



Non-Consolidated Financial Statements

Nanaimo & District Hospital Foundation

March 31, 2025

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Independent Auditors' Report

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To Members of Nanaimo & District Hospital Foundation

Qualified Opinion

We have audited the non-consolidated financial statements of Nanaimo & District Hospital Foundation (“the Foundation”), which comprise the non-consolidated statement of financial position as at March 31, 2025, and the non-consolidated statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis of Qualified Opinion paragraph, these non-consolidated financial statements present fairly, in all material respects, the financial position of the Foundation 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 not-for-profit organizations, the Foundation derives revenue from 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 fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets as at April 1 and March 31 for both the 2025 and 2024 years. The audit opinion on the financial statements for the year ended March 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

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 non-consolidated 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 non-consolidated 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.

Other Matter

The non-consolidated financial statements of the Foundation for the year ended March 31, 2024 were audited by another auditor who expressed a qualified opinion on those financial statements on June 11, 2024.

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

Management is responsible for the preparation and fair presentation of these non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated financial statements, including the disclosures, and whether the non-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.

Report on other legal and regulatory requirements

As required by the Society's Act (British Columbia), we report that, in our opinion, the accounting principles in the Canadian accounting standards for not-for-profit organizations have been applied on a consistent basis with that of the preceding year.

Nanaimo, Canada
June 26, 2025

Doane Grant Thornton LLP
Chartered Professional Accountants

Nanaimo & District Hospital Foundation

Non-Consolidated Statement of Financial Position

As at March 31

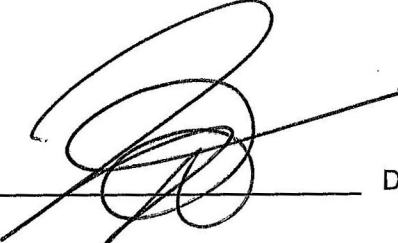
	2025	2024
Assets		
Current		
Cash and cash equivalents (Note 3)	\$ 7,205,952	\$ 1,709,289
Accounts receivable (Note 4)	123,484	67,216
Investments (Note 5)	5,934,165	7,745,188
Prepaid expenses	44,748	48,239
Due from subsidiaries (Note 6)	<u>314,370</u>	<u>275,381</u>
	13,622,719	9,845,313
Long-term		
Tangible capital assets (Note 7)	371,933	335,811
Investment in subsidiaries (Note 8)	<u>54,263</u>	<u>116,122</u>
	426,196	451,933
	<u>\$ 14,048,914</u>	<u>\$ 10,297,246</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 469,747	\$ 76,867
Unearned revenue	<u>27,000</u>	<u>-</u>
	496,747	76,867
Net Assets		
General Fund - Unrestricted	4,355,520	3,731,462
General Fund - Internally Restricted	550,000	550,000
Externally Restricted Fund	7,401,753	4,778,764
Gaming Fund	109,783	53,318
Endowment Fund	<u>1,135,111</u>	<u>1,106,835</u>
	13,552,167	10,220,379
	<u>\$ 14,048,914</u>	<u>\$ 10,297,246</u>

Commitments (Note 9)

On behalf of the Board of Directors



Director



Director

Nanaimo & District Hospital Foundation

Non-Consolidated Statement of Operations

Year Ended March 31

	General Fund	Externally Restricted Fund	Gaming Fund	Endowment Fund	2025	2024
Revenue						
Donations (Note 11)	\$ 1,372,606	\$ 5,843,953	\$ 62,795	\$ 3,000	\$ 7,282,354	\$ 5,130,694
Investments (Note 5)	583,503	2,675	2,210	34,776	623,165	542,644
Miscellaneous income	243,533	-	-	-	243,533	190,989
	<u>2,199,643</u>	<u>5,846,628</u>	<u>65,005</u>	<u>37,776</u>	<u>8,149,052</u>	<u>5,864,329</u>
Expenses						
Administration (Schedule 1)	1,219,343	4,116	-	-	1,223,460	907,852
Fundraising (Schedule 1)	306,697	724,926	8,540	-	1,040,163	850,119
	<u>1,526,040</u>	<u>729,043</u>	<u>8,540</u>	<u>-</u>	<u>2,263,623</u>	<u>1,757,971</u>
Excess of revenues over expenses from operations	<u>673,603</u>	<u>5,117,585</u>	<u>56,465</u>	<u>37,776</u>	<u>5,885,429</u>	<u>4,106,356</u>
Other revenues (expenses)						
Loss from investments in subsidiaries	(61,859)	-	-	-	(61,859)	(162,335)
Loss on disposal of assets held for sale	-	-	-	-	-	(133,609)
Cost recovery (Note 10)	883,019	(883,019)	-	-	-	-
Grants to programs	(550,923)	(1,931,359)	-	(9,500)	(2,491,782)	(2,175,875)
	<u>270,237</u>	<u>(2,814,378)</u>	<u>-</u>	<u>(9,500)</u>	<u>(2,553,641)</u>	<u>(2,471,819)</u>
Excess of revenue over expenses	<u>\$ 943,840</u>	<u>\$ 2,303,207</u>	<u>\$ 56,465</u>	<u>\$ 28,276</u>	<u>\$ 3,331,788</u>	<u>\$ 1,634,537</u>

