

**ALEXANDRA MARINE & GENERAL HOSPITAL  
FOUNDATION  
FINANCIAL STATEMENTS  
MARCH 31, 2017**

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

## **INDEPENDENT AUDITOR'S REPORT**

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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, 2017, 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.

### *Basis for Qualified Opinion*

In common with many charitable organizations, the organization derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues are 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 donation revenues, excess of expenditures over revenue, assets and fund balances.

### *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 the Alexandra Marine and General Hospital Foundation as at March 31, 2017 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, 2017

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

**BALANCE SHEET**

See Accompanying Notes to Financial Statements

As at March 31	2017	2016
<b>ASSETS</b>		
Cash	187,296	51,958
Accounts receivable and other recoveries	3,124	3,885
Prepaid expenses	146	317
Investments (note 3)	767,574	964,244
	<b>\$ 958,140</b>	<b>\$ 1,020,404</b>
<b>LIABILITIES AND SURPLUS</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	1,125	1,290
Due to Alexandra Marine and General Hospital	118,991	67,190
	<b>120,116</b>	<b>68,480</b>
<b>Surplus</b>		
Accumulated surplus	838,024	951,924
	<b>\$ 958,140</b>	<b>\$ 1,020,404</b>

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

<b>For the Year Ended March 31</b>	<b>2017</b>	<b>2016</b>
<b>Receipts</b>		
Investment income - interest, dividends and realized gains (losses)	<b>20,910</b>	15,426
Investment income - unrealized holding gains (losses)	<b>40,703</b>	(3,302)
Donations and memberships received	<b>696,226</b>	402,185
	<b>757,839</b>	414,309
<b>Expenditure</b>		
Donations	<b>748,525</b>	506,982
Fundraising expenses	<b>29,489</b>	28,808
Administrative expenses	<b>93,725</b>	89,049
	<b>871,739</b>	624,839
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(\$ 113,900)</b>	(\$ 210,530)
<b>Accumulated surplus, beginning of year</b>	<b>951,924</b>	1,162,454
<b>Accumulated surplus, end of year</b>	<b>\$ 838,024</b>	\$ 951,924

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

See Accompanying Notes to Financial Statements

<b>For the Year Ended March 31</b>	<b>2017</b>	<b>2016</b>
<b>Operating activities</b>		
Excess of revenue over expenses for the year	<b>(113,900)</b>	(210,530)
Items not requiring (not providing) cash		
Loss (gain) on sale of investments	<b>596</b>	3,964
Working capital provided from operations	<b>(113,304)</b>	(206,566)
Cash provided from (used for) changes in operational balances		
Accounts receivable and other recoveries	<b>761</b>	1,025
Prepaid expenses	<b>171</b>	917
Accounts payable	<b>(165)</b>	(321)
Due to (from) Alexandra Marine and General Hospital	<b>51,801</b>	(290,134)
Cash provided from (used for) operating activities	<b>(60,736)</b>	(495,079)
<b>Financing and investing activities</b>		
Net investment sales (purchases)	<b>196,074</b>	409,339
	<b>196,074</b>	409,339
<b>Increase (decrease) in cash</b>	<b>135,338</b>	(85,740)
<b>Cash, beginning of year</b>	<b>51,958</b>	137,698
<b>Cash, end of year</b>	<b>\$ 187,296</b>	\$ 51,958

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

**For the Year Ended March 31, 2017**

**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:

	<u>2017</u>		<u>2016</u>	
	cost	market value	cost	market value
Cash	11,203	11,203	10,803	10,803
Fixed income	444,466	440,155	735,454	731,548
Equities	<u>274,107</u>	<u>316,215</u>	<u>220,891</u>	<u>221,893</u>
	<u>\$ 729,775</u>	<u>\$ 767,574</u>	<u>\$ 967,148</u>	<u>\$ 964,244</u>

Bond maturity profile as at March 31, 2017:

	Within <u>1 year</u>	Within <u>2-5 years</u>	Over <u>5 years</u>
	<u>\$ 340,155</u>	<u>\$ 100,000</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)**

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**For the Year Ended March 31, 2017**

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**5. Commitments**

The Foundation had been 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. This loan was fully repaid during the year and the guarantee cancelled. The Foundation had also entered into further commitments during the year ended March 31, 2015 to cover AMGH's indebtedness to Toronto Dominion Bank for a second loan and associated interest relating to the purchase of the CT scanner. This loan is the only loan outstanding in relation to the CT scanner and the Foundation continues to make the regular principal and interest payments directly to the bank on behalf of the hospital with respect to this loan.