CAMBRIDGE MEMORIAL HOSPITAL FOUNDATION

FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2026

MARCH 31, 2026
CONTENTS

Graham Mathew

150 Pinebush Road, Unit 1, Cambridge, Ontario N1R 8J8
p: 519.623.1870 f: 519.623.9490 w: gmpca.com

INDEPENDENT AUDITORS' REPORT

To the Members of
Cambridge Memorial Hospital Foundation

Opinion

We have audited the accompanying financial statements of **Cambridge Memorial Hospital Foundation** (the Foundation), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2026, and its financial performance 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 Auditors' Responsibilities for the Audit of the 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 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.

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

Management is responsible for the preparation and fair presentation of these 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 the Board of Directors 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.

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 auditors' 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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 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 auditors' 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 auditors' 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.

Graham Mathews Professional Corporation

Cambridge, Ontario
June 18, 2026

Chartered Professional Accountants, authorized to practise public accounting by the Chartered Professional Accountants of Ontario

CMHF CAMBRIDGE MEMORIAL HOSPITAL FOUNDATION

STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2026

	UNRESTRICTED FUNDS	RESTRICTED FUNDS					
	General $	Program $	Equipment $	Health & Wellness $	Endowment $	2026 $	2025 $
Revenue							
Annual giving	841,549	69,209	28,195		54	939,007	816,712
Major gifts	1,661,028	283,105	928,550		5,000	2,877,683	2,754,014
Planned giving	692,333	120,059				812,392	549,008
Special events	563,456	54,806	183,425			801,687	719,939
	3,758,366	527,179	1,140,170		5,054	5,430,769	4,839,673
Expenditures							
Annual giving	147,782					147,782	186,559
Major gifts	25,836					25,836	59,630
Planned giving	1,735					1,735	1,828
Special events	210,197		25,830			236,027	171,051
Human resources	1,172,170					1,172,170	1,129,502
Administration	243,022					243,022	194,296
	1,800,742		25,830			1,826,572	1,742,866
Excess of revenue over expenditures before other items	1,957,624	527,179	1,114,340		5,054	3,604,197	3,096,807
Other items							
Grants to Cambridge Memorial Hospital	(145,404)	(407,317)	(2,670,152)			(3,222,873)	(2,067,079)
Investment income (note 5)	683,918	8,660	2,294		16,366	711,238	744,989
	538,514	(398,657)	(2,667,858)		16,366	(2,511,635)	(1,322,090)
Excess (deficiency) of revenue over expenditures for year	2,496,138	128,522	(1,553,518)		21,420	1,092,562	1,774,717

STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31, 2026

	UNRESTRICTED FUNDS	RESTRICTED FUNDS					
	General	Program	Equipment	Health & Wellness	Endowment	2026	2025
	$	$	$	$	$	$	$
Fund balances, beginning of year	5,598,911	943,713	5,251,557	652,446	805,381	13,252,008	11,477,291
Excess (deficiency) of revenue over expenditures for year	2,496,138	128,522	(1,553,518)		21,420	1,092,562	1,774,717
	8,095,049	1,072,235	3,698,039	652,446	826,801	14,344,570	13,252,008
Interfund transfer	(30,553)	17,462	4,854		8,237		
Fund balances, end of year	8,064,496	1,089,697	3,702,893	652,446	835,038	14,344,570	13,252,008

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2026

	2026 $	2025 $
ASSETS		
Cash (note 3)	**6,663,123**	6,640,965
Accounts receivable (note 4)	**150,823**	148,222
Prepaid expenses	**23,227**	7,130
Investments (note 6)	**7,565,306**	6,482,588
Capital assets (note 7)	**142,694**	164,823
	14,545,173	13,443,728
LIABILITIES		
Accounts payable and accrued liabilities (note 8)	**194,578**	191,720
Deferred revenue	**6,025**	
	200,603	191,720
FUND BALANCES		
Externally restricted	**835,038**	805,381
Internally restricted	**5,445,036**	6,847,716
Unrestricted	**8,064,496**	5,598,911
	14,344,570	13,252,008
	14,545,173	13,443,728