See accompanying notes to the non-consolidated financial statements

Nanaimo & District Hospital Foundation

Non-Consolidated Statement of Changes in Net Assets

Year Ended March 31

	General Fund	Externally Restricted Fund	Gaming Fund	Endowment Fund	2025	2024
Balance, beginning of year	\$ 4,281,462	\$ 4,778,764	\$ 53,318	\$ 1,106,835	\$ 10,220,379	\$ 8,585,843
Excess of revenues over expenses	943,840	2,303,207	56,465	28,276	3,331,788	1,634,536
Transfer of administrative costs	<u>(319,782)</u>	<u>319,782</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 4,905,520</u>	<u>\$ 7,401,753</u>	<u>\$ 109,783</u>	<u>\$ 1,135,111</u>	<u>\$ 13,552,167</u>	<u>\$ 10,220,379</u>

See accompanying notes to the non-consolidated financial statements

Nanaimo & District Hospital Foundation

Non-Consolidated Statement of Cash Flows

Year Ended March 31

	2025	2024
Cash and cash equivalents provided by (used in) the following activities		
Operating		
Cash receipts from donations and grants	\$ 7,496,620	\$ 5,425,435
Cash receipts from investments	623,165	542,644
Cash paid for operating expenses	(1,824,496)	(1,708,488)
Grants to programs	(2,491,782)	(3,064,195)
	<u>3,803,507</u>	<u>1,195,396</u>
Investing		
Disposal (purchase) of investments	1,811,023	(923,746)
Advances to subsidiary companies	(38,989)	(172,778)
Purchase of tangible capital assets	(78,878)	(102,136)
Proceeds from disposal of assets held for sale	-	683,500
	<u>1,693,156</u>	<u>(515,160)</u>
Increase in cash and cash equivalents	5,496,663	680,236
Cash and cash equivalents		
Beginning of year	1,709,289	1,029,053
End of year	<u>\$ 7,205,952</u>	<u>\$ 1,709,289</u>

Nanaimo & District Hospital Foundation

Notes to the Non-Consolidated Financial Statements

March 31, 2025

1. Nature of Operations

Nanaimo & District Hospital Foundation ("the Foundation") was incorporated under the Societies Act of British Columbia (the "Act") and is a registered charity exempt from income taxes under Section 149(1) of the Income Tax Act. In order to maintain its status as a registered charity under the Act, the Foundation must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

The Foundation's mission is to provide funding for the Nanaimo Regional General Hospital and other Central Vancouver Island health care facilities within Island Health to benefit the community. The Foundation provides grants for equipment, health-related educational scholarships, major renovations and approved research. The Foundation owns two subsidiaries: 629814 B.C. Ltd. (operating as Nanaimo Lifeline Program), a personal emergency response service for seniors and at risk individuals, and 606895 B.C. Ltd. (operating as Code Brew), which operates a coffee kiosk at the Nanaimo Regional General Hospital. These subsidiaries may contribute funds to the Foundation, based on a board-approved percentage of their annual results.

2. Significant accounting policies

These non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

Fund Accounting

The Foundation follows the restricted fund method of accounting for contributions, and maintains four funds: General Fund, Externally Restricted Fund, Endowment Fund, and Gaming Fund.

