

**ALEXANDRA MARINE & GENERAL HOSPITAL
FOUNDATION
FINANCIAL STATEMENTS
MARCH 31, 2024**

SEEBACH & COMPANY
Chartered Professional Accountants



Alexandra Marine & General Hospital Foundation

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MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of Alexandra Marine and General Hospital Foundation (the "Foundation") are the responsibility of the Foundation's management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) of the Chartered Professional Accountants of Canada, as described in Note 1 to the financial statements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Foundation's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded from loss, transactions are properly authorized and recorded, and reliable information is available on a timely basis for preparation of the financial statements. These statements are monitored and evaluated by the Foundation's management. The Board of Directors meets with management and the external auditor to review the financial statements and discuss and significant financial reporting or internal control matters prior to their approval.

The financial statements have been audited by Seebach & Company, independent external auditors appointed by the Foundation. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Foundation's financial statements.

ALEXANDRA MARINE AND GENERAL HOSPITAL FOUNDATION

A handwritten signature in blue ink that reads 'Sherry Marshall'.

Sherry Marshall
Board Chair

A handwritten signature in blue ink that reads 'Kimberley Payne'.

Kimberley Payne
Executive Director

June 12, 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Governors and Members of the Alexandra Marine and General Hospital Foundation

Opinion

We have audited the accompanying financial statements of Alexandra Marine and General Hospital Foundation, which are comprised of the balance sheet as at March 31, 2024 and the statements of revenue and expenses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Alexandra Marine and General Hospital Foundation as at March 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPFO).

Basis for Qualified Opinion

In common with many charitable organizations, the Alexandra Marine and General Hospital Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Alexandra Marine and General Hospital Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to recorded fundraising and donations, excess of revenues over expenses, cash flows from operations, assets and fund balances. Our opinion on the financial statements for the year ended March 31, 2024, as well as the opinion on the prior year financial statements for the year ended March 31, 2023, was modified accordingly because of the possible effects of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Alexandra Marine and General Hospital Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNFPFO, 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.

In preparing the financial statements, management is responsible for assessing the Alexandra Marine and General Hospital Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Alexandra Marine and General Hospital Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Alexandra Marine and General Hospital Foundation's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Alexandra Marine and General Hospital Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Alexandra Marine and General Hospital Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Alexandra Marine and General Hospital Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
June 12, 2024

ALEXANDRA MARINE AND GENERAL HOSPITAL FOUNDATION
(A REGISTERED PUBLIC FOUNDATION)

BALANCE SHEET

See Accompanying Notes to Financial Statements

| As at March 31 | 2024 | 2023 |
|--|----------------------------|----------------------------|
| ASSETS | | |
| Cash | 127,137 | 1,490,761 |
| Accounts receivable and other recoveries | 32 | 3,129 |
| Investments (note 3) | 4,617,501 | 2,947,210 |
| | <u>\$ 4,744,670</u> | <u>\$ 4,441,100</u> |
| LIABILITIES AND SURPLUS | | |
| Liabilities | | |
| Accounts payable and accrued liabilities | 1,000 | 1,000 |
| Due to Alexandra Marine and General Hospital | 675,608 | - |
| | <u>676,608</u> | <u>1,000</u> |
| Surplus | | |
| Accumulated surplus | 4,068,062 | 4,440,100 |
| | <u>\$ 4,744,670</u> | <u>\$ 4,441,100</u> |

On behalf of the board:

..... Director

..... Director

ALEXANDRA MARINE AND GENERAL HOSPITAL FOUNDATION
(A REGISTERED PUBLIC FOUNDATION)
STATEMENT OF REVENUE AND EXPENSES AND ACCUMULATED SURPLUS
See Accompanying Notes to Financial Statements

| For the Year Ended March 31 | 2024 | 2023 |
|---|----------------------------|---------------------|
| Receipts | | |
| Investment income - interest, dividends and realized gains (losses) | 175,699 | 32,604 |
| Investment income - unrealized holding gains (losses) | 68,156 | (31,154) |
| Donations and fundraising | 1,101,574 | 1,095,620 |
| | <u>1,345,429</u> | <u>1,097,070</u> |
| Expenditure | | |
| Donations | 1,458,394 | 1,151,875 |
| Fundraising expenses | 94,356 | 76,489 |
| Administrative expenses | 164,717 | 131,249 |
| | <u>1,717,467</u> | <u>1,359,613</u> |
| Excess (deficiency) of revenues over expenditures | (\$ 372,038) | (\$ 262,543) |
| Accumulated surplus, beginning of year | <u>4,440,100</u> | <u>4,702,643</u> |
| Accumulated surplus, end of year | <u>\$ 4,068,062</u> | <u>\$ 4,440,100</u> |

