control identified risks.

REVENUE - 2021/2022					2021/2022 Budget FULL YEAR	9 MONTHS				Other Income:	2020/2021 Budget	2020/2021 Projected	2021/2022 Budget
Source	2020/2021 Budget	2020/2021 Projection	2019/2020 Actual	2018/2019 Actual		2017/2018 Actual	2016/2017 Actual						
Donations	\$2,615,000	\$3,014,000	\$2,875,000	\$1,518,056	\$2,361,043	\$995,786	\$1,775,555	Lifeline Management Fee	\$50,000	\$50,000	\$50,000		
Estates	\$1,025,000	\$495,000	\$785,000	\$1,085,464	\$1,400,539	\$1,583,825	\$1,061,288	Code Brew Management Fee	\$50,000	\$50,000	\$50,000		
Other Income (Includes Rent Revenue, ATM's, Subsidiary Mngt Fees & Donations)	\$195,000	\$302,000	\$165,000	\$127,913	\$172,651	\$153,254	\$75,432	Lifeline Donation:	\$40,000	\$0	\$25,000		
Investment Income	\$165,000	\$150,000	\$175,000	\$31,191	\$194,579	\$59,961	\$156,504	Code Brew Donation	\$15,000	\$0	\$0		
Total Revenue	\$4,000,000	\$3,961,000	\$4,000,000	\$2,762,624	\$4,128,812	\$2,792,826	\$3,068,779	Unit #202 Rent	\$25,000	\$23,000	\$25,000		
EXPENSES - 2021-2022									ATM Income	\$5,000	\$2,000	\$5,000	
Administration Costs									Miscellaneous Income	\$10,000	\$10,000	\$10,000	
Bank & Investment Fees	\$34,000	\$36,426	\$41,000	\$32,497	\$29,040	\$23,063	\$32,447	Wage Subsidies	\$0	\$167,000	\$0		
Board Expenses	\$5,500	\$0	\$2,500	\$4,925	\$522	\$2,920	\$12,215		\$195,000	\$302,000	\$165,000		
Education	\$5,000	\$0	\$5,000	\$300	\$4,952	\$1,580	\$3,600						
Insurance	\$4,000	\$5,458	\$7,000	\$3,527	\$3,817	\$2,651	\$3,680						
Mortgage Interest	\$0	\$0	\$0	\$0	\$0	\$13,326	\$18,872						
Occupancy Costs	\$0	\$675	\$0	\$699	\$0	\$22,302	\$33,398						
Office Expenses	\$1,700	\$848	\$1,000	\$542	\$21,237	\$2,931	\$1,170						
Professional Fees	\$15,800	\$11,302	\$12,000	\$10,545	\$32,397	\$21,267	\$19,228						
Salaries & Benefits	\$774,000	\$706,327	\$777,500	\$778,761	\$724,608	\$499,486	\$822,777						
Software, Website & Computer Lease Costs	\$61,000	\$48,007	\$55,000	\$47,549	\$51,488	\$45,119	\$50,407						
Subscriptions & Dues	\$2,500	\$2,375	\$2,500	\$2,453	\$2,587	\$3,352	\$8,654						
Telephone	\$6,000	\$5,983	\$6,500	\$5,898	\$5,251	\$2,634	\$5,194						
Travel & Mileage (Volunteers & Staff)	\$1,500	\$1,484	\$1,500	\$1,390	\$2,803	\$2,514	\$2,884						
Amortization	\$28,000	\$37,170	\$39,500	\$25,769	\$17,108	\$26,331	\$37,783						
Total Administration Costs	\$939,000	\$856,054	\$951,000	\$914,855	\$895,810	\$669,476	\$1,052,309						
Fundraising Costs													
Christmas Appeal	\$36,000	\$30,440	\$41,900	\$33,240	\$42,237	\$41,119	\$59,946						
Spring Appeal	\$40,000	\$44,831	\$36,900	\$23,046	\$22,675	\$5,472	\$45,746						
Annual Appeal	\$67,500	\$20,841	\$50,375	\$48,790	\$53,228	\$28,551	\$20,737						
Donor Insurance	\$17,500	\$17,825	\$17,825	\$17,825	\$17,825	\$17,735	\$17,825						
Total Fundraising Costs	\$161,000	\$113,937	\$147,000	\$122,900	\$135,965	\$92,877	\$144,258						
Total Costs	\$1,100,000	\$969,991	\$1,098,000	\$1,037,755	\$1,031,775	\$762,353	\$1,196,567	At January 2021					
	28%	24%	27%	38%	25%	27%	39%	\$351,357 Cardiac - all will be paid in 2021/2022					
Net Income	\$2,900,000	\$2,991,009	\$2,902,000	\$1,724,869	\$3,097,036	\$2,030,473	\$1,872,212	\$4,530,268 ICU - Planning on paying out approx \$1.2 million in 2021/2022					
Grants - CASH BASIS									\$150,000 Misc Equipment & Education - Estimated Annual grant				
Island Health	\$2,000,000	\$2,123,092	\$3,000,000	\$822,958	\$1,169,320	\$1,312,073	\$2,121,539	\$269,793 Kiosk & Lobby Rebuild - all will be paid in 2021/2022					
								\$945,651 Endoscopy - all will be paid in 2021/2022					
								\$6,247,069					

