

**ALEXANDRA MARINE & GENERAL HOSPITAL  
FOUNDATION  
FINANCIAL STATEMENTS  
MARCH 31, 2020**

**SEEBACH & COMPANY**  
*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

### *Opinion*

We have audited the accompanying financial statements of Alexandra Marine and General Hospital Foundation, which are comprised of the balance sheet as at March 31, 2020 and the statements of revenue and expenses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Alexandra Marine and General Hospital Foundation as at March 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

### *Basis for Qualified Opinion*

In common with many charitable organizations, the Alexandra Marine and General Hospital Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Alexandra Marine and General Hospital Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to recorded donations, excess of revenues over expenses, assets and fund balances. Our opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Alexandra Marine and General Hospital Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNFPO, 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.

In preparing the financial statements, management is responsible for assessing the Alexandra Marine and General Hospital Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Alexandra Marine and General Hospital Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Alexandra Marine and General Hospital Foundation's financial reporting process.

## INDEPENDENT AUDITOR'S REPORT (continued)

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Alexandra Marine and General Hospital Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Alexandra Marine and General Hospital Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Alexandra Marine and General Hospital Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Seebach & Company*

Chartered Professional Accountants  
Licensed Public Accountants

Clinton, Ontario  
May 4, 2020

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

**BALANCE SHEET**

See Accompanying Notes to Financial Statements

As at March 31	2020	2019
<b>ASSETS</b>		
Cash	126,113	2,126,590
Accounts receivable and other recoveries	3,150	25,112
Prepaid expenses	468	52
Investments (note 3)	3,695,354	579,277
	<u>\$ 3,825,085</u>	<u>\$ 2,731,031</u>
<b>LIABILITIES AND SURPLUS</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	691	5,881
Due to Alexandra Marine and General Hospital	69,247	25,428
	<u>69,938</u>	<u>31,309</u>
<b>Surplus</b>		
Accumulated surplus	3,755,147	2,699,722
	<u>\$ 3,825,085</u>	<u>\$ 2,731,031</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

<b>For the Year Ended March 31</b>	<b>2020</b>	<b>2019</b>
<b>Receipts</b>		
Investment income - interest, dividends and realized gains (losses)	<b>96,566</b>	69,471
Investment income - unrealized holding gains (losses)	<b>(283,014)</b>	(41,372)
General donations and memberships received	<b>882,633</b>	1,431,219
Capital campaign donations received	<b>1,047,259</b>	1,010,500
	<b><u>1,743,444</u></b>	<u>2,469,818</u>
<b>Expenditure</b>		
Donations	<b>438,200</b>	323,687
Fundraising expenses	<b>98,068</b>	243,228
Administrative expenses	<b>151,751</b>	157,471
	<b><u>688,019</u></b>	<u>724,386</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 1,055,425</b>	\$ 1,745,432
<b>Accumulated surplus, beginning of year</b>	<b><u>2,699,722</u></b>	<u>954,290</u>
<b>Accumulated surplus, end of year</b>	<b><u><u>\$ 3,755,147</u></u></b>	<u><u>\$ 2,699,722</u></u>

**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>2020</b>	<b>2019</b>
<b>Operating activities</b>		
Excess of revenue over expenses for the year	<b>1,055,425</b>	1,745,432
Items not requiring (not providing) cash		
Loss (gain) on sale of investments	<b>(4,869)</b>	(44,206)
Working capital provided from operations	<b>1,050,556</b>	1,701,226
Cash provided from (used for) changes in operational balances		
Accounts receivable and other recoveries	<b>21,962</b>	(19,914)
Prepaid expenses	<b>(416)</b>	6,811
Accounts payable	<b>(5,190)</b>	1,856
Due to (from) Alexandra Marine and General Hospital	<b>43,819</b>	(83,807)
Cash provided from (used for) operating activities	<b>1,110,731</b>	1,606,172
<b>Financing and investing activities</b>		
Net investment sales (purchases)	<b>(3,111,208)</b>	260,347
	<b>(3,111,208)</b>	260,347
<b>Increase (decrease) in cash</b>	<b>(2,000,477)</b>	1,866,519
<b>Cash, beginning of year</b>	<b>2,126,590</b>	260,071
<b>Cash, end of year</b>	<b>\$ 126,113</b>	<b>\$ 2,126,590</b>

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

**For the Year Ended March 31, 2020**

**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:

	<b>2020</b>		<b>2019</b>	
	cost	market value	cost	market value
Cash	13,467	13,467	2,982	2,982
Fixed income	2,498,215	2,419,776	250,035	249,981
Equities	<u>1,479,499</u>	<u>1,262,111</u>	<u>339,074</u>	<u>326,314</u>
	<u>\$ 3,991,181</u>	<u>\$ 3,695,354</u>	<u>\$ 592,091</u>	<u>\$ 579,277</u>

Bond maturity profile as at March 31, 2020:

	Within 1 year	Within 2-5 years	Over 5 years
	<u>\$ 2,419,776</u>	<u>\$ -</u>	<u>\$ -</u>

**4. Financial instruments**

The Foundation's financial instruments consist of cash and 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.

The Foundation's investment policy statement provides guidance on desired investment portfolio allocation ranges as follows: cash and short-term fixed income (10%-80%), longer-term fixed income (0%-50%), total cash equivalents and fixed income (60%-100%), and equities (0%-40%).

**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, 2020**

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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 in a prior 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 was the only loan outstanding in relation to the CT scanner and the Foundation during the fiscal year. The Foundation made the regular principal and interest payments directly to the bank on behalf of the Hospital with respect to this loan, and subsequently paid out the entire principal balance during the 2019/20 fiscal year.

**6. Capital Campaign**

The Foundation began a capital campaign in 2018. The total capital campaign donations received to date as of March 31, 2020 amounted to \$2,057,759. The direct fundraising costs associated with the capital campaign incurred to date as of March 31, 2020 are \$262,623. The balance of pledges outstanding and yet to be collected, which have not been accrued in the financial statements, as of March 31, 2020 are \$2,483,050.