Lakeshore General Hospital Foundation

Financial Statements
March 31, 2026

Raymond Chabot Grant Thornton

Independent Auditor's Report

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To the Directors of
Lakeshore General Hospital Foundation

Qualified opinion

We have audited the financial statements of Lakeshore General Hospital Foundation (hereafter "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 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" section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation 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

During the previous year, the Foundation derived revenues from donations from corporations and the general public and contributions to fund-raising events, the completeness of which was not susceptible to satisfactory audit verification. Accordingly, verification of these contributions 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 donations from corporations and the general public and contributions to fund-raising events, excess of revenues over expenses and cash flows from operating activities for the year ended March 31, 2025, current assets as at March 31, 2025 and fund balances as at April 1, 2024 and March 31, 2025. Our opinion on the financial statements for the year ended March 31, 2025 was qualified accordingly because of the possible effects of this limitation in scope. As a result, our opinion on the financial statements for the year ended March 31, 2026 is qualified because of the possible effects of this matter on the comparability of the current period's figures and the comparative information.

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 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 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 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 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.

Raymond Chabot Grant Thornton LLP[1]

Montréal
September 2, 2026

[1] CPA auditor, public accountancy permit no. A119564

Lakeshore General Hospital Foundation
Operations
Year ended March 31, 2026

	General Fund	Restricted Fund	Endowment Fund	2026 Total	2025 Total
	$	$	$	$	$
Revenues					
Contributions					
Donations from corporations and the general public	**976,298**	**1,285,579**		**2,261,877**	2,106,393
Fund-raising events	**1,972,990**			**1,972,990**	1,822,967
Contributions in kind	**2,198,188**	**13,919**		**2,212,107**	182,722
Municipal governments	**35,000**			**35,000**	50,000
Net investment income (Note 4)	**977,714**			**977,714**	859,305
	6,160,190	**1,299,498**	**–**	**7,459,688**	5,021,387
Expenses					
Direct mail campaign costs	**69,597**			**69,597**	117,750
Fund-raising events	**787,232**			**787,232**	700,861
In kind	**41,007**			**41,007**	45,123
Salaries and benefits	**902,458**			**902,458**	743,988
Purchased services	**127,303**			**127,303**	89,824
Office expenses	**45,546**			**45,546**	40,775
Doubtful accounts					7,117
Credit card processing fees and bank charges	**43,481**			**43,481**	45,144
	2,016,624	**–**	**–**	**2,016,624**	1,790,582
Excess of revenues over expenses before donations to the Lakeshore General Hospital	**4,143,566**	**1,299,498**	**–**	**5,443,064**	3,230,805
Donations to the Lakeshore General Hospital	**(283,791)**	**(580,376)**		**(864,167)**	(2,963,228)
Excess of revenues over expenses	**3,859,775**	**719,122**	**–**	**4,578,897**	267,577

The accompanying notes are an integral part of the financial statements.

Lakeshore General Hospital Foundation
Changes in Fund Balances
Year ended March 31, 2026

				2026	2025
	General Fund	Restricted Fund	Endowment Fund	Total	Total
	$	$	$	$	$
Balance, beginning of year	**8,541,057**	**7,406,511**	**53,796**	**16,001,364**	15,730,787
Endowment contributions received from individuals			**14,200**	**14,200**	3,000
Excess of revenues over expenses	**3,859,775**	**719,122**		**4,578,897**	267,577
Balance, end of year	**12,400,832**	**8,125,633**	**67,996**	**20,594,461**	16,001,364

The accompanying notes are an integral part of the financial statements.

Lakeshore General Hospital Foundation
Cash Flows
Year ended March 31, 2026

	2026	2025
	$	$
OPERATING ACTIVITIES		
Excess of revenues over expenses	**4,578,897**	267,577
Non-cash items		
Donations of investments	**(2,157,181)**	(123,159)
Increase in cash surrender value of a life insurance policy	**(13,919)**	(11,923)
Changes in fair value of investments	**(107,401)**	(73,760)
	2,300,396	58,735
Changes in working capital items		
Contributions receivable and other receivables	**398,256**	(74,407)
Prepaid expenses	**(6,754)**	22,219
Trade payables and other operating liabilities	**(101,810)**	(87,569)
Deferred contributions	**40,360**	(3,716)
Cash flows from operating activities	**2,630,448**	(84,738)
INVESTING ACTIVITIES		
Investments	**(10,445,116)**	(10,687,972)
Proceeds from disposal of investments	**8,267,390**	11,420,963
Cash flows from investing activities	**(2,177,726)**	732,991
FINANCING ACTIVITIES		
Endowment contributions and cash flows from financing activities	**14,200**	3,000
Net increase in cash	**466,922**	651,253
Cash, beginning of year	**881,736**	230,483
Cash, end of year	**1,348,658**	881,736

The accompanying notes are an integral part of the financial statements.

