

Financial Statements of

**QUEENSWAY CARLETON
HOSPITAL FOUNDATION**

Year ended March 31, 2026

QUEENSWAY CARLETON HOSPITAL FOUNDATION

Financial Statements

Year ended March 31, 2026

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Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Queensway Carleton Hospital Foundation

We have audited the financial statements of the Queensway Carleton Hospital Foundation (the Entity), which comprise:

- the statement of financial position as at March 31, 2026
- the statement of operations for the year then ended
- the statement of 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 Entity 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 Entity 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 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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.



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- 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 Entity'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 Entity'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 Entity 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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

June 19, 2026

QUEENSWAY CARLETON HOSPITAL FOUNDATION

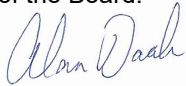
Statement of Financial Position

March 31, 2026, with comparative information for 2025

	General Fund	Endowment Fund	Restricted Fund (note 7)	2026 Total	2025 Total
Assets					
Current assets:					
Cash	\$ 5,518,678	\$ –	\$ 7,959,425	\$ 13,478,103	\$ 6,542,952
Due from (to) funds	(39,693)	–	39,693	–	–
Short-term investments (note 4)	138,264	–	–	138,264	140,959
Accounts receivable	–	–	903	903	415
Prepaid expenses	78,483	–	1,132	79,615	80,164
Inventory	–	–	71,026	71,026	71,793
	5,695,732	–	8,072,179	13,767,911	6,836,283
Long-term investments (note 4)	–	4,899,858	4,946	4,904,804	4,512,045
Capital assets (note 5)	724	–	4,075,175	4,075,899	4,566,519
	\$ 5,696,456	\$ 4,899,858	\$ 12,152,300	\$ 22,748,614	\$ 15,914,847
Liabilities and Fund Balances					
Current liabilities:					
Due to the Hospital (note 10)	\$ 2,972,994	\$ –	\$ 5,201,643	\$ 8,174,637	\$ 1,161,265
Accounts payable and accrued liabilities	215,807	–	98,013	313,820	204,867
Deferred contributions (note 6)	135,920	–	20,209	156,129	159,338
	3,324,721	–	5,319,865	8,644,586	1,525,470
Fund balances (note 3):					
Unrestricted	2,371,011	–	–	2,371,011	3,084,873
Endowment	–	4,899,858	–	4,899,858	4,384,746
Restricted (note 7)	–	–	2,757,260	2,757,260	2,353,239
Invested in capital assets	724	–	4,075,175	4,075,899	4,566,519
	2,371,735	4,899,858	6,832,435	14,104,028	14,389,377
	\$ 5,696,456	\$ 4,899,858	\$ 12,152,300	\$ 22,748,614	\$ 15,914,847

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

QUEENSWAY CARLETON HOSPITAL FOUNDATION

Statement of Operations

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

	General Fund		Endowment Fund		Restricted Fund		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	(note 7)							
Revenue:								
Donations (note 11)	\$ 3,458,538	\$ 3,734,332	\$ 10,000	\$ 788,396	\$ 2,025,474	\$ 1,838,877	\$ 5,494,012	\$ 6,361,605
Investment income	162,578	337,596	512,246	161,160	147,350	294,986	822,174	793,742
Parking operations	—	—	—	—	5,540,210	5,121,680	5,540,210	5,121,680
Gift shop	—	—	—	—	503,010	451,489	503,010	451,489
	3,621,116	4,071,928	522,246	949,556	8,216,044	7,707,032	12,359,406	12,728,516
Expenses:								
Salaries and benefits (note 10)	1,593,384	1,479,784	—	—	—	—	1,593,384	1,479,784
Fundraising and administrative (note 11)	674,732	793,214	—	—	70,771	323	745,503	793,537
Investment fees	20,715	15,228	7,134	—	2,354	6,872	30,203	22,100
Parking operations (note 10)	—	—	—	—	2,115,800	2,050,869	2,115,800	2,050,869
Gift shop	—	—	—	—	423,462	374,462	423,462	374,462
Amortization of capital assets	1,620	1,620	—	—	489,000	489,000	490,620	490,620
	2,290,451	2,289,846	7,134	—	3,101,387	2,921,526	5,398,972	5,211,372
Excess of revenue over expenses before grants	1,330,665	1,782,082	515,112	949,556	5,114,657	4,785,506	6,960,434	7,517,144
Grants (note 10)	(2,317,629)	(2,205,050)	—	—	(4,928,154)	(5,614,770)	(7,245,783)	(7,819,820)
Excess (deficiency) of revenue over expenses	\$ (986,964)	\$ (422,968)	\$ 515,112	\$ 949,556	\$ 186,503	\$ (829,264)	\$ (285,349)	\$ (302,676)

See accompanying notes to financial statements.

