

**DEVON GENERAL  
HOSPITAL FOUNDATION  
DEVON, ALBERTA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010**

**Hawkings Epp Dumont LLP**

**Chartered Accountants**

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# Hawkings Epp Dumont LLP

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### AUDITORS' REPORT

To the Board of  
Devon General Hospital Foundation:

We have audited the statement of financial position of Devon General Hospital Foundation (the "Foundation") as at March 31, 2010 and the statements of operations, changes in net assets, 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.

Except as explained in the following paragraph, 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 not-for-profit organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenue from this source 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 revenue, excess of revenue over expenses, and unrestricted net assets.

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 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, 2010, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta  
June 7, 2010



HAWKINGS EPP DUMONT LLP  
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**MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL REPORTING**

The management of Devon General Hospital Foundation prepared these financial statements and is responsible for their reliability, completeness and integrity. They conform in all material respects to Canadian generally accepted accounting principles for not-for-profit organizations.

Management maintains the necessary accounting and internal control systems designed to ensure the timely production of reliable and accurate financial information, the protection of assets (to a reasonable extent) against loss or unauthorized use, and the promotion of operational efficiency. The Board maintains responsibility for the financial reporting and internal control systems.

The external auditors, appointed by the Foundation's Board, conducted an audit of these financial statements in accordance with Canadian generally accepted auditing standards. Management has reviewed these financial statements with the external auditors in detail before recommending their approval to the Board.

Devon, Alberta  
June 7, 2010

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Barbara Wallace, Board Chair

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Gorden H. Fries, Treasurer

**DEVON GENERAL HOSPITAL FOUNDATION**

**STATEMENT OF FINANCIAL POSITION**

**AS AT MARCH 31, 2010**

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Current Assets		
Cash	\$ 24,186	\$ 94,411
Short-term investments (Note 3)	88,888	5,074
Accounts receivable (Note 4)	9,975	9,628
Prepaid expenses and deposits	<u>1,213</u>	<u>1,363</u>
	124,262	110,476
Long-Term Investments (Note 5)	176,119	201,389
Equipment (Note 6)	1,015	1,450
Restricted Cash and Short-Term Investment (Note 7)	<u>7</u>	<u>18,639</u>
	<u>\$ 301,403</u>	<u>\$ 331,954</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ <u>4,077</u>	\$ <u>6,149</u>
Deferred Casino Revenue (Note 8)	<u>7</u>	<u>18,638</u>
Net Assets		
Unrestricted	298,674	309,530
Accumulated other comprehensive income	<u>(1,355)</u>	<u>(2,363)</u>
	<u>297,319</u>	<u>307,167</u>
	<u>\$ 301,403</u>	<u>\$ 331,954</u>

**APPROVED ON BEHALF OF THE BOARD:**

\_\_\_\_\_ Board Chair

\_\_\_\_\_ Treasurer

The accompanying notes are an integral part of these financial statements.

**DEVON GENERAL HOSPITAL FOUNDATION**

**STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED MARCH 31, 2010**

	<u>2010</u>	<u>2009</u>
Revenue		
Other programs	\$ 25,429	\$ 6,437
Donations	25,202	28,590
Grants (Note 9)	21,037	-
Casino (Note 8)	18,638	-
Investment income	7,072	8,550
Gift shop and rentals	<u>6,311</u>	<u>3,015</u>
	<u>103,689</u>	<u>46,592</u>
Expenses		
Donations (Note 10)	89,877	35,330
Other program expenses	11,526	4,923
Professional fees	3,639	1,940
Gift shop	2,971	-
Meetings and conventions	2,822	1,676
Advertising and promotion	1,434	4,144
Stationery and postage	1,382	794
Bank charges and interest	459	323
Amortization	<u>435</u>	<u>621</u>
	<u>114,545</u>	<u>49,750</u>
Excess (Deficiency) of Revenue over Expenses	(10,856)	(3,158)
Other Comprehensive Income		
Increase (decrease) in unrealized gains on available-for-sale marketable securities	<u>1,008</u>	<u>(2,363)</u>
Comprehensive Income (Loss)	<u>\$ (9,848)</u>	<u>\$ (5,521)</u>

The accompanying notes are an integral part of these financial statements.

