Wingham and District Hospital Foundation
Financial Statements
March 31, 2026

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RF BURT
CHARTERED PROFESSIONAL ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Wingham and District Hospital Foundation

Qualified Opinion
We have audited the accompanying financial statements of Wingham and District Hospital Foundation ("the Foundation"), which comprise the statement of financial position as at March 31, 2026, the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Wingham and District Hospital Foundation as at March 31, 2026, and its results of operations and cash flows for the year then ended as well as the summary of significant accounting policies and other explanatory information in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified 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 organization 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.

In common with many not-for-profit organizations, Wingham and District Hospital Foundation derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to the revenues, cash flows from operations for the years ended March 31, 2026 and 2025, current assets as at March 31, 2026 and 2025 and fund balances as at March 31, 2026 and 2025.

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 Wingham and District Hospital 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 Wingham and District Hospital Foundation or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Wingham and District Hospital 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.

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 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 and opinion on the effectiveness of the Wingham and District Hospital 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 of conditions that may cast significant doubt on the Wingham and District Hospital 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 Wingham and District Hospital 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.

We also provide those charged with governance a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

RF Burt

Goderich, Ontario
June 16, 2026

LICENCED PUBLIC ACCOUNTANTS
CHARTERED PROFESSIONAL ACCOUNTANTS

Wingham and District Hospital Foundation
Statement of Operations and Changes in Net Assets

Year ended March 31	2026	2025
Revenues		
Donations - general	$ **1,359,996**	$ 492,840
Investment income (Note 5)	**375,328**	351,153
Donations - capital campaign	**211,936**	1,021,124
Bequests	**134,764**	678,817
Health professionals recruitment revenue recognized	**91,083**	61,022
Unrealized gain on investments	**60,339**	174,369
	2,233,446	2,779,325
Expenditures		
Salaries, benefits and administrative costs	**83,045**	97,138
Health professionals recruitment expenses (Note 8)	**91,083**	61,022
Bank charges and investment management fees	**43,368**	38,967
Fundraising	**30,813**	12,731
Database software	**10,884**	10,129
Professional fees	**4,210**	3,850
Website	**4,008**	2,558
Office and postage	**3,503**	5,834
Donor wall update	**2,302**	3,444
Training	**654**	369
Travel and conventions	**563**	355
Miscellaneous	**111**	50
	274,544	236,447
Excess of revenues over expenses before donations	**1,958,902**	2,542,878
Donations paid		
Donation to Wingham and District Hospital (Note 6)	**2,652,694**	2,322,244
Donation to Health Professionals Recruitment	**10,000**	10,000
	2,662,694	2,332,244
Excess of revenues over expenditures	$ **(703,792)**	$ 210,634
Net assets, beginning of the year	$ **8,119,235**	$ 7,908,601
Excess of revenues over expenditures for the year	**(703,792)**	210,634
Net assets, end of the year	$ **7,415,443**	$ 8,119,235

The accompanying notes are an integral part of these financial statements

Wingham and District Hospital Foundation
Statement of Financial Position

As at March 31		2026		2025
ASSETS				
Current				
Cash - general (Note 3)	$	**451,790**	$	889,171
Cash - health professionals recruitment (Note 8)		**72,136**		74,729
Accrued interest receivable		**5,797**		6,189
HST recoverable		**7,139**		3,072
		536,862		973,161
Investments (Note 4)		**6,954,717**		7,224,804
	$	**7,491,579**	$	8,197,965
LIABILITIES				
Current				
Payables and accruals - general	$	**4,000**	$	4,000
Payables and accruals - health professionals recruitment		**45,711**		17,273
Deferred revenue - health professionals recruitment (Note 8)		**26,425**		57,457
		76,136		78,730
NET ASSETS				
Unrestricted		**7,415,443**		8,119,235
	$	**7,491,579**	$	8,197,965

Related Party Transactions (Note 6)

APPROVED ON BEHALF OF THE BOARD:

____________________ Director ____________________ Director

The accompanying notes are an integral part of these financial statements

Wingham and District Hospital Foundation
Statement of Cash Flows

Year ended March 31		2026		2025
Cash derived from (applied to)				
Operating activities				
Excess of revenues over expenditures	**$**	**(703,792)**	$	210,634
Change in non-cash operating working capital				
Accrued interest receivable		**392**		29,955
HST recoverable		**(4,067)**		396
Payables and accruals - general		**-**		(649)
Payables and accruals - health professionals recruitment		**28,438**		1,669
Deferred revenue - health professionals recruitment		**(31,032)**		1,122
		(710,061)		243,127
Investing activities				
(Increase) decrease in investments		**270,087**		543,994
Increase (decrease) in cash		**(439,974)**		787,121
Cash, beginning of year		**963,900**		176,779
Cash, end of year	**$**	**523,926**	$	963,900

Cash consists of:				
Cash - general	**$**	**451,790**	$	889,171
Cash - health professionals recruitment		**72,136**		74,729
	$	**523,926**	$	963,900

See accompanying notes to the financial statements

1. NATURE OF THE ORGANIZATION

The Wingham and District Hospital Foundation is a non-profit organization incorporated without share capital under the Canada Corporations Act as a registered public foundation. The Foundation was established to raise funds primarily for the benefit of the Wingham and District Hospital. The Foundation is a registered charity and is exempt from income tax under the Income Tax Act and may issue income tax receipts to donors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are the representation of management prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies adopted by the Foundation are as follows:

Revenue recognition

Restricted contributions are recognized as revenue in the year which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Unrestricted net investment income is recognized as revenue when earned.

