Financial Statements of

WEST PARRY SOUND HEALTH CENTRE FOUNDATION

And Independent Auditor's Report thereon

Year ended March 31, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of West Parry Sound Health Centre Foundation

Opinion

We have audited the financial statements of West Parry Sound Health Centre Foundation (the Foundation), which comprise:

- the statement of financial position as at March 31, 2026
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

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 going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

July 31, 2026

WEST PARRY SOUND HEALTH CENTRE FOUNDATION

Statement of Financial Position

March 31, 2026, with comparative information for 2025

	2026	2025
Assets		
Current assets:		
Cash	$ 627,618	$ 547,415
Investments (note 2)	12,357,857	13,358,835
Prepaid expenses	1,346	306
Due from West Parry Sound Health Centre (note 5)	1,320	-
	12,988,141	13,906,556
Collection of artwork	162,518	162,518
Capital assets (note 3)	21,769	2,097
	$ 13,172,428	$ 14,071,171
Liabilities and Fund Balance		
Current liabilities:		
Accounts payable and accrued liabilities (note 4)	$ 77,694	$ 32,227
Due to West Parry Sound Health Centre (note 5)	-	87,160
	77,694	119,387
Fund balance:		
General fund	4,912,119	4,862,585
Restricted fund	3,221,480	4,330,208
Endowment fund	4,961,135	4,758,991
	13,094,734	13,951,784
	$ 13,172,428	$ 14,071,171

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

WEST PARRY SOUND HEALTH CENTRE FOUNDATION

Statement of Operations and Changes in Fund Balance

Year ended March 31, 2026, with comparative information for 2025

	General Fund		Restricted Fund		Endowment Fund		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
Revenue:								
Fundraising	$ 1,163,096	$ 1,686,287	$ 2,039,413	$ 1,741,684	$ 202,144	$ 1,289,236	$ 3,404,653	$ 4,717,207
Investment income	365,664	867,444	-	-	31,666	86,079	397,330	953,523
	1,528,760	2,553,731	2,039,413	1,741,684	233,810	1,375,315	3,801,983	5,670,730
Expenses:								
Fundraising expenses	243,880	250,967	-	-	-	-	243,880	250,967
Administrative costs	167,160	129,316	-	-	31,666	86,079	198,826	215,395
Salaries and benefits	604,963	349,488	-	-	-	-	604,963	349,488
	1,016,003	729,771	-	-	31,666	86,079	1,047,669	815,850
Excess of revenue over expenses before the undernoted	512,757	1,823,960	2,039,413	1,741,684	202,144	1,289,236	2,754,314	4,854,880
Disbursements to qualified donee West Parry Sound Health Centre (note 5)	483,394	340,660	3,127,970	1,459,005	-	-	3,611,364	1,799,665
Excess (deficiency) of revenue over expenses	29,363	1,483,300	(1,088,557)	282,679	202,144	1,289,236	(857,050)	3,055,215
Fund balance - beginning of year	4,862,585	4,876,996	4,330,208	2,549,818	4,758,991	3,469,755	13,951,784	10,896,569
Interfund transfers	20,171	(1,497,711)	(20,171)	1,497,711	-	-	-	-
Fund balance - end of year	$ 4,912,119	$ 4,862,585	$ 3,221,480	$ 4,330,208	$ 4,961,135	$ 4,758,991	$ 13,094,734	$ 13,951,784

See accompanying notes to financial statements.

WEST PARRY SOUND HEALTH CENTRE FOUNDATION

Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenses	$ (857,050)	$ 3,055,215
Adjustments for:		
Amortization of capital assets	4,267	719
	(852,783)	3,055,934
Changes in non-cash working capital:		
Increase in prepaid expenses	(1,040)	-
Increase (decrease) in accounts payable and accrued liabilities	45,467	(7,753)
Decrease in due to West Parry Sound Health Centre	(88,480)	(164,921)
	(896,836)	2,883,260
Investing activities:		
Net investment activity	1,000,978	(4,792,041)
	1,000,978	(4,792,041)
Capital activities:		
Purchase of capital assets	(23,939)	-
	(23,939)	-
Net increase (decrease) in cash	80,203	(1,908,781)
Cash, beginning of year	547,415	2,456,196
Cash, end of year	$ 627,618	$ 547,415

See accompanying notes to financial statements.

The West Parry Sound Health Centre Foundation (the "Foundation") is incorporated under the laws of Ontario under the Canada Not-for-profit Corporations Act. The Foundation is a registered charity under the Income Tax Act and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

The Foundation is principally involved in raising funds for the benefit of the West Parry Sound Health Centre (the "WPSHC"). The fund balances and operations of the Foundation are ultimately for the benefit of the WPSHC. The Foundation is a legal entity operating independently of the WPSHC and therefore these financial statements have not been consolidated with the WPSHC.