APPROVED BY THE BOARD:

______________________ Director

______________________ Director

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2026

	2026 **$**	2025 $
Cash flows from operating activities:		
Excess of revenue over expenditures for year	**1,092,562**	1,774,717
Items not involving cash:		
Amortization	**22,128**	23,822
Change in fair value of investments (note 5)	**(234,052)**	(267,457)
	880,638	1,531,082
Net change in non-cash working capital balances relating to operations:		
Accounts receivable	**(2,601)**	(41,219)
Prepaid expenses	**(16,097)**	(1,866)
Accounts payable and accrued liabilities	**2,856**	(4,006)
Deferred revenue	**6,025**	
	870,821	1,483,991
Cash flows from investment activities:		
Purchase of investments	**(3,669,167)**	(4,566,110)
Proceeds of sale of investments	**2,820,504**	3,353,595
Additions to capital assets		(108,245)
	(848,663)	(1,320,760)
Net increase in cash	**22,158**	163,231
Cash, beginning of year	**6,640,965**	6,477,734
Cash, end of year	**6,663,123**	6,640,965

1. Nature of Organization

The Cambridge Memorial Hospital Foundation (the "Foundation") is a registered charity incorporated without share capital under the laws of Ontario. Its principal activity is to raise, steward and grant funds to support the equipment, building, research and education needs of the Cambridge Memorial Hospital (the "Hospital").

As the Foundation is a registered charity under the Income Tax Act, its income is not taxable and it is eligible to issue official income tax receipts for charitable donations.

2. 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:

(a) Fund accounting

The Foundation uses the restricted fund method of accounting for contributions. To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are classified for reporting purposes into funds, in accordance with activities or objectives specified by the donors or in accordance with directives issued by the Board of Directors. For financial reporting purposes, the fund balances have been classified into three categories of funds consisting of the following:

The **Unrestricted funds**, account for the Foundation's general fundraising, granting and administrative activities.

The **Restricted funds**, include those resources to be used for identified purposes as specified externally by donors or internally by the Board of Directors.

The **Endowment fund**, includes those resources for which the donor has stipulated that the capital portion of the funds be maintained permanently.

(b) Revenue recognition

Donations are recorded as revenue when received. Tangible donations-in-kind are recorded at fair value at the time of the donation. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

The Foundation follows the restricted fund method of accounting for contributions whereby externally restricted contributions are recorded in the fund corresponding to the purpose for which they were contributed. Where there is no appropriate restricted fund, restricted contributions are recorded under the deferred method in the general unrestricted fund. Unrestricted donations are recorded as revenue of the general unrestricted fund. Endowment donations represent contributions received where only the income earned from the investment of the amounts received can be granted.

2. Summary of Significant Accounting Policies (Continued)

(c) Expenses

Expenses are recognized in the year incurred and are recorded in the function in which they are directly related.

The Foundation allocates all salaries to the unrestricted fund.

(d) Financial instruments

The Foundation's financial instruments consist of cash, accounts receivable, investments, accounts payable and accrued liabilities.

Financial instruments are initially measured at fair value. Subsequently they are measured at amortized cost, except cash and investments which are measured at fair value.

Investment revenue includes interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses.

(e) Amortization of capital assets

The Foundation amortizes capital assets using the straight-line method at annual rates which will amortize the assets over their estimated useful lives:

Computer hardware	3 years
Donor wall	10 years
Furniture and equipment	5 years

(f) Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount 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 current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

3. Cash

The Foundation's bank accounts are held at one chartered bank and earn interest at prime minus 1.75%. Also included in cash is $323,522 ($900,313 in 2025) held in investment accounts earning interest at varying rates approximating 1.80% to 3.40%.

