
COLLINGWOOD GENERAL & MARINE HOSPITAL FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2007

CONTENTS

	Page
Auditors' Report	1
Balance Sheet	2
Statement of Operations and Changes in Fund Balances	4
Cash Flow Statement	5
Notes to the Financial Statements	6
Expansion Fund Investments Schedule 1	11
Expenses Schedule 2	14
Donations to the Hospital Schedule 3	15

GAVILLER & COMPANY LLP
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Board of Directors of
Collingwood General & Marine Hospital Foundation:

We have audited the balance sheet of **Collingwood General & Marine Hospital Foundation** as at December 31, 2007, and the statements of operations and changes in fund balances, and cash flows for the year then ended. These financial statements are the responsibility of the foundation's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the foundation derives revenues from donations and fund raising, 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 and we were not able to determine whether any adjustments might be necessary to donation and fund raising revenues, surplus for the year, assets and fund balances.

In our opinion except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to verify donation and fund raising revenues, as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the foundation as at December 31, 2007 and the results of its operations and the changes in its financial position and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Gaviller & Company LLP

Licensed Public Accountants
Collingwood, Ontario

March 5, 2008

COLLINGWOOD GENERAL & MARINE HOSPITAL FOUNDATION

BALANCE SHEET AS AT DECEMBER 31

	General Fund	Dr. A. R. Stephen Capital Fund	Education Endowment Fund	Expansion Fund	Total 2007	Total 2006
	\$	\$	\$	\$	\$	\$
Assets						
Current						
Cash	472,160	-	-	209,482	681,642	745,065
Accounts receivable	8,541	-	-	-	8,541	7,519
Interest receivable	-	-	-	33,016	33,016	22,604
Prepaid expenses	7,246	-	-	-	7,246	9,045
	487,947	-	-	242,498	730,445	784,233
Long-term						
Investments (Note 3)	-	4,540,840	821,746	-	5,362,586	5,289,945
Investments (Schedule 1)	-	-	-	2,519,835	2,519,835	2,472,518
	-	4,540,840	821,746	2,519,835	7,882,421	7,762,463
Capital (Note 4)	35,044	-	-	-	35,044	38,353
	522,991	4,540,840	821,746	2,762,333	8,647,910	8,585,049

See accompanying notes to the financial statements

COLLINGWOOD GENERAL & MARINE HOSPITAL FOUNDATION

BALANCE SHEET AS AT DECEMBER 31

	General Fund	Dr. A. R. Stephen Capital Fund	Education Endowment Fund	Expansion Fund	Total 2007	Total 2006
	\$	\$	\$	\$	\$	\$
Liabilities						
Current						
Due to (from) other funds	(209,478)	164,917	31,399	13,162	-	-
Accounts payable (Note 6)	538,696	-	-	-	538,696	606,476
	329,218	164,917	31,399	13,162	538,696	606,476
Fund Balances						
Externally restricted	-	-	790,347	2,749,171	3,539,518	3,393,912
Internally restricted	-	4,375,923	-	-	4,375,923	4,243,662
Unrestricted	158,729	-	-	-	158,729	302,646
Invested in capital assets	35,044	-	-	-	35,044	38,353
	193,773	4,375,923	790,347	2,749,171	8,109,214	7,978,573
	522,991	4,540,840	821,746	2,762,333	8,647,910	8,585,049

Approved on behalf of the Board:

_____ Director

_____ Director

See accompanying notes to the financial statements

COLLINGWOOD GENERAL & MARINE HOSPITAL FOUNDATION

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31

	General Fund	Dr. A. R. Stephen Capital Fund	Education Endowment Fund	Expansion Fund	Total 2007	Total 2006
	\$	\$	\$	\$	\$	\$
Revenue						
Donations and fund raising	1,302,850	428,571	13,079	83,236	1,827,736	1,710,449
Investment income	19,658	290,184	54,019	105,369	469,230	403,796
Market value increase (decrease)	-	(344,251)	(64,154)	-	(408,405)	277,153
Expenses (Schedule 2)	1,322,508	374,504	2,944	188,605	1,888,561	2,391,398
	517,130	22,090	3,933	-	543,153	427,540
Surplus (deficit) for the year	805,378	352,414	(989)	188,605	1,345,408	1,963,858
Fund balances, beginning of year	340,999	4,243,662	832,067	2,561,845	7,978,573	7,454,903
Transfer to hospital (Schedule 3)	(952,604)	(220,153)	(40,731)	(1,279)	(1,214,767)	(1,440,188)
Fund balances, end of year	193,773	4,375,923	790,347	2,749,171	8,109,214	7,978,573

