

**Stratford General
Hospital Foundation
Financial Statements
For the year ended March 31, 2016**

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For the year ended March 31, 2016

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Independent Auditors' Report

To the Members of Stratford General Hospital Foundation

We have audited the accompanying financial statements of Stratford General Hospital Foundation, which comprise the statement of financial position as at March 31, 2016, the statements of operations and changes in fund balances and cash flows for the year then ended, 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 accounting standards 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian 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 auditors' 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.

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, these financial statements present fairly, in all material respects, the financial position of the Stratford 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 accounting standards for not-for-profit organizations.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Stratford, Ontario
May 18, 2016

**Stratford General Hospital Foundation
Statement of Financial Position**

March 31	2016	2015
Assets		
Current		
Cash	\$ 2,053,378	\$ 532,952
Endowment cash	1,104,760	954,463
Investments (Note 2)	1,545,595	2,628,490
Prepaid expenses	14,656	8,690
HST recoverable	17,262	14,444
	4,735,651	4,139,039
Capital assets (Note 3)	7,509	9,196
	\$ 4,743,160	\$ 4,148,235

Liabilities and Fund Balances

Current		
Accounts payable to Huron Perth Healthcare Alliance	\$ 44,560	\$ 35,731
Accounts payable - other	504	18,381
	45,064	54,112
Fund balances		
Endowment net assets (Schedule)	1,104,760	954,463
Other restricted net assets (Schedule)	1,880,490	1,125,089
Unrestricted net assets (Schedule)	1,712,846	2,014,571
	4,698,096	4,094,123
	\$ 4,743,160	\$ 4,148,235

On behalf of the Board:

_____ Director

_____ Director

Stratford General Hospital Foundation
Statement of Operations and Changes in Fund Balances

For the year ended March 31	Other Restricted Funds	Endowment Funds	Unrestricted Funds	Total 2016	Total 2015
Revenue					
Donations	\$ 1,694,392	\$ 138,697	\$ 136,103	\$ 1,969,192	\$ 2,542,084
Investment income	-	11,600	38,380	49,980	50,302
Other	-	-	2,044	2,044	3,027
	<u>1,694,392</u>	<u>150,297</u>	<u>176,527</u>	<u>2,021,216</u>	<u>2,595,413</u>
Expenditures					
Wages and benefits	-	-	320,328	320,328	306,955
Professional fees	-	-	7,172	7,172	7,172
Annual fundraising costs	-	-	89,104	89,104	87,265
Capital campaign costs	52,917	-	-	52,917	12,057
Other administrative expenses	-	-	59,961	59,961	70,200
Amortization	-	-	1,687	1,687	372
	<u>52,917</u>	<u>-</u>	<u>478,252</u>	<u>531,169</u>	<u>484,021</u>
Disbursements on behalf of Stratford General Hospital	<u>886,073</u>	<u>-</u>	<u>-</u>	<u>886,073</u>	<u>1,334,898</u>
Total expenditures and disbursements	<u>938,990</u>	<u>-</u>	<u>478,252</u>	<u>1,417,242</u>	<u>1,818,919</u>
Net revenues (expenditures)	755,402	150,297	(301,725)	603,974	776,494
Fund balance, beginning of year	<u>1,125,089</u>	<u>954,463</u>	<u>2,014,571</u>	<u>4,094,123</u>	<u>3,317,629</u>
Fund balance, end of year	<u>\$ 1,880,491</u>	<u>\$ 1,104,760</u>	<u>\$ 1,712,846</u>	<u>\$ 4,698,097</u>	<u>\$ 4,094,123</u>

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

Stratford General Hospital Foundation Statement of Cash Flows

For the year ended March 31	2016	2015
Cash flows from operating activities		
Net revenues for the year	\$ 603,974	\$ 776,494
Adjustments for:		
Amortization of capital assets	1,687	372
	<u>605,661</u>	<u>776,866</u>
Changes in non-cash working capital balances		
HST recoverable	(2,818)	2,005
Prepaid expenses	(5,967)	3,239
Accounts payable to Huron Perth Healthcare Alliance	8,829	7,343
Accounts payable - other	(17,877)	15,300
	<u>587,828</u>	<u>804,753</u>
Cash flows from investing activities		
Purchase of capital assets	-	(6,492)
Increase in cash and cash equivalents during the year	587,828	798,261
Cash and cash equivalents, beginning of year	4,115,905	3,317,644
Cash and cash equivalents, end of year	\$ 4,703,733	\$ 4,115,905
Represented by		
Cash	\$ 2,053,378	\$ 532,952
Endowment Cash	1,104,760	954,463
Investments	1,545,595	2,628,490
	<u>\$ 4,703,733</u>	<u>\$ 4,115,905</u>

