

FOR OUR FILES

DR. GEORGES-L.-DUMONT HOSPITAL FOUNDATION INC.

Financial Statements

March 31 2016



L. BOURQUE & ASSOCIATES P. C. INC.

CHARTERED PROFESSIONAL ACCOUNTANTS | COMPTABLES PROFESSIONNELS AGRÉÉS

CONTENTS

	Page
Independent Auditor's Report	1 - 2
Financial Statements	
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 9



L. BOURQUE & ASSOCIATES P. C. INC.

CERTIFIED GENERAL ACCOUNTANTS | COMPTABLES GÉNÉRAUX ACCRÉDITÉS

INDEPENDENT AUDITOR'S REPORT

To the Directors of Dr. Georges-L.-Dumont Hospital Foundation Inc.

We have audited the accompanying financial statements of Dr. Georges-L.-Dumont Hospital Foundation Inc., which comprise the statement of financial position as at March 31, 2016, and the statements of operations, changes in net assets 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, Dr. Georges-L.-Dumont Hospital Foundation Inc. derives revenue from donations of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of Dr. Georges-L.-Dumont Hospital Foundation Inc. Therefore, we were not able to determine whether any adjustments might be necessary to recorded contributions, the excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2016 and March 31, 2015, current assets as at March 31, 2016 and March 31, 2015, and net assets as at April 1 and March 31 for both the 2016 and 2015 years.

Qualified 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 Dr. Georges-L.-Dumont Hospital Foundation Inc., 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.

L. Bourque & Associates P.C. Inc.

Chartered Professional Accountants
June 27, 2016
Dieppe, NB

DR. GEORGES-L.-DUMONT HOSPITAL FOUNDATION INC.

Statement of Operations

Year ended March 31,

2016**2015**

Revenues

Specific activities	2 425 697 \$	2 582 315 \$
Other donations	1 298 343	1 060 246
Investment income	17 153	123 601
	<hr/>	<hr/>
	3 741 193	3 766 162

Expenses

Specific activities	582 937	485 023
Administration		
Salaries and benefits	344 173	308 280
Administrative expenses	137 052	97 959
Advertising and promotion	36 561	31 490
Office supplies and stationery	9 809	12 900
Travel expenses	865	2 894
Amortization of capital assets	2 599	977
	<hr/>	<hr/>
	1 113 996	939 523

Excess of revenues over expenses before contributions

2 627 197 2 826 639

Contributions

Vitalité Health Network - Zone Beauséjour	847 030	1 608 338
Atlantic Cancer Research Institute Inc.	1 299 782	767 049
	<hr/>	<hr/>
	2 146 812	2 375 387

Excess of revenues over expenses

480 385 \$ 451 252 \$

DR. GEORGES-L.-DUMONT HOSPITAL FOUNDATION INC.

Statement of Changes in Net Assets

Year ended March 31, 2016

					2016	2015
	Invested in capital assets	Internally restricted	Externally restricted	Unrestricted	Total	Total
Balance, beginning of year	28 164 \$	2 867 830 \$	962 311 \$	- \$	3 858 305 \$	3 407 053 \$
Excess of revenues over expenses	-	-	-	480 385	480 385	451 252
Net appropriations - internally restricted	-	418 672	-	(418 672)	-	-
Net appropriations - externally restricted	-	-	(6 424)	6 424	-	-
Amortization of capital assets	(2 599)	-	-	2 599	-	-
Acquisition of capital assets	70 736	-	-	(70 736)	-	-
Balance, end of year	96 301 \$	3 286 502 \$	955 887 \$	- \$	4 338 690 \$	3 858 305 \$

DR. GEORGES-L.-DUMONT HOSPITAL FOUNDATION INC.

Statement of Financial Position

March 31,

2016**2015**

ASSETS

Current assets

Cash	2 740 821 \$	2 969 517 \$
Accounts receivable	520 345	130 366
Accrued interest	8 249	8 731
Prepaid expenses	62 410	61 074
Current portion of investments (note 3)	178 195	104 761

3 510 020 3 274 449

Investments (note 3)

1 407 904 1 489 063

Capital assets (note 4)

96 301 28 164

5 014 225 \$ 4 791 676 \$

LIABILITIES

Current liabilities

Accounts payable and accrued liabilities	668 891 \$	917 860 \$
Deferred contributions	6 644	15 511

675 535 933 371

NET ASSETS

Invested in capital assets

96 301 28 164

Externally restricted

955 887 962 311

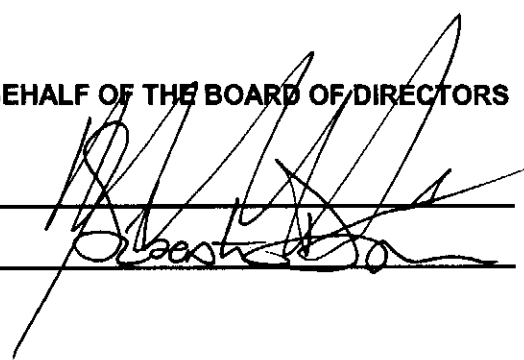
Internally restricted

3 286 502 2 867 830

4 338 690 3 858 305

5 014 225 \$ 4 791 676 \$

Commitments (note 5)

ON BEHALF OF THE BOARD OF DIRECTORS
_____, Director
_____, Director

DR. GEORGES-L.-DUMONT HOSPITAL FOUNDATION INC.