See accompanying notes to the financial statements

COLLINGWOOD GENERAL & MARINE HOSPITAL FOUNDATION

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31

	General Fund	Dr. A. R. Stephen Capital Fund	Education Endowment Fund	Expansion Fund	Total 2007	Total 2006
	\$	\$	\$	\$	\$	\$
Cash flows from (for):						
Operating activities						
Surplus (deficit) for the year	805,378	352,414	(989)	188,605	1,345,408	1,963,858
Investment (gain) loss	-	344,251	64,154	-	408,405	(277,153)
Depreciation	15,945	-	-	-	15,945	17,593
	821,323	696,665	63,165	188,605	1,769,758	1,704,298
Change in						
- accounts receivable	(1,022)	-	-	-	(1,022)	2,052
- interest receivable	-	-	-	(10,412)	(10,412)	(12,238)
- prepaid expenses	1,799	-	-	-	1,799	(8,710)
- accounts payable	(67,780)	-	-	-	(67,780)	311,284
- deferred revenue	-	-	-	-	-	(8,380)
	754,320	696,665	63,165	178,193	1,692,343	1,988,306
Investing and Financing activities						
Purchase of investments (net)	-	(431,435)	(49,611)	(47,317)	(528,363)	(453,044)
Transfer to hospital	(952,604)	(220,153)	(40,731)	(1,279)	(1,214,767)	(1,440,188)
Purchase of capital assets	(12,636)	-	-	-	(12,636)	(3,946)
Due to (from) other funds	45,756	(45,077)	26,786	(27,465)	-	-
	(919,484)	(696,665)	(63,556)	(76,061)	(1,755,766)	(1,897,178)
Change in cash	(165,164)	-	(391)	102,132	(63,423)	(91,128)
Cash, beginning of year	637,324	-	391	107,350	745,065	653,937
Cash, end of year	472,160	-	-	209,482	681,642	745,065

See accompanying notes to the financial statements

COLLINGWOOD GENERAL & MARINE HOSPITAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2007

1. Purpose and status

The purpose of the Foundation is to receive, accumulate and distribute funds and/or the income therefrom for the benefit of the Collingwood General and Marine Hospital.

It is incorporated without share capital, under the laws of Ontario and has been classified as a public foundation under the Income Tax Act of Canada.

2. Summary of significant accounting policies

(a) Fund accounting

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

The General Fund accounts for the Foundation's program delivery and administrative activities. This fund reports unrestricted resources.

The Dr. A. R. Stephen Capital Fund reports resources allocated for capital purchases of the hospital. Investment income earned is reported as income in the fund.

The Education Endowment Fund reports resources allocated for the purposes of patient and public education. Investment income earned is reported as income in the fund.

The Expansion Fund reports resources contributed for the purposes of facility expansion. Investment income earned is reported as income in the fund.

(b) Capital assets

Capital assets are recorded at cost. Depreciation is provided to amortize the cost of assets over their estimated useful lives. Provision is made for depreciation using the straight line method as follows:

Equipment	- 5% to 33.3% per annum
-----------	-------------------------

COLLINGWOOD GENERAL & MARINE HOSPITAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2007

2. Summary of significant accounting policies (continued)

(c) Investments

Investments in the pooled trust investment (Note 3) are carried as Held for Trading. Measurement is initially at fair value, unrealized gains and losses are recognized immediately in the financial statements. All other investments are carried as Held to Maturity. Measurement is initially at fair value and then subsequently measured at amortized cost using the effective interest rate. Gains and losses are recognized when the investment is sold.

(d) Revenue recognition

Restricted contributions related to general operations are recorded as deferred contributions until the related expenses are incurred at which time they are recorded as revenue in the general fund.

Other restricted and all unrestricted contributions are recognized as revenue in the appropriate fund when received.

(e) Contributed materials

Contributed materials are recognized at fair value at the time the contribution is received.

COLLINGWOOD GENERAL & MARINE HOSPITAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2007

3. Dr. A. R. Stephen Capital Fund and Education Endowment Fund Investments

Investments consist of the following:

	2007	2006
	\$	\$
Dr. A. R. Stephen Capital Fund	4,540,840	4,453,656
Education Endowment Fund	821,746	836,289
Pooled trust investment fund at Royal Trust, at market value	5,362,586	5,289,945

Analysis of market value changes during the year:

Market value at beginning of year	5,289,945	4,777,666
Additional investment	405,565	184,995
Redemption of units	(268,722)	(238,922)
Income during the year	344,203	289,053
Investment gain (loss)	(408,405)	277,153
	5,362,586	5,289,945

The assets in the fund include equities (62%), bonds (33%) and cash (5%).

