

**KINGSTON GENERAL HOSPITAL AUXILIARY
FINANCIAL STATEMENTS
AS AT MARCH 31, 2025**

**KINGSTON GENERAL HOSPITAL AUXILIARY
TABLE OF CONTENTS
AS AT MARCH 31, 2025**

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statements of Revenue and Expenditures and Fund Balances	4 - 10
Statement of Cash Flows	11
Notes to Financial Statements	12-14

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Qualified Opinion

We have audited the financial statements of Kingston General Hospital Auxiliary (the Auxiliary), which comprise the statement of financial position as at March 31, 2025 and the statements of revenue and expenditures and fund balances 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 accompanying financial statements present fairly, in all material respects, the financial position of the Auxiliary as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Auxiliary derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Auxiliary and we were not able to determine whether, as at and for the years ended March 31, 2025 and March 31, 2024, any adjustments might be necessary to donations revenue, excess of revenues over expenditures, assets and fund balances.

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 Auxiliary 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 qualified 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 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 these financial statements, management is responsible for assessing the Auxiliary'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 Auxiliary, or to cease operations, or has no realistic alternative but to do so.

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

**INDEPENDENT AUDITOR'S REPORT
(CONT'D)**

Auditor's Responsibilities for the Audit of the Financial Statements

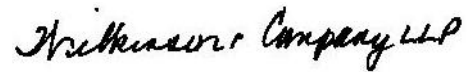
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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:

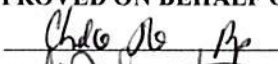
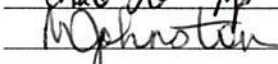
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 Auxiliary'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 Auxiliary'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 Auxiliary 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.

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.

KINGSTON, Canada
June 23, 2025


Chartered Professional Accountants
Licensed Public Accountants

**KINGSTON GENERAL HOSPITAL AUXILIARY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025**

	2025 \$	2024 \$
ASSETS		
CURRENT		
Cash	645,940	523,175
Accounts receivable	292,420	137,642
Inventories	105,567	84,590
Prepaid expenses	2,018	2,523
Government remittances payable	523	253
	1,046,468	748,183
LOANS RECEIVABLE FROM KINGSTON HEALTH SCIENCES CENTRE AT KGH - Note 3	200,000	90,000
	1,246,468	838,183
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	384,766	205,313
FUND BALANCES		
GENERAL FUND	570,204	449,342
CAFÉ	31,427	(1,047)
GIFT SHOP	194,957	158,812
MEMORIAL FUND	3,230	2,125
LOTTERY BOOTH	21,466	12,171
TEDDY BEAR FUND	40,418	11,467
	861,702	632,870
APPROVED ON BEHALF OF THE BOARD		
 Director		
 Director		
	1,246,468	838,183

The accompanying notes form an integral part of these financial statements

**KINGSTON GENERAL HOSPITAL AUXILIARY
STATEMENT OF REVENUE AND EXPENDITURES AND FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2025**

	2025							2024
	General Fund \$	Café \$	Gift Shop \$	Memorial Fund \$	Lottery Booth \$	Teddy Bear Fund \$	Total \$	Total \$
REVENUE	11,230	1,925,078	598,490	1,105	25,261	31,953	2,593,117	2,345,050
COST OF SALES		936,910	314,272				1,251,182	1,166,452
EXPENDITURES	14,258	680,694	178,073		966	3,002	876,993	829,150
	14,258	1,617,604	492,345	NIL	966	3,002	2,128,175	1,995,602
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR YEAR	(3,028)	307,474	106,145	1,105	24,295	28,951	464,942	349,448
FUND BALANCE - BEGINNING OF YEAR	449,342	(1,047)	158,812	2,125	12,171	11,467	632,870	478,422
INTERFUND TRANSFERS	360,000	(275,000)	(70,000)		(15,000)			
DONATIONS TO KINGSTON HEALTH SCIENCES CENTRE AT KGH - Note 3	(236,110)						(236,110)	(195,000)
FUND BALANCE - END OF YEAR	570,204	31,427	194,957	3,230	21,466	40,418	861,702	632,870



The accompanying notes form an integral part of these financial statements

**KINGSTON GENERAL HOSPITAL AUXILIARY
STATEMENT OF REVENUE AND EXPENDITURES AND FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2025**

