

**CARLETON PLACE AND DISTRICT
MEMORIAL HOSPITAL FOUNDATION**

FINANCIAL STATEMENTS

MARCH 31, 2014

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



CHARTERED
PROFESSIONAL
ACCOUNTANTS

KELLY HUIBERS McNEELY

PROFESSIONAL CORPORATION

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, 2014, and the statements of operation and change in net assets 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 generally accepted accounting principles 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 entity'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 entity'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.

106B McGonigal St. W.
Arnprior, Ontario K7S 1M4

9 Emily Street
Carleton Place, Ontario K7C 1R9

16 Gore Street West
Perth, Ontario K7H 2L6

5992 Hazeldean Rd.
Stittsville, Ontario K2S 1B9

Phone: 613-963-1430 (1-866-999-1339)

Fax: 613-686-3960 (Perth local 613-267-3949)

acctg@khmpc.ca

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 revenue from fundraising activities and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of Carleton Place and District Memorial Hospital Foundation. Our audit opinion on the financial statements for the year ended March 31, 2014 was also qualified because of the possible effects of this limitation in scope. Therefore we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures for the year ended March 31, 2014, current assets as at March 31, 2014, and net assets at both the beginning and end of the year.

Qualified Opinion

In our opinion, except for the possible effects of the matter 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, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting standards for not-for-profit organizations.

Kelly Huibers McNeely
Professional Corporation

Carleton Place, Ontario
June 24, 2014

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

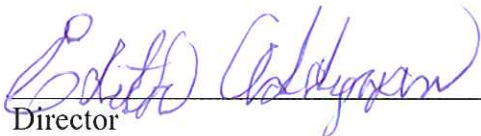
**CARLETON PLACE AND DISTRICT
MEMORIAL HOSPITAL FOUNDATION**

STATEMENT OF FINANCIAL POSITION

As at March 31, 2014

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash	\$ 20,908	\$ 13,167
HST receivable	7,000	6,845
Investments (note 3)	3,102,297	2,755,865
	\$ 3,130,205	\$ 2,775,877
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 5,054	\$ 3,082
NET ASSETS		
Restricted	2,394,208	2,218,120
Unrestricted	730,943	554,675
	3,125,151	2,772,795
	\$ 3,130,205	\$ 2,775,877

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, 2014

	Opening	Excess of Receipts over Expenditures	Transfers	Closing
Unrestricted	\$ 554,675	\$ 134,154	\$ 42,114	\$ 730,943
MacFarlane Trust	640,000	37,245	(37,245)	640,000
Legacy Fund	1,226,623	146,690	(3,625)	1,369,688
Jean Fyfe Memorial Fund	286,007	28,904	-	314,911
Clifford Memorial Fund	25,000	2,131	(2,131)	25,000
The Green Fund	27,453	2,283	-	29,736
Brenda Hall Bursary Fund	13,037	949	887	14,873
	\$ 2,772,795	\$ 352,356	\$ -	\$ 3,125,151

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, 2014

	2014	2013
REVENUE		
Investment income	\$ 252,176	\$ 173,717
Estate bequests	48,235	60,200
Donations	51,038	158,479
Renovation / Redevelopment revenue	65,071	68,874
Fundraising receipts	121,643	78,897
Miscellaneous receipts and special events	<u>34,227</u>	<u>28,530</u>
	<u>572,390</u>	<u>568,697</u>
EXPENDITURES		
Advertising and promotion	5,890	14,900
Bank charges	1,989	2,221
Bursary	1,000	750
Fundraising expenses	28,383	22,988
Investment expenses	23,850	26,571
Office supplies	7,986	3,092
Meetings and training	4,806	1,443
Membership dues	749	1,368
Professional fees	3,390	3,390
Salaries and benefits	71,476	74,700
Telecommunications and database management	14,378	1,656
Transfers to other charities	<u>3,625</u>	<u>6,281</u>
	<u>167,522</u>	<u>159,360</u>
OPERATING INCOME	404,868	409,337
Transfer to Carleton Place and District Memorial Hospital (note 5)	52,512	257,506
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ 352,356</u>	<u>\$ 151,831</u>

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, 2014

	2014	2013
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 352,356	\$ 151,831
Net change in non-cash working capital items:		
HST receivable	(155)	(4,900)
Accounts payable and accrued liabilities	<u>1,972</u>	<u>82</u>
	354,173	147,013
INVESTING ACTIVITIES		
Net change in investments including unrealized gains	<u>(346,432)</u>	<u>(178,045)</u>
CHANGE IN CASH	7,741	(31,032)
CASH - BEGINNING OF YEAR	13,167	44,199
CASH - END OF YEAR	<u>\$ 20,908</u>	<u>\$ 13,167</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, 2014

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 not-for-profit charitable corporation, the Foundation is exempt from income tax under S.149(1) 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 expenses 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 generally accepted accounting principles 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, 2014

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

	2014	2013
Cash and short-term investments	\$ 315,839	\$ 89,955
Fixed income	1,425,723	1,490,709
Equities	1,360,735	1,175,201
	\$ 3,102,297	\$ 2,755,865

REPRESENTED BY:

	2014	2013
MacFarlane Trust	\$ 996,441	\$ 959,196
Clifford Memorial Fund	27,764	25,633
Brenda Hall Bursary Fund	14,873	13,037
Legacy Fund	1,369,688	1,226,623
General Fund	348,884	217,916
Jean Fyfe Memorial Fund	314,911	286,007
The Green Fund	29,736	27,453
	\$ 3,102,297	\$ 2,755,865

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 Brenda Hall Bursary Fund is used to provide bursaries to students of the Carleton Place High School entering their first year of a nursing or nursing related program who have demonstrated financial need. The income earned in this fund is restricted for this purpose.

**CARLETON PLACE AND DISTRICT
MEMORIAL HOSPITAL FOUNDATION**

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

The Legacy Fund is an endowment fund created by the Board of Directors and is subject to internal restrictions only. Income earned on the fund is allocated to the fund in the statement of changes in net assets. The purpose of the Legacy Fund is to build a reserve for any future major renovations/expansion to the physical structure of the Hospital. In-memoriam donations and 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 investment guidelines.

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 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.

5. TRANSFER TO CARLETON PLACE AND DISTRICT MEMORIAL HOSPITAL

The transfer of funds is for the purchase of capital equipment as follows:

	2014
Capital equipment:	
Video colonoscope for operating and recovery room	\$ 18,340
Pump A+	2,900
Pochi equipment	11,000
Flexible nasalrayngasope paediatric	7,132
Operating room lamp	2,216
Patient care equipment - typanometer	5,461
Thera-Vital Active/Passive exerciser	4,937
Wheelchair	526
	<hr/> \$ 52,512 <hr/>

**CARLETON PLACE AND DISTRICT
MEMORIAL HOSPITAL FOUNDATION**

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

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