1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada – Handbook - Accounting. The Foundation's significant accounting policies are as follows:

(a) Basis of presentation:

In order to ensure observance and restrictions placed on the use of resources, the accounts are maintained in accordance with the principles of fund accounting.

The General Fund accounts for the Foundation's program delivery, fundraising and administrative activities. This fund reports unrestricted resources.

The Restricted Fund reports resources where donor restrictions require that the funds be used for a specified purpose.

The Endowment Fund includes those funds where donor restrictions require that the principal be maintained by the Foundation on a permanent basis.

(b) Revenue recognition:

The financial statements are prepared according to the restricted fund method of accounting. Under this method, the following principles have been applied.

Restricted contributions received are recognized as revenue of the appropriate specific fund in the year received since the related restriction generally prohibits the disbursement of the original capital.

Unrestricted contributions including donations are recognized as revenue in the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

1. Significant accounting policies (continued):

(c) Contributed services:

Contributions of services are not recognized in the financial statements.

(d) Donated assets:

Donated assets consist of donated artwork and other non-depreciable property. Donated assets are recorded in the financial statements of the Foundation at the appraised value and are not depreciated. Donated artwork is used for display throughout the WPSHC to enhance the environment for the benefit of patients, their families, staff and visitors.

(e) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. These estimates are reviewed annually, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has elected to carry its investments at fair value. Fair value is determined at quoted market prices.

Sales and purchases of financial instruments are recorded on the settlement date. Transaction costs incurred on the acquisition of financial instruments are expensed as incurred.

2. Investments:

	2026		2025	
	Cost	Market Value	Cost	Market Value
Investments:				
Cash and cash equivalents	$ 71,608	$ 71,681	$ 83,428	$ 83,428
GIC	–	–	840,618	840,618
Investments in marketable securities and pooled funds	12,516,788	12,286,176	12,665,470	12,434,789
	$ 12,588,396	$ 12,357,857	$ 13,589,516	$ 13,358,835

The Foundation's investments include approximately $4.7 million of endowed investments with no donor restrictions other than the requirement for the Foundation to preserve the original capital. The full balance represents donors' donations and excludes accumulated investment income which is transferred to unrestricted funds.

3. Capital assets:

	2026	2025
Equipment	$ 63,831	$ 39,892
Less accumulated amortization	(42,062)	(37,795)
	$ 21,769	$ 2,097

4. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities consist of:

	2026	2025
Accrued liabilities	$ 25,581	$ 6,790
Accrued wages and benefits	38,882	20,220
Government remittances	8,357	5,217
Trade payables	4,874	–
	$ 77,694	$ 32,227

5. Related party transactions:

(a) The WPSHC provides certain services to the Foundation and pays some expenses on behalf of the Foundation. The Foundation reimburses the WPHSC for all direct costs associated with services provided and expenses paid.

(b) Amounts due to the WPSHC are non-interest bearing and due on demand. Transactions between the WPSHC and the Foundation are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

6. Financial risks and concentration of credit risk:

(a) Credit risk:

Credit risk is the risk of financial loss to the Foundation if a member or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Foundation's accounts receivable and investments. It is the management's position that the Foundation is not exposed to significant credit risk with respect to accounts receivable. Credit risk with respect to investments is managed through the Foundation's Investment and Donated Securities Policy.

There has been no significant change to risk exposures from 2025.

(b) 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. Fixed-interest instruments subject the Foundation to a fair value risk while the floating-rate instruments subject it to a cash flow risk.

The Foundation mitigates interest rate risk on its investments by managing its investment portfolio to earn investment income and investing according to an Investment and Donated Securities Policy. The Foundation is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

There has been no significant change to risk exposures from 2025.

6. Financial risks and concentration of credit risk (continued):

(c) Foreign currency risk:

Financial currency risk refers to the extent to which instruments denominated in a currency other than Canadian dollars will be affected by changes in the value of the Canadian dollar in relation to other currencies. The Foundation holds investments denominated in a foreign currency and is subject to foreign currency risk. The Foundation believes that it is not exposed to significant currency risks arising from its financial instruments.

There has been no significant change to risk exposures from 2025.

(d) Market risk:

Market volatility risk arises from the Foundation's investment portfolio, which contains various pooled funds, fixed income, and equity instruments. It is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of general economic and other market factors affecting equity prices. The Foundation believes that it is not exposed to significant market risk arising from its investment portfolio.

There has been no significant change to risk exposures from 2025.

(e) Liquidity risk:

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. Accounts payable and accrued liability are generally paid shortly after year end.

There has been no significant change to risk exposures from 2025.

7. Comparative information:

Certain comparative information have been reclassified to conform with the presentation adopted in the current year.