QUEENSWAY CARLETON HOSPITAL FOUNDATION

Statement of Changes in Fund Balances

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

	General Fund		Endowment Fund	Restricted Fund		Total 2026	Total 2025
	Unrestricted (note 3)	Invested in capital assets (note 8)		Restricted	Invested in capital assets (note 8)		
Balance, beginning of year	\$ 3,084,873	\$ 2,344	\$ 4,384,746	\$ 2,353,239	\$ 4,564,175	\$ 14,389,377	\$ 14,692,053
Excess (deficiency) of revenue over expenses	(986,964)	–	515,112	186,503	–	(285,349)	(302,676)
Net change in fund balance invested in capital assets (note 8)	1,620	(1,620)	–	489,000	(489,000)	–	–
Interfund transfers (note 9)	271,482	–	–	(271,482)	–	–	–
Balance, end of year	\$ 2,371,011	\$ 724	\$ 4,899,858	\$ 2,757,260	\$ 4,075,175	\$ 14,104,028	\$ 14,389,377

See accompanying notes to financial statements.

QUEENSWAY CARLETON HOSPITAL FOUNDATION

Statement of Cash Flows

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

	2026	2025
Cash provided by (used in):		
Operating activities:		
Deficiency of revenue over expenses	\$ (285,349)	\$ (302,676)
Items not involving cash:		
Net change in unrealized gains and losses on investments	(506,317)	(154,050)
Amortization of capital assets	490,620	490,620
Net change in non-cash operating working capital:		
Accounts receivable	(488)	21,377
Prepaid expenses	549	(15,024)
Inventory	767	6,459
Due to the Hospital	7,013,372	358,288
Accounts payable and accrued liabilities	108,953	25,230
Deferred contributions (note 6)	(3,209)	18,169
	6,818,898	448,393
Investing activities:		
Purchase of investments	(32,053)	(928,156)
Sales and maturities of investments	148,306	108,754
	116,253	(819,402)
Increase (decrease) in cash	6,935,151	(371,009)
Cash, beginning of year	6,542,952	6,913,961
Cash, end of year	\$ 13,478,103	\$ 6,542,952

See accompanying notes to financial statements.

QUEENSWAY CARLETON HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended March 31, 2026

1. Nature of entity:

The Queensway Carleton Hospital Foundation (the "Foundation") is a not-for-profit organization incorporated without share capital under the Ontario Business Corporations Act with the objective to raise, receive, maintain, and manage funds to be distributed towards various programs and capital projects of the Queensway Carleton Hospital (the "Hospital").

The Foundation is a registered charity under the Income Tax Act (Canada) and, as such, is exempt from income taxes and may issue charitable donation receipts.

2. Significant accounting policies:

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

(a) Fund accounting:

The accounts of the Foundation are maintained in accordance with the principles of fund accounting, applying the restricted fund method. Resources received and expended are classified for accounting and reporting purposes into funds according to objectives specified externally by donors or internally by the Board of Directors.

(i) General Fund:

The General Fund accounts for the Foundation's general fundraising, granting, administrative activities, and restricted contributions for purposes other than those restricted by the Endowment Fund, as well as the Funds for Designated Purposes, the Advancing Care for All Ages Campaign, and the Parking and Gift Shop Operations Fund (collectively the Restricted Fund).

(ii) Endowment Fund:

The Endowment Fund includes those resources for which the donor has stipulated that the funds be maintained permanently and funds designated internally for endowment purposes, which are not available for other purposes without the approval of the Board of Directors.

The Endowment Fund includes:

- The John Sutherland Endowment Fund established for the purpose of accumulating capital, the income from which will be used to purchase new or replace aging equipment of the Hospital.
- The Bradley Endowment Fund established to assist the staff of the Hospital in training and development, the income from which may be used for this purpose.

