THE FOUNDATION OF GUELPH GENERAL HOSPITAL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2026

THE FOUNDATION OF GUELPH GENERAL HOSPITAL

INDEX TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

Chartered
Professional
Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of: The Foundation of Guelph General Hospital

Qualified Opinion
We have audited the accompanying financial statements of The Foundation of Guelph General Hospital, which comprise the statement of financial position as at March 31, 2026 and the statements of changes in net assets, 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 paragraph, these financial statements present fairly, in all material respects, the financial position of The Foundation of Guelph General Hospital 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 foundation derives some of the revenues from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the foundation and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenditures and cash flows from operations for the years ended March 31, 2026 and 2025, current assets as at March 31, 2026 and 2025 and net assets as at April 1 and March 31 for both the 2026 and 2025 years. Our audit opinion on the financial statements for the year ended March 31, 2025 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 Financial Statements section of our report. We are independent of The Foundation of Guelph General Hospital 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 audit 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 foundation's ability to continue as a going concern, disclosing, as applicable, matters related to a 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.

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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 judgement 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 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.

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.

RLB LLP

Guelph, Ontario
June 15, 2026

Chartered Professional Accountants
Licensed Public Accountants

THE FOUNDATION OF GUELPH GENERAL HOSPITAL

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2026

	GENERAL FUND	ENDOWMENT FUND	2026	2025
A S S E T S				
CURRENT				
Cash	$ 1,535,331	$ 0	$ 1,535,331	$ 2,023,338
Investments (note 6)	14,860,690	675,241	15,535,931	21,330,271
Accounts receivable	179,120	0	179,120	21,704
Prepaid expenses	3,738	0	3,738	30,903
	16,578,879	675,241	17,254,120	23,406,216
INTANGIBLE ASSETS (note 4)	7,818	0	7,818	0
TANGIBLE CAPITAL ASSETS (note 5)	19,683	0	19,683	15,472
	$ 16,606,380	$ 675,241	$ 17,281,621	$ 23,421,688
L I A B I L I T I E S				
CURRENT				
Accounts payable and accrued liabilities	$ 143,890	$ 0	$ 143,890	$ 23,546
Due to Guelph General Hospital (note 7)	187,557	0	187,557	197,339
Deferred income (note 9)	31,346	0	31,346	308,284
	362,793	0	362,793	529,169
N E T A S S E T S				
FUND BALANCES	16,243,587	675,241	16,918,828	22,892,519
	$ 16,606,380	$ 675,241	$ 17,281,621	$ 23,421,688

See notes to the financial statements

THE FOUNDATION OF GUELPH GENERAL HOSPITAL

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2026

	GENERAL FUND	ENDOWMENT FUND	2026	2025
NET ASSETS, beginning of year	$ 22,260,686	$ 631,833	$ 22,892,519	$ 17,006,559
EXCESS OF REVENUES OVER EXPENSES	12,130,662	67,062	12,197,724	8,887,366
NET ASSETS BEFORE TRANSFERS	34,391,348	698,895	35,090,243	25,893,925
NET TRANSFERS BETWEEN GENERAL FUND AND ENDOWMENT FUND (note 2 (h))	23,654	(23,654)	0	0
TRANSFERS FOR CHARITABLE PURPOSES (note 2 (i))				
Capital equipment for G.G.H.	18,083,179	0	18,083,179	2,894,692
Special programs - G.G.H.	88,236	0	88,236	106,714
	18,171,415	0	18,171,415	3,001,406
NET ASSETS, end of year	$ 16,243,587	$ 675,241	$ 16,918,828	$ 22,892,519

See notes to the financial statements

THE FOUNDATION OF GUELPH GENERAL HOSPITAL

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2026

	GENERAL FUND	ENDOWMENT FUND	2026	2025
REVENUE				
Donations	$ 9,109,420	$ 720	$ 9,110,140	$ 7,531,630
Bequests	2,367,960	0	2,367,960	851,157
Net investment income (note 6)	1,741,993	66,342	1,808,335	1,775,758
Black Tie Bingo (note 8)	795,861	0	795,861	9,575
Tour de Guelph (note 8)	180,156	0	180,156	201,826
Lottery income (note 8)	87,837	0	87,837	107,657
Pay Day Payout (note 8)	56,245	0	56,245	57,077
	14,339,472	67,062	14,406,534	10,534,680
OPERATING EXPENSES				
Salaries (note 7)	1,567,331	0	1,567,331	1,293,050
Fundraising expenses	268,450	0	268,450	80,713
Direct response	92,322	0	92,322	75,481
Bank charges	62,295	0	62,295	50,478
Professional fees	55,387	0	55,387	43,038
Technology fees	44,212	0	44,212	39,866
Donor recognition	40,398	0	40,398	6,594
Communications	31,334	0	31,334	31,593
Professional development	22,197	0	22,197	12,142
Office supplies and materials	8,571	0	8,571	4,471
Campaign	7,432	0	7,432	(1,890)
Amortization	4,356	0	4,356	2,845
Fees, dues and memberships	2,718	0	2,718	3,758
Meetings	1,807	0	1,807	3,435
Bookkeeping	0	0	0	1,740
	2,208,810	0	2,208,810	1,647,314
EXCESS OF REVENUES OVER EXPENSES for the year	$ 12,130,662	$ 67,062	$ 12,197,724	$ 8,887,366

