

ST. THOMAS ELGIN GENERAL HOSPITAL FOUNDATION

Financial Statements

March 31, 2026

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Financial Statements

For The Year Ended March 31, 2026

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INDEPENDENT AUDITORS' REPORT

To the Members of **St. Thomas Elgin General Hospital Foundation:**

Qualified Opinion

We have audited the financial statements of **St. Thomas Elgin General Hospital Foundation**, which comprise the statement of financial position as at March 31, 2026, and the statement of fund operations and changes in net assets and statement of 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 paragraph, the organization's financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2026, 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 organization 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 organization and we were not able to determine whether any adjustments might be necessary to contributions and donations, revenues over expenditures, and cash flows for the year ending March 31, 2026 and year ending March 31, 2025, current assets as at March 31, 2026 and March 31, 2025 and net assets as at April 1, 2025 and March 31, 2026 for the 2026 year ended, as well as March 31, 2024 and March 31, 2025 for the 2025 year ended.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization 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 the financial statements, management is responsible for assessing the organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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



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INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' 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 organization'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 organization'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 organization 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.

St. Thomas, Ontario

May 26, 2026

Graham Scott Enns LLP

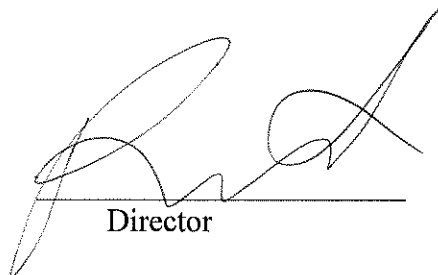
CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

ST. THOMAS ELGIN GENERAL HOSPITAL FOUNDATION

Statement of Financial Position As at March 31, 2026

	<u>2026</u>	<u>2025</u>
	<u>\$</u>	<u>\$</u>
ASSETS		
Cash	4,267,707	2,705,522
Short-term Investments (Note 2)	-	870,565
HST receivable	19,841	15,093
Planned gifts (Note 3)	<u>35,715</u>	<u>34,525</u>
TOTAL ASSETS	<u>4,323,263</u>	<u>3,625,705</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Due to St. Thomas Elgin General Hospital (Note 4)	307,076	108,435
Accounts payable and accrued liabilities	74,707	91,114
Deferred revenues	<u>35,839</u>	<u>18,820</u>
	417,622	218,369
NET ASSETS		
Unrestricted net assets	2,641,718	1,641,355
Restricted net assets	174,035	94,081
Endowment net assets	53,419	51,835
Campaign net assets	-	583,596
Redevelopment net assets	<u>1,036,469</u>	<u>1,036,469</u>
	<u>3,905,641</u>	<u>3,407,336</u>
TOTAL LIABILITIES AND NET ASSETS	<u>4,323,263</u>	<u>3,625,705</u>

On behalf of the Board:



Director

Director

See accompanying notes to the financial statements

ST. THOMAS ELGIN GENERAL HOSPITAL FOUNDATION
Statement of Fund Operations and Changes in Net Assets
For The Year Ended March 31, 2026