ALEXANDRA MARINE AND GENERAL HOSPITAL FOUNDATION
(A REGISTERED PUBLIC FOUNDATION)
STATEMENT OF CASH FLOWS

See Accompanying Notes to Financial Statements

| For the Year Ended March 31 | 2024 | 2023 |
|---|--------------------|---------------------|
| Operating activities | | |
| Excess of revenue over expenses for the year | (372,038) | (262,543) |
| Items not requiring (not providing) cash | | |
| Loss (gain) on sale of investments | (87) | (31,777) |
| Working capital provided from operations | (372,125) | (294,320) |
| Cash provided from (used for) changes in operational balances | | |
| Accounts receivable and other recoveries | 3,097 | (1,247) |
| Due to (from) Alexandra Marine and General Hospital | 675,608 | - |
| Cash provided from (used for) operating activities | 306,580 | (295,567) |
| Financing and investing activities | | |
| Net investment sales (purchases) | (1,670,204) | 2,132,102 |
| | (1,670,204) | 2,132,102 |
| Increase (decrease) in cash | (1,363,624) | 1,836,535 |
| Cash, beginning of year | 1,490,761 | (345,774) |
| Cash, end of year | \$ 127,137 | \$ 1,490,761 |

ALEXANDRA MARINE AND GENERAL HOSPITAL FOUNDATION
(A REGISTERED PUBLIC FOUNDATION)
NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2024

1. Incorporation

The Alexandra Marine and General Hospital Foundation ("Foundation") was incorporated under the Canada Corporations Act as a registered public foundation on December 14, 1993.

The purpose of the Foundation is to receive and maintain a fund or funds and to apply from time to time all or part thereof for charitable purposes carried on by, in connection with, in relation to, for the benefit of or to enhance or improve the services provided by the Alexandra Marine and General Hospital ("AMGH") and to do all such things as are incidental or conducive to the attainment of these objectives.

The financial statements of the Foundation are the representation of management prepared in accordance with Canadian accounting standards for not-for-profit organizations.

2. Significant accounting policies

Basis of accounting

The financial statements have been prepared using the accrual method of accounting. Under the accrual method of accounting, revenue is recorded when earned and expenses are recorded when incurred.

Investments

The company has classified all stocks and bonds as available-for-sale which are carried at fair value. Bank guaranteed investment certificates are classified as held-to-maturity and are carried at amortized cost. A write down of the carrying value of held-to-maturity investments is charged against income when evidence indicates a permanent decline in the underlying value and earning power of an investment. Gains and losses on disposal of held-to-maturity investments are determined on a completed transaction basis.

3. Investments

Investments consist of negotiable federal and provincial government securities and corporate bonds and equities as follows:

| | 2024 | | 2023 | |
|--------------|---------------------|---------------------|---------------------|---------------------|
| | cost | market value | cost | market value |
| Cash | 75 | 75 | 3 | 3 |
| Fixed income | 4,285,331 | 4,177,857 | 2,718,246 | 2,613,545 |
| Equities | 347,477 | 439,569 | 312,499 | 333,662 |
| | <u>\$ 4,632,883</u> | <u>\$ 4,617,501</u> | <u>\$ 3,030,748</u> | <u>\$ 2,947,210</u> |

Bond maturity profile as at March 31, 2024:

| | Within 1 year | Within 2-5 years | Over 5 years |
|--|---------------------|---------------------|-----------------|
| | <u>\$ 4,177,857</u> | <u>\$ -</u> | <u>\$ -</u> |

4. Financial instruments

The Foundation's financial instruments consist of cash and investments. It is management's opinion that the Foundation is not exposed to significant interest and credit risks arising from these financial instruments. The fair value of the financial instruments approximates their carrying amount.

The Foundation's investment policy statement provides guidance on desired investment portfolio allocation ranges as follows: cash and short-term fixed income (10%-80%), longer-term fixed income (0%-50%), total cash equivalents and fixed income (60%-100%), and equities (0%-40%).