The General Fund reports the Foundation's general fundraising, granting, and administrative activities including unrestricted resources and internally restricted funds. The General Fund also reports the assets, liabilities, revenue and expenses related to the Foundation's tangible capital assets. Externally restricted contributions for which there is no corresponding restricted fund are recognized in the General Fund.

The Externally Restricted Fund reports the Foundation's restricted resources that must be used as follows:

Specified Equipment Funds - purchasing equipment for the Nanaimo Regional General Hospital and other organizations that the foundation raises funds for including Oceanside Health Centre, Eagle Park Lodge, Trillium Lodge and Dufferin Lodge.

Education Funds - for education purposes at Nanaimo Regional General Hospital.

Designated Contribution Funds - for specific areas within the Nanaimo Regional General Hospital.

A charge is administered against certain designated contributions received during the year to recover overhead costs. The Endowment Fund reports the Foundation's resources contributed for endowment, which is primarily related to purchases for hospital equipment.

Nanaimo & District Hospital Foundation

Notes to the Non-Consolidated Financial Statements

March 31, 2025

2. Significant accounting policies (continued)

Fund accounting (continued)

The Gaming Fund reports the Foundation's revenue and costs associated with gaming funds donated from other charitable organizations. Net proceeds are donated to the Nanaimo Regional General Hospital for the purpose of purchasing equipment for the hospital.

Cash and cash equivalents

The Foundation's policy is to present bank balances under cash and cash equivalents. Also included in cash and cash equivalents are term deposits with a maturity period of three months or less from the date of acquisition.

Tangible capital assets

Each class of tangible capital assets is carried at cost less, where applicable, any accumulated amortization and impairment losses.

Cost includes the purchase price and other acquisition costs such as installation costs, and freight charges. Contributed tangible capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

For tangible capital assets with a finite life, the cost of each item is amortized over its useful life in a systematic manner appropriate to the nature of that item and its use by the Foundation. Accordingly, tangible capital assets are amortized using the following methods and rates as follows:

Buildings	4%	Declining balance
Office equipments	5 years	Straight-line
Furniture and fixtures	10 years	Straight-line
Leasehold improvements	5 years	Straight-line
Computer equipment	3-5 years	Straight-line

Impairment of long-lived assets

The Foundation tests long-lived assets for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Revenue recognition

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Nanaimo & District Hospital Foundation

Notes to the Non-Consolidated Financial Statements

March 31, 2025

2. Significant accounting policies (continued)

Revenue recognition (continued)

Endowment contributions are recognized as revenue in the Endowment Fund. Investment income earned on the Endowment Fund is recognized as revenue of the General Fund unless otherwise directed by donors.

In-kind donations are recorded at their fair market value on the date of receipt if the fair market value can be reasonably measured.

Contributed materials and services are recognized in the non-consolidated financial statements when the fair value can be reasonably determined, and they are used in the normal course of operations and would otherwise have been purchased.

Pledges are recorded when received.

Investment income is recognized as revenue when earned.

Investments in non-consolidated subsidiaries

The Foundation accounts for its investments in subsidiaries using the equity method. This method reflects the cost of the investment in the subsidiary, the investment income or loss related to the subsidiary, the Foundation's share of changes in accounting policies, corrections of prior period errors and capital transactions of the subsidiary as well as the Foundation's portion of dividends paid by the subsidiary.

Financial instruments

The Foundation considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Foundation accounts for the following as financial instruments:

- cash and cash equivalents
- accounts receivable
- short-term investments
- accounts payable and accrued liabilities
- Due from subsidiaries

Financial instruments in arm's length transactions

Initial measurement

The Foundation initially measures financial assets and financial liabilities originating, acquired, issued or assumed in arm's length transactions at fair value.

Subsequent measurement

The Foundation subsequently measures these financial assets and financial liabilities at amortized cost, except for investments in equity and bond instruments that are quoted in an active market, which are measured at fair value. Changes in financial instruments measured at fair value are recognized in net income.

Nanaimo & District Hospital Foundation

Notes to the Non-Consolidated Financial Statements

March 31, 2025

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets measured at cost or amortized cost less any reduction for impairment include cash and cash equivalents, accounts receivable, term deposits included in investments, and balances due from subsidiaries.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial instruments measured at fair value include marketable securities included in short-term investments. The fair value of investments in publicly traded companies has been determined using the closing price at year end.

