ALMONTE GENERAL HOSPITAL FOUNDATION

FINANCIAL STATEMENTS

MARCH 31, 2024

Independent Auditor's Report
Statement of Financial Position
Statement of Changes in Fund Balances
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KELLY HUIBERS MCNEELY
PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Almonte General Hospital Foundation

Qualified Opinion

We have audited the accompanying financial statements of Almonte General Hospital Foundation ("the Foundation"), which comprise the statement of financial position as at March 31, 2024, and the statements of changes in fund balances, operations, 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 possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the financial statements present fairly, in all material respects, the financial position of the 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.

Basis for Qualified Opinion

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 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.

In common with many not-for-profit organizations, the Foundation derives revenue from donations and fundraising activities, 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 Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, and cash flows from operations for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023, and fund balances as at the beginning and the end of the years ended March 31, 2024 and 2023. Our audit opinion on the financial statements for the year ended March 31, 2023 was also qualified because of the possible effects of this limitation in scope.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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 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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

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 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 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 Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 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.

Kelly Huibers McNeely Professional Corporation

Stittsville, Ontario
June 27, 2024

Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario

ALMONTE GENERAL HOSPITAL FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2024

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	$ 2,954,375	$ 1,412,418
Investments (note 3)	929,369	1,160,805
Accounts receivable (note 4)	19,209	2,288
Asset held in trust (note 5)	195,000	-
Prepaid expenses	9,281	21,426
	$ 4,107,234	**$ 2,596,937**
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 7,868	$ 9,213
Deferred revenue	213	31,720
Grants payable to Almonte General Hospital (note 4)	187,915	277,478
	195,996	318,411
FUND BALANCES		
Unrestricted	1,810,354	577,342
Internally restricted	57,259	57,259
Externally restricted	2,043,625	1,643,925
	3,911,238	2,278,526
	$ 4,107,234	**$ 2,596,937**

APPROVED BY THE BOARD

Director

Director

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

ALMONTE GENERAL HOSPITAL FOUNDATION

STATEMENT OF CHANGES IN FUND BALANCES

FOR THE YEAR ENDED MARCH 31, 2024

	Unrestricted 2024	Internally Restricted 2024	Externally Restricted 2024	Total 2024	Total 2023
FUND BALANCES - BEGINNING OF YEAR	$ 577,342	$ 57,259	$ 1,643,925	$ 2,278,526	$ 2,020,454
Excess of revenue over expenditures	1,137,628	-	495,084	1,632,712	258,072
Transfers (note 2)	95,384	-	(95,384)	-	-
FUND BALANCES - END OF YEAR	**$ 1,810,354**	**$ 57,259**	**$ 2,043,625**	**$ 3,911,238**	**$ 2,278,526**

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

ALMONTE GENERAL HOSPITAL FOUNDATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2024

	Unrestricted Fund 2024	Restricted Fund 2024	Total 2024	Unrestricted Fund 2023	Restricted Fund 2023	Total 2023
REVENUE						
Donations and fundraising (note 6)	$2,077,760	$1,062,411	$3,140,171	$ 494,463	$ 761,930	$1,256,393
Net investment income	146,508	-	146,508	46,716	-	46,716
	2,224,268	1,062,411	3,286,679	541,179	761,930	1,303,109
EXPENDITURES						
Bank charges	16,293	-	16,293	13,097	-	13,097
Consulting and professional fees	14,378	-	14,378	7,021	-	7,021
Fundraising, advertising and recognition (note 6)	240,485	-	240,485	119,756	-	119,756
Information technology	6,379	-	6,379	9,198	-	9,198
Office	6,741	-	6,741	4,895	-	4,895
Salaries and benefits	314,497	-	314,497	285,050	-	285,050
Special events	86,571	-	86,571	39,539	-	39,539
	685,344	-	685,344	478,556	-	478,556
EXCESS OF REVENUE OVER EXPENDITURES BEFORE GRANTS	1,538,924	1,062,411	2,601,335	62,623	761,930	824,553
Grants to Almonte General Hospital (note 4)	386,419	567,327	953,746	288,800	275,827	564,627
Other grants (note 7)	14,877	-	14,877	1,854	-	1,854
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	**$1,137,628**	**$ 495,084**	**$1,632,712**	**$ (228,031)**	**$ 486,103**	**$ 258,072**

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

ALMONTE GENERAL HOSPITAL FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024

	2024	2023
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess of revenue over expenditures	$1,632,712	$ 258,072
Net change in non-cash working capital items:		
Accounts receivable	(16,921)	41,538
Asset held in trust	(195,000)	-
Prepaid expenses	12,145	(4,488)
Accounts payable and accrued liabilities	(1,345)	(4,796)
Deferred revenue	(31,507)	17,525
Grants payable to Almonte General Hospital	(89,563)	123,814
	1,310,521	431,665
INVESTING ACTIVITIES		
Net change in investments	231,436	(249,658)
CHANGE IN CASH	1,541,957	182,007
CASH - BEGINNING OF YEAR	1,412,418	1,230,411
CASH - END OF YEAR	**$2,954,375**	**$1,412,418**

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

ALMONTE GENERAL HOSPITAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

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1. PURPOSE OF THE FOUNDATION

The Almonte General Hospital Foundation ("the Foundation") was incorporated on March 23, 2001 without share capital under the laws of Ontario. It is a registered charity under the laws of the Income Tax Act.