NANAIMO & DISTRICT HOSPITAL FOUNDATION

606895 BC LTD - CODE BREW

2021-2022 BUDGET SUMMARY

	2016/2017 ACTUAL	9 MONTHS 2017/2018 ACTUAL	2018/2019 ACTUAL	2019/2020 ACTUAL	2020/2021 PROJECTED	2021/2022 BUDGET
REVENUE						
Sales	\$ 655,996	\$ 526,119	\$ 770,539	\$ 740,158	\$ 432,294	\$ 604,000
LOAN FORGIVENESS					\$ 100,000	
Interest	\$ 292	\$ 306	\$ 2,216	\$ 2,904	\$ 301	\$ 500
TOTAL REVENUE	\$ 656,288	\$ 526,425	\$ 772,754	\$ 743,062	\$ 532,595	\$ 604,500
COST OF GOODS SOLD						
	\$ 304,167	\$ 231,621	\$ 344,524	\$ 341,430	\$ 196,953	\$ 218,600
EXPENSES						
Bank Charges	\$ 1,753	\$ 3,363	\$ 7,689	\$ 8,506	\$ 6,494	\$ 7,800
Insurance	\$ 2,034	\$ 1,963	\$ 2,926	\$ 2,704	\$ 3,639	\$ 4,500
Office	\$ 3,624	\$ 3,561	\$ 4,008	\$ 4,033	\$ 2,270	\$ 3,300
Meetings and Meals	\$ 600	\$ -	\$ 93	\$ 49	\$ -	\$ -
Miscellaneous	\$ 228	\$ 904	\$ 1,028	\$ 2,641	\$ 403	\$ 500
Professional Fees	\$ 3,280	\$ 3,452	\$ 3,607	\$ 2,922	\$ 3,345	\$ 3,600
Publicity & Promotion	\$ 1,043	\$ 1,357	\$ 60	\$ 90	\$ 1,016	\$ 6,900
Facilities - Rent, Strata, Utilities	\$ 7,439	\$ 730	\$ 633	\$ -	\$ -	\$ -
Repairs, Maintenance and Small Equipment	\$ 7,238	\$ 2,276	\$ 358	\$ 4,757	\$ 2,612	\$ 1,000
Salaries and Benefits	\$ 224,838	\$ 183,089	\$ 264,229	\$ 272,306	\$ 277,865	\$ 335,500
Telephone	\$ 1,401	\$ 875	\$ 525	\$ 744	\$ 874	\$ 1,800
Training and Education	\$ 575	\$ 80	\$ 90	\$ 384	\$ 115	\$ 500
Travel	\$ 627	\$ 616	\$ 834	\$ 384	\$ 402	\$ 500
Income Taxes	\$ -	\$ 1,685	\$ 3,027	\$ 1,299	\$ 3	\$ -
TOTAL EXPENSES	\$ 254,680	\$ 203,951	\$ 289,106	\$ 300,818	\$ 299,032	\$ 365,900
NET INCOME	\$ 97,440	\$ 90,853	\$ 139,125	\$ 100,814	\$ 36,610	\$ 20,000
Donations - NDHF	\$ -	\$ 55,000	\$ 75,000	\$ 35,000	\$ -	\$ -
Management Fee paid to NDHF	\$ -	\$ 26,250	\$ 35,000	\$ 50,000	\$ 50,000	\$ 50,000
Amortization	\$ 845	\$ 258	\$ 3,249	\$ 3,249	\$ 11,872	\$ 20,000
Sub Total	\$ 845	\$ 81,508	\$ 113,249	\$ 88,249	\$ 61,872	\$ 70,000
NET INCOME	\$ 96,595	\$ 9,345	\$ 25,876	\$ 12,565	-\$ 25,263	-\$ 50,000
COGS/Sales Revenue	46.35%	44.00%	44.58%	45.95%	36.98%	36.16%
Wages/Sales Revenue	34.26%	34.78%	34.19%	36.65%	52.17%	55.50%
Net Income before Amortization/Revenue	14.85%	17.26%	18.00%	13.57%	6.87%	3.31%
Net Income/Revenue	14.72%	1.78%	3.35%	1.69%	-4.74%	-8.27%
Change in Revenue	#REF!	-19.79%	46.79%	-3.84%	-28.32%	-18.65%
Change in COGS	#REF!	-23.85%	48.74%	-0.90%	-42.32%	-35.98%
Change in Expenses (excludes amortization)	#REF!	-19.92%	41.75%	4.05%	-0.59%	21.63%