QUEENSWAY CARLETON HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

2. Significant accounting policies (continued):

(a) Fund accounting (continued):

(ii) Endowment Fund (continued):

- The Nurses Endowment Fund established to assist with nursing education, the income from which may be used for this purpose.
- The Dr. Ladislav Doubek Fund established to assist with surgical education and capital equipment for the operating rooms, the income from which may be used for this purpose.
- The Hon. Dick and Dr. Ruth Bell Endowment Fund established to generate income of which 25% of earnings is to provide an annual scholarship to support Hospital female staff pursuing leadership education opportunities and the remaining earnings to be used to enhance patient care in areas identified as clinical priorities by the Hospital.
- The Tom Schonberg Endowment Fund established for the purpose of accumulating capital, the income from which will be used to support education and training opportunities for all staff within the Queensway Carleton Hospital, with a preferred focus on leadership development; and/or support capital replacement needs.
- The Camille Reid Palliative Care Endowment Fund established for the purpose of accumulating capital, the income will be used to support the bursaries related to palliative care education.
- The Linda and Ray Kranzusch Endowment Fund established for the purpose of accumulating capital, the income will be used to support the education and training of Hospital staff along with supporting priority equipment needs for the Hospital's nursing, cardiopulmonary, emergency, diagnostic imaging, orthopedic operating room, orthopedic clinic and the total joint assessment clinic.

(iii) Restricted Fund:

The Restricted Fund includes both internally and externally restricted funds. The Restricted Fund includes:

- Funds for Designated Purposes:

The Funds for Designated Purposes represent resources that will be distributed for several specific purposes. These resources include donor designated donations for various Hospital departments and equipment purchases and undistributed endowment investment income.

- Advancing Care for All Ages Campaign:

The Advancing Care for All Ages Campaign fund includes resources that have been raised under the Foundation's current campaign. The net proceeds of this campaign

QUEENSWAY CARLETON HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

2. Significant accounting policies (continued):

(a) Fund accounting (continued):

(iii) Restricted Fund (continued):

- Advancing Care for All Ages Campaign (continued):

are to be used for the following investments at Queensway Carleton Hospital to meet growing needs for healthcare in the community:

- Redevelopment of the Hospital's Mental Health inpatient and outpatient units. The capital project was completed at a total cost of \$16,602,000, inclusive of architectural, related professional fees, and equipment. The MOH approved a maximum capital grant for the project of \$9,059,000. The balance of the project will be funded by the Queensway Carleton Hospital Foundation and the Queensway Carleton Hospital.
- New and ongoing replacement state-of-the art equipment and redevelopment projects that support and optimize QCH Centres of Excellence in patient care; such as: Diagnostic Imaging, Surgery, Medicine and the Birthing Centre. Resulting in lower wait times for much needed diagnoses, and better patient experience and outcomes.
- Collaborative and hospital wide education and training that fosters best practices in patient and family centered care.
- Efficiencies and improved outcomes through investment in technology and modernization.

- The Parking and Gift Shop Operations Fund:

The Parking and Gift Shop Operations Fund includes resources that have been earned from the net proceeds of the Parking and Gift Shop Operations.

(b) Revenue recognition:

Donations are recorded as revenue when received.

Revenue from special events is recognized when the event occurs.

Unrestricted contributions are recognized as revenue of the General Fund. Designated donations are recorded as revenue of the Endowment Fund and Restricted Fund as appropriate. If there is no appropriate restricted fund, restricted contributions are accumulated as deferred contributions of the General Fund and subsequently recognized as revenue of the General Fund upon transfer to the Hospital.

Investment income includes dividend and interest income, realized and unrealized gains and losses on investments.

QUEENSWAY CARLETON HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

2. Significant accounting policies (continued):

(b) Revenue recognition (continued):

Investment income for the General Fund and Restricted Fund is recognized as revenue in the Statement of Operations when earned, for both realized and unrealized income, in each of the respective funds in which the investment is held. Unrestricted investment income and realized gains and losses earned on the Endowment Fund are recognized in the General Fund and then allocated to the Funds for Designated Purposes within the Restricted Fund via an interfund transfer. Restricted investment income earned on externally restricted endowments is recognized in the Funds for Designated Purposes within the Restricted Fund.

Realized gains and losses on externally restricted endowments are recognized in the Statement of Operations of the Endowment Fund.

Donations of materials are recorded as revenue at fair value when received.

(c) Fundraising and general support costs:

Fundraising, administrative and general support costs, including salaries and benefits, are presented under the General Fund on the Statement of Operations. Fundraising, salary and benefits expenses directly related to the Advancing Care for All Ages Campaign are funded through an interfund transfer from the Advancing Care for All Ages Campaign fund in the Restricted Fund to the General Fund (note 9). Salary and benefits expenses funded by the Advancing Care for All Ages Campaign are based on an estimate of staff time for those staff members who are dedicated to the fundraising efforts of the Advancing Care for All Ages Campaign.