Lakeshore General Hospital Foundation
Financial Position
March 31, 2026

	General Fund	Restricted Fund	Endowment Fund	2026 Total	2025 Total
	$	$	$	$	$
ASSETS					
Current					
Cash	**1,348,658**			**1,348,658**	881,736
Contributions receivable and other receivables (Note 3)	**99,293**			**99,293**	497,549
Prepaid expenses	**35,277**			**35,277**	28,523
Interfund receivable, without interest		**8,057,349**			
	1,483,228	**8,057,349**	**–**	**1,483,228**	1,407,808
Long-term					
Investments (Note 4)	**19,110,695**		**67,996**	**19,178,691**	14,736,382
Tangible capital assets (Note 5)	**93,281**			**93,281**	93,281
Artwork	**120,000**			**120,000**	120,000
Cash surrender value of a life insurance policy, at redeemable value		**72,320**		**72,320**	58,402
	20,807,204	**8,129,669**	**67,996**	**20,947,520**	16,415,873
LIABILITIES					
Current					
Trade payables and other operating liabilities (Note 6)					
Donations payable to the Lakeshore General Hospital	**141,534**			**141,534**	215,948
Other	**89,949**			**89,949**	117,345
Deferred contributions (Note 7)	**117,540**	**4,036**		**121,576**	81,216
Interfund payable, without interest	**8,057,349**				
	8,406,372	**4,036**	**–**	**353,059**	414,509
FUND BALANCES					
Invested in capital assets	**93,281**			**93,281**	93,281
Restricted					
Externally		**8,072,836**	**67,996**	**8,140,832**	7,407,510
Internally		**52,797**		**52,797**	52,797
Unrestricted	**12,307,551**			**12,307,551**	8,447,776
	12,400,832	**8,125,633**	**67,996**	**20,594,461**	16,001,364
	20,807,204	**8,129,669**	**67,996**	**20,947,520**	16,415,873

The accompanying notes are an integral part of the financial statements.

On behalf of the Board,

Director

Director

Lakeshore General Hospital Foundation
Notes to Financial Statements
March 31, 2026

1 - GOVERNING STATUTES AND PURPOSE OF THE FOUNDATION

The Foundation was incorporated under the *Canada Not-for-profit Corporations Act* for the principal purpose of raising funds for the equipment needs of the Lakeshore General Hospital (hereafter "the Hospital"). It is a registered not-for-profit Foundation under the *Income Tax Act.*

2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Foundation's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit Foundations.

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's knowledge of current events and actions that the Foundation may undertake in the future. Actual results may differ from these estimates.

Fund accounting

Assets, liabilities, revenues and expenses relating to fund-raising events and administrative activities are reported in the General Fund.

Assets, liabilities, revenues and expenses relating to resources restricted by donors or the Board of Directors to specific medical programs or services, or for the purchase of specific medical equipment are reported in the Restricted Fund.

The Endowment Fund presents resources received as endowments.

Financial assets and liabilities

Initial measurement

Upon initial measurement, the Foundation’s financial assets and liabilities from transactions not concluded with related parties and those from transactions with parties whose sole relationship with the entity is in the capacity of management (and members of the immediate family) are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. The Foundation’s financial assets and liabilities from related party transactions are measured at cost.

Transaction costs relating to financial assets and liabilities that will be measured subsequently at fair value and those relating to financial assets and liabilities from related party transactions are recognized in operations in the year they are incurred.

Lakeshore General Hospital Foundation
Notes to Financial Statements
March 31, 2026

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent measurement

At each reporting date, the Foundation measures its financial assets and liabilities from transactions not concluded with related parties at amortized cost (including any impairment in the case of financial assets), except for investments in mutual funds which are measured at fair value, whereas those from related party transactions are measured using the cost method (including any impairment in the case of financial assets).

Transaction costs relating to financial assets and liabilities that are measured at amortized cost and any difference resulting from their initial measurement at fair value are amortized on a straight-line basis over the term of the related financial instrument.

With respect to financial assets measured at amortized cost or using the cost method, the Foundation assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Foundation determines that, during the year, there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost or using the cost method is recognized in operations in the year the reversal occurs.

Revenue recognition

Contributions

The Foundation has adopted the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue in the General Fund using the deferral method, in the year in which the related expenses are incurred. Restricted contributions for which the Foundation does not have a related restricted fund are recognized in the General Fund using the deferral method.

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

Contributions received as endowments are recognized as revenue in the Endowment Fund.

The Foundation recognizes contributed supplies and services when the fair value of these contributions can be reasonably estimated and if it would have had to otherwise acquire these supplies and services for its normal operations.

Net investment income

Investment transactions are recorded on the transaction date and resulting revenues are recognized using the accrual method of accounting.

Net investment income includes interest income, income from the interest in net income of mutual funds and changes in fair value.