Nanaimo & District Hospital Foundation

2021 Audit Service Plan

Report to the Board of Directors

March 31, 2021

Cory Vanderhorst, CPA, CA
T: (250) 753-8251
E: cory.vanderhorst@mnp.ca



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AUDIT SERVICE PLAN OVERVIEW

We are pleased to present our Audit Service Plan for Nanaimo & District Hospital Foundation (the “**Foundation**”) which outlines the strategy we will follow to provide the **Foundation**’s Board of Directors with our Independent Auditor’s Report on the March 31, 2021 financial statements. We are providing this Audit Service Plan to the Board of Directors on a confidential basis. It is intended solely for the use of the Board of Directors and is not intended for any other purpose. Accordingly, we disclaim any responsibility to any other party who may rely on this report.

We confirm to the Board of Directors that we are independent of the **Foundation**.

TOPICS FOR DISCUSSION

We are committed to providing superior client service by maintaining effective two-way communication. Topics for discussion include, but are not limited to:

- Changes to your business operations and developments in the financial reporting and regulatory environment
- Business plans and strategies
- Any other issues and/or concerns
- Fraud, including how fraud could occur, the risk of fraud and misstatement, and any actual, suspected or alleged fraud
- The management oversight process
- Your specific needs and expectations

THE MNP AUDIT APPROACH

AUDIT MATERIALITY

The scope of our audit work is tailored to reflect the relative size of operations of the **Foundation** and our assessment of the potential for material misstatements in the **Foundation**’s financial statements as a whole (and, if applicable, for particular classes of transactions, account balances or disclosures). In determining the scope, we emphasize relative audit risk and materiality, and consider a number of factors, including:

- The size, complexity, and growth of the **Foundation**
- Changes within the organization, management or accounting systems
- Concerns expressed by management



We propose to use \$100,000 as overall materiality for audit planning purposes.

AUDITOR’S APPROACH TO INTERNAL CONTROL

For the March 31, 2021 audit, we are planning to place low reliance on the **Foundation**’s accounting system. This level of reliance is consistent with the prior year end, and will involve mainly substantive tests of details.

KEY CHANGES AND DEVELOPMENTS

Based on our knowledge of the **Foundation** and our discussions with management, we have noted the recent developments set out below. Our audit strategy has been developed giving consideration to these factors.

ISSUES AND DEVELOPMENTS	SUMMARY
 NEW ASSURANCE DEVELOPMENTS	<ul style="list-style-type: none"> CAS 540 Auditing Accounting Estimates and Related Disclosures (New)
 IMPACT OF COVID-19 ON OUR AUDIT	COVID protocols

Detailed information on Key Changes and Developments are included as Appendix A.

AUDIT TEAM

In order to ensure effective communication between the Board of Directors and MNP, we outline below the key members of our audit team that will be responsible for the audit of Nanaimo & District Hospital Foundation and the role they will play:

TEAM MEMBERS	CONTACT INFORMATION
Cory Vanderhorst, CPA, CA, Engagement Partner	E: Cory.Vanderhorst@mnp.ca
Graham Roberts, CPA, CA, Senior Manager	E: Graham.Roberts@mnp.ca
James Kungel, CPA, CA, Tax Partner	E: James.Kungel@mnp.ca
Jane Lumb, CPA, Engagement Manager	E: Jane.Lumb@mnp.ca
Shamus Molloy, Senior Auditor	E: Shamus.Molloy@mnp.ca

Our partners and senior management are committed to providing you with the highest level of attention and oversight throughout the terms of this engagement, reflecting MNP's staffing model and client service philosophy. Through consistent attention from leaders, our engagement team will maintain responsibility and authority over all matters of the engagement and will drive service delivery and issue resolution. In addition, the engagement team will be actively involved and have hands-on involvement with service delivery, ensuring engagement objectives will be met.