(d) Donated services:

Volunteers donate significant time each year to assist the Foundation in carrying out its services. These donated services are not recognized in the financial statements because of the difficulty associated with measurement.

QUEENSWAY CARLETON HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

2. Significant accounting policies (continued):

(e) Investments:

All investments (except the life annuity contract) are recorded at fair value. Purchases of investments are recorded on the settlement date.

(i) Short-term investments:

The life annuity contract is recorded at amortized cost. In 2005, the Foundation received a donation of \$170,726 which was used to purchase the life annuity. As part of this donation arrangement, the Foundation was assigned all beneficiary rights of a life insurance policy. In the event of the passing of the insured, the Foundation is entitled to receive a payment of \$1,500,000. The annual income from the annuity coincides with and is used to pay the annual insurance premium of the life insurance policy. Both the annual income on the annuity and the life insurance premium have been recorded in the General Fund Statement of Operations of the Foundation. An asset and a deferred revenue have been recorded, which approximates the fair value of the annuity.

(ii) Long-term investments:

The long-term investments held by the Foundation consist of investments held for the Endowment Fund and the Funds for Designated Purposes in the Restricted Fund. These investments are recorded at fair value.

(f) Inventory:

Inventory is valued at the lower of cost or net realizable value. Cost is determined on a first in, first out basis.

(g) Capital assets:

Capital assets are recorded at cost. Minor equipment replacements are expensed in the year of replacement. Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. When a capital asset no longer contributes to the Foundation's ability to provide services, its carrying amount is written down to its residual value. Amortization expense is recorded in the General Fund and the Parking and Gift Shop Operations Fund and is provided on the straight-line basis over the following useful lives:

Asset	Useful life
Computer hardware and software	5 years
Office furniture	5 years
Gift shop improvements	5 years
Parking facility license	25 years

QUEENSWAY CARLETON HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

2. Significant accounting policies (continued):

(h) Other financial instruments:

Amounts receivable and due from the Hospital are carried at amortized cost, which approximates fair value.

Due to the Hospital and accounts payable and accrued liabilities are carried at amortized cost, which approximates fair value.

(i) 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 and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Such estimates include judgments as to the recoverability of amounts receivable, the fair value of investments, the useful lives of capital assets and the amount of certain accrued liabilities. Actual results could differ from these estimates. These estimates are reviewed annually and, as adjustments become necessary, they are recorded in the financial statements in the period they become known.

3. Fund balances:

The Foundation defines its capital as the fund balances of the General Fund, the Endowment Fund, and the Restricted Fund (Funds for Designated Purposes, the Advancing Care for All Ages Campaign, and the Parking and Gift Shop Operations Fund). The Foundation maintains a policy that a balance of approximately nine months of operating expenses is held within the General Fund. The restricted funds are maintained to segregate contributions raised and expended according to restrictions made externally by donors or internally by the Board of Directors as described in note 2. Resources expended from these funds are primarily in the form of grants to the Hospital which must be approved by the Foundation's Board of Directors ensuring restrictions are met through the Hospital's accountability on the use of the grants on specific capital projects and programs. The Foundation has complied with the requirements respecting restricted contributions throughout the year.

The Foundation monitors its cost of raising capital consistent with fundraising industry standards on the basis of cost per dollar raised. The Foundation's strategy is to maintain a cost per dollar raised within acceptable industry standards to safeguard the Foundation's ability to continue as an effective fundraising and fund managing charitable organization and to meet its objective as described in note 1.

QUEENSWAY CARLETON HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

4. Investments:

Investments held as at March 31, 2026 consist of the following:

