

Financial Statements of

**KINGSTON GENERAL HOSPITAL
AUXILIARY**

Year ended March 31, 2015

KINGSTON GENERAL HOSPITAL AUXILIARY

Financial Statements

Year ended March 31, 2015

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KPMG LLP
863 Princess Street Suite 400
Kingston ON K7L 5N4
Canada

Telephone (613) 549-1550
Fax (613) 549-6349
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Directors of Kingston General Hospital Auxiliary

We have audited the accompanying financial statements of the Kingston General Hospital Auxiliary, which comprise the statement of financial position as at March 31, 2015, the statements of receipts, disbursements and surplus for the general fund, café, gift shop, memorial fund, lottery booth, HELPP and Queen's Students' Auxiliary Branch and cash flows for the year then ended, and notes, comprising 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 non-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 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 our 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, we consider 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, the financial statements present fairly, in all material respects, the financial position of the Kingston General Hospital Auxiliary as at March 31, 2015, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for non-profit organizations.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

June 8, 2015

Kingston, Canada

KINGSTON GENERAL HOSPITAL AUXILIARY

Statement of Financial Position

March 31, 2015, with comparative information for 2014

	2015	2014
Assets		
Current assets:		
Cash	\$ 244,031	\$ 286,535
Accounts receivable	5,449	12,564
Inventories	114,898	109,905
Prepaid expenses	17,500	—
	381,878	409,004
Loan receivable from Kingston General Hospital (note 2)	400,000	400,000
	\$ 781,878	\$ 809,004

Liabilities, Reserve and Surplus

Current liabilities:		
Accounts payable and accrued liabilities	\$ 27,246	\$ 28,622
Capital reserve - Café	50,000	25,000
Surplus	704,632	755,382
	\$ 781,878	\$ 809,004

See accompanying notes to financial statements.

Approved on behalf of the Board

Director

Director

KINGSTON GENERAL HOSPITAL AUXILIARY

Statement of Receipts, Disbursements and Surplus

Year ended March 31, 2015, with comparative information for 2014

	2015						2014	
	General Fund	Café	Gift Shop	Memorial Fund	Lottery Booth	HELPP	Total	Total
Receipts:								
Revenue	\$ 95,664	\$ 1,107,975	\$ 755,875	\$ 3,943	\$ 18,840	\$ 7,549	\$ 1,989,846	\$ 2,044,945
Cash transfers	451,000	—	—	—	—	—	451,000	465,000
	546,664	1,107,975	755,875	3,943	18,840	7,549	2,440,846	2,509,945
Disbursements:								
Expenses	80,207	863,085	577,119	—	2,338	4,747	1,527,496	1,532,152
Cash transfers	—	218,000	215,000	—	18,000	—	451,000	465,000
Donations to Kingston General Hospital (note 3)	476,700	—	—	7,000	—	4,400	488,100	529,703
	556,907	1,081,085	792,119	7,000	20,338	9,147	2,466,596	2,526,855
Excess of receipts over disbursements (disbursements over receipts)	(10,243)	26,890	(36,244)	(3,057)	(1,498)	(1,598)	(25,750)	(16,910)
Surplus, beginning of year	525,713	24,810	172,409	6,454	17,999	7,997	755,382	797,292
Capital reserve - Café	—	(25,000)	—	—	—	—	(25,000)	(25,000)
Surplus, end of year	\$ 515,470	\$ 26,700	\$ 136,165	\$ 3,397	\$ 16,501	\$ 6,399	\$ 704,632	\$ 755,382

See accompanying notes to financial statements.

KINGSTON GENERAL HOSPITAL AUXILIARY

Statement of Receipts, Disbursements and Surplus - General Fund

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Receipts:		
Millennium Fundraising	\$ 64,291	\$ 58,927
Hair care salon	11,074	11,360
Students	844	539
Special projects, net	6,314	5,932
Interest on investments	5,582	5,830
Membership fees	2,140	2,026
Donations - general	1,553	940
Donations - Family Services	3,866	5,444
	95,664	90,998
Disbursements:		
Salaries	39,866	38,831
Hair care salon	14,377	12,396
Travel - conventions and seminars	5,534	5,270
Patients' comforts and gifts	344	404
Service charges	3,470	2,890
Parking donation	1,312	1,580
Operating expenses	4,459	5,026
Miscellaneous/service charges	10,845	11,019
Renovations	—	935
	80,207	78,351
Excess of receipts over disbursements	15,457	12,647
Surplus, beginning of year	525,713	553,416
Transfers from:		
Café	218,000	223,000
Gift shop	215,000	225,000
Lottery booth	18,000	17,000
Donations to Kingston General Hospital	(476,700)	(505,350)
Surplus, end of year	\$ 515,470	\$ 525,713

See accompanying notes to financial statements.

KINGSTON GENERAL HOSPITAL AUXILIARY

Statement of Receipts, Disbursements and Surplus - Café

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Receipts	\$ 1,107,975	\$ 1,135,448
Cost of goods sold:		
Inventory, beginning of year	9,960	9,137
Purchases	484,510	509,189
	494,470	518,326
Inventory, end of year	(10,781)	(9,960)
	483,689	508,366
Gross profit	624,286	627,082
Gross profit % of receipts	56.3%	55.2%
Disbursements:		
Equipment	7,178	1,181
Salaries	348,569	341,193
Repairs and replacements	2,280	5,783
Sundry	9,305	9,911
Lease	12,064	12,064
	379,396	370,132
Excess of receipts over disbursements	244,890	256,950
Surplus, beginning of year	24,810	15,860
Transfer to General Fund	(218,000)	(223,000)
Transfer to Capital Reserve	(25,000)	(25,000)
Surplus, end of year	\$ 26,700	\$ 24,810

See accompanying notes to financial statements.