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

Stratford General Hospital Foundation Notes to Financial Statements

March 31, 2016

1. Significant Accounting Policies

Nature of Organization	The Stratford General Hospital Foundation (the Foundation) was incorporated under the laws of Ontario without share capital in 1983, as a non-profit charitable organization to encourage, receive and administer donations for the benefit of the Stratford General Hospital campus of the Huron Perth Healthcare Alliance. It is exempt from income taxes.
Basis of Accounting	These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.
Financial Instruments	The Foundation recognizes and measures financial assets and financial liabilities on the statement of financial position when it becomes a party to the contractual provisions of a financial instrument. All financial instruments are measured at fair value on initial recognition. In subsequent periods, the Foundation's financial instruments, besides equity investments, are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.
Cash and Cash Equivalents	For purposes of reporting cash flows, cash and cash equivalents include short-term investments which have a maturity of one year or less and cashable guaranteed investment certificates.
Capital Assets	Capital assets are stated at cost less accumulated amortization. Amortization is provided in the accounts on the straight line basis at the following rates: Furniture and equipment - 10 % Computer - 20 %
Revenue Recognition	The Stratford General Hospital Foundation follows the restricted fund method of accounting for contributions. Restricted and unrestricted contributions are recognized as revenue in the applicable fund when they are received, due to the uncertainty of collection of pledges receivable.

Stratford General Hospital Foundation Notes to Financial Statements

March 31, 2016

1. Significant Accounting Policies (continued)

Contributed Services

The work of the Foundation is dependent on the voluntary services of its members. The value of donated services is not recognized in the financial statements.

Fund Accounting

Endowment funds are required to be invested and held in perpetuity. All income earned on endowed funds during the year is available to be used for general purposes. Other externally restricted net assets comprise contributions that have been specified for a particular use by donors. Unrestricted net assets are funds available for any purpose, including payment of operating expenses, as determined by the Board of Trustees.

Stratford General Hospital Foundation Notes to Financial Statements

March 31, 2016

2. Investments

Investments are comprised of:

	2016	2015
Guaranteed investment certificates	\$ 1,545,595	\$ 2,628,490

Short-term investments have interest rates from 1.50% to 1.75% and are due June 15, 2016.

3. Capital Assets

	2016		2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture, equipment and computers	\$ 32,767	\$ 25,258	\$ 32,767	\$ 23,571
Net book value		\$ 7,509		\$ 9,196

4. Financial Instruments - Risk

It is management's opinion that the Foundation is not exposed to significant interest rate, currency or credit risks arising from its financial instruments. To address market risk, the Foundation follows an investment policy which limits the amount of exposure in any one type of investment and with any one entity.

5. Pledges Receivable

Pledges outstanding, but not recognized in these financial statements, amounted to \$1,779,264 at March 31, 2016 (2015 - \$1,848,983).

**Stratford General Hospital Foundation
Schedule of Continuity of Fund Balances**

	Balance March 31 2015	Revenue and Interfund Transfers	Total to be Accounted for	Expenditures	Balance March 31 2016
Endowment					
McNair Fund	\$ 954,463	\$ 150,297	\$ 1,104,760	\$ -	\$ 1,104,760
Other Externally Restricted					
Building	\$ 370,879	\$ 657,596	\$ 1,028,475	\$ 605,136	\$ 423,339
CT Scan	5,050	-	5,050	-	5,050
Equipment	250,126	1,097,185	1,347,311	219,132	1,128,179
Special Purposes	371,497	(32,639)	338,858	72,967	265,891
Gifts in Kind	-	7,362	7,362	7,362	-
Dr. Hussey Fund	48,471	(40,196)	8,275	-	8,275
Medical Staff Memorial	2,992	-	2,992	-	2,992
Meldorf Education Fund	34,577	83	34,660	843	33,817
MRI Fund	37,545	5,000	42,545	33,550	8,995
People of Stratford Bursary	3,952	-	3,952	-	3,952
	1,125,089	1,694,391	2,819,480	938,990	1,880,490
Unrestricted					
General	2,014,571	176,527	2,191,098	478,252	1,712,846
	\$ 4,094,123	\$ 2,021,215	\$ 6,115,338	\$ 1,417,242	\$ 4,698,096