**DEVON GENERAL HOSPITAL FOUNDATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2010**

	<u>2010</u>	<u>2009</u>
Balance, Beginning of Year	\$ 309,530	\$ 312,688
Excess (Deficiency) of Revenue over Expenses	<u>(10,856)</u>	<u>(3,158)</u>
Balance, End of Year	<u>\$ 298,674</u>	<u>\$ 309,530</u>

**STATEMENT OF ACCUMULATED OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED MARCH 31, 2010**

	<u>2010</u>	<u>2009</u>
Balance, Beginning of Year	\$ (2,363)	\$ -
Other Comprehensive Income (Loss)	<u>1,008</u>	<u>(2,363)</u>
Balance, End of Year	<u>\$ (1,355)</u>	<u>\$ (2,363)</u>

**DEVON GENERAL HOSPITAL FOUNDATION**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED MARCH 31, 2010**

	<u>2010</u>	<u>2009</u>
Operating Activities		
Cash from operations		
Excess (Deficiency) of revenue over expenses	\$ (10,856)	\$ (3,158)
Amortization	435	621
Change in non-cash working capital balances related to operations:		
Accounts receivable	(347)	8,983
Prepaid expenses and deposits	(150)	(1)
Accounts payable and accrued liabilities	(2,068)	(47,417)
Deferred revenue	<u>-</u>	<u>(3,717)</u>
	<u>(12,986)</u>	<u>(44,689)</u>
Investing Activities		
Net decrease (increase) in long-term investments	25,269	(197,151)
Net decrease (increase) in short-term investments	<u>(82,508)</u>	<u>320,197</u>
	<u>(57,239)</u>	<u>123,046</u>
Financing Activities		
Withdrawals from (deposits into) restricted cash and short-term investments	18,632	(18,639)
Net increase (decrease) in deferred casino revenue	<u>(18,632)</u>	<u>18,639</u>
	<u>-</u>	<u>-</u>
Change in Cash During the Year	(70,225)	78,357
Cash, Beginning of Year	<u>94,411</u>	<u>16,054</u>
Cash, End of Year	<u>\$ 24,186</u>	<u>\$ 94,411</u>
Included in Cash Flows from Operations are the Following:		
Interest received during the year	<u>\$ 5,925</u>	<u>\$ 17,447</u>

The accompanying notes are an integral part of these financial statements.

# DEVON GENERAL HOSPITAL FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2010

### 1. NATURE OF OPERATIONS

The Foundation was established and regulated under the *Hospital's Act* on April 1, 1994, as amended and continued under the Regional Health Authorities Foundation Regulation (Alberta Regulation 28/2007). The Foundation solicits, receives, and administers donations from individuals, corporations, and other organizations and groups. Donated funds are used to maintain and enhance hospital care and to further health care education for the people of the community serviced by the Devon General Hospital site of Alberta Health Services.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

#### (a) Investments

Term deposits and guaranteed investment certificates are classified as held-to-maturity and recorded at amortized cost.

Shares are classified as available for sale and are recorded at the market value.

#### (b) 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.

Dividend income is recognized when received. Interest income is accrued based on the number of days the investment is held during the period.

The Foundation recognized revenue for products and services when goods and services are delivered to customers.

#### (c) Equipment

Equipment is stated at cost less accumulated amortization. Equipment is amortized over their estimated useful lives at the following annual rates and methods:

Computer equipment	30%	declining balance
Software	100%	declining balance

#### (d) Contributed Goods and Services

Contributed goods and services represent goods and services which the Foundation would normally purchase. Contributed goods are recorded at their fair value. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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**DEVON GENERAL HOSPITAL FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**MARCH 31, 2010**

**2. SIGNIFICANT ACCOUNTING POLICIES**

(e) Financial Instruments

The Foundation's financial instruments consist of cash, short-term investments, accounts receivable, long-term investments, and accounts payable and accrued liabilities. It is management's opinion that the Foundation is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

**3. SHORT-TERM INVESTMENTS**

	<u>2010</u>	<u>2009</u>
Marketable securities	\$ 6,388	\$ 5,074
Guaranteed Investment Certificates	<u>82,500</u>	<u>-</u>
	<u>\$ 88,888</u>	<u>\$ 5,074</u>

