

**ALEXANDRA MARINE & GENERAL HOSPITAL
FOUNDATION
FINANCIAL STATEMENTS
MARCH 31, 2016**

**VODDEN, BENDER & SEEBACH *LLP*
Chartered Professional Accountants**

INDEPENDENT AUDITOR'S REPORT

To the Board of Governors and Members of the Alexandra Marine and General Hospital Foundation

We have audited the accompanying financial statements of the Alexandra Marine and General Hospital Foundation, which comprise the balance sheet as at March 31, 2016, and the statements revenue and expenses 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 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 judgment, 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.

In common with many similar organizations, Alexandra Marine and General Hospital Foundation derives revenue from fund raising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues is limited to the amounts recorded in the records of the organization and we are not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and surplus.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Alexandra Marine and General Hospital Foundation as at March 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

Vodden, Bender & Seebach LLP

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
May 5, 2016


**ALEXANDRA MARINE AND GENERAL HOSPITAL FOUNDATION
(A REGISTERED PUBLIC FOUNDATION)**

BALANCE SHEET

See Accompanying Notes to Financial Statements

As at March 31	2016	2015
ASSETS		
Cash	51,958	137,698
Accounts receivable and other recoveries	3,885	4,910
Prepaid expenses	317	1,234
Investments (note 3)	964,244	1,377,547
	<u>\$ 1,020,404</u>	<u>\$ 1,521,389</u>
LIABILITIES AND SURPLUS		
Liabilities		
Accounts payable and accrued liabilities	1,290	1,611
Due to Alexandra Marine and General Hospital	67,190	357,324
	<u>68,480</u>	<u>358,935</u>
Surplus		
Accumulated surplus	951,924	1,162,454
	<u>\$ 1,020,404</u>	<u>\$ 1,521,389</u>

On behalf of the board:


..... Director


..... Director

**ALEXANDRA MARINE AND GENERAL HOSPITAL FOUNDATION
(A REGISTERED PUBLIC FOUNDATION)**

STATEMENT OF REVENUE AND EXPENSES AND ACCUMULATED SURPLUS

See Accompanying Notes to Financial Statements

For the Year Ended March 31	2016	2015
Receipts		
Investment income - interest, dividends and realized gains (losses)	15,426	96,596
Investment income - unrealized holding gains (losses)	(3,302)	(40,219)
Donations and memberships received	402,185	644,056
	<u>414,309</u>	<u>700,433</u>
Expenditure		
Donations	506,982	836,646
Fundraising expenses	28,808	21,795
Administrative expenses	89,049	148,156
	<u>624,839</u>	<u>1,006,597</u>
Excess (deficiency) of revenues over expenditures	(\$ 210,530)	(\$ 306,164)
Accumulated surplus, beginning of year	1,162,454	1,468,618
Accumulated surplus, end of year	<u>\$ 951,924</u>	<u>\$ 1,162,454</u>

ALEXANDRA MARINE AND GENERAL HOSPITAL FOUNDATION
(A REGISTERED PUBLIC FOUNDATION)
STATEMENT OF CASH FLOWS

See Accompanying Notes to Financial Statements

For the Year Ended March 31	2016	2015
Operating activities		
Excess of revenue over expenses for the year	(210,530)	(306,164)
Items not requiring (not providing) cash		
Loss (gain) on sale of investments	3,964	(65,734)
Working capital provided from operations	(206,566)	(371,898)
Cash provided from (used for) changes in operational balances		
Accounts receivable and other recoveries	1,025	(2,305)
Prepaid expenses	917	3,465
Accounts payable	(321)	103
Due to (from) Alexandra Marine and General Hospital	(290,134)	122,537
Cash provided from (used for) operating activities	(495,079)	(248,098)
Financing and investing activities		
Net investment sales (purchases)	409,339	291,048
	409,339	291,048
Increase (decrease) in cash	(85,740)	42,950
Cash, beginning of year	137,698	94,748
Cash, end of year	\$ 51,958	\$ 137,698

**ALEXANDRA MARINE AND GENERAL HOSPITAL FOUNDATION
(A REGISTERED PUBLIC FOUNDATION)
NOTES TO FINANCIAL STATEMENTS**

For the Year Ended March 31, 2016

1. Incorporation

The Alexandra Marine and General Hospital Foundation ("Foundation") was incorporated under the Canada Corporations Act as a registered public foundation on December 14, 1993.

The purpose of the Foundation is to receive and maintain a fund or funds and to apply from time to time all or part thereof for charitable purposes carried on by, in connection with, in relation to, for the benefit of or to enhance or improve the services provided by the Alexandra Marine and General Hospital ("AMGH") and to do all such things as are incidental or conducive to the attainment of these objectives.

The financial statements of the Foundation are the representation of management prepared in accordance with Canadian accounting standards for not-for-profit organizations.

2. Significant accounting policies

Basis of accounting

The financial statements have been prepared using the accrual method of accounting. Under the accrual method of accounting, revenue is recorded when earned and expenses are recorded when incurred.

Investments

The company has classified all stocks and bonds as available-for-sale which are carried at fair value. Bank guaranteed investment certificates are classified as held-to-maturity and are carried at amortized cost. A write down of the carrying value of held-to-maturity investments is charged against income when evidence indicates a permanent decline in the underlying value and earning power of an investment. Gains and losses on disposal of held-to-maturity investments are determined on a completed transaction basis.

3. Investments

Investments consist of negotiable federal and provincial government securities and corporate bonds and equities as follows:

	2016		2015	
	cost	market value	cost	market value
Cash	10,803	10,803	126,897	126,897
Fixed income	735,454	731,548	1,027,931	1,017,000
Equities	<u>220,891</u>	<u>221,893</u>	<u>222,321</u>	<u>233,650</u>
	<u>\$ 967,148</u>	<u>\$ 964,244</u>	<u>\$ 1,377,149</u>	<u>\$ 1,377,547</u>

Bond maturity profile as at March 31, 2016:

Within <u>1 year</u>	Within <u>2-5 years</u>	Over <u>5 years</u>
<u>\$ 463,742</u>	<u>\$ 267,806</u>	<u>\$ -</u>

4. Financial instruments

The Foundation's financial instruments consist of cash and short-term investments. It is management's opinion that the Foundation is not exposed to significant interest and credit risks arising from these financial instruments. The fair value of the financial instruments approximates their carrying amount.

**ALEXANDRA MARINE AND GENERAL HOSPITAL FOUNDATION
(A REGISTERED PUBLIC FOUNDATION)
NOTES TO FINANCIAL STATEMENTS (continued)**

For the Year Ended March 31, 2016

5. Commitments

The Foundation is committed in a guarantee in favour of the Toronto Dominion Bank covering the indebtedness of AMGH in respect of a loan to cover the previous purchase of the computed tomography (CT) scanner. The Foundation entered into further commitments during the year to cover the interest on the loan subject to the guarantee and also AMGH's indebtedness to Toronto Dominion Bank for a second loan and associated interest relating to the purchase of the CT scanner. As such, the Foundation is committed for the full indebtedness of AMGH to Toronto Dominion Bank, together with interest, in respect of their CT loans. The Foundation makes the regular loan principal and interest payments directly to the bank on behalf of the hospital with respect to these loans.

6. Related party transactions

The Alexandra Marine and General Hospital Foundation purchases general office supplies and equipment from a local office supply company, for normal business operations. A director serving on the Board of the Foundation is a co-owner of this company. Equipment and supplies in the amount of \$1,863 were purchased during the 2015-16 fiscal year (2014-15: \$2,302).