	2025 \$	2024 \$
REVENUE		
Fundraising	8,772	1,280
Interest on investments	1,398	1,415
Donations - general	1,060	1,094
	11,230	3,789
EXPENDITURES		
Service charges	2,430	2,322
Parking		90
Operating expenses	1,219	791
Professional fees	10,186	10,095
Sundry	423	786
	14,258	14,084
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR YEAR	(3,028)	(10,295)
FUND BALANCE - BEGINNING OF YEAR	449,342	340,637
INTERFUND TRANSFERS	360,000	295,000
DONATIONS TO KINGSTON HEALTH SCIENCES CENTRE AT KGH - Note 3	(236,110)	(176,000)
FUND BALANCE - END OF YEAR	570,204	449,342

The accompanying notes form an integral part of these financial statements

**KINGSTON GENERAL HOSPITAL AUXILIARY
STATEMENT OF REVENUE AND EXPENDITURES AND FUND BALANCES
CAFÉ
FOR THE YEAR ENDED MARCH 31, 2025**

	2025 \$	2024 \$
REVENUE	1,925,078	1,718,732
COST OF SALES		
Inventory - beginning of year	14,819	11,482
Purchases	937,319	845,867
	952,138	857,349
Inventory - end of year	(15,228)	(14,819)
	936,910	842,530
GROSS MARGIN	988,168	876,202
EXPENDITURES		
Equipment	2,646	16,826
Salaries	664,554	596,936
Repairs and maintenance	5,354	12,379
Sundry	8,140	5,883
	680,694	632,024
EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR	307,474	244,178
FUND BALANCE - BEGINNING OF YEAR	(1,047)	(20,225)
INTERFUND TRANSFERS	(275,000)	(225,000)
FUND BALANCE - END OF YEAR	31,427	(1,047)

The accompanying notes form an integral part of these financial statements

**KINGSTON GENERAL HOSPITAL AUXILIARY
STATEMENT OF REVENUE AND EXPENDITURES AND FUND BALANCES
GIFT SHOP
FOR THE YEAR ENDED MARCH 31, 2025**

	2025 \$	2024 \$
REVENUE	598,490	589,900
COST OF SALES		
Inventory - beginning of year	62,234	62,366
Purchases	327,379	323,790
	389,613	386,156
Inventory - end of year	(75,341)	(62,234)
	314,272	323,922
GROSS MARGIN	284,218	265,978
EXPENDITURES		
Salaries	163,757	160,419
Parking - volunteer staff	(496)	5,360
Sundry	14,812	13,684
	178,073	179,463
EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR	106,145	86,515
FUND BALANCE - BEGINNING OF YEAR	158,812	142,297
INTERFUND TRANSFERS	(70,000)	(70,000)
FUND BALANCE - END OF YEAR	194,957	158,812

The accompanying notes form an integral part of these financial statements

**KINGSTON GENERAL HOSPITAL AUXILIARY
STATEMENT OF REVENUE AND EXPENDITURES AND FUND BALANCES
MEMORIAL FUND
FOR THE YEAR ENDED MARCH 31, 2025**

	2025 \$	2024 \$
REVENUE		
Donations	1,105	1,204
EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR	1,105	1,204
FUND BALANCE - BEGINNING OF YEAR	2,125	921
FUND BALANCE - END OF YEAR	3,230	2,125

The accompanying notes form an integral part of these financial statements

**KINGSTON GENERAL HOSPITAL AUXILIARY
STATEMENT OF REVENUE AND EXPENDITURES AND FUND BALANCES
LOTTERY BOOTH
FOR THE YEAR ENDED MARCH 31, 2025**

	2025 \$	2024 \$
REVENUE	25,261	2,277
EXPENDITURES		
Bank charges	708	255
OLG charges	258	112
Parking		242
	966	609
EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR	24,295	1,668
FUND BALANCE - BEGINNING OF YEAR	12,171	10,503
INTERFUND TRANSFERS	(15,000)	
FUND BALANCE - END OF YEAR	21,466	12,171

The accompanying notes form an integral part of these financial statements

**KINGSTON GENERAL HOSPITAL AUXILIARY
STATEMENT OF REVENUE AND EXPENDITURES AND FUND BALANCES
TEDDY BEAR FUND
FOR THE YEAR ENDED MARCH 31, 2025**

	2025	2024
	\$	\$
REVENUE		
Fundraising	31,953	29,148
EXPENDITURES		
Purchases	3,002	2,970
EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR	28,951	26,178
FUND BALANCE - BEGINNING OF YEAR	11,467	4,289
DONATIONS TO KINGSTON HEALTH SCIENCES CENTRE		
AT KGH - Note 3		(19,000)
FUND BALANCE - END OF YEAR	40,418	11,467