								<u>2026</u>	<u>2025</u>
								<u>Total</u>	<u>Total</u>
								<u>Funds</u>	<u>Funds</u>
								<u>\$</u>	<u>\$</u>
REVENUES	Unrestricted	Restricted	Endowment	Redevelopment	Campaign				
	Fund	Fund	Fund	Fund	Fund				
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>				
Planned giving	1,663,702	50,166	-	-	-		1,713,868	791,956	
Campaign	-	740,806	-	-	-		740,806	3,512,825	
Lottery	691,077	-	-	-	-		691,077	726,997	
Individual giving	404,064	243,119	-	-	-		647,183	620,183	
Community partnerships	171,176	317,554	-	-	-		488,730	99,153	
Direct mail	300	181,655	-	-	-		181,955	67,605	
Corporate Giving/ Foundations	87,067	46,632	-	-	-		133,699	85,424	
Investment income	131,529	-	1,584	-	-		133,113	210,246	
Cost Recovery Levy	<u>145,459</u>	<u>(145,459)</u>	-	-	-		<u>-</u>	<u>-</u>	
	<u>3,294,374</u>	<u>1,434,473</u>	<u>1,584</u>	-	-		<u>4,730,431</u>	<u>6,114,389</u>	
EXPENDITURES									
Salaries and benefits	673,414	-	-	-	-		673,414	696,724	
Lottery direct costs	514,434	-	-	-	-		514,434	473,528	
Indirect operating costs	265,695	-	-	-	-		265,695	246,458	
Direct fundraising costs	<u>33,746</u>	<u>91,407</u>	-	-	-		<u>125,153</u>	<u>154,940</u>	
	<u>1,487,289</u>	<u>91,407</u>	-	-	-		<u>1,578,696</u>	<u>1,571,650</u>	
EXCESS OF REVENUES									
OVER EXPENDITURES	1,807,085	1,343,066	1,584	-	-		3,151,735	4,542,739	
NET ASSETS,									
BEGINNING OF YEAR	1,641,355	94,081	51,835	1,036,469	583,596		3,407,336	3,274,524	
Distributions to the St. Thomas Elgin									
General Hospital (Note 6)	(806,722)	(1,846,708)	-	-	-		(2,653,430)	(4,409,927)	
Fund Transfers (Note 7)	-	<u>583,596</u>	-	-	-		<u>-</u>	<u>-</u>	
NET ASSETS, END OF YEAR	<u>2,641,718</u>	<u>174,035</u>	<u>53,419</u>	<u>1,036,469</u>	<u>-</u>		<u>3,905,641</u>	<u>3,407,336</u>	

See accompanying notes to the financial statements.

ST. THOMAS ELGIN GENERAL HOSPITAL FOUNDATION

Statement of Cash Flows For The Year Ended March 31, 2026

	2026 <u>\$</u>	2025 <u>\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenditures	<u>3,151,735</u>	<u>4,542,739</u>
Changes in non-cash working capital:		
Planned gifts	(1,190)	(1,190)
Accrued interest	-	(33,743)
HST receivable	(4,748)	12,575
Due to St. Thomas Elgin General Hospital	198,641	(488,530)
Accounts payable and accrued liabilities	(16,407)	66,925
Deferred revenues	<u>17,019</u>	<u>18,820</u>
	<u>3,345,050</u>	<u>4,117,596</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of short-term investments	<u>870,565</u>	<u>-</u>
DISTRIBUTIONS TO THE ST. THOMAS ELGIN GENERAL HOSPITAL (NOTE 6)	<u>(2,653,430)</u>	<u>(4,409,927)</u>
NET INCREASE (DECREASE) IN CASH	1,562,185	(292,331)
CASH, BEGINNING OF YEAR	<u>2,705,522</u>	<u>2,997,853</u>
CASH, END OF YEAR	<u>4,267,707</u>	<u>2,705,522</u>

ST. THOMAS ELGIN GENERAL HOSPITAL FOUNDATION

Notes to the Financial Statements For The Year Ended March 31, 2026

NATURE OF ORGANIZATION

The St. Thomas Elgin General Hospital Foundation (Foundation) was incorporated under the Corporations Act (Ontario) without share capital on March 13, 1985. The purpose of the Foundation is to establish and maintain a fund or funds and to apply from time to time all or part thereof and the income therefrom for the purposes of the St. Thomas Elgin General Hospital (Hospital). The Foundation qualifies for income tax-exempt status as a registered charity under the Canadian Income Tax Act.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Use of Estimates

The preparation of these financial statements 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 financial statements and the reported amounts of revenues and expenses during the reported period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known.

Fund Accounting

The accounts are maintained in accordance with the principles of fund accounting. Under these principles, resources are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. The organization uses the following fund groups:

- (i) The Unrestricted Fund accounts for the receipt and expenditure of donations or bequests that are not specifically designated to a program or project.
- (ii) The Restricted Fund accounts for the receipt and expenditure of donations or bequests that have been designated for a specific purpose by the donor.
- (iii) The Endowment Fund accounts for the receipt of donations or bequests that have been donated for the purpose of earning income as directed by the endowment.
- (iv) The Campaign Fund accounts for the receipt and expenditure of donations or bequests that have been restricted to the Diagnostic Imaging fundraising campaign.
- (v) The Redevelopment Fund accounts for the receipt and expenditure of donations or bequests that have been restricted to former capital fundraising campaigns.