Derecognition

The Foundation removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when indicators of impairment exist at the end of the reporting period. Previously recognized impairment losses are reversed to the extent of the improvement provided the financial asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

Financial instruments in related party transactions

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Foundation does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Foundation initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which the Foundation has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

Nanaimo & District Hospital Foundation

Notes to the Non-Consolidated Financial Statements

March 31, 2025

2. Significant accounting policies (continued)

Measurement uncertainty

The preparation of the non-consolidated financial statements in conformity with accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the non-consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Significant estimates include the recoverability of accounts receivable and amounts due from related parties, useful life of tangible capital assets, and amounts of accrued liabilities.

These estimates are reviewed periodically by management and as adjustments become necessary, are reported in income in the period in which they become known.

3. Cash and cash equivalents

The cash balance includes \$105,530 (2024 - \$47,823) in funds derived from gaming activities. The use of these funds is restricted by an agreement with the Province of British Columbia Gaming Commission.

4. Accounts receivable

	<u>2025</u>	<u>2024</u>
Accounts receivable	\$ 3,941	\$ 9,147
Goods and Services Tax receivable	15,378	12,359
Provincial Sales Tax receivable	<u>104,165</u>	<u>45,710</u>
	<u>\$ 123,484</u>	<u>\$ 67,216</u>

5. Investments

The General Fund portfolio investments include \$550,000 (2024 - \$550,000) of funds set aside by the Board in previous years on the understanding that these funds could only be spent with Board approval. The Board has determined that this amount is internally restricted and is not designated for any specific purpose.

Nanaimo & District Hospital Foundation

Notes to the Non-Consolidated Financial Statements

March 31, 2025

5. Investments (continued)

	General Fund	Gaming / Externally Restricted Fund	Endowment Fund	2025 Total	2024 Total
Investment portfolio					
Cash balance	\$ 56,880	\$ -	\$ 39,468	\$ 96,348	\$ 67,066
Portfolio	1,637,975	-	1,136,554	2,774,529	2,573,649
Term deposits	3,063,288	-	-	3,063,288	5,104,473
	<u>\$ 4,758,143</u>	<u>\$ -</u>	<u>\$ 1,176,022</u>	<u>\$ 5,934,165</u>	<u>\$ 7,745,188</u>
Investment income					
Investment income	\$ 470,083	\$ 3,566	\$ 17,631	\$ 491,280	\$ 365,478
Realized gain	3,764	44	569	4,377	34,587
Unrealized investment gain (loss)	109,657	1,275	16,576	127,508	142,579
	<u>\$ 583,504</u>	<u>\$ 4,885</u>	<u>\$ 34,776</u>	<u>\$ 623,165</u>	<u>\$ 542,644</u>

Investment income includes interest, dividends, and realized and unrealized gains (losses) related to measuring the investments at market value at March 31, 2025. The total cost of portfolio investments on March 31, 2025 is \$2,381,399.

The term deposit balance consists of one term deposit with a face value of \$3,000,000 that matures on October 8, 2025, and has an interest rate of 4.40%. The balance includes accrued interest of \$63,288.

6. Due from subsidiaries and related party transactions

(a) Transactions

The following is a summary of the Foundation's related party transactions:

	2025	2024
629814 B.C. Ltd. (Nanaimo Lifeline Program)		
Management fee revenue included in miscellaneous income	\$ 82,000	\$ 82,000
Reimbursement of operating costs	350,124	282,119
606895 B.C. Ltd. (Code Brew)		
Management fee revenue included in miscellaneous income	\$ 82,000	\$ 82,000
Reimbursement of operating costs	277,451	136,314
Purchase of goods and services	-	(32,478)

These transactions are in the normal course of operations and have been valued in these non-consolidated financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

(b) The balances due from subsidiaries are unsecured, non-interest bearing and have no set terms of repayment

Nanaimo & District Hospital Foundation

Notes to the Non-Consolidated Financial Statements

March 31, 2025

6. Due from subsidiaries and related party transactions (continued)

	<u>2025</u>	<u>2024</u>
629814 B.C. Ltd. (Nanaimo Lifeline Program) - 100% wholly owned subsidiary	\$ 288,694	\$ 213,997
606895 B.C. Ltd. (Code Brew) - 100% wholly owned subsidiary	25,676	61,384
	<u>\$ 314,370</u>	<u>\$ 275,381</u>

