

*The Georgetown Hospital Foundation*  
*Financial Statements*  
*For the year ended March 31, 2016*

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## Independent Auditor's Report

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### To the Members of Georgetown Hospital Foundation

We have audited the accompanying financial statements of Georgetown Hospital Foundation, which comprise the statement of financial position as at March 31, 2016 and the statements of changes in net assets, operations 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 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.

#### 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.

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

#### Basis for Qualified Opinion

In common with many charitable organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation. We were unable to determine whether any adjustments might be necessary to donations, excess of revenue over expenses, assets and fund balances.

#### Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Georgetown 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.

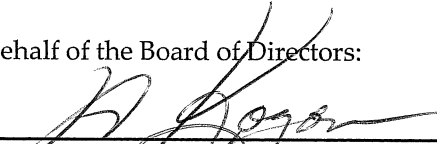
*BDO Canada LLP*

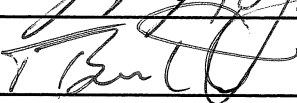
Chartered Professional Accountants, Licensed Public Accountants  
Mississauga, Ontario  
June 14, 2016

*The Georgetown Hospital Foundation*  
*Statement of Financial Position*

As at March 31	2016	2015
<b>ASSETS</b>		
Cash and cash equivalents	\$ 721,894	\$ 911,057
Accounts receivable	32,068	27,322
	\$ 753,962	\$ 938,379
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued liabilities	\$ 21,446	\$ 15,468
Deferred revenue	41,225	53,700
Due to Halton Healthcare Services Corporation (note 4)	45,895	51,702
	108,566	120,870
<b>Net Assets</b>		
Donor restricted funds	160,271	118,272
Capital campaign	103,222	87,227
Unrestricted funds	381,903	612,010
	645,396	817,509
	\$ 753,962	\$ 938,379

On behalf of the Board of Directors:

  
 \_\_\_\_\_ Chair

  
 \_\_\_\_\_ Treasurer

*The Georgetown Hospital Foundation*  
*Statement of Changes in Net Assets*

March 31, 2016	Donor Restricted Funds	Capital Campaign	Unrestricted Funds	Total
Balance, beginning of year	\$ 118,272 \$	87,227 \$	612,010 \$	817,509
Excess of revenue over expenditure for the year	73,880	215,995	763,687	1,053,562
Allocation to capital campaign	-	550,000	(550,000)	-
Donations and grants distributed (note 2)	(31,881)	(750,000)	(443,794)	(1,225,675)
<b>Balance, end of year</b>	<b>\$ 160,271 \$</b>	<b>103,222 \$</b>	<b>381,903 \$</b>	<b>645,396</b>

March 31, 2015	Donor Restricted Funds	Capital Campaign	Unrestricted Funds	Total
Balance, beginning of year	\$ 60,435 \$	233,049 \$	370,261 \$	663,745
Excess of revenue over expenditure for the year	57,837	354,178	966,276	1,378,291
Allocation to capital campaign	-	250,000	(250,000)	-
Donations and grants distributed (note 2)	-	(750,000)	(474,527)	(1,224,527)
<b>Balance, end of year</b>	<b>\$ 118,272 \$</b>	<b>87,227 \$</b>	<b>612,010 \$</b>	<b>817,509</b>

*The Georgetown Hospital Foundation*  
*Statement of Operations*

<b>For the year ended March 31</b>	<b>2016</b>	<b>2015</b>
<b>Revenue</b>		
Fundraising, special events and donations (note 3)	\$ 1,103,407	\$ 1,504,660
Investment income	9,059	10,081
Parking operations	651,314	629,557
	<u>1,763,780</u>	<u>2,144,298</u>
<b>Expenditures</b>		
Fundraising	502,698	610,977
Parking operations	207,520	155,030
	<u>710,218</u>	<u>766,007</u>
<b>Excess of revenue over expenditures for the year</b>	<b>\$ 1,053,562</b>	<b>\$ 1,378,291</b>