COLLINGWOOD GENERAL & MARINE HOSPITAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2007

4. Capital assets

Capital assets consist of the following:

	2007	2006
	\$	\$
Equipment, at cost	167,356	154,720
Less: accumulated depreciation	(132,311)	(116,367)
Net book value	35,045	38,353

5. Internally restricted net assets

The Foundation's board of directors has internally restricted the capital of the Dr. A. R. Stephen Capital Fund. The capital of this fund is intended to be held for a minimum of ten years from the date of the donation. These internally restricted amounts are not available for unrestricted purposes without approval of the board of directors. Currently, the Foundation distributes an amount equal to 5% of the total market value of the Dr. A. R. Stephen Capital Fund to the hospital annually for capital purposes. The CRA disbursement requirement for assets is 3.5%.

The Foundation's board of directors has internally restricted some of the capital of the Expansion Fund. These capital funds, initially received as part of the Your Future Fund capital campaign, are intended to be held for the next major capital expansion of the hospital. Funds are normally invested in AAA bonds and guaranteed investment certificates and will be held until needed for a major hospital expansion as approved by the board.

6. Related party transactions

Included in accounts payable is \$468,422 (2006 - \$416,893) owing to the Collingwood General and Marine Hospital.

COLLINGWOOD GENERAL & MARINE HOSPITAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2007

7. Pledges receivable

At December 31, 2007, the foundation had \$65,714 (2006 - \$147,636) in outstanding pledges to the Expansion Fund and the Education Endowment Fund. At December 31, 2007 pledges of \$130,500 (2006 - \$147,634) were outstanding in the General Fund. The pledges are recorded as income when received.

COLLINGWOOD GENERAL & MARINE HOSPITAL FOUNDATION

EXPANSION FUND INVESTMENTS SCHEDULE 1 AS AT DECEMBER 31

	2007	2006
	\$	\$
Citizens Bank guaranteed investment certificate, 4.21%, due June 1, 2007 (Maturity value \$100,000)	-	100,000
Equitable Trust guaranteed investment certificate, 4.21%, due June 1, 2007 (Maturity value \$100,000)	-	100,000
Home Trust guaranteed investment certificate, 4.21%, due June 1, 2007 (Maturity value \$51,809)	-	51,809
Government of Canada bond, 5.02%, due June 1, 2007 (Maturity value \$322,872)	-	317,088
Pacific & Western guaranteed investment certificate, 4.20%, due June 1, 2007 (Maturity value \$51,810)	-	51,810
HSBC Trust (Canada) guaranteed investment certificate, 3.6%, due July 4, 2007 (Maturity value \$60,000)	-	60,000
Pacific & Western, guaranteed investment certificate, 4.30%, due August 11, 2007 (Maturity value \$40,000)	-	40,000
AGF Trust guaranteed investment certificate, 4.30%, due August 13, 2007 (Maturity value \$20,000)	-	20,000
Home Trust guaranteed investment certificate, 4.30%, due August 13, 2007 (Maturity value \$40,000)	-	40,000
Government of Canada Bond, 4.5%, due September 1, 2007 (Maturity value \$90,000)	-	90,246
Laurentian Bank guaranteed investment certificate, 4.05%, due October 17, 2007 (Maturity value \$62,500)	-	62,500
LBC Trust guaranteed investment certificate, 4.05%, due October 17, 2007 (Maturity value \$62,500)	-	62,500
Ontario Hydro bond, 5.6%, due June 2, 2008 (Maturity value \$85,000)	85,410	86,394
Canada Housing Trust No. 1 bond, 3.7%, due September 15, 2008 (Maturity value \$99,000)	99,100	99,233
Canada Housing Trust No. 1 bond, 4.1%, due December 15, 2008 (Maturity value \$263,000)	264,402	265,931

See accompanying notes to the financial statements

COLLINGWOOD GENERAL & MARINE HOSPITAL FOUNDATION

EXPANSION FUND INVESTMENTS SCHEDULE 1 AS AT DECEMBER 31

	2007	2006
	\$	\$
Government of Canada bond, 4.25%, due September 1, 2009 (Maturity value \$118,000)	119,374	120,242
Canada Housing Trust No. 1 bond, 4.65%, due September 15, 2009 (Maturity value \$145,000)	146,524	147,438
Government of Canada bond, 3.6%, due October 1, 2009 (Maturity value \$243,427)	229,167	221,389
Canada Housing Trust No. 1 bond, 3.55%, due September 15, 2010 (Maturity value \$90,000)	89,703	89,594
Farm Credit Canada bond, 3.5%, due October 15, 2010 (Maturity value \$93,000)	93,518	93,707
ICICI bank bond, 4.10%, due November 24, 2010 (Maturity value \$90,000)	90,000	90,000
Montreal Trust Canada guaranteed investment certificate, 4.0%, due December 2, 2010 (Maturity value \$8,637)	8,637	8,637
Natcan guaranteed investment certificate, 4.05%, due December 2, 2010 (Maturity value \$97,000)	97,000	97,000
National Bank of Canada guaranteed investment certificate, 4.05%, due December 2, 2010 (Maturity value \$97,000)	97,000	97,000
AGF Trust guaranteed investment certificate, 4.61%, due May 2, 2011 (Maturity value \$60,000)	60,000	60,000
Home Trust Company guaranteed investment certificate, 5.0%, due July 11, 2011 (Maturity value \$60,000)	60,000	-
Korea Exchange Bank guaranteed investment certificate, 4.96%, due August 22, 2011 (Maturity Value \$90,000)	90,000	-
Home Trust Company guaranteed investment certificate, 4.9%, due August 22, 2011 (Maturity value \$10,000)	10,000	-
Bank of Nova Scotia guaranteed investment certificate, 4.7%, due September 6, 2011 (Maturity Value \$90,000)	90,000	-