Statement of Cash Flows

Year ended March 31,

2016**2015**

Cash flows from operating activities

Excess of revenues over expenses	480 385 \$	451 252 \$
Non-cash items		
Amortization of capital assets	2 599	977

	482 984	452 229
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Net change in non-cash working capital

Accounts receivable	(389 979)	(2 316)
Accrued interest	482	299
Prepaid expenses	(1 336)	(6 182)
Accounts payable and accrued liabilities	(248 969)	434 433
Deferred contributions	(8 867)	(56 176)

	(165 685)	822 287
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Cash flows from investing activities

Net change in investments	7 725	(105 123)
Acquisition of capital assets	(70 736)	(25 555)

	(63 011)	(130 678)
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Increase (decrease) in cash and cash equivalents

	(228 696)	691 609
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Cash and cash equivalents, beginning of year

	2 969 517	2 277 908
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Cash and cash equivalents, end of year

	2 740 821 \$	2 969 517 \$
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Comprised of:

Cash	2 740 821 \$	2 969 517 \$
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DR. GEORGES-L.-DUMONT HOSPITAL FOUNDATION INC.

Notes to the Financial Statements

March 31, 2016

1. Statutes of incorporation and nature of activities

Dr. Georges-L.-Dumont Hospital Foundation Inc. (the Foundation) is incorporated as a not-for-profit whose mission is to support the development of the Dr. Georges-L.-Dumont Regional Hospital and its partners to enhance health care services. The Foundation is a registered charity under the *Income Tax Act*.

2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Fund accounting

Externally restricted net assets represent resources contributed for specific purposes.

Internally restricted net assets represent resources that have been allocated for specific purposes by the Board of Directors of the Foundation.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Endowment contributions are recognized as direct increases in net assets in the year.

Contributed services

The organization would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the difficulty of compiling these hours, contributed services are not recognized in the financial statements.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

Capital assets

Capital assets are recorded at cost. Amortization is based on their estimated useful life using the following methods and rates:

	<u>Method</u>	<u>Rate</u>
Office furniture	Declining balance	20%
Improvements to office space	Straight-line	7 years

DR. GEORGES-L.-DUMONT HOSPITAL FOUNDATION INC.

Notes to the Financial Statements

March 31, 2016

2. Significant accounting policies (continued)**Financial instruments**

The Foundation initially measures its financial assets and financial liabilities at fair value. The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, trade and other receivables.

Financial liabilities measured at amortized cost include trade accounts payable and accrued liabilities.

The organization's financial assets measured at fair value include quoted shares.

Cash and cash equivalents

The entity's policy is to present bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn.

3. Investments

	<u>2016</u>	<u>2015</u>
Cash	99 438 \$	104 761 \$
Fixed income securities, 1.89% to 7.30%, maturing July 2015 to December 2105, measured at fair value	1 402 263	1 397 761
Quoted shares measured at fair value	84 398	91 302
	<u>1 586 099</u>	<u>1 593 824</u>
Current portion	178 195	104 761
	<u>1 407 904 \$</u>	<u>1 489 063 \$</u>

4. Capital assets

	<u>2016</u>			<u>2015</u>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office furniture	46 499 \$	36 103 \$	10 396 \$	3 908 \$
Improvements to office space	85 905	-	85 905	24 256
	<u>132 404 \$</u>	<u>36 103 \$</u>	<u>96 301 \$</u>	<u>28 164 \$</u>

DR. GEORGES-L.-DUMONT HOSPITAL FOUNDATION INC.

Notes to the Financial Statements

March 31, 2016

5. Commitments

As of March 31, 2016, the Foundation is committed to contribute a total of \$4,282,405 of which \$4,007,405 is to the Regional Health Authority A Zone 1B, \$260,000 to Services Palliatifs Communautaires Beauséjour Inc. and \$15,000 to South-East Hospice. The amount of \$ 4,282,405 is not due to be paid out completely in the next fiscal year, but rather it will be disbursed as the projects are finalized or as the allocated funds are required by the Hospital.

6. Allocation of expenses

The Foundation attributes salaries and benefits based on time allocated to specific activities.

Salaries and benefits have been allocated as follows:

	<u>2016</u>	<u>2015</u>
Administration	344 173 \$	308 280 \$
Specific activities	182 162	162 758
	<u>526 335 \$</u>	<u>471 038 \$</u>

7. Financial instruments

The Foundation is exposed to various risks through its financial instruments.

Interest rate risk

The Foundation is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-rate instruments subject the Foundation to a fair value risk. The Foundation is exposed to this type of risk as a result of investments in bonds.

Credit risk

The Foundation is exposed to credit risk with respect with accounts receivable. The Foundation assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive.

Other price risk

Other price risk associated with investments in shares is the risk that their fair value will fluctuate because of changes in market prices.

8. Comparative figures

Certain figures from 2015 have been reclassified to make their presentation identical to that adopted in 2016.
