

Financial Statements of

**FRASER VALLEY HEALTH  
CARE FOUNDATION**

Year ended March 31, 2015



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## **INDEPENDENT AUDITORS' REPORT**

To the Directors of Fraser Valley Health Care Foundation

We have audited the accompanying financial statements of Fraser Valley Health Care Foundation, which comprise the statement of financial position as at March 31, 2015, the statements of operations, changes in fund balances 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 private enterprises, 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.



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*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 and we were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenues over expenditures, assets and net assets.

*Qualified Opinion*

In our opinion, except for the possible effects on the financial statements of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Fraser Valley Health Care Foundation as at March 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Report on other Legal and Regulatory Requirements*

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

September 15, 2015

Abbotsford, British Columbia

# FRASER VALLEY HEALTH CARE FOUNDATION

## Statement of Financial Position

March 31, 2015, with comparative information for 2014

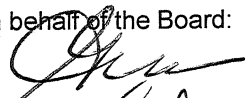
	2015	2014
<b>Assets</b>		
Current assets:		
Cash	\$ 256,889	\$ 306,301
Short-term investments (note 2)	3,026,210	3,520,571
Receivables (note 3)	23,015	41,319
	<u>\$ 3,306,114</u>	<u>\$ 3,868,191</u>

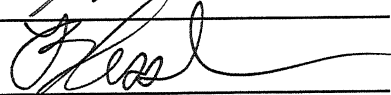
## Liabilities and Fund balances

Current liability:		
Accounts payable and accrued liabilities (note 4)	\$ 745,779	\$ 1,437,953
Fund balances:		
General	(348,312)	(215,246)
Restricted	2,908,647	2,645,484
	<u>2,560,335</u>	<u>2,430,238</u>
	<u>\$ 3,306,114</u>	<u>\$ 3,868,191</u>

See accompanying notes to financial statements.

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# FRASER VALLEY HEALTH CARE FOUNDATION

## Statements of Operations

Year ended March 31, 2015 with comparative information for 2014

	General	Restricted	2015	2014
<b>Revenues</b>				
Donations	\$ 249,347	\$ 497,475	\$ 746,822	\$ 1,082,699
Capital campaign donations	15,748	302,661	318,409	229,170
Investment income	100,442	1,506	101,948	75,966
	365,537	801,642	1,167,179	1,387,835
<b>Expenses</b>				
Wages and benefits	393,146	-	393,146	311,361
Advertising and promotion	54,312	-	54,312	61,699
Professional fees	16,643	-	16,643	14,373
Office and miscellaneous	13,839	-	13,839	21,222
Investment advisory fees	8,803	-	8,803	835
Minor equipment and computer maintenance	6,248	-	6,248	7,001
Insurance	1,790	-	1,790	2,152
Donor/volunteer recognition	972	-	972	103
Run for mom fundraising	-	12,636	12,636	13,779
	495,753	12,636	508,389	432,525
<b>Excess (deficiency) of revenues over expenses before the undernoted</b>				
	(130,216)	789,006	658,790	955,310
<b>Other expenses</b>				
Capital campaign expenses	-	(65,834)	(65,834)	(120,606)
Disbursements to Fraser Health	(2,850)	(460,009)	(462,859)	(719,279)
	(2,850)	(525,843)	(528,693)	(839,885)
<b>Excess (deficiency) of revenues over expenses</b>				
	\$ (133,066)	\$ 263,163	\$ 130,097	\$ 115,425

See accompanying notes to financial statements.

# FRASER VALLEY HEALTH CARE FOUNDATION

## Statement of Changes in Fund Balances

Year ended March 31, 2015 with comparative information for 2014

March 31, 2015	General	Restricted	Total
Balance, beginning of year	\$ (215,246)	\$ 2,645,484	\$ 2,430,238
Excess (deficiency) of revenues over expenses	(133,066)	263,163	130,097
Balance, end of year	\$ (348,312)	\$ 2,908,647	\$ 2,560,335

March 31, 2014	General	Restricted	Total
Balance, beginning of year	\$ (177,428)	\$ 2,492,241	\$ 2,314,813
Excess (deficiency) of revenues over expenses	(37,818)	153,243	115,425
Balance, end of year	\$ (215,246)	\$ 2,645,484	\$ 2,430,238

See accompanying notes to financial statements.

# FRASER VALLEY HEALTH CARE FOUNDATION

## 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 revenues over expenses	\$ 130,097	\$ 115,425
Changes in non-cash operating working capital:		
Accounts receivable	18,304	(25,966)
Accounts payable and accrued liabilities	(692,174)	(190,670)
	(543,773)	(101,211)
Investing activities:		
Decrease (increase) in short-term investments	494,361	(332,106)
Decrease in cash	(49,412)	(433,317)
Cash, beginning of year	306,301	739,618
Cash, end of year	\$ 256,889	\$ 306,301

See accompanying notes to financial statements.