March 31, 2026	General Fund		Endowment Fund		Restricted Fund		Total	
	Fair value	Cost	Fair value	Cost	Fair value	Cost	Fair value	Cost
Fixed income mutual fund and cash	\$ –	\$ –	\$ 1,576,032	\$ 1,448,142	\$ 4,946	\$ 4,946	\$ 1,580,978	\$ 1,453,088
Cash surrender value of policies	2,344	2,344	–	–	–	–	2,344	2,344
Life annuity contract (note 6)	135,920	135,920	–	–	–	–	135,920	135,920
Equity mutual funds:								
Canadian	–	–	1,787,621	1,181,865	–	–	1,787,621	1,181,865
Foreign	–	–	1,536,205	972,305	–	–	1,536,205	972,305
	–	–	3,323,826	2,154,170	–	–	3,323,826	2,154,170
Total investments	138,264	138,264	4,899,858	3,602,312	4,946	4,946	5,043,068	3,745,522
Short-term investments	(138,264)	(138,264)	–	–	–	–	(138,264)	(138,264)
Long-term investments	\$ –	\$ –	\$ 4,899,858	\$ 3,602,312	\$ 4,946	\$ 4,946	\$ 4,904,804	\$ 3,607,258

Investments held as at March 31, 2025 consist of the following:

March 31, 2025	General Fund		Endowment Fund		Restricted Fund		Total	
	Fair value	Cost	Fair value	Cost	Fair value	Cost	Fair value	Cost
Fixed income mutual fund and cash	\$ –	\$ –	\$ 1,558,178	\$ 1,437,225	\$ 127,299	\$ 127,299	\$ 1,685,477	\$ 1,564,524
Cash surrender value of policies	2,344	2,344	–	–	–	–	2,344	2,344
Life annuity contract (note 6)	138,615	138,615	–	–	–	–	138,615	138,615
Equity mutual funds:								
Canadian	–	–	1,418,026	1,184,298	–	–	1,418,026	1,184,298
Foreign	–	–	1,408,542	971,994	–	–	1,408,542	971,994
	–	–	2,826,568	2,156,292	–	–	2,826,568	2,156,292
Total investments	140,959	140,959	4,384,746	3,593,517	127,299	127,299	4,653,004	3,861,775
Short-term investments	(140,959)	(140,959)	–	–	–	–	(140,959)	(140,959)
Long-term investments	\$ –	\$ –	\$ 4,384,746	\$ 3,593,517	\$ 127,299	\$ 127,299	\$ 4,512,045	\$ 3,720,816

QUEENSWAY CARLETON HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

5. Capital assets:

			2026	2025
	Cost	Accumulated amortization	Net book value	Net book value
Computer hardware and software	\$ 101,638	\$ 101,638	\$ —	\$ —
Office furniture	58,328	58,328	—	—
Lottery kiosk	8,149	7,425	724	2,344
Gift shop improvements	73,860	73,860	—	—
Parking facility license (note 10)	12,225,175	8,150,000	4,075,175	4,564,175
	<u>\$ 12,467,150</u>	<u>\$ 8,391,251</u>	<u>\$ 4,075,899</u>	<u>\$ 4,566,519</u>

Cost and accumulated amortization as at March 31, 2025 amounted to \$12,467,150 and \$7,900,631, respectively.

6. Deferred contributions:

The deferred contributions represent the unamortized balance of the donations received for the life annuity contract. The changes in the year are as follows:

	2026	2025
Donations received for annuity contract		
Balance, beginning of year	\$ 138,615	\$ 141,169
Amount recognized during the year	(2,695)	(2,554)
	<u>135,920</u>	<u>138,615</u>
Donations received in advance	20,209	20,723
Balance, end of year	<u>\$ 156,129</u>	<u>\$ 159,338</u>

QUEENSWAY CARLETON HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

7. Restricted fund:

Details on the assets, liabilities, fund balances, revenues and expenses of the individual funds that make up the restricted fund are shown as follows:

	Funds for Designated Purposes	Advancing Care for All Ages Campaign	Parking and Gift Shop Operations Fund	2026 Total	2025 Total
Assets					
Current assets:					
Cash	\$ 2,534,666	\$ 631,007	\$ 4,793,752	\$ 7,959,425	\$ 2,697,276
Due from (to) funds	(23,914)	63,607	—	39,693	(96,009)
Accounts receivable	—	—	903	903	415
Prepaid expenses	—	—	1,132	1,132	598
Inventory	—	—	71,026	71,026	71,793
	2,510,752	694,614	4,866,813	8,072,179	2,674,073
Long-term investments (note 4)	4,946	—	—	4,946	127,299
Capital assets (note 5)	—	—	4,075,175	4,075,175	4,564,175
	\$ 2,515,698	\$ 694,614	\$ 8,941,988	\$ 12,152,300	\$ 7,365,547
Liabilities					
Current liabilities:					
Due to the Hospital	\$ 983,346	\$ 199,840	\$ 4,018,457	\$ 5,201,643	\$ 399,937
Accounts payable and accrued liabilities	77,979	—	20,034	98,013	27,473
Deferred contributions (note 6)	20,209	—	—	20,209	20,723
	1,081,534	199,840	4,038,491	5,319,865	448,133
Fund balances (note 3)	1,434,164	494,774	4,903,497	6,832,435	6,917,414
	\$ 2,515,698	\$ 694,614	\$ 8,941,988	\$ 12,152,300	\$ 7,365,547