Fund accounting

The Foundation follows the deferral method of accounting for contributions.

Revenues and expenditures relating to program delivery and administrative activities are reported in the General Fund.

The Foundation has entered into an agreement with neighbouring municipalities to administer activities relating to Health Professionals Recruitment program. Revenues and expenditures related to this program are reported separately on the Statement of Operations. Unspent funding is reported as deferred revenue on the Statement of Financial Position (Note 8).

Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid investments with initial maturities of three months or less.

Financial instruments

Financial instruments are recorded at fair value upon initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value, with any change in fair value reported in income. All other financial instruments are recorded at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment on an annual basis if there are any indicators of impairment. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

Donated and deferred revenue and contributions
Contributions received that have a specific internal restriction imposed on their use are deferred and recorded as a liability on the Statement of Financial Position. Deferred contributions are recognized as revenue when the terms of the related restriction are met.

Contributed services
Volunteers contribute their time to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair market value, donated services are not reflected in these statements.

Use of estimates
The preparation of financial statements in accordance 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 the current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Foreign Currency Translation
Foreign currency transactions are translated into Canadian dollars at the rate of exchange in effect at the date of the transaction. At the year end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in income in the current period.

3. CASH
Cash consists of bank deposits that are held with a credit union. The account earns interest at a variable rate based on bank prime, payable monthly.

4. INVESTMENTS

	2026	2025
Fixed income instruments, at fair market value	**$ 4,459,792**	$ 4,065,624
Equities, at fair market value	**1,572,451**	1,653,907
Cash and cash equivalents held in brokerage accounts	**556,729**	1,150,446
Guaranteed investment certificates, at cost	**360,314**	350,000
Libro profit shares, at cost	**5,431**	4,827
	$ 6,954,717	$ 7,224,804

The guaranteed investment certificates mature between September 2026 and December 2028 and bear interest at rates between 3.68% and 5.18% (2025 - 3.93% to 5.18%).

Fixed Income and equities are comprised of a mixture of bonds, mutual funds and ETF instruments. Fixed income instruments carried at fair market value have a cost of **$4,511,615** (2025 - $4,066,531). Equities carried at fair market value have a cost of **$1,073,938** (2025 - $1,266,399).

5. INVESTMENT INCOME

		2026		2025
Interest	$	**193,573**	$	174,603
Dividends		**95,437**		127,118
Realized gain (loss) on disposal of investments		**52,020**		8,111
Mutual fund distributions		**34,298**		41,321
	$	**375,328**	$	351,153

Unrealized gains (losses) on investment for the year amounted to **$60,339** (2025 - $174,357).

6. RELATED PARTY TRANSACTIONS

The Foundation raises funds for the use of Wingham and District Hospital and donates funds to the Hospital as needs arise. The total donation made to the Hospital in the year was **$2,652,694** (2025 - $2,322,244). The board approved a CT scanner capital campaign donation to the Wingham and District Hospital in the amount of **$2,117,550** (2025 - $1,750,000) in the 2026 fiscal year. The additional **$535,144** (2025 - $572,244) was donated in the normal course of operations and is measured at the exchange value which is the amount of consideration established and agreed to by the related parties.

7. FINANCIAL INSTRUMENTS

Risk management

The organization monitors, evaluates and manages the principal risks assumed with its financial instruments. The risks that arise from transacting financial instruments include interest rate risk, credit risk, liquidity risk, market and currency risk.

Interest rate risk exposure

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 organization is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments.

Credit risk exposure

The organization is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The organization does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Liquidity risk exposure

Liquidity risk is the risk that the organization will not be able to meet its financial obligations as they fall due. The organization has in place a planning and budgeting process to help determine the funds required to support the organization's normal operating requirements on an ongoing basis.

Market risk

Market risk arises as a result of trading in equity securities and fixed income securities. Fluctuations in the market expose the organization to a risk of loss. The organization mitigates this risk through controls to monitor and limit concentration levels.

Currency risk
The organization is exposed to currency risk arising from gains and losses due to fluctuations in foreign currency exchange rates on the organization's non-Canadian securities.

8. DEFERRED REVENUE - HEALTH PROFESSIONALS RECRUITMENT

The Foundation administers the Health Professionals Recruitment program that is primarily funded by local municipalities to recruit health professionals to North Huron and the surrounding area. The deferred revenue represents unspent amounts received specifically for this program.

	2026	2025
Revenues		
Municipalities	$ **47,952**	$ 47,952
Donations	**12,000**	14,100
Interest income	**99**	92
	60,051	62,144
Expenditures		
Coordinator	**64,355**	55,898
Recruitment relocation and incentives	**19,597**	-
Travel and recruitment tours	**4,283**	3,436
Office, telephone and advertising	**1,982**	-
Gifts and awards	**500**	835
Visits- doctors, learners, etc.	**366**	853
	91,083	61,022
Excess of revenues over expenditures	**(31,032)**	1,122
Deferred revenue balance, beginning of year	**57,457**	56,335
Deferred revenue balance, end of year	$ **26,425**	$ 57,457

	2026	2025
Consists of:		
Cash balance, end of year	$ **72,136**	$ 74,729
Accounts payable, end of year	**45,711**	17,272
	$ **26,425**	$ 57,457