

**CARLETON PLACE AND DISTRICT
MEMORIAL HOSPITAL FOUNDATION**

FINANCIAL STATEMENTS

MARCH 31, 2018

Draft

Independent Auditor's Report
Statement of Financial Position
Statement of Changes in Net Assets
Statement of Operations
Statement of Cash Flows
Notes to the Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Board of
Carleton Place and District Memorial Hospital Foundation

We have audited the accompanying financial statements of Carleton Place and District Memorial Hospital Foundation, which comprise the statement of financial position as at March 31, 2018, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

Basis for Qualified Opinion

In common with many not-for-profit organizations, Carleton Place and District Memorial Hospital Foundation derives donations and fundraising revenue, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Carleton Place and District Memorial Hospital Foundation. Therefore we were not able to determine whether any adjustments might be necessary to revenue, net expenditures and cash flows from operations for the years ended March 31, 2018 and 2017, current assets as at March 31, 2018 and 2017, and net assets as at the beginning and end of the years ended March 31, 2018 and 2017. Our audit opinion on the financial statements for the year ended March 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Carleton Place and District Memorial Hospital Foundation as at March 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Carleton Place, Ontario
August 29, 2018

Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario

**CARLETON PLACE AND DISTRICT
MEMORIAL HOSPITAL FOUNDATION**

STATEMENT OF FINANCIAL POSITION

As at March 31, 2018

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash	\$ 18,913	\$ 48,482
HST receivable	13,711	7,176
Investments (note 3)	3,774,911	3,568,982
	\$ 3,807,535	\$ 3,624,640
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 6,100	\$ 7,331
NET ASSETS		
Restricted (note 4)	2,974,584	2,844,727
Unrestricted	826,851	772,582
	3,801,435	3,617,309
	\$ 3,807,535	\$ 3,624,640

APPROVED BY THE BOARD

Director

Director

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

**CARLETON PLACE AND DISTRICT
MEMORIAL HOSPITAL FOUNDATION**

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2018

	Opening	Net Revenue (Expenditures)	Closing
Unrestricted	\$ <u>772,582</u>	\$ <u>54,269</u>	\$ <u>826,851</u>
Restricted:			
MacFarlane Trust	640,000	-	640,000
Legacy Fund	1,678,791	8,994	1,687,785
Jean Fyfe Memorial Fund	462,233	116,232	578,465
Clifford Memorial Fund	15,000	-	15,000
The Green Fund	34,544	839	35,383
Brenda Hall Bursary Fund	14,159	(548)	13,611
Other	<u>-</u>	<u>4,340</u>	<u>4,340</u>
	2,844,727	129,857	2,974,584
	\$ <u>3,617,309</u>	\$ <u>184,126</u>	\$ <u>3,801,435</u>

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

**CARLETON PLACE AND DISTRICT
MEMORIAL HOSPITAL FOUNDATION**

STATEMENT OF OPERATIONS

For the year ended March 31, 2018

	2018	2017
REVENUE		
Donations and fundraising	\$ 327,278	\$ 285,238
Estate bequests	100,000	103,075
Investment income	<u>48,761</u>	<u>196,031</u>
	<u>476,039</u>	<u>584,344</u>
EXPENDITURES		
Advertising and promotion	7,318	7,500
Bank charges	2,921	2,171
Bursary	1,500	1,500
Consulting	10,916	904
Fundraising expenses	56,490	52,953
Office expenses	2,922	1,524
Meetings and training	3,549	2,869
Membership dues	608	119
Professional fees	2,825	2,825
Salaries and benefits	112,303	100,927
Transfers to other charities	<u>4,249</u>	<u>3,853</u>
	<u>205,601</u>	<u>177,145</u>
OPERATING INCOME	270,438	407,199
Transfer to Carleton Place and District Memorial Hospital (note 5)	86,312	720,976
NET REVENUE (EXPENDITURES)	\$ 184,126	\$ (313,777)