	2026 $	2025 $
4. Accounts Receivable		
HST receivable	**50,554**	55,308
Accrued interest	**100,269**	92,914
	150,823	148,222

	2026 $	2025 $
5. Investment Income		
Interest and dividends	**513,666**	510,376
Change in fair value of investments	**234,052**	267,457
Investment management fees	**(36,480)**	(32,844)
Total investment income	**711,238**	744,989

	2026 $	2025 $
6. Investments		
Fixed income securities with effective interest rates between 2.33% and 5.38%, maturing between April 2026 and June 2030	**5,666,937**	4,803,599
Equities	**1,898,369**	1,665,259
Mutual Funds	**NIL**	13,730
	7,565,306	6,482,588

Equities are comprised of portfolio investments in Canadian and American public companies. The shares have no fixed maturity dates and are generally not exposed to interest rate risk. Dividends are generally declared on a quarterly basis and are recognized as income when received.

	2026 $	2025 $
7. Capital Assets		
Cost		
Computer hardware	**26,345**	26,345
Donor wall	**182,442**	182,442
Furniture and equipment	**28,875**	28,875
	237,662	237,662
Accumulated amortization		
Computer hardware	**25,848**	24,887
Donor wall	**44,057**	25,813
Furniture and equipment	**25,063**	22,139
	94,968	72,839
Net Book Value	**142,694**	164,823

8. Accounts Payable and Accrued Liabilities

There were no amounts payable with respect to government remittances as of the year end date.

9. Due to Cambridge Memorial Hospital

The Foundation is a separate entity and disburses funds at the discretion of its Board of Directors. As substantially all of the Foundation funds benefit the Hospital, the Hospital is a related entity.

The Hospital processes the Foundation's payroll during the year. A total of $1,156,793 ($1,120,748 in 2025) was paid to the Cambridge Memorial Hospital for payroll expenses.

All of the above transactions are recorded at the exchange amount which approximates the fair value of services rendered. A balance payable to the Hospital of $97,816 ($118,354 in 2025) was included in accounts payable at March 31, 2026.

The Hospital also provides the Foundation with its operating premises at no expense to the Foundation.

10. Pension Plans

Substantially all of the employees of the Foundation are members of the Hospitals of Ontario Pension Plan (the "Plan"), which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the Ontario Hospital Association. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the five consecutive years prior to retirement, termination or death, which provide the highest earnings.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by the Plan by placing plan assets in trust and through the Plan investment policy.

Pension expense is based on Plan management's best estimates, in consultation with its actuaries, of the amount required to provide a high level of assurance that benefits will be fully represented by Plan assets at retirement. The funding objective is for employer contributions to the Plan to remain a constant percentage of employees' contributions.

11. Financial Instruments

Fair value

Accounts receivable, accounts payable and accrued liabilities are recorded at amounts that approximate their fair value due to their short-term maturity.

The fair value of investments is disclosed in note 6.

Risks arising from financial instruments

The Foundation is exposed to interest rate, credit, foreign currency and other market risks from its investment portfolio.

Interest rate risk refers to the adverse consequences of interest rate changes. The Foundation has investments in bonds with fixed rates, which are subject to this risk. The value of fixed rate instruments will generally rise if interest rates fall and fall if interest rates rise.

Credit risk is the risk of financial loss if a member or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Foundation's investments in fixed income securities.

Foreign 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 has investments in various U.S. securities and cash, which are subject to foreign currency risk. As such, its exposure to currency risk is limited to those investments denominated in U.S. currencies of $868,154 ($725,171 in 2025). The Foundation does not hedge its foreign currency risk.

Market volatility risk is generally inherent in the Foundation's investment portfolio and refers to the extent that the fair value or future cash flows from financial instruments will fluctuate because of changes in various other market factors affecting equity prices, including general economic conditions.

The Foundation mitigates the above noted risks through the use of investment policies and managers, whose objective is to manage and control market risk exposures within acceptable parameters while optimising the return.