7. Tangible capital assets

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2025 Net Book Value</u>	<u>2024 Net Book Value</u>
Buildings	\$ 450,107	\$ 227,441	\$ 222,666	\$ 231,943
Office equipment	9,527	953	8,574	-
Furniture and fixtures	71,493	9,028	62,465	3,075
Leasehold improvements	189,654	122,049	67,605	93,902
Computer equipment	14,238	3,615	10,622	6,892
	<u>\$ 735,018</u>	<u>\$ 363,086</u>	<u>\$ 371,933</u>	<u>\$ 335,811</u>

8. Investment in subsidiaries

The Foundation holds investments in the following subsidiaries, which are accounted for using the equity method:

	<u>% Ownership</u>	<u>2025</u>	<u>2024</u>
629814 B.C. Ltd. (Nanaimo Lifeline Program)	100.00%	\$ 54,263	\$ 157,293
606895 B.C. Ltd. (Code Brew)	100.00%	-	(41,172)
		<u>\$ 54,263</u>	<u>\$ 116,122</u>

629814 B.C. Ltd. (Nanaimo Lifeline Program) was incorporated under the laws of the Societies Act of British Columbia on June 21, 2001 and is exempt from income taxes under Section 149 (1) (e) of the Income Tax Act. 629814 B.C. Ltd. (Nanaimo Lifeline Program) provides monitoring and assistance to at risk individuals in emergency situations and serves the Central Vancouver Island region, from Cassidy to Bowser, monitoring over 1,500 clients.

Summary unaudited financial information of 629814 B.C. Ltd. (Nanaimo Lifeline Program) as at March 31, 2025 and March 31, 2024 is as follows

Nanaimo & District Hospital Foundation

Notes to the Non-Consolidated Financial Statements

March 31, 2025

8. Investment in subsidiaries (continued)

	<u>2025</u>	<u>2024</u>
Financial Position		
Total assets	\$ 419,924	\$ 436,026
Total liabilities	<u>365,658</u>	<u>278,731</u>
Total shareholder's equity	<u>\$ 54,266</u>	<u>\$ 157,295</u>
Results of Operations		
Total revenue	\$ 790,677	\$ 839,962
Total expenses	<u>893,707</u>	<u>1,020,221</u>
Net income (loss)	<u>\$ (103,030)</u>	<u>\$ (180,259)</u>
Cash Flows Provided by:		
Operating activities	\$ (257)	\$ (94,077)
Financing activities	74,696	143,862
Investing activities	<u>(76,139)</u>	<u>(69,492)</u>
Decrease in cash	<u>\$ (1,700)</u>	<u>\$ (19,707)</u>

606895 B.C. Ltd. (Code Brew) was incorporated under the laws of the Societies Act of British Columbia on December 5, 2000. 606895 B.C. Ltd. (Code Brew) Operates a coffee kiosk located in the lobby of the Nanaimo Regional General Hospital.

Summary unaudited financial information of 606895 B.C. Ltd. (Code Brew) as at March 31, 2025 and March 31, 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Financial Position		
Total assets	\$ 87,713	\$ 109,144
Total liabilities	<u>122,367</u>	<u>150,315</u>
Total shareholder's equity	<u>\$ (34,654)</u>	<u>(41,171)</u>
Results of Operations		
Total revenue	\$ 1,181,257	\$ 1,133,339
Total expenses	<u>1,174,739</u>	<u>1,115,414</u>
Net income (loss)	<u>\$ 6,518</u>	<u>\$ 17,925</u>
Cash Flows Provided by:		
Operating activities	\$ 35,923	\$ 30,336
Financing activities	<u>(35,708)</u>	<u>(11,084)</u>
Investing activities	<u>(1,339)</u>	<u>(6,087)</u>
Decrease in cash	<u>\$ (1,124)</u>	<u>\$ 13,165</u>

Subsidiaries of the Foundation provided funds to the Foundation through management fees and donations. A reconciliation of transfers to the Foundation is provided below:

