

**CARLETON PLACE AND DISTRICT  
MEMORIAL HOSPITAL FOUNDATION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2013**

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



# KELLY HUIBERS MCNEELY

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P R O F E S S I O N A L C O R P O R A T I O N

## 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, 2013, 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.

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## 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, 2013 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, 2013, current assets as at March 31, 2013, 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, 2013, 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, 2013

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

**CARLETON PLACE AND DISTRICT  
MEMORIAL HOSPITAL FOUNDATION**

**STATEMENT OF FINANCIAL POSITION**

As at March 31, 2013

	2013	2012
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 13,167	\$ 44,199
HST receivable	6,845	1,945
Investments (note 3)	2,755,865	2,577,820
	<u>\$ 2,775,877</u>	<u>\$ 2,623,964</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 3,082	\$ 3,000
<b>NET ASSETS</b>		
Restricted	2,218,120	2,005,604
Unrestricted	<u>554,675</u>	<u>615,360</u>
	2,772,795	2,620,964
	<u>\$ 2,775,877</u>	<u>\$ 2,623,964</u>

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, 2013**

	Opening	Excess (Deficiency) of Receipts over Expenditures	Transfers	Closing
Unrestricted	\$ 615,360	\$ (105,104)	\$ 44,419	\$ 554,675
MacFarlane Trust	640,000	44,029	(44,029)	640,000
Legacy Fund	1,046,249	180,374	-	1,226,623
Jean Fyfe Memorial Fund	266,735	19,272	-	286,007
Clifford Memorial Fund	15,000	10,390	(390)	25,000
The Green Fund	26,154	1,299	-	27,453
Brenda Hall Bursary Fund	11,466	1,571	-	13,037
	<b>\$ 2,620,964</b>	<b>\$ 151,831</b>	<b>\$ -</b>	<b>\$ 2,772,795</b>

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, 2013**

	2013	2012
<b>REVENUE</b>		
Investment income	\$ 173,717	\$ 17,240
Estate bequests	60,200	60,720
Donations	158,479	239,126
Renovation / Redevelopment revenue	68,874	107,718
Fundraising receipts	67,692	44,964
Miscellaneous receipts and special events	<u>39,735</u>	<u>29,998</u>
	<u>568,697</u>	<u>499,766</u>
<b>EXPENDITURES</b>		
Advertising and promotion	14,900	9,690
Bank charges	2,221	1,373
Bursary	750	750
Fundraising expenses	22,988	12,922
Investment expenses	26,571	19,010
Office supplies	3,092	2,049
Meetings and training	1,443	1,046
Membership dues	1,368	948
Professional fees	3,390	3,435
Salaries and benefits	74,700	73,331
Telecommunications	1,656	986
Transfers to other charities	<u>6,281</u>	<u>4,363</u>
	<u>159,360</u>	<u>129,903</u>
<b>OPERATING INCOME</b>	409,337	369,863
Transfer to Carleton Place and District Memorial Hospital (note 5)	257,506	203,639
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u><u>\$ 151,831</u></u>	<u><u>\$ 166,224</u></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, 2013**

	<u>2013</u>	<u>2012</u>
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 151,831	\$ 166,224
Net change in non-cash working capital items:		
HST receivable	(4,900)	(1,945)
Accounts payable and accrued liabilities	<u>82</u>	<u>497</u>
	147,013	164,776
INVESTING ACTIVITIES		
Net change in investments including unrealized gains	<u>(178,045)</u>	<u>(127,960)</u>
CHANGE IN CASH	(31,032)	36,816
CASH - BEGINNING OF YEAR	44,199	7,383
<u>CASH - END OF YEAR</u>	<u>\$ 13,167</u>	<u>\$ 44,199</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, 2013**

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**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

Effective April 01, 2011, the Foundation adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook - Accounting and the accounting framework: Canadian accounting standards for not-for-profit organizations. These are the Foundation's first financial statements prepared in accordance with these accounting standards for not-for-profit organizations (ASNFPO) which has been applied retrospectively. The accounting policies set out in the following significant accounting policy note have been applied in preparing the financial statements for the year ended March 31, 2013 and the comparative information presented in these financial statements for the year ended March 31, 2012. An opening ASNFPO statement of financial position at April 01, 2011 (the Foundation's date of transition) has not been presented given that the changes are insignificant.

The Foundation issued financial statements for the year ended March 31, 2012 using Canadian generally accepted accounting principles prescribed by CICA Handbook - Accounting V. The adoption of ASNFPO had no impact on the previously reported assets, liabilities and net assets of the Foundation's and accordingly, no adjustments have been recorded in the comparative statement of financial position, statement of operations and changes in net assets or statement of cash flows. Certain of the Foundation's disclosures included in these financial statements reflect the new disclosure requirement of ASNFPO.



**CARLETON PLACE AND DISTRICT  
MEMORIAL HOSPITAL FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**March 31, 2013**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

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.

**CARLETON PLACE AND DISTRICT  
MEMORIAL HOSPITAL FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**March 31, 2013**

**3. INVESTMENTS**

	2013	2012
Cash and short-term investments	\$ 89,955	\$ 203,772
Fixed income	1,490,709	1,313,569
Equities	1,175,201	1,060,479
	<b>\$ 2,755,865</b>	<b>\$ 2,577,820</b>

**REPRESENTED BY:**

	2013	2012
MacFarlane Trust	\$ 959,196	\$ 915,167
Clifford Memorial Fund	25,633	15,243
Brenda Hall Bursary Fund	13,037	11,467
Legacy Fund	1,226,623	1,046,249
General Fund	217,916	296,814
Jean Fyfe Memorial Fund	286,007	266,727
The Green Fund	27,453	26,153
	<b>\$ 2,755,865</b>	<b>\$ 2,577,820</b>

**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.

**CARLETON PLACE AND DISTRICT  
MEMORIAL HOSPITAL FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**March 31, 2013**

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.

**5. TRANSFER TO CARLETON PLACE AND DISTRICT MEMORIAL HOSPITAL**

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

	<b>2013</b>
Medical Device Reprocessing Department (CSR):	
3M Biological Test for Autoclave	\$ 1,885
Diagnostic Imaging:	
ECG Machine	16,224
CR Cassettes (14"X17")	1,018
PACS Upgrade with Hardware Refresh	25,728
Ultrasound Machine	138,539
Emergency Department:	
Defibrillator / Monitor	29,688
ER Lights	6,570
IV Smart Pump	3,000
Operating & Recovery Room:	
Slit Lamp	7,801
Arthoscopic Shaver - Camera head with 2 scopes for meniscal tears of the knee	12,700
Small Equipment (High Blood Pressure Cuff, Scale & Hanging PPE)	500
Physiotherapy:	
EMS muscle simulator	1,024
Physio Exercise Bike	2,688
Additional Transfer of Donation	100
Ambulatory Care:	
IV Smart Pump	3,000
Signage	6,041
Education for Emergency Nurses	1,000
	<b>\$ 257,506</b>

**CARLETON PLACE AND DISTRICT  
MEMORIAL HOSPITAL FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**March 31, 2013**

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

## INDEPENDENT AUDITOR'S REPORT (continued)

### Basis for Qualified Opinion

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*Kelly Huibers McNeely*  
*Professional Corporation*

Carleton Place, Ontario  
June 24, 2013

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