**4. ACCOUNTS RECEIVABLE**

	<u>2010</u>	<u>2009</u>
Trade	\$ 5,594	\$ 6,620
Accrued interest	3,541	2,395
Goods and Services Tax rebate	<u>840</u>	<u>613</u>
	<u>\$ 9,975</u>	<u>\$ 9,628</u>

**5. LONG-TERM INVESTMENTS**

	<u>2010</u>	<u>2009</u>
Servus Credit Union common shares	\$ 4,852	\$ 4,624
Term deposits	<u>171,267</u>	<u>196,765</u>
	<u>\$ 176,119</u>	<u>\$ 201,389</u>

**6. EQUIPMENT**

	<u>Cost</u>	<u>2010 Accumulated Amortization</u>	<u>Net Book Value</u>	<u>2009 Net Book Value</u>
Computer equipment	\$ 2,958	\$ 1,943	\$ 1,015	\$ 1,450
Software	<u>639</u>	<u>639</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,597</u>	<u>\$ 2,582</u>	<u>\$ 1,015</u>	<u>\$ 1,450</u>

**DEVON GENERAL HOSPITAL FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**MARCH 31, 2010**

**7. RESTRICTED CASH AND SHORT-TERM INVESTMENTS**

	<u>2010</u>	<u>2009</u>
Cash	\$ <u>7</u>	\$ <u>18,639</u>

**8. DEFERRED CASINO REVENUE**

Pursuant to the requirements set out by the Alberta Gaming Commission, funds raised through casinos and not yet expensed have been designated as being held for future years' expenses of the following type:

- (a) Building, capital, repairs, operations;
- (b) Equipment purchase and repairs;
- (c) Special program support and development; and
- (d) Travel - in province.

Details of deferred revenue are as follows:

	<u>2010</u>	<u>2009</u>
Proceeds		
Casino proceeds	\$ 7	\$ 18,638
Expenses		
Designated purchases	<u>18,638</u>	<u>-</u>
Net casino revenue (deficit)	(18,631)	18,638
Add: Opening deferred balance	<u>18,638</u>	<u>-</u>
Deferred casino revenue	<u>\$ 7</u>	<u>\$ 18,638</u>

**DEVON GENERAL HOSPITAL FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**MARCH 31, 2010**

**9. GRANT**

	<u>2010</u>	<u>2009</u>
Government of Alberta - Community Spirit Program	\$ <u>21,037</u>	\$ <u>-</u>

**10. DONATION EXPENSE**

Donations during the year consisted of:

	<u>2010</u>	<u>2009</u>
<b>COMMUNITY CARE/PUBLIC HEALTH</b>		
Fatigue mats for lab	\$ -	\$ 745
Toys, mats and DVDs	-	551
Other	-	102
<b>EMERGENCY DEPARTMENT/DOCTORS</b>		
Portable ultrasound unit training	63,619	-
Television	-	734
<b>FACILITIES</b>		
Gift shop kiosk	8,123	-
Courtyard maintenance	2,156	6,347
Christmas decorations	550	-
Miscellaneous	220	906
Small fridge	210	-
Chapel construction and furnish	-	11,379
Courtyard doorway awnings	-	8,110
Donor wall mural	-	3,875
<b>LONG TERM CARE</b>		
Wall murals and decorations	3,998	-
Shower commodes	3,580	-
Items for dining room	1,214	-
Christmas function	1,133	665
Other lunches and entertainment	878	513
Bus rentals etc. for field trips	325	304
Television sets and furniture	-	651
<b>PALLIATIVE/ACUTE CARE</b>		
Refreshments	417	64
Care notes	249	-
Memory tree expense	205	-
<b>OTHER</b>		
Bursaries	3,000	-
Miscellaneous	-	384
	<u>89,877</u>	<u>35,330</u>

**11. COMMITMENTS**

The Foundation has planned to have the purchase of 5 Zonaire beds and additional mattresses for the beds to be a major project for the 2011 year. The total cost of the beds is approximately \$65,000.

**12. COMPARATIVE FIGURES**

The comparative figures have been reclassified to conform to the current year financial statement presentation.