The accompanying notes form an integral part of these financial statements

**KINGSTON GENERAL HOSPITAL AUXILIARY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2025**

	2025 \$	2024 \$
OPERATING ACTIVITIES		
Excess of revenue over expenditures for year	464,942	349,448
Net change in non-cash working capital balances related to operations - Note 5	3,933	5,395
	468,875	354,843
Donations to Kingston Health Sciences Centre at KGH	(236,110)	(195,000)
CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES	232,765	159,843
INVESTING ACTIVITIES		
Advances to Kingston Health Sciences Centre at KGH	(110,000)	
CASH FLOWS PROVIDED FROM (USED IN) INVESTING ACTIVITIES	(110,000)	NIL
NET INCREASE IN CASH AND CASH EQUIVALENTS FOR YEAR	122,765	159,843
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	523,175	363,332
CASH AND CASH EQUIVALENTS - END OF YEAR	645,940	523,175
REPRESENTED BY:		
Cash	645,940	523,175

The accompanying notes form an integral part of these financial statements

**KINGSTON GENERAL HOSPITAL AUXILIARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**

1. NATURE OF OPERATIONS

Kingston General Hospital Auxiliary (the "Auxiliary") operates a cafe, gift shop and lottery booth at Kingston Health Sciences Centre at KGH ("Hospital") and undertakes various fundraising activities to assist the Hospital.

2. ACCOUNTING POLICIES

Outlined below are those accounting policies adopted by the Auxiliary that are considered to be particularly significant:

(a) Basis of Accounting

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

(b) Accounting 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include valuation of accounts receivable and inventory. Actual results could differ from those estimates.

(c) Fund Accounting

These financial statements include the activities of the Auxiliary for which the Board of Directors is legally accountable. In order to properly reflect its activities, the Auxiliary maintains its accounts in accordance with the principles of "fund accounting" in order that limitations and restrictions placed on the use of available resources are observed. Under fund accounting, resources for various purposes are classified for accounting and reporting into funds in accordance with activities or objectives specified.

(d) Inventories

Inventories are valued at the lower of cost and replacement cost.

(e) Property, Plant and Equipment

Property, plant and equipment are expensed as acquired. The net book value of these items is not material.

(f) Revenue Recognition

Revenue is recognized when services are provided or the goods are sold.

**KINGSTON GENERAL HOSPITAL AUXILIARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**

2. ACCOUNTING POLICIES (Con't)

(g) Financial Instruments

(i) Measurement of Financial Instruments

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Auxiliary has not elected to subsequently carry any such financial instruments at fair value.

Financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

(ii) Impairment

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 Auxiliary 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 Auxiliary 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.

3. RELATED PARTY TRANSACTIONS

The Auxiliary raises funds for Kingston Health Sciences Centre at KGH to be allocated to special gifts in a manner satisfactory to the administration of Kingston Health Sciences Centre at KGH.

During the year, the Auxiliary donated \$236,110 (2024 - \$195,000) to Kingston Health Sciences Centre at KGH.

The Auxiliary has a loan receivable of \$200,000 (2024 - \$90,000) from Kingston Health Sciences Centre at KGH, which is payable on demand.

4. COMMITMENT

The Auxiliary has completed its pledge to donate \$2,500,000 to the Hospital for the phase II development of the Hospital site. This donation was paid over seven years beginning in 2018.

The Auxiliary has pledged to purchase four NICU ventilators at \$50,000 each and fifteen treatment chairs for Oncology at \$5,000 each. As at March 31, 2025, the remaining commitment is \$275,000.

**KINGSTON GENERAL HOSPITAL AUXILIARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**

5. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS

Cash provided from (used in) non-cash working capital is compiled as follows:

	2025	2024
	\$	\$
(INCREASE) DECREASE IN CURRENT ASSETS		
Accounts receivable	(154,777)	(112,462)
Inventories	(20,977)	(10,742)
Prepaid expenses	505	(1,255)
	(175,249)	(124,459)
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued liabilities	179,452	133,250
Government remittances payable	(270)	(3,396)
	179,182	129,854
NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS	3,933	5,395

6. FINANCIAL RISKS AND CONCENTRATIONS OF RISK

The Auxiliary has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risk that arise from transacting financial instruments include credit risk.

(a) Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Auxiliary is exposed to credit risk with respect to accounts receivable and loan receivable from Kingston Health Sciences Centre at KGH. The Auxiliary assesses on a continuous basis the accounts receivable and the loan receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The allowance for doubtful accounts as at March 31, 2025 is \$Nil (2024 - \$Nil).