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

**CARLETON PLACE AND DISTRICT
MEMORIAL HOSPITAL FOUNDATION**

STATEMENT OF CASH FLOWS

For the year ended March 31, 2018

	2018	2017
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net revenue (expenditures)	\$ 184,126	\$ (313,777)
Net change in non-cash working capital items:		
HST receivable	(6,535)	(203)
Accounts payable and accrued liabilities	<u>(1,231)</u>	<u>(117,510)</u>
	176,360	(431,490)
INVESTING ACTIVITIES		
Net change in investments, including unrealized gains	<u>(205,929)</u>	<u>394,684</u>
CHANGE IN CASH	(29,569)	(36,806)
CASH - BEGINNING OF YEAR	48,482	85,288
CASH - END OF YEAR	<u>\$ 18,913</u>	<u>\$ 48,482</u>

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

**CARLETON PLACE AND DISTRICT
MEMORIAL HOSPITAL FOUNDATION**

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2018

1. PURPOSE OF THE FOUNDATION

The Foundation was incorporated on April 14, 1994 by letters patent under the provisions of the Ontario Corporations Act. As a registered charity, the Foundation is exempt from income tax under subsection 149(1)(f) of the Income Tax Act. The Foundation achieves its mission to enhance patient care at the Carleton Place and District Memorial Hospital by encouraging philanthropic giving through fundraising along with the prudent management of donor funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The principal accounting policies of the Foundation are summarized as follows:

Revenue Recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investments

The Foundation has fixed income and equity investments that are accounted for at market value with changes in the market value being recorded as part of investment income in the Statement of Operations.

Accounting Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenditures during the reporting periods. Actual results could differ from these estimates.

**CARLETON PLACE AND DISTRICT
MEMORIAL HOSPITAL FOUNDATION**

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2018

Contributed Services

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

3. INVESTMENTS

	2018	2017
Cash and short-term investments	\$ 143,574	\$ 121,460
Fixed income	1,804,923	1,778,198
Equities	1,826,414	1,669,324
	\$ 3,774,911	\$ 3,568,982

4. RESTRICTION ON NET ASSETS

The MacFarlane Trust and Clifford Memorial Fund are subject to external restrictions that define the minimum capital requirements. The income earned on these funds is unrestricted.

The Green Fund is subject to external restrictions that define the minimum capital requirement until January of 2022. After January of 2022, the balance in The Green Fund will become unrestricted.

The Jean Fyfe Memorial Fund is restricted to certain equipment. The income earned on the fund is allocated to the fund in the statement of changes in net assets.

The Legacy Fund is an endowment fund created by the Board of Directors and is subject to internal restrictions only. Realized income earned on the fund is unrestricted. The purpose of the Legacy Fund is to build a reserve for any future major renovations/expansion to the physical structure of the Hospital. Any future bequests received by the Foundation, unless specified by the donor, will be directed to the Legacy Fund. In addition, any parking revenue transferred from the Hospital to the Foundation will be directed to this fund. The accumulated capital will be held in reserve and will be invested in accordance with the Board's investment guidelines.

The Brenda Hall Bursary Fund is subject to external restrictions that define the minimum capital requirement. Any income earned by the fund must be used for the sole purpose of providing an annual bursary to a graduating student of Carleton Place High School who has been accepted into a nursing or related post-secondary education program.

**CARLETON PLACE AND DISTRICT
MEMORIAL HOSPITAL FOUNDATION**

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2018

5. TRANSFER TO CARLETON PLACE AND DISTRICT MEMORIAL HOSPITAL

The transfer of funds is for the following purposes:

	2018
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<u>Capital Equipment</u>	
Operating Room:	
Tonsil & Myringotomy Trays-Pediatric Equipment	\$ 4,247
Tourniquet	19,550
Radiology:	
Ultrasound Table	8,951
Emergency:	
Vital Sign Machine	3,717
Symmetry II Sleeper - Pediatric Equipment	1,815
Mobile Stand with Pediatric Vital Sign Equipment	3,744
CSR:	
Blood Pressure Monitor	22,416
Medical/Surgical:	
Symmetry II Sleeper - Palliative Care Equipment	1,815
Telemedicine:	
OTN Equipment	20,057
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	\$ 86,312
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6. FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash, investments, and accounts payable and accrued liabilities. It is Management's opinion that, unless otherwise stated, the fair value of these instruments is not materially different than their cost and that the Foundation is not exposed to significant interest rate, market or credit risk.

Interest Risk

The Foundation's fixed income investments have fixed interest rates. The fair value of these instruments fluctuates with changes in market rates of interest.

Market Risk

The Foundation's equity investments in publicly traded securities exposes the Foundation to market risks as equity investments are subject to price changes in an open market.