In order to serve you better and meet our professional responsibilities, we may find it necessary to expand our audit team to include other MNP professionals whose consultation will assist us to evaluate and resolve complex, difficult and/or contentious matters identified during the course of our audit.

Any changes to the audit team will be discussed with you to ensure a seamless process and that all concerned parties' needs are met.

TIMING OF THE AUDIT

KEY DELIVERABLE	EXPECTED DATE
Year-end fieldwork procedures	May 24, 2021 to June 4, 2021
Draft year-end financial statements to be discussed with management	July 2021
Presentation of March 31, 2021 Audit Findings Report to the Board of Directors	July 2021
Presentation of Management Letter to the Board of Directors	July 2021
Issuance of Independent Auditor's Report	July 2021

FEES AND ASSUMPTIONS

DESCRIPTION	2021 ESTIMATE	2020 ACTUAL
Base audit fee	\$ 10,500	\$ 10,000

If any significant issues arise during the course of our audit work which indicate a possibility of increased procedures or a change in the audit timetable, these will be discussed with management by the engagement partner, so a mutually agreeable solution can be reached. Our audit fee quote above is based on an estimate of 100 hours of audit and bookkeeping work. Significant delays in responding to requests for information may result in additional fees.

Invoices will be rendered as work progresses in accordance with the following schedule:

DESCRIPTION	AMOUNT
Progress billing #1 - upon delivery of the audit service plan	\$ 5,250
Progress billing #2 - at the start of year-end field work	\$ 2,625
Final billing – upon release of auditor's report	\$ 2,625
Total	\$ 10,500

We look forward to discussing our Audit Service Plan with you, as well as any other matters of interest to you.

Sincerely,



MNP LLP
Chartered Professional Accountants

APPENDIX A – KEY CHANGES AND DEVELOPMENTS

We would like to bring to your attention the following accounting and auditing developments, which may have some impact on your financial reporting.

ISSUES AND DEVELOPMENTS SUMMARY

NEW ASSURANCE DEVELOPMENTS

CAS 540 Auditing Accounting Estimates and Related Disclosures (New)

In March 2019, the Auditing and Assurance Standards Board (AASB) revised and replaced CAS 540 *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*. The revised CAS 540 incorporates changes to establish more robust requirements and appropriately detailed guidance to foster audit quality by driving auditors to perform appropriate procedures in relation to accounting estimates and related disclosures.

This revised CAS:

- Introduces the concept of inherent risk factors, including estimation uncertainty, complexity, subjectivity and others;
- Introduces a separate assessment of inherent risk and control risk for accounting estimates;
- Explicitly recognizes the spectrum of inherent risk;
- Enhances requirements for risk assessment procedures related to obtaining an understanding of the entity and its environment, including internal control;
- Introduces objectives-based work effort requirements to design and perform further audit procedures to respond to assessed risks of material misstatement;
- Enhances the “stand-back” requirements by adding an evaluation of corroborative and contradictory audit evidence obtained regarding the accounting estimates;
- Enhances requirements to obtain audit evidence about whether the disclosures are reasonable; and
- Includes a requirement to consider matters regarding accounting estimates when communicating with those charged with governance.

As a result of issuing revised CAS 540, the following standards have been amended to clarify the auditor’s responsibilities regarding auditing accounting estimates and related disclosures:

- CAS 500 *Audit Evidence*;
- CAS 700 *Forming an Opinion and Reporting on Financial Statements*; and
- CAS 701 *Communicating Key Audit Matters in the Independent Auditor’s Report*.

Further editorial changes have also been made to other standards as a consequence of revising CAS 540.

The revised CAS 540 is effective for audits of financial statements for periods beginning on or after December 15, 2019. Earlier application is permitted.