# FRASER VALLEY HEALTH CARE FOUNDATION

Notes to Financial Statements

Year ended March 31, 2015

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## General:

Fraser Valley Health Care Foundation (the "Foundation") was incorporated under the Society Act (British Columbia) on April 11, 2002 in order to continue to undertake the activities previously conducted by the Fraser Valley Health Care Foundation Society and the Chilliwack Hospital Foundation Society. The Foundation's principal purpose is to raise funds to further the improvement of health care in the facilities and programs operated, funded or endorsed by Fraser Health within the Fraser Valley Regional Hospital District through providing support for equipment, education, research, operations, construction and development.

The Foundation is a registered charity under the Income Tax Act (the "Act") and as such is not subject to income taxes provided certain requirements of the Act are met.

## 1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for not-for-profit organizations. The significant accounting policies are as follows:

### (a) Basis of accounting and presentation:

The Foundation follows the restricted fund method of accounting for contributions, thereby recognizing contributions and investment income as revenue in the appropriate restricted funds as specified by donors. The fund classifications are:

#### (i) Restricted fund

On the majority of donations received which have been designated for specific purposes, the Foundation classifies 81% as restricted revenues and 19% as general revenues. The restricted fund balance comprises the cumulative excess of restricted revenue, over the related expenses.

#### (ii) General fund

The general fund balance comprises the cumulative excess of unrestricted and undesignated revenues, over the related expenses.



# FRASER VALLEY HEALTH CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 1. Significant accounting policies (continued):

### (b) Revenue recognition:

Contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recorded in the appropriate fund on the accrual basis.

### (c) Pledges:

Pledges receivable are not recorded by the Foundation.

However, at year-end, the Foundation has outstanding general pledges receivable of \$18,915 (2014 - \$1,100) to cover disbursements to Fraser Health for capital and minor expenditures. The Foundation also has outstanding campaign pledges receivable of \$200,750 (2014 - \$248,000) for the Central Fraser Valley, \$132,000 (2014 - \$132,000) for the Upper Fraser Valley and \$1,000 (2014 - \$173,750) for the Mission Memorial Hospital.

### (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. Significant items subject to such estimates and assumptions include the carrying amount of short-term investments. Actual results could differ from those estimates.

# FRASER VALLEY HEALTH CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 1. Significant accounting policies (continued):

### (e) Financial Instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other 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 Foundation 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 Foundation 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.

# FRASER VALLEY HEALTH CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 2. Short-term Investments:

	2015	2014
Rogers Group Financial Securities	\$ 3,006,026	\$ 2,738,669
Manulife equity funds	20,184	18,402
Envision term deposit	-	763,500
	<u>\$ 3,026,210</u>	<u>\$ 3,520,571</u>

The above investments are recorded at fair value.

## 3. Receivables:

Included in receivables are government receivables related to GST / PST refunds totaling \$23,015 (2014 - \$30,438)

# FRASER VALLEY HEALTH CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2015

## 4. Related party transactions:

Fraser Health Authority ("Fraser Health") exercises significant influence over the Foundation by virtue of its ability to appoint some of the Foundation's Board of Directors.

During the year the Foundation incurred the following transactions with Fraser Health:

	2015	2014
Payments to Fraser Health against Operating Payables	\$ 339,199	\$ 287,530
Payments to Fraser Health against Campaign Payables	718,538	423,590
Payments to Fraser Health against equipment and programs payable	362,028	497,082
<b>Total payments to Fraser Health</b>	<b>\$ 1,419,765</b>	<b>\$ 1,208,202</b>

Included in accounts payable and accrued liabilities are amounts owed to Fraser Health as follows:

	2015	2014
Amounts payable for wages and operating expenditures paid by Fraser Health on behalf of the Foundation	\$ 37,892	\$ 54,887
Amounts payable for equipment, to be disbursed to Fraser Health	51,298	125,298
Amounts payable for Foundation commitments, to be disbursed to Fraser Health	72,992	7,495
Amounts payable for Foundation Capital Campaign commitments, to be disbursed to Fraser Health	574,600	1,239,125
	<b>\$ 736,782</b>	<b>\$ 1,426,805</b>

Transactions with related parties occur in the normal course of operations and are measured at the exchange amount, which is the amount of the consideration established and agreed to by the related parties.

# FRASER VALLEY HEALTH CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## **5. Financial risks:**

The Foundation manages its investment portfolio to earn investment income and invests according to an investment policy approved by the Board. The Foundation is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

The Foundation manages interest-rate, market, credit and cash flow risk from its financial instruments by investing in a diversified portfolio.

Additionally, the Foundation believes it is not exposed to significant liquidity risk as all investments are held in instruments that are highly liquid and can be disposed of readily to settle commitments.

## **6. Comparative information:**

Certain of the prior year's comparative figures have been reclassified, where applicable, to conform to the presentation adopted in the current year.