See accompanying notes to the financial statements

COLLINGWOOD GENERAL & MARINE HOSPITAL FOUNDATION

EXPANSION FUND INVESTMENTS SCHEDULE 1 AS AT DECEMBER 31

	2007	2006
	\$	\$
LBC Trust guaranteed investment certificate, 4.86%, due October 17, 2011 (Maturity value \$62,500)	62,500	-
Laurentian Bank guaranteed investment certificate, 4.86%, due October 17, 2011 (Maturity value \$62,500)	62,500	-
B2B Trust guaranteed investment certificate, 4.85%, due June 4, 2012 (Maturity value \$95,000)	95,000	-
Bank of Montreal guaranteed investment certificate, 4.7%, due June 4, 2012 (Maturity value \$95,000)	95,000	-
Canadian Western Trust guaranteed investment certificate, 4.8%, due June 4, 2012 (Maturity value \$95,000)	95,000	-
Canadian Western Bank guaranteed investment certificate, 4.8%, due June 4, 2012 (Maturity value \$95,000)	95,000	-
Equitable Trust guaranteed investment certificate, 4.81%, due June 4, 2012 (Maturity value \$95,000)	95,000	-
Manulife Bank guaranteed investment certificate, 4.65%, due June 4, 2012 (Maturity value \$95,000)	95,000	-
RBC Royal Bank guaranteed investment certificate, 4.65%, due June 4, 2012 (Maturity value \$95,000)	95,000	-
	2,519,835	2,472,518

The market value of the Complex Continuing Care Fund investments at December 31, 2007 is \$2,547,794 (2006 - \$2,482,377).

See accompanying notes to the financial statements

COLLINGWOOD GENERAL & MARINE HOSPITAL FOUNDATION

EXPENSES

SCHEDULE 2

FOR THE YEAR ENDED DECEMBER 31

	General Fund	Dr. A. R. Stephen Capital Fund	Education Endowment Fund	Expansion Fund	Total 2007	Total 2006
	\$	\$	\$	\$	\$	\$
Advertising and fund raising	118,509	-	-	-	118,509	92,874
Consulting fees	-	-	-	-	-	1,450
Depreciation	15,945	-	-	-	15,945	17,593
Education	10,012	-	-	-	10,012	8,319
Equipment maintenance	15,912	-	-	-	15,912	5,123
Investment management fees	-	22,090	3,933	-	26,023	24,291
Miscellaneous	13,203	-	-	-	13,203	8,389
Postage and office	50,651	-	-	-	50,651	47,720
Professional	10,500	-	-	-	10,500	3,500
Salaries and benefits	282,398	-	-	-	282,398	218,281
	517,130	22,090	3,933	-	543,153	427,540
2006 Expense totals of funds	403,243	20,916	3,375	6		427,540

See accompanying notes to the financial statements

COLLINGWOOD GENERAL & MARINE HOSPITAL FOUNDATION

DONATIONS TO THE HOSPITAL SCHEDULE 3 FOR THE YEAR ENDED DECEMBER 31, 2007

	Unaudited
	\$
Alairis IV Pumps	11,219
Atmos Air Mattress	17,500
Cardiac Monitoring	60,209
Colonoscope (2)	82,675
Community Education Program & Staff Bursaries	38,533
Epidural Pumps	13,481
Financial/Materials Management System	129,210
Gastroscope	34,291
GlideScopeVideo Laryngoscope	14,780
Infant Resuscitation Warmer	25,000
Laparoscopy Instruments	24,907
Mental Health	59,096
Miscellaneous Equipment	232,469
Nuclear Medicine Camera	286,130
Orthopaedic Surgical Equipment	89,387
Pasteurmatic Compact	22,061
Stress Testing Equipment Upgrade	51,060
Vital Signs Monitors	22,759
	1,214,767

See accompanying notes to the financial statements