APPENDIX A – KEY CHANGES AND DEVELOPMENTS (continued from previous page)

IMPACT OF COVID-19 ON OUR AUDIT

MNP's COVID protocols are based on recommendations by the Province of British Columbia. At the date of this Audit Service Plan we are adhering to the following:

Social Distancing;
No Non-Essential Attendance at External Business Development, Conferences or Training;
No Non-Essential Business Travel and;
International Travel - Self-Isolation for 14 days.

Wherever possible, we use our Client Portal website to facilitate transfer of documents and requests for information. This allows for ease of sharing documents without a file size restriction, while maintaining security and confidentiality over your documents and information. During the height of COVID, we performed our audits remotely, using email, phone, and the Client Portal to share information. Meetings were held virtually on a variety of platforms, including Teams and Zoom, and we were able to complete and deliver our usual high-quality audits.

In the current "reopening" scenario, we have started doing fieldwork visits again. Before our team members attend field work, we will be sending out a questionnaire to ascertain if it is safe for our team to be onsite as well as to learn your current COVID protocols. The safety of your team and ours is paramount at all times. All team members will be apprised of the Foundation's protocols before we arrive onsite. If the Province increases restrictions related to COVID we are prepared to perform field work remotely.

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About MNP LLP

MNP is a leading national accounting, tax and business consulting firm in Canada. We proudly serve and respond to the needs of our clients in the public, private and not-for-profit sectors. Through partner-led engagements, we provide a collaborative, cost-effective approach to doing business and personalized strategies to help organizations succeed across the country and around the world.





**2021 Annual Review for
Nanaimo & District Hospital
Foundation**

Portfolio Considerations		Personal Considerations: <i>What is most important to you?</i>	
Portfolio Value	\$2,628,565	Tax Considerations	To minimize taxes where possible without compromising the risk/return characteristics of the portfolio.
Date of Most Recent IPS	March 2020		
Net Worth Per IPS	\$7,800,000		
Objectives	<ol style="list-style-type: none"> 1. Preserve assets 2. Produce income 3. Grow assets 	Banking/Credit Needs	
Expected Return Net of Inflation	1% – 3%	Charitable Intentions	
Risk Profile	Low	Lawyer:	Doug Torrie (Vining Senini Law)
Volatility Tolerance*	-1% to -5% -\$26,286 or -\$131,428	Accountant:	MNP
Equity Allocation	20% - 50%	Other:	
Investment Horizon	10 + Years	Service Expectations	Annual In-Person Review, Semi-Annual Calls
Income Requirements per IPS	\$0/month or \$0/year	Next Meeting	June 2021
Portfolio Withdrawals**	-\$15,000	Feedback & Experience: <i>What can we do better for you?</i>	
Rate of Withdrawal ***	Approximately 0.6%		
Estimated Annual Income**	\$83,042 / 3.2%		
Investment Restrictions			
Other Investment Holdings			

* In times of higher volatility in the financial markets your portfolio may experience fluctuations in value that are higher than these ranges.

** Withdrawal and estimated income amounts and their rate percentages may not be validated.

***Withdrawal rates above 4% may encroach on capital.



PORTFOLIO PERFORMANCE BY ASSET CLASS (CAD)

	2020	2019	2018	2017	2016	2015	2014
Cash & Cash Equivalents							
Canada	(26.65)	(13.30)	(15.78)	(20.24)	(22.62)	(15.42)	(18.81)
Total Cash & Cash Equivalents	(26.65) %	(13.30) %	(15.78) %	(20.24) %	(22.62) %	(15.42) %	(18.81) %
Fixed Income							
Canada	9.21	6.53	1.49	1.36	2.58	3.43	5.52
Total Fixed Income	9.21 %	6.53 %	1.49 %	1.36 %	2.58 %	3.43 %	5.52 %
CAD Equity							
Consumer Discretionary	17.16	22.47	(7.79)	22.63	31.27	15.08	6.43
Consumer Staples	6.00	22.11	4.20	8.01	0.00	0.00	24.52
Energy	(26.47)	32.46	(14.38)	(3.22)	13.46	(19.70)	8.48
Financials	2.06	16.76	(8.67)	13.26	26.84	(3.22)	12.94
Industrials	26.32	30.07	9.40	11.19	17.20	4.16	28.75
Materials	15.84	52.90	(16.31)	(11.87)	15.34	(23.65)	(16.19)
Real Estate			(4.41)	(2.92)	19.00	(5.56)	12.53
Telecom. services	(3.62)	6.68	1.70	17.24	15.62	(8.06)	15.42
Utilities	(4.58)	31.29	(10.26)	9.44	13.94	(2.63)	26.07
Others	(11.31)	1.26	0.00	0.00	34.92	(8.88)	12.19
Total CAD Equity	(2.09) %	23.08 %	(7.17) %	8.99 %	24.03 %	(6.90) %	14.11 %
US Equity							
Others	12.71	23.07	2.77	16.52	(0.88)	18.42	23.72
Total US Equity	12.71 %	23.07 %	2.77 %	16.52 %	(0.88) %	18.42 %	23.72 %
Foreign Equity							
Other Foreign Equity	4.08	14.67	(2.80)	16.94	(5.42)	7.19	4.36
Total Foreign Equity	4.08 %	14.67 %	(2.80) %	16.94 %	(5.42) %	7.19 %	4.36 %
Total Portfolio Time-Weighted (net of fees)	6.98 %	10.30 %	(1.00) %	3.84 %	4.35 %	2.50 %	7.76 %
Indices							
BALANCED INCOME 26	7.82	8.65	0.55	3.73	4.55	3.88	6.42
MSEAFEC	5.70	17.20	(5.55)	17.36	(2.00)	19.46	4.12
S&P100I	19.77	25.18	4.78	13.95	7.52	23.10	22.90