See notes to the financial statements

THE FOUNDATION OF GUELPH GENERAL HOSPITAL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenses	$ 12,197,724	$ 8,887,366
Transfer to G.G.H. for capital equipment	(18,083,179)	(2,894,692)
Transfer to G.G.H. for special programs	(88,236)	(106,714)
Items not requiring an outlay of cash		
Amortization	4,356	2,845
Unrealized gain on investments	(339,095)	(178,617)
	(6,308,430)	5,710,188
Changes in non-cash working capital		
Accounts receivable	(157,416)	24,462
Prepaid expenses	27,165	(28,746)
Deferred income	(276,938)	265,368
Accounts payable and accrued liabilities	120,344	3,364
Due to Guelph General Hospital	(9,782)	(919,942)
	(6,605,057)	5,054,694
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Additions to tangible capital assets	(8,567)	(8,919)
Decrease (increase) in investments	6,133,435	(6,887,792)
Additions to intangible assets	(7,818)	0
	6,117,050	(6,896,711)
NET DECREASE IN CASH	(488,007)	(1,842,017)
CASH, beginning of year	2,023,338	3,865,355
CASH, end of year	$ 1,535,331	$ 2,023,338

See notes to the financial statements

1. NATURE OF ORGANIZATION

The Foundation of Guelph General Hospital ("the foundation") is incorporated under the Canada Not-for-Profit Corporations Act without share capital and is a registered charitable foundation whose mission is “Transforming healthcare through giving” and vision is “Together, a healthier community for everyone”. The foundation is exempt from income tax under section 149(1)(f) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) FUND ACCOUNTING

Revenues and expenses related to program delivery and administrative activities are reported under the General Fund, which is an unrestricted fund.

The Endowment Fund is an externally restricted fund for which the foundation retains the capital and uses the investment income for either restricted or general purposes.

Balances due between the General Fund and the Endowment Fund are interest-free and have no fixed terms of repayment.

(b) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost and amortized on the basis of their estimated useful life. Amortization is calculated at one-half of the normal rate in the year of acquisition. Amortization is provided for at the following methods and rates:

Furniture and equipment	- 20% declining balance basis
Computer hardware	- 30% declining balance basis

(c) IMPAIRMENT OF LONG LIVED ASSETS

Long lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

(d) INTANGIBLE ASSETS

Intangible assets are recorded at cost and amortized on the basis of their estimated useful life. Amortization is calculated at one-half of the normal rate in the year of acquisition. Amortization is provided for at the following methods and rates:

Website	- 3 years straight-line basis

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) REVENUE RECOGNITION

The foundation follows the restricted fund method of accounting for contributions. Donations are recognized as revenue of the General Fund in the year received. Pledges are not recognized as revenue until cash is received. Revenues from events are reported net of expenses.

Donated materials and services received are not recorded in the financial statements unless the fair market value at the time of donation is readily available.

Investment income is recognized as revenue when earned. The fair value adjustments to market value at year end are recognized in investment income.

Other revenues are recognized either when received or collection is reasonably assured.

(f) FINANCIAL INSTRUMENTS

Measurement of financial instruments
The foundation initially measures its financial assets and liabilities at fair value, except for a related party transaction which is recorded at cost and measured using the carrying amount or exchange amount depending on the circumstances.

The foundation subsequently measures all its financial assets and financial liabilities at amortized cost, unless otherwise noted below.

Investments in equity instruments that are quoted in an active market are measured at fair value. Changes in fair value are recognized in revenue.

Cost in a related party transaction with repayment terms is determined using its undiscounted cash flows, less any impairment losses previously recognized by the transferor.

Impairment
At the end of each reporting period, the foundation assesses whether there are any indications that a financial asset measured at cost or amortized cost may be impaired. If there are indicators of impairment, and the foundation determines there has been a significant adverse change in the expected amount or timing of future cash flows, an impairment is recognized. If circumstances change, a previously recognized impairment may be reversed.

Transaction costs
Transaction costs attributable to financial instruments subsequently measured at fair value are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) USE OF 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(h) NET TRANSFERS BETWEEN FUNDS

Transfers between the endowment fund and the general fund are pursuant to the endowment donation agreements.

