

Financial Statements of

**CHAPLEAU GENERAL
HOSPITAL FOUNDATION**

Year ended March 31, 2006



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AUDITORS' REPORT TO THE MEMBERS

We have audited the statement of financial position of **Chapleau General Hospital Foundation** as at March 31, 2006 and the statement of operations for the year then ended. These financial statements are the responsibility of the Board'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 the Board, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Foundation derives revenue from cash 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 and we were not able to determine whether any adjustments might be necessary to donations, excess of revenue over expenses, 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 satisfy ourselves concerning the completeness of the donations as referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2006 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Sudbury, Canada
May 18, 2006

CHAPLEAU GENERAL HOSPITAL FOUNDATION

Statement of Financial Position

March 31, 2006, with comparative figures for 2005

	2006	2005
Assets		
Cash and investments (note 2)	\$ 1,409,824	1,524,028
Accounts receivable	13,265	15,000
Land	–	60,992
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	\$ 1,423,089	1,600,020

Liabilities

Due to Services de Santé de Chapleau Health Services	\$ 6,920	11,212
Other accounts payable	–	30,000

Fund Balance

Capital fund	1,416,169	1,558,808
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	\$ 1,423,089	1,600,020

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

CHAPLEAU GENERAL HOSPITAL FOUNDATION

Statement of Operations

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Revenue:		
Interest earned	\$ 110,574	137,988
Federal funding	—	15,836
Donations	52,923	44,569
	<u>163,497</u>	<u>198,393</u>
Expenses:		
Charitable contributions	304,693	273,305
Administration costs	1,443	2,070
Consulting fees	—	13,132
	<u>306,136</u>	<u>288,507</u>
Deficiency of revenue over expenses	(142,639)	(90,114)
Capital fund balance, beginning of year	1,558,808	1,648,922
Capital fund balance, end of year	\$ 1,416,169	1,558,808

See accompanying notes to financial statements.

CHAPLEAU GENERAL HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended March 31, 2006

The Foundation was incorporated without share capital on September 4, 1987 under the laws of the Province of Ontario. Its objectives are to promote and participate in fundraising activities and to provide funds for capital projects and programs.

1. Significant accounting policies:

(a) Investments are recorded at the lower of cost or market value.

Revenue and expenses are recorded on the accrual basis except for donations which are recorded as revenue in the year of receipt.

(b) Use of estimates:

The preparation of financial statements in conformity 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 revenue and expenses during the periods specified. Actual results could differ from those estimates.

2. Cash and investments:

Investments include treasury bills, bond coupons and guaranteed investment certificates.

The market value of cash and investments at March 31, 2006 was \$1,262,718 (2005 - \$1,510,654).

3. Statement of cash flows:

A statement of cash flows has not been presented as it would not provide any additional meaningful information.

4. Fair value of financial assets and liabilities:

The carrying values of the Foundation's cash and investments, accounts receivable, due to Services de Sante de Chapleau Health Services and other accounts payable approximate their fair value due to the relatively short periods to maturity of these items.

Details of the fair value of the cash and investments are provided in note 2.