PORTFOLIO PERFORMANCE BY ASSET CLASS (CAD)

SCMM91D	0.91	1.61	1.38	0.56	0.51	0.63	0.91
SCMOSHT	5.24	3.15	1.91	0.08	1.01	2.61	3.06
TTOSP60	5.34	22.19	(7.58)	9.78	21.36	(7.76)	12.27

* Legend: BALANCED INCOME 26: 2% TMX91 + 68% TMXSTO + 15% TSX60 + 10% S&P1 + 5% EAFE, MSEAFEC: MSCI EAFE C\$ - TOT RETURN IND, S&P100I: S&P 100 - TOT RETURN IND, SCMM91D: FTSE TMX CAN 91 DAY TBILL TR INDEX, SCMOSHT: FTSE TMX CAN SHORT TERM OVERALL - TOT RETURN IND, TTOSP60: S&P/TSX 60 INDEX - TOT RETURN IND

Notes: Values in percentage are annualized for periods of more than twelve months.



DISCLAIMER

As this report is not an official record of your account, your account statements, tax slips, and other records should be used for tax purposes. For specific tax inquiries, please contact your tax specialist or accountant.

Annual projected income amounts are based on the specified payment rate for each fixed income security, or the most recent payment rate for non-fixed income securities. Actual dividend and income amounts may change and are not guaranteed. Please contact your representative for more information regarding income projections.

Performance figures are calculated on a time-weighted basis, net of fees and include accrued income. Security values include transactions that have not settled as of the report date (if applicable). The investment growth chart (if applicable) is shown for illustrative purposes only, and does not take into account fees, expenses, or taxes.

The index returns are shown for comparative purposes only. Indices are not managed and their returns do not include any sales charges or fees, which, if included, would lower performance. It is not possible to invest directly in an index.

Transaction amounts in other currencies have been converted to the currency of the report. For information regarding the exchange rates used, please contact your representative.

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PORTFOLIO PERFORMANCE BY ASSET CLASS (CAD)

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception 09/30/2011
Cash & Cash Equivalents						
Canada	(8.43)	(16.54)	(26.65)	(18.79)	(19.86)	(20.67)
Total Cash & Cash Equivalents	(8.43) %	(16.54) %	(26.65) %	(18.79) %	(19.86) %	(20.67) %
Fixed Income						
Canada	1.61	3.36	9.21	5.70	4.19	3.75
Total Fixed Income	1.61 %	3.36 %	9.21 %	5.70 %	4.19 %	3.75 %
CAD Equity						
Consumer Discretionary	28.35	31.97	17.16	9.78	16.32	17.20
Consumer Staples	(6.27)	2.41	6.00	10.49	7.82	9.23
Energy	16.38	6.04	(26.47)	(5.87)	(1.75)	0.10
Financials	17.12	22.09	2.06	2.86	9.35	10.60
Industrials	3.10	21.37	26.32	21.59	18.56	19.80
Materials	(7.09)	1.12	15.84	14.02	8.55	(5.88)
Real Estate				(4.41)	4.79	3.68
Telecom. services	4.99	7.85	(3.62)	1.50	7.23	8.83
Utilities	0.50	2.56	(4.58)	3.98	6.99	7.15
Others			(11.31)	(4.25)	4.38	5.92
Total CAD Equity	10.86 %	14.22 %	(2.09) %	3.81 %	8.62 %	8.68 %
US Equity						
Others	7.63	14.93	12.71	12.54	10.48	15.34
Total US Equity	7.63 %	14.93 %	12.71 %	12.54 %	10.48 %	15.34 %
Foreign Equity						
Other Foreign Equity	10.51	19.50	4.08	5.08	5.11	7.75
Total Foreign Equity	10.51 %	19.50 %	4.08 %	5.08 %	5.11 %	7.75 %
Total Portfolio Time-Weighted (net of fees)	4.02 %	7.02 %	6.98 %	5.32 %	4.83 %	5.01 %
Indices						
BALANCED INCOME 26	2.62	4.76	7.82	5.61	5.02	5.41