QUEENSWAY CARLETON HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

7. Restricted fund (continued):

	Funds for Designated Purposes	Advancing Care for All Ages Campaign	Parking and Gift Shop Operations Fund	2026 Total	2025 Total
Revenue:					
Donations	\$ 1,860,051	\$ 165,423	\$ –	\$ 2,025,474	\$ 1,838,877
Investment income	35,382	24,247	87,721	147,350	294,986
Parking operations	–	–	5,540,210	5,540,210	5,121,680
Gift shop	–	–	503,010	503,010	451,489
	1,895,433	189,670	6,130,941	8,216,044	7,707,032
Expenses:					
Fundraising and administrative	70,771	–	–	70,771	323
Investment fees	2,354	–	–	2,354	6,872
Parking operations (note 10)	–	–	2,115,800	2,115,800	2,050,869
Gift shop	–	–	423,462	423,462	374,462
Amortization of capital assets	–	–	489,000	489,000	489,000
	73,125	–	3,028,262	3,101,387	2,921,526
Excess of revenue over expenses before grants	1,822,308	189,670	3,102,679	5,114,657	4,785,506
Grants (note 10)	(1,068,314)	(199,840)	(3,660,000)	(4,928,154)	(5,614,770)
Excess (deficiency) of revenue over expenses	753,994	(10,170)	(557,321)	186,503	(829,264)
Fund balances, beginning of year	895,284	561,312	5,460,818	6,917,414	8,152,743
Interfund transfers (note 9)	(215,114)	(56,368)	–	(271,482)	(406,065)
Fund balances, end of year	\$ 1,434,164	\$ 494,774	\$ 4,903,497	\$ 6,832,435	\$ 6,917,414

QUEENSWAY CARLETON HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

7. Restricted fund (continued):

(a) Funds for Designated Purposes:

The fund balance as at March 31 consists of the following:

	2026	2025
Designated donations to be granted to the Hospital	\$ 1,405,756	\$ 734,720
Undistributed endowment net investment income	28,408	160,564
	<u>\$ 1,434,164</u>	<u>\$ 895,284</u>

(b) Parking and Gift Shop Operations Fund:

Changes in the fund balance for the year-ended March 31, 2026 consist of the following:

	Operations	Invested in capital assets	Internally restricted	Total
Fund balances, beginning of year	\$ 366,936	\$ 4,564,175	\$ 529,707	\$ 5,460,818
Deficiency of revenue over expenses	(557,321)	-	-	(557,321)
Net change in fund balance invested in capital assets (note 8)	489,000	(489,000)	-	-
Internally restricted	(98,562)	-	98,562	-
Fund balances, end of year	<u>\$ 200,053</u>	<u>\$ 4,075,175</u>	<u>\$ 628,269</u>	<u>\$ 4,903,497</u>

Internally restricted funds represent amounts restricted by the Foundation from net gift shop revenue, restricted for the purpose of supporting the mandate of the Hospital's volunteer services.

QUEENSWAY CARLETON HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

8. Net change in fund balances invested in capital assets:

Changes in fund balances invested in capital assets during the year are as follows:

	2026		2025	
	General Fund	Parking and gift shop operations	General Fund	Parking and gift shop operations
Amortization of capital assets	\$ (1,620)	\$ (489,000)	\$ (1,620)	\$ (489,000)
Net change in fund balances invested in capital assets	\$ (1,620)	\$ (489,000)	\$ (1,620)	\$ (489,000)

9. Interfund transfers:

During the period, a net amount of \$271,482 (2025 - \$406,065) was transferred between the Restricted Fund and the General Fund, comprised as follows (note 7):

- An amount of \$215,114 (2025 - \$27,023) was transferred between the General Fund and the Fund for Designated Purposes, comprised as follows:
 - An amount of \$5,588 was transferred from the Fund for Designated Purposes to the General Fund (2025 - \$97,628 was transferred from the General Fund to the Fund for Designated Purposes) which represents the realized net investment income from the unrestricted endowment.
 - An amount of \$209,526 (2025 - \$70,605) was transferred from the Fund for Designated Purposes to the General Fund which represents direct salaries, benefits and fundraising costs incurred during the period for a designated gift.
- An amount of \$56,368 (2025 - \$433,088) was transferred from the Advancing Care for All Ages Campaign to the General Fund which represents the direct salaries and benefits and fundraising costs incurred during the period for the Advancing Care for All Ages Campaign (note 2).