Nanaimo & District Hospital Foundation

Notes to the Non-Consolidated Financial Statements

March 31, 2025

8. Investment in subsidiaries (continued)

	<u>2025</u>	<u>2024</u>
629814 B.C. Ltd. (Nanaimo Lifeline Program)		
Net operating results	\$ (21,031)	\$ (98,259)
Management fees	<u>82,000</u>	<u>82,000</u>
Net loss	<u>\$ (103,031)</u>	<u>\$ (180,260)</u>
606895 B.C. Ltd. (Code Brew)		
Net operating results	\$ 123,172	\$ 99,925
Management fees	<u>82,000</u>	<u>82,000</u>
Net income	<u>\$ 41,172</u>	<u>\$ 17,925</u>

9. Commitments

At March 31, 2025, the Foundation has committed to fund the following projects and equipment in the amounts noted below:

High Acuity Unit (HAU)	4,264,245
SPEC CT	2,900,000
Incubators	450,000
Vital Signs Monitors	175,000
Nerve Integrity Monitors	168,000
Mopec Grossing Station	160,000
Fetal Monitor	73,500
Vital Signs Monitors	56,000
Stretcher	40,000
NuStep Cross Trainer	18,480
	<u>8,305,225</u>

10. Interfund transactions

During the year, the Foundation transferred \$883,019 (2024 - \$1,040,729) from the Externally Restricted Fund to the Foundation's General Fund representing up to 18% (2024 - 18%) of designated donations as a cost recovery.

At March 31, 2025, the Externally Restricted Fund has an interfund receivable totalling \$8,907,768 (2024 - \$4,731,508) due from the General Fund. There are no set terms or conditions on borrowing from other funds.

11. Donations and gifts-in-kind

Donations recognized in the General Fund include gifts-in-kind received in fiscal 2025 having a fair value of \$52,577 (2024 - \$28,566). A corresponding amount has been included in grants to programs. Also included in donations revenue is stock gifted of \$1,738,360 (2024 - \$269,452).

Nanaimo & District Hospital Foundation

Notes to the Non-Consolidated Financial Statements

March 31, 2025

12. Pledges and bequests

The Foundation receives pledges and bequests from donors. Management estimates that the Foundation will receive bequests of approximately \$1,130,625 (2024 - \$741,908), pledges of approximately \$2,436,000 (2024 - \$3,809,000), and planned gifts of approximately \$9,665,000 (2024 - \$6,960,000) in future years. Pledges, bequests, and planned gifts will be recognized as revenue in the non-consolidated financial statements when received.

13. Remuneration

During the year, the Foundation paid \$753,150 (2024 - \$451,728) to six (2024 - three) employees whose salaries were greater than \$75,000.

14. Financial Instruments

The main risks the Foundation is exposed to through its financial instruments are liquidity risk, interest rate risk, and price risk

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting the obligations associated with its financial liabilities. The Foundation is exposed to this risk mainly in respect of its commitments to Island Health as well as its accounts payable and accrued liabilities.

The Foundation manages liquidity risk through cash flow management and monitoring of capital.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk on its fixed and floating interest rate financial instruments.

The Foundation is exposed to interest rate risk through its investments with a value of \$5,934,165 as at March 31, 2025 (2024 - \$7,745,188). In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through its normal operating and financing activities.

The Foundation monitors investments for fluctuations and rebalances the investments as needed in accordance with the Foundation's investment policy.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk through its investments quoted in an active market.

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Notes to the Non-Consolidated Financial Statements

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15. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.

Nanaimo & District Hospital Foundation

Schedule 1 – Schedule of Expenses

Year Ended March 31

	2025	2024
Administration		
Amortization	\$ 42,757	\$ 40,800
Bank charges	49,899	28,392
Education	14,794	13,397
Investment management	25,720	23,964
Insurance	4,458	11,333
Office	6,045	4,829
Professional fees	80,106	30,155
Rent and occupancy	1,181	6,423
Salaries and benefits	998,501	748,560
	<u>1,223,460</u>	<u>907,852</u>
Fundraising		
Appeal salaries	464,341	356,301
Donor insurance	17,825	17,825
IT Services	106,689	85,486
Marketing and communications	233,142	251,380
Meetings and meals	15,891	8,712
Miscellaneous	3,537	1,466
Office	20,649	15,064
Postage	14,894	16,449
Publicity and promotions	141,282	87,951
Travel	21,913	9,484
	<u>1,040,163</u>	<u>850,119</u>
Total expenses	<u>\$ 2,263,623</u>	<u>\$ 1,757,971</u>