PORTFOLIO PERFORMANCE BY ASSET CLASS (CAD)

MSEAFEC	10.72	13.89	5.70	5.37	6.12	10.58
S&P100I	5.85	13.75	19.77	16.25	13.99	18.89
SCMM91D	0.03	0.09	0.91	1.30	0.99	0.94
SCMOSHT	0.47	1.20	5.24	3.42	2.26	2.31
TTOSP60	7.86	12.62	5.34	5.96	9.65	8.10

* Legend: BALANCED INCOME 26: 2% TMX91 + 68% TMXSTO + 15% TSX60 + 10% S&P1 + 5% EAFE, MSEAFEC: MSCI EAFE C\$ - TOT RETURN IND, S&P100I: S&P 100 - TOT RETURN IND, SCMM91D: FTSE TMX CAN 91 DAY TBILL TR INDEX, SCMOSHT: FTSE TMX CAN SHORT TERM OVERALL - TOT RETURN IND, TTOSP60: S&P/TSX 60 INDEX - TOT RETURN IND

Notes: Values in percentage are annualized for periods of more than twelve months.



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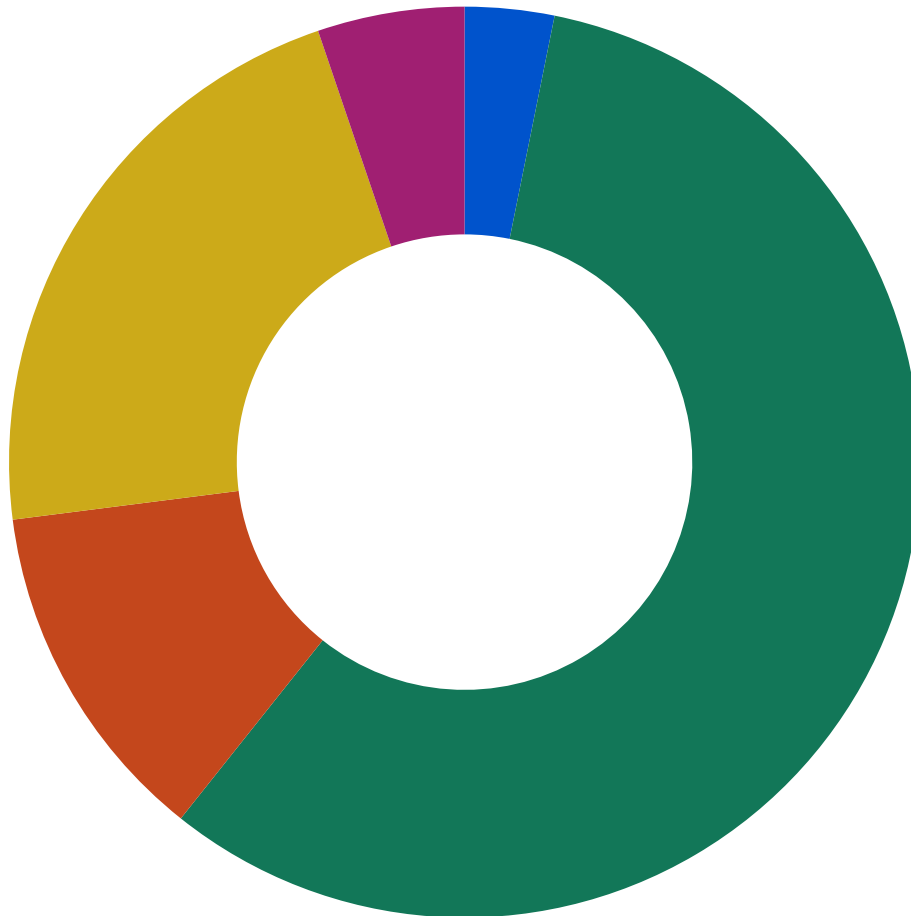
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ASSET ALLOCATION (CATEGORY)