QUEENSWAY CARLETON HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

10. Related party transactions:

Queensway Carleton Hospital:

A net amount of \$8,174,637 (2025 - \$1,161,265) was due to the Hospital as at March 31, 2026; this amount is comprised of reimbursement of expenses incurred on the Foundation's behalf and balances due for the grants made to the Hospital.

During the year ended March 31, 2026, a total of \$7,245,783 (2025 - \$7,819,820) was granted to the Hospital consisting of contributions for capital purposes of \$7,144,966 (2025 - \$7,691,848) and other contributions of \$100,817 (2025 - \$127,972).

Included in Fundraising and administrative expenses in the Statement of Operations is \$96,000 (2025 - \$95,000) for time spent by Hospital staff working for the Foundation.

In 2009, the Hospital entered into a twenty-year License Agreement with the Foundation whereby the Foundation has the exclusive right to operate the parking facilities in exchange for a one-time upfront license fee in the amount of \$11,927,000 plus applicable taxes, equal to the fair value of the parking facilities at the time of the agreement. The Foundation has no other license fee payments to make to the Hospital as a result of the license agreement.

In connection with the License Agreement in 2009, the Foundation and the Hospital signed two separate agreements, whereby the Foundation purchases services from the Hospital for maintenance, repairs, security and management of the parking facilities. For the year ended March 31, 2026, the Foundation paid the Hospital \$1,614,566 (2025 - \$1,592,015) for maintenance, repairs, and security and \$276,432 (2025 - \$256,077) for management of the parking facilities.

11. Lottery

During the year, the Foundation became a license holder with the Alcohol and Gaming Commission of Ontario for a raffle license and holds monthly 50/50 lottery events.

Financial results of the lotteries conducted during the year are included in the Statement of Operations and Changes in Fund Balances are as follows:

QUEENSWAY CARLETON HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

11. Lottery (continued)

	2026	2025
Revenue		
Lottery proceeds	\$ 307,255	\$ —
Prize awards	(166,128)	—
	141,127	—
Direct lottery expenses	(70,771)	—
Net lottery proceeds	\$ 70,356	\$ —

12. Financial risks:

The Foundation has financial risks related to its financial instruments which consist of cash, investments, receivables, due from related entities, accounts payable and accrued liabilities and amounts due to entities. It is management's opinion that the Foundation generally is not exposed to significant credit, market or liquidity risks arising from these instruments.

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Foundation is exposed to this risk relating to its cash, investments and accounts receivable. The Foundation holds its cash and investment accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

The Foundation believes that its receivables do not have significant credit risk in excess of allowances for doubtful accounts that have been established. An allowance for doubtful accounts has not been recognized as at the year ended March 31, 2026.

QUEENSWAY CARLETON HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

12. Financial risks (continued):

(b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and other price risk.

(i) Interest rate risk:

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments due to changes in market interest rates.

The Foundation is not exposed to significant interest rate risks arising from its financial instruments. The Foundation has established strict guidelines that are monitored regularly and does not hold or issue derivative financial instruments for trading or speculative purposes.

(ii) Currency risk:

Currency risk arises from the Endowment's investment portfolio holdings of non-Canadian equities. The foreign content of investments total \$1,536,205 (2025 - \$1,408,542) and is comprised of \$789,016 (2025 - \$718,684) in United States-based equity mutual funds and \$747,189 (2025 - \$689,858) in other international-based equity mutual funds. As described in note 4, the Endowment's investment portfolio no longer holds individual non-Canadian equity securities but rather non-Canadian equity mutual funds to mitigate foreign currency risk.

(iii) Other price risk:

The Foundation is not exposed to significant other price risk.

(c) Liquidity risk:

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

It is management's opinion that the Foundation is not exposed to significant market, credit, or liquidity risks arising from these instruments. The Foundation's financial risks are not materially different from the prior year. There have been no significant changes in the policies, procedures, and methods used to manage these risks in the year.