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

*The Georgetown Hospital Foundation*  
*Statement of Cash Flows*

For the year ended March 31	2016	2015
<b>Cash flows from operating activities</b>		
Excess of revenue over expenditure	\$ 1,053,562	\$ 1,378,291
Changes in non-cash working capital items		
Accounts receivable	(4,746)	(12,818)
Accounts payable and accrued liabilities	5,978	1,991
Deferred revenue	(12,475)	53,700
Due to Halton Healthcare Services Corporation	(5,807)	41,459
	<u>1,036,512</u>	<u>1,462,623</u>
<b>Cash flows from investing and financing activities</b>		
Donations and grants distributed	(1,225,675)	(1,224,527)
<b>(Decrease) increase in cash and cash equivalents during the year</b>	<b>(189,163)</b>	<b>238,096</b>
Cash and cash equivalents, beginning of year	<u>911,057</u>	<u>672,961</u>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 721,894</b>	<b>\$ 911,057</b>
<b>Represented by</b>		
Cash	\$ 721,894	\$ 467,484
Cash equivalents	-	443,573
	<u>\$ 721,894</u>	<u>\$ 911,057</u>

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

*The Georgetown Hospital Foundation*  
*Notes to the Financial Statements*

March 31, 2016

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**1. Significant Accounting Policies**

**Nature and Purpose of Organization**

The Georgetown Hospital Foundation ("Foundation") is associated with Halton Healthcare Services Corporation ("HHSC"). Operations commenced on January 2, 2006, on the day the operations of the Georgetown Hospital were transferred to HHSC. According to the Corporation's by-laws, all resources of the Foundation must be provided to or used for the benefit of the Georgetown site of HHSC. The Foundation is incorporated, without share capital, under the Ontario Corporations Act and is a registered charity under the Income Tax Act and, as such, is exempt from income taxes.

**Revenue Recognition**

The Foundation follows the restricted fund method of accounting for contributions. Restricted and 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.

Parking revenue is recognized when the service is provided. Investment income is recognized when earned.

**Deferred Revenue**

Deferred revenue represents amounts received in advance relating to restricted revenue from external sources. These amounts will be recognized as revenue in the ensuing fiscal year corresponding with the period in which the related expenses are incurred.

**Cash Equivalents**

Cash equivalents are carried in the financial statements at fair value. Fair value is estimated based on cost plus accrued interest. Interest is recognized on an accrual basis and included in investment income on the statement of changes in net assets. Cash equivalents are defined as highly liquid investments and consist of an investment savings account which are managed in accordance with the Foundation's Statement of Investment Objectives and Policies.

**Contributed Services**

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

**Use of Estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditure during the reporting period. Actual results could differ from management's best estimates, as additional information becomes available in the future.

**Donor Restricted Funds**

The donor restricted funds are to be used for specific purposes as specified by the donor.

*The Georgetown Hospital Foundation*  
*Notes to the Financial Statements*

March 31, 2016

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**1. Significant Accounting Policies (continued)**

**Financial Instruments**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments and investments for endowment and donor restricted endowment are reported at fair value, all other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate that asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instruments for those measured at amortized cost.

Risks arising from financial instruments

(a) Interest rate risk

The Foundation has limited interest rate risk through its cash holdings in its interest bearing bank account.



*The Georgetown Hospital Foundation*  
*Notes to the Financial Statements*

March 31, 2016

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**2. Donations and Grants Distributed**

The following summarises the total donations and grants distributed to Halton Healthcare Services Corporation.

	2016	2015
Donor designated funds	\$ 31,881	\$ -
Capital campaign	750,000	750,000
Net revenue from parking operations	443,794	474,527
	<u>\$ 1,225,675</u>	<u>\$ 1,224,527</u>

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**3. Fundraising, Special Events and Donations Revenue**

	2016	2015
Unrestricted donations and revenue from fundraising	\$ 809,817	\$ 1,082,975
Donor designated	73,880	59,437
Capital campaign	219,710	362,248
	<u>\$ 1,103,407</u>	<u>\$ 1,504,660</u>

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**4. Due to Halton Healthcare Services Corporation**

During the year ended March 31, 2016, the Foundation had several transactions with HHSC. These transactions are in the normal course of operations and include reimbursements of funds disbursed on the Foundation's behalf. These amounts are repaid on a cost recovery basis.

The amount due to HHSC is non-interest bearing, unsecured and will be repaid subsequent to year-end.

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**5. Commitments**

The Foundation made a pledge to grant to HHSC \$6,750,000 by March 31, 2017 for the Georgetown hospital site expansion. At March 31, 2016, \$6,300,000 (2015 - \$5,550,000) has been paid.

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**6. Subsequent Events**

Effective April 1, 2016 all revenues and expenses associated with the parking operations within the Foundation will transfer to HHSC and no longer be reflected in the Foundations financial results. During fiscal 2016, revenue of \$651,314 was generated with associated expenses of \$207,520.