	(%)	(\$)
Cash & Cash Equivalents	3.2	83,324
Fixed Income	57.5	1,511,804
CAD Equity	12.3	322,716
US Equity	21.8	573,024
Foreign Equity	5.2	136,943



PORTFOLIO PERFORMANCE (HISTORY) (CAD)

NET INVESTMENT VARIATION

Total Portfolio Value as of Report Date	\$ 2,628,565.26
Net Investment as of Report Date	\$ 1,533,846.58
Net Investment Variation	\$ 1,094,718.68

PERFORMANCE PER PERIOD

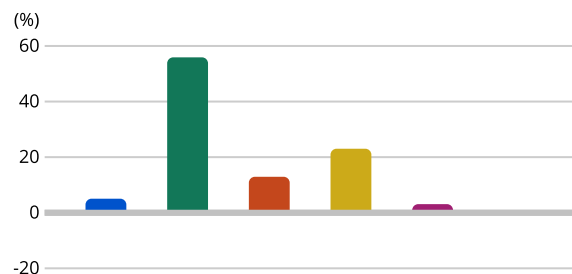
Period	Performance per Period (%)
	TWR - Net
Year to Date	(0.23)
1 Year	5.13
2 Years	6.53
3 Years	5.30
4 Years	4.50
5 Years	5.17
Since Inception (09/30/2011)	4.89

MONTHLY INFORMATION

Date	Total Value	Cash Flow (\$)	TWR - Net
02/25/2021	2,628,565.26	0.00	0.01
01/31/2021	2,628,237.51	0.00	(0.24)
12/31/2020	2,634,619.85	0.00	0.94
11/30/2020	2,609,957.85	0.00	3.98
10/31/2020	2,510,145.01	0.00	(0.89)
09/30/2020	2,532,744.44	-12,000.00	(0.43)
08/31/2020	2,555,622.09	0.00	1.04
07/31/2020	2,529,306.95	0.00	2.26
06/30/2020	2,473,392.88	0.00	1.21
05/31/2020	2,443,935.08	0.00	1.71
04/30/2020	2,402,900.71	0.00	5.21
03/31/2020	2,283,858.99	-97,000.00	(7.60)
02/29/2020	2,570,029.65	0.00	(2.01)
01/31/2020	2,622,671.92	0.00	1.94
12/31/2019	2,572,803.47	0.00	(0.39)
11/30/2019	2,582,886.12	0.00	1.58
10/31/2019	2,542,724.97	0.00	0.23
09/30/2019	2,536,986.70	0.00	0.22
08/31/2019	2,531,353.19	12.71	0.48
07/31/2019	2,519,208.38	0.00	0.46
06/30/2019	2,507,759.57	0.00	1.41
05/31/2019	2,472,883.22	0.00	(0.96)
04/30/2019	2,496,942.59	0.00	1.64
03/31/2019	2,456,609.26	0.00	1.83

YOUR ASSET ALLOCATION

■ Cash & Cash E...
 ■ Fixed Income
 ■ CAD Equity
■ US Equity
 ■ Foreign Equit...
 ■ Other



PERFORMANCE PER YEAR

Period	Performance per Period (%)
	TWR - Net
2021	(0.23)
2020	6.98
2019	10.30
2018	(1.00)
2017	3.84
2016	4.35
2015	2.50
2014	7.76
2013	5.69
2012	4.48

Notes: Values in percentage are annualized for periods of more than twelve months.



PORTFOLIO PERFORMANCE WITH ACCOUNT SUMMARY (CAD)

Account Name	Account Number	Inception Date	TOTAL VALUE (\$)			TIME-WEIGHTED NET (%)				
			02/26/2020	02/25/2021	Change	Year to Date	2020	2019	2018	2017
NANAIMO AND DIST	ML1130		2,612,086.50	2,628,565.26	16,478.76	(0.23)	6.98	10.30	(1.00)	3.84
TOTAL			2,612,086.50	2,628,565.26	16,478.76	(0.23)	6.98	10.30	(1.00)	3.84

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