Lakeshore General Hospital Foundation
Notes to Financial Statements
March 31, 2026

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest income is recognized on a time apportionment basis and dividend income is recognized when it is acquired by the Foundation. Income from the interest in net income of mutual funds is recognized upon distribution. Changes in fair value are recognized when they occur.

With respect to investments measured at fair value, the Foundation has elected to exclude from changes in fair value the interest in net income of mutual funds.

Tangible capital assets and artwork

Tangible capital assets and artwork acquired are recorded at cost. When the Foundation receives contributions of tangible capital assets or artwork, their cost is equal to their fair value at the contribution date plus all costs directly attributable to the acquisition of the tangible capital assets or artwork, or to a nominal value if fair value cannot be reasonably determined.

Amortization

The land and artwork are not amortized.

Write-down

When conditions indicate that a tangible capital asset or artwork is impaired, the net carrying amount of the tangible capital asset or artwork is written down to the tangible capital asset or artwork's fair value or replacement cost. The write-down is accounted for in the statement of operations and cannot be reversed.

3 - CONTRIBUTIONS RECEIVABLE AND OTHER RECEIVABLES

	2026	2025
	$	$
General Fund		
Contributions receivable	**35,455**	25,000
Sales taxes receivable	**63,292**	28,992
Interest receivable	**546**	443,557
	99,293	497,549

4 - INVESTMENTS

	2026	2025
	$	$
General Fund		
Term deposits (4.7% at March 31, 2025)		4,000,000
High interest savings accounts	**2,477,010**	1,344,143
Mutual funds		
Money market funds	**16,770**	33,806
Bond mutual funds	**7,970,852**	4,534,773
Equity mutual funds	**8,646,063**	4,769,864
	19,110,695	14,682,586

Lakeshore General Hospital Foundation
Notes to Financial Statements
March 31, 2026

4 - INVESTMENTS (Continued)

	2026	2025
	$	$
Endowment Fund		
Money market funds	**67,996**	53,796
	19,178,691	14,736,382

During the year, the Foundation received donations of investments having a fair value of $2,157,181 ($123,159 in 2025).

Net investment income consists of the following:

	2026	2025
General Fund	$	$
Interest income	**210,936**	778,479
Net income from mutual funds	**659,377**	7,066
Changes in fair value of investments	**107,401**	73,760
	977,714	859,305

5 - TANGIBLE CAPITAL ASSETS

	2026			2025
	Cost	Accumulated amortization	Net carrying amount	Net carrying amount
	$	$	$	$
General Fund				
Land	**93,281**	**–**	**93,281**	93,281

During the year ended March 31, 2026, the Foundation received 38 pieces of artwork valued at $249,425. The Foundation is not allowed to sell this art but can display it in the hospital.

6 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

General Fund

Government remittances total $8,713 as at March 31, 2026 ($15,616 as at March 31, 2025).

7 - DEFERRED CONTRIBUTIONS

	2026	2025
General Fund	$	$
Balance, beginning of year	**77,180**	80,896
Amount recognized in operations	**(77,180)**	(80,896)
Amount received relating to the following year	**117,540**	77,180
Balance, end of year	**117,540**	77,180

Deferred contributions represent unused resources which, as a result of external restrictions, are intended to cover operating expenses for the coming year.

Lakeshore General Hospital Foundation
Notes to Financial Statements
March 31, 2026

8 - RELATED PARTY TRANSACTIONS

The Hospital has an economic interest in the Foundation as the Foundation's mission is to raise funds for the Hospital's equipment needs.

Transactions with the Hospital are measured at the exchange amount, excluding the resulting financial instruments.

9 - FINANCIAL RISKS

Credit risk

The Foundation is exposed to credit risk regarding the financial assets recognized in the statement of financial position, other than investments in mutual funds. The Foundation has determined that the financial assets with more credit risk exposure are contributions receivable since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Foundation.

Certain mutual funds expose the Foundation to credit risk indirectly.

Market risk

The Foundation's financial instruments expose it to market risk, in particular, to interest rate risk and other price risk, resulting from its investing activities.

Interest rate risk

The Foundation is exposed to interest rate risk with respect to financial assets bearing fixed interest rates.

The high interest savings accounts bear interest at a fixed rate and the Foundation is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

Money market funds and bond funds indirectly expose the Foundation to interest rate risk.

Other price risk

The Foundation is exposed to other price risk due to investments in mutual funds since changes in market prices could result in changes in fair value or cash flows of these instruments.

Liquidity risk

The Foundation's liquidity risk represents the risk that the Foundation could encounter difficulty in meeting obligations associated with its financial liabilities. The Foundation is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the statement of financial position.

10 - COMMITMENTS

The directors of the Foundation have approved donations to the Hospital totalling $2,571,985 for the purchase of equipment or the financing of projects.