CARLETON PLACE AND DISTRICT MEMORIAL HOSPITAL FOUNDATION

FINANCIAL STATEMENTS

MARCH 31, 2015

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
PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS

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, 2015, 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, 2015 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, 2015, current assets as at March 31, 2015, 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, 2015, 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 17, 2015

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, 2015

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash	$ 115,495	$ 20,908
HST receivable	4,000	7,000
Investments (note 3)	3,834,906	3,102,297
	$ 3,954,401	**$ 3,130,205**
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 5,076	$ 5,054
NET ASSETS		
Restricted	2,794,738	2,394,208
Unrestricted	1,154,587	730,943
	3,949,325	3,125,151
	$ 3,954,401	**$ 3,130,205**

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, 2015

	Opening	Net Revenue	Transfers	Closing
Unrestricted	$ 730,943	$ 784,021	$ (360,377)	$ 1,154,587
MacFarlane Trust	640,000	-	-	640,000
Legacy Fund	1,369,688	-	355,572	1,725,260
Jean Fyfe Memorial Fund	314,911	36,036	4,805	355,752
Clifford Memorial Fund	25,000	-	-	25,000
The Green Fund	29,736	3,409	-	33,145
Brenda Hall Bursary Fund	14,873	708	-	15,581
	$ 3,125,151	**$ 824,174**	**$ -**	**$ 3,949,325**

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, 2015

	2015	2014
REVENUE		
Investment income	$ 324,581	$ 228,326
Estate bequests	323,558	48,235
Donations	154,607	116,109
Fundraising receipts	218,800	121,643
Miscellaneous receipts and special events	11,937	34,227
	1,033,483	548,540
EXPENDITURES		
Advertising and promotion	2,033	5,890
Bank charges	3,431	1,989
Bursary	1,000	1,000
Consulting	27,408	12,892
Fundraising expenses	55,368	28,383
Office supplies	3,281	7,986
Meetings and training	1,993	4,806
Membership dues	1,014	749
Professional fees	2,890	3,390
Salaries and benefits	73,763	71,476
Telecommunications	-	1,486
Transfers to other charities	1,250	3,625
	173,431	143,672
OPERATING INCOME	860,052	404,868
Transfer to Carleton Place and District Memorial Hospital (note 5)	35,878	52,512
NET REVENUE	**$ 824,174**	**$ 352,356**

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, 2015

	2015	2014
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net revenue	$ 824,174	$ 352,356
Net change in non-cash working capital items:		
HST receivable	3,000	(155)
Accounts payable and accrued liabilities	22	1,972
	827,196	354,173
INVESTING ACTIVITIES		
Net change in investments including unrealized gains	(732,609)	(346,432)
CHANGE IN CASH	94,587	7,741
CASH - BEGINNING OF YEAR	20,908	13,167
CASH - END OF YEAR	**$ 115,495**	**$ 20,908**

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

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 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 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.

3. INVESTMENTS

	2015	2014
Cash and short-term investments	$ 154,202	$ 315,839
Fixed income	1,748,417	1,425,723
Equities	1,932,287	1,360,735
	$ 3,834,906	**$ 3,102,297**

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. 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 investment guidelines.

5. TRANSFER TO CARLETON PLACE AND DISTRICT MEMORIAL HOSPITAL

The transfer of funds is for the following purposes:

	2015
Capital Equipment	
Diagnostic Imaging:	
Pentax Video Colonoscope	$ 29,560
Housekeeping Department:	
Hepa Vacuum - minor equipment	377
Physiotherapy:	
Chattanoog Intelect Mobile Ultrasound Machine	1,661
Touch screen colour display upgrade for Thera-Vital Active/Passive Exerciser	520
Minor physio equipment	300
Staff Member Education	
Radiology Society of North America Conference	2,000
Palliative and Pain Education Series	1,200
Retreat for Foundation Board of Directors of Rural Hospitals	260
	$ 35,878

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.