When the Foundation has pledged a specific level of financial support towards a particular Hospital expenditure, the related liability to the Hospital is recognized by the Foundation at the time the Hospital is invoiced.

ST. THOMAS ELGIN GENERAL HOSPITAL FOUNDATION

Notes to the Financial Statements For The Year Ended March 31, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The organization follows the restricted fund method of accounting for contributions. Revenues received specifically to offset future operating expenses are deferred and recognized as such as the 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. Specifically, the organization recognizes revenue from donations when they are received, and interest revenue from investments when accrued. All interest revenues are recognized as unrestricted unless related to the Endowment Fund.

Planned gifts

Planned gifts consist of a life insurance policy. When the Foundation is named owner and beneficiary of a donated life insurance policy, the Foundation records the cash surrender value. Annual premiums paid by the donor are recorded as revenue and also increase the asset value.

Gifts in kind

The value of gifts in kind are recorded at fair market value when they are received.

Financial Instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The organization recognizes its transaction costs in excess of revenue over expenditures in the period incurred.

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

Financial assets measured at amortized cost include term planned gifts.

Financial liabilities measured at amortized cost include due to St. Thomas Elgin General Hospital and accrued liabilities.

Financial assets measured at fair value include cash and short-term investments.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenditures.

ST. THOMAS ELGIN GENERAL HOSPITAL FOUNDATION

Notes to the Financial Statements For The Year Ended March 31, 2026

2. SHORT-TERM INVESTMENTS

	2026	2025
	\$	\$
Guaranteed investment certificates	<u>-</u>	<u>870,565</u>

The investments consisted of guaranteed investment certificates which are recorded at cost which approximates their fair market value. The certificates matured in May 2025 yielding an interest rate of CIBC Prime Rate less 2.20%.

3. PLANNED GIFTS

Planned gifts consist of a life insurance policy.

4. DUE TO THE ST. THOMAS ELGIN GENERAL HOSPITAL

The amount owing to the Hospital at year end consists of the following:

	2026	2025
Balance, beginning of year	108,435	596,965
Additional liability recognized to the Hospital:		
Unrestricted fund	806,722	237,468
Campaign fund	-	3,887,263
Restricted fund	1,846,708	285,196
Less: funds transferred to the Hospital	<u>(2,454,789)</u>	<u>(4,898,457)</u>
	<u>307,076</u>	<u>108,435</u>

5. DONATION PLEDGES

As at March 31, 2026, an amount of \$5,035,445 (2024 - \$5,362,178) has been pledged as future donations to the Foundation. These pledges will be recorded as donation revenue as they are received. The donors have pledged to pay these amounts over several years, as follows:

	\$
2027	840,911
2028	680,564
2029	563,572
2030	500,750
2031 and beyond	2,449,647

ST. THOMAS ELGIN GENERAL HOSPITAL FOUNDATION

Notes to the Financial Statements For The Year Ended March 31, 2026

6. DISTRIBUTIONS TO THE ST. THOMAS ELGIN GENERAL HOSPITAL

	2026		
	Unrestricted	Restricted	Total
Patient Care Beds	168,974	1,800	170,774
Cardiac Equipment	-	110,000	110,000
Mammography Equipment	614,334	25,958	640,292
Ophthalmology Equipment	-	201,704	201,704
Miscellaneous Patient Care Equipment	6,872	16,678	23,550
Paediatric Equipment	-	207,699	207,699
Patient Care Monitors	12,242	190,651	202,893
Patient Support Fund	4,300	-	4,300
Ultrasound Equipment & Renovation	-	1,073,966	1,073,966
Systemic Therapy Chairs	-	18,252	18,252
	<u>806,722</u>	<u>1,846,708</u>	<u>2,653,430</u>

Distributions to the St. Thomas Elgin General Hospital in the previous fiscal year totaled \$4,409,927.

7. INTERFUND TRANSFERS

During the year \$583,596 was transferred from the Campaign Fund to the Restricted Fund.

8. FINANCIAL INSTRUMENTS

Risks and Concentrations

The organization can be exposed to various risks through its financial instruments depending on its holdings, however at year end there were no short-term investments and the organization had no financial instrument risk exposure.

The organization is not subject to any financial institution's covenants.