The purpose of the Foundation is to raise money for projects and equipment for Almonte General Hospital.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The principal accounting policies of the Foundation are summarized as follows:

Investments

Investments are recorded at fair value with changes in the market value being recorded as part of net investment income in the Statement of Operations. Commission fees on stock gifts are included in net investment income.

Revenue Recognition

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

Grants and donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Fundraising revenue is recognized as revenue in the period in which the related event has occurred provided the amount has been received or the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are recorded in the Restricted Fund when initially recognized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting

The accounts of the Foundation are maintained in accordance with the principles of fund accounting. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the donors or in accordance with directives issued by the Board of Directors. Any transfers between the funds are made when it is considered appropriate and authorized by the Board of Directors.

For financial reporting purposes, the accounts have been classified into the following funds:

- The Unrestricted Fund accounts for the Foundation's general fundraising, granting, and administrative activities. Unless otherwise specified, any investment income earned is included in the Unrestricted Fund.

- The Internally Restricted Fund represents funds set aside to meet the computerized tomography (CT) commitment (see note 9). During the year, no amounts were transferred from the Unrestricted Fund to the Internally Restricted Fund.

- The Externally Restricted Fund reflects the value of designated donations which have not been distributed to the Hospital as at the end of the year. As per the Foundation's policy, a 10% administrative fee is charged on restricted donations; any such amount is shown as an interfund transfer on the Statement of Changes in Fund Balances. During the year, $95,384 was transferred from the Externally Restricted Fund to the Unrestricted Fund.

Contributed Services

A substantial number of volunteers contribute a significant amount of their time each year. Due to the difficulty of determining the fair value, contributed services are not recognized in these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 dates of the financial statements and the reported amounts of revenue and expenditures during the reporting periods. Actual results could differ from these estimates.

3. INVESTMENTS

	2024	2023
Mutual funds - investment savings accounts	$ -	$ 350,702
Guaranteed investment certificates	929,369	810,103
	$ 929,369	**$ 1,160,805**

Guaranteed investment certificates mature between October 2024 to February 2025 and earn interest at rates ranging from 5.05% to 5.60% per annum.

4. RELATED PARTY TRANSACTIONS

The Foundation is related to the Almonte General Hospital ("the Hospital") by virtue of its economic interest with the entity. The Foundation raises funds to support the Hospital. The Hospital is a separate entity and reports to its own Board of Directors.

Included in accounts receivable at March 31, 2024 is $16,880 (2023 - $nil) that is due from the Hospital. Balances owing arise from the net of salaries, employee benefits, and supplies paid by the Hospital on behalf of the Foundation during the year less cash transfers, employee contributions and capital grants provided by the Foundation. Any balances owing are typically settled in the short term. All transactions are recorded at the exchange amount, which is the amount established and agreed to by the related parties.

9. COMMITMENTS

The Foundation has entered into a minimum funding commitment to provide the Hospital with a total of $3,000,000 from April 2020 to March 2027 to support the purchase of a computerized tomography (CT). As at March 31, 2024, the Foundation has raised its cumulative fundraising target of $1,800,000.

4. RELATED PARTY TRANSACTIONS (continued)

At March 31, 2024, there is a balance owing to the Hospital for $187,915 (2023 - $277,478) detailed as follows:

	2024	2023
Grants payable	$ 187,915	$ 270,298
Operating payable	-	7,180
	$ 187,915	**$ 277,478**

5. ASSET HELD IN TRUST

The asset held in trust represents funds held by a lawyer in relation to the sale of the donated asset (note 6). The funds held in trust were released to the Foundation subsequent to year end.

6. DONATIONS AND FUNDRAISING

During the year, the Foundation received a one-time gift of an asset with a fair value at the time of $1,200,000. The asset was subsequently sold and the net proceeds were $1,132,688 after fundraising costs. The gift is presented in the Unrestricted Fund balance.

7. OTHER GRANTS

The Foundation has entered into partnership agreements with community organizations to jointly benefit from lottery initiatives. Other grants represent the shared net proceeds paid to those community partners.

8. FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities, and amounts due to the Hospital. It is Management's opinion that, unless otherwise stated, the fair value of these instruments is not materially different than their cost and that the Foundation is not exposed to significant interest rate, market or credit risk.