KINGSTON GENERAL HOSPITAL AUXILIARY

Statement of Receipts, Disbursements and Surplus - Gift Shop

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Receipts	\$ 755,875	\$ 788,888
Cost of goods sold:		
Inventory, beginning of year	97,176	108,244
Purchases	449,740	415,483
	546,916	523,727
Inventory, end of year	(100,127)	(97,176)
	446,789	426,551
Gross profit	309,086	362,337
Gross profit % of receipts	40.9%	45.9%
Disbursements:		
Salaries	82,394	91,810
Lease	12,163	12,163
Parking - volunteer staff	19,248	18,355
Sundry	16,525	20,916
	130,330	143,244
Excess of receipts over disbursements	178,756	219,093
Surplus, beginning of year	172,409	178,316
Transfer to General Fund	(215,000)	(225,000)
Surplus, end of year	\$ 136,165	\$ 172,409

See accompanying notes to financial statements.

KINGSTON GENERAL HOSPITAL AUXILIARY

Statement of Receipts, Disbursements and Surplus - Memorial Fund

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Receipts:		
Donations	\$ 3,943	\$ 5,268
Disbursements:		
Donation to Kingston General Hospital	7,000	9,353
Miscellaneous	—	49
	7,000	9,402
Excess of disbursements over receipts	(3,057)	(4,134)
Surplus, beginning of year	6,454	10,588
Surplus, end of year	\$ 3,397	\$ 6,454

See accompanying notes to financial statements.

KINGSTON GENERAL HOSPITAL AUXILIARY

Statement of Receipts, Disbursements and Surplus - Lottery Booth

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Receipts:		
Commissions on ticket sales	\$ 15,555	\$ 15,762
Commissions on prizes	3,285	3,011
	18,840	18,773
Gross profit	18,840	18,773
Disbursements:		
Bank charges	41	46
OLG charges	251	—
Parking	1,855	—
Miscellaneous	191	2,061
	2,338	2,107
Excess of receipts over disbursements	16,502	16,666
Surplus, beginning of year	17,999	18,333
Transfer to General Fund	(18,000)	(17,000)
Surplus, end of year	\$ 16,501	\$ 17,999

See accompanying notes to financial statements.

KINGSTON GENERAL HOSPITAL AUXILIARY

Statement of Receipts, Disbursements and Surplus - HELPP

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Receipts:		
Interest	\$ 8	\$ 20
Ticket sales	7,541	5,550
	7,549	5,570
Cost of ticket sales:		
Ticket purchases/Provincial license	3,372	1,677
Purchases	357	357
	3,729	2,034
Gross profit	3,820	3,536
Disbursements:		
Bank charges	30	2
Miscellaneous	988	843
Donations to Kingston General Hospital	4,400	15,000
	5,418	15,845
Excess of disbursements over receipts	(1,598)	(12,309)
Surplus, beginning of year	7,997	20,306
Surplus, end of year	\$ 6,399	\$ 7,997

See accompanying notes to financial statements.

KINGSTON GENERAL HOSPITAL AUXILIARY

Statement of Receipts, Disbursements and Surplus – Queen's Students' Auxiliary Branch

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Disbursements:		
Miscellaneous	\$ –	\$ 473
Excess of disbursements over receipts	–	(473)
Surplus, beginning of year	–	473
Surplus, end of year	\$ –	\$ –

See accompanying notes to financial statements.

KINGSTON GENERAL HOSPITAL AUXILIARY

Statement of Cash Flows

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Excess of disbursements over receipts	\$ (25,750)	\$ (16,910)
Change in non-cash operating working capital:		
Accounts receivable	7,115	(10,181)
Inventories	(4,993)	10,106
Accounts payable	(1,376)	11,174
Prepaid expenses	(17,500)	—
Decrease in cash	(42,504)	(5,811)
Cash, beginning of year	286,535	292,346
Cash, end of year	\$ 244,031	\$ 286,535

See accompanying notes to financial statements.

KINGSTON GENERAL HOSPITAL AUXILIARY

Notes to Financial Statements

Year ended March 31, 2015

Kingston General Hospital Auxiliary (the "Auxiliary") operates a café, gift shop and lottery booth at Kingston General Hospital ("Hospital") and undertakes various fund raising activities to assist the Hospital.

1. Significant accounting policies:

(a) Revenue recognition:

Revenue is recognized when services are provided or the goods are sold.

(b) Inventories:

Inventories are valued at the lower of cost and replacement cost.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Auxiliary has not elected to subsequently carry any such financial instruments at fair value.

Financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Auxiliary determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Auxiliary expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(d) Use of estimates:

The preparation of the financial statements 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 the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are reported in the period in which they become known.

KINGSTON GENERAL HOSPITAL AUXILIARY

Notes to Financial Statements, continued

Year ended March 31, 2015

2. Related party transactions:

The Auxiliary raises funds for Kingston General Hospital to be allocated to special gifts in a manner satisfactory to the administration of Kingston General Hospital.

During the year, the Auxiliary donated \$488,100 (2014 - \$529,703) to Kingston General Hospital. Also, the Auxiliary has a loan receivable of \$400,000 (2014 - \$400,000) from the Hospital which is payable on demand.

3. Financial risk and concentration of risk:

Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Auxiliary is exposed to credit risk with respect to the loan receivable from Kingston General Hospital. The Auxiliary assesses, on a continuous basis, the loan receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The allowance for doubtful accounts as at March 31, 2015 is \$Nil (2014 - \$Nil).