(i) TRANSFERS FOR CHARITABLE PURPOSES

At the discretion of the Board of Directors, funds are donated to the Guelph General Hospital to assist with the cost of acquiring equipment and other tangible capital assets.

3. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the foundation is not exposed to significant interest, credit, currency, liquidity or other price risks arising from the financial instruments.

The extent of the foundation's exposure to these risks did not change in 2026 compared to the previous year.

The foundation does not have a significant exposure to any individual customer or counterpart.

Transacting in financial instruments exposes the foundation to certain financial risks and uncertainties. These risks include:

<u>Market risk</u>

Market risk is the risk that the fair value or future cash flows of the foundation’s financial instruments will fluctuate because of changes in market prices. Some of the foundation’s financial instruments expose it to this risk, which comprises currency risk, interest rate risk and other price risk.

<u>Currency risk</u>

Currency risk refers to the risk that the fair value of the financial instruments or future cash flows associated with them will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The foundation is exposed to currency rate risk on the international and global investments in its investment portfolio totalling $5,398,908 (2025 - $5,328,391)

<u>Other price risk</u>

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 on portfolio investments, which include investments in mutual funds, and manages this risk through diversification of its portfolio.

3. FINANCIAL INSTRUMENTS (continued)

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 as a result of its investment in its portfolio bonds.

4. INTANGIBLE ASSETS

The foundation is currently developing a new website that is not yet in use. As the asset is still under development, no amortization has been taken in 2026.

	2026	2025
Website	$ 7,818	$ 0

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2026	Net 2025
Furniture and equipment	$ 50,688	$ 37,358	$ 13,330	$ 14,953
Computer hardware	14,890	8,537	6,353	519
	$ 65,578	$ 45,895	$ 19,683	$ 15,472

6. INVESTMENTS

	2026	2025
General Fund		
Fixed income investments	$ 5,134,368	$ 4,796,698
Mutual funds and income pools	8,325,094	8,174,948
Alternative	1,401,228	1,409,630
GICs	0	6,317,162
	14,860,690	20,698,438
Endowment Fund		
Fixed income investments	233,296	210,740
Mutual funds and income pools	378,276	359,162
Alternative	63,669	61,931
	675,241	631,833
Total Investments	$ 15,535,931	$ 21,330,271

The cost base of the portfolio at year end was $13,971,224 (2025 - $20,104,657).

7. GUELPH GENERAL HOSPITAL

The Guelph General Hospital ("the Hospital") is a Canadian public hospital and an independent corporation which has its own Board of Directors. The foundation is responsible for all fundraising activities carried out on behalf of the Hospital.

The foundation reimburses the Hospital for various costs associated with services or expenses the Hospital provides or pays on the foundation's behalf. The foundation reimbursed the Hospital $1,567,331 (2025 - $1,293,050) for foundation staff salaries paid through the Hospital's payroll system. The balance due to Guelph General Hospital is a reimbursement of these expenses and is unsecured, non-interest bearing, and due on demand.

8. FUNDRAISING EVENTS

The Black Tie Bingo, lottery activities, Tour de Guelph and other activities revenues are shown net of expenses on the statement of operations. During the year, there were two Black Tie Bingo events due to the timing of the 2025 event, which ran in April of this fiscal year. Any revenue amount for Black Tie Bingo in the 2025 fiscal year was residual income from the 2024 event. The total expenses relating to both Black Tie Bingo events were $309,093 (2025 - $0, as the event did not run in the prior fiscal year), and relating to Pay Day Payout were $29,340 (2025 - $30,025). The lottery and Tour de Guelph transactions were as follows:

	2026	2025
Lottery		
Proceeds from 50/50 lottery	$ 7,595	$ 137,225
Proceeds from Split the Pot	98,485	59,706
Payout of prizes	(13,835)	(57,913)
Subtotal	92,245	139,018
Bonus draw prize payout	(1,000)	(10,250)
Lottery expenditures and administration	(3,408)	(21,111)
Net revenue from 50/50 lottery	$ 87,837	$ 107,657

	2026	2025
Tour de Guelph		
Proceeds from Tour de Guelph	$ 294,145	$ 290,081
Expenses incurred	(57,364)	(37,255)
Payout of proceeds to partner	(56,625)	(51,000)
Net revenue from Tour de Guelph	$ 180,156	$ 201,826

9. DEFERRED INCOME

Deferred income, which consists of event revenue received that relates to future periods less related expenditures, is as follows:

	2026	2025
Balance, beginning of the year	$ 308,284	$ 42,916
Less amount recognized as revenue in the year	(308,284)	(42,916)
Plus amount received related to the following year	31,346	308,284
Balance, end of year	$ 31,346	$ 308,284