Tracking ID: 1019750-2585778

FOUR COUNTIES HEALTH SERVICES FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2026

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SCRIMGEOUR & COMPANY
CPA PROFESSIONAL CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Four Counties Health Services Foundation

Qualified Opinion

We have audited the accompanying financial statements of Four Counties Health Services Foundation (the "Foundation"), which comprise the Statement of Financial Position as at March 31, 2026, and the Statements of Operations and 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 accompanying financial statements present fairly, in all material respects, the financial position of Four Counties Health Services 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

In common with many not-for-profit organizations, the Foundation derives revenue from donations and other fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue 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 revenue, assets and net assets for the years ended March 31, 2026 and March 31, 2025.

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

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SCRIMGEOUR & COMPANY
CPA PROFESSIONAL CORPORATION

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.

Scrimgeour & Company

June 1, 2026
London, Canada

LICENSED PUBLIC ACCOUNTANT

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FOUR COUNTIES HEALTH SERVICES FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2026

	2026	2025
ASSETS		
Current Assets		
Cash	$ 383,968	$ 428,039
Accounts receivable	1,870	2,965
Prepaid expenditures	-	20
	385,838	431,024
Unrestricted investments (note 3)	1,806,439	1,626,804
TOTAL ASSETS	$ 2,192,277	$ 2,057,828
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities (note 4)	$ 1,803	$ 1,452
Deferred revenue (note 2.h)	7,935	9,607
	9,738	11,059
Net assets (page 4)	2,182,539	2,046,769
TOTAL LIABILITIES AND NET ASSETS	$ 2,192,277	$ 2,057,828

Approved on behalf of Board:

2026-06-09

Approved on behalf of Board:

Joanne Vansevenant

2026-06-06

The accompanying notes are an integral part of the financial statements

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FOUR COUNTIES HEALTH SERVICES FOUNDATION
STATEMENT OF OPERATIONS AND NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
REVENUE		
Fall campaign	$ 146,723	$ 236,297
Spring campaign	126,430	100,697
Other fundraising	103,019	134,702
Donations	88,157	79,247
Change in unrealized gain on investments	86,958	102,988
Interest income	27,067	26,338
Dividend income	18,220	16,816
Other investment income	5,250	5,527
Bequests	3,330	52,514
ATM Commissions	928	880
	606,082	756,006
EXPENDITURES		
Campaign cost	32,235	50,676
Investment fees	11,443	13,449
Office expenses	28,248	37,085
Salaries	99,387	95,877
Software contract	10,131	9,819
	181,444	206,906
REVENUE OVER EXPENDITURES BEFORE OTHER REVENUE (EXPENDITURES)	424,638	549,100
OTHER REVENUE (EXPENDITURES)		
Donations to Four Counties Health Services (note 5)	(288,868)	(214,467)
	(288,868)	(214,467)
REVENUE OVER EXPENDITURES	135,770	334,633
NET ASSETS, BEGINNING OF YEAR	2,046,769	1,712,136
NET ASSETS, END OF YEAR	$ 2,182,539	$ 2,046,769

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FOUR COUNTIES HEALTH SERVICES FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2026

		2026		2025
OPERATING ACTIVITIES				
Revenue over expenditures	**$**	**135,770**	$	334,633
Unrealized loss (gain) on investments		**(86,958)**		(102,988)
		48,812		231,645
OTHER ITEMS NOT INVOLVING CASH				
Decrease (increase) in accounts receivable		**1,095**		194
Decrease (increase) in prepaid expenses		**20**		691
Increase (decrease) in accounts payable and accrued liabilities		**351**		(2,124)
Increase (decrease) in deferred revenue		**(1,672)**		(5,915)
		48,606		224,491
INVESTING ACTIVITIES				
Investments purchased		**(449,740)**		(343,278)
Investment disposed		**357,063**		406,344
		(92,677)		63,066
Increase (decrease) in cash		**(44,071)**		287,557
Cash, beginning of year		**428,039**		140,482
CASH, END OF YEAR	**$**	**383,968**	$	428,039

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1. Nature of the Organization

Four Counties Health Services Foundation (the Foundation) is a registered charity incorporated in Ontario without share capital. The Foundation generates revenue through fundraising and the management of its investments to enhance or improve the services provided by or the facilities of Four Counties Health Services.

The Foundation is a registered charity, which is exempt from income tax pursuant to Section 149(1)(f) of the Income Tax Act, Canada.

2. Significant accounting policies

The accounting policies of the Foundation are in accordance with accounting principles appropriate for not-for-profit organizations. Those policies that are considered to be significant are outlined below

a. Accrual basis of accounting

Revenue and expenditures are recorded on the accrual basis, whereby they are reflected in the accounts in the period in which they have been earned and incurred respectively, whether or not such transactions have been finally settled by the receipt or payment of money. Donation revenue is recorded on a cash basis.

b. Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Revenue from investments is recognized as it is earned.

c. Contributed services

Volunteers contribute their time to assist the Foundation in carrying out its programs. Because of the difficulty of determining their fair monetary value, contributed services are not recognized in the financial statements.

d. Capital assets

Capital asset purchased in the year are expensed in the statement of operations. The capital assets owned by the Foundation are comprised of office furniture and computer equipment.

e. Pledges and bequests

The Foundation does not record pledges or bequest receivables, as collection cannot be reasonably assured.

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2. Significant accounting policies continued

f. Foreign currency transactions

The Foundation translates all of its foreign currency transactions using the temporal method. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the balance sheet date. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Items appearing in the current year's statement of operations and net assets are translated at average year rates. Exchange gains and losses are included in the statement of operations and net assets.

g. Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in operations. In addition, all bonds and guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the assets could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items re-measured at fair value at each statement of financial position date and charged to the financial instruments for those measured at amortized cost.

h. Deferred revenue

Deferred revenue at March 31, 2026 of $7,935 (2025 - $9,607) represents fundraising revenue received during the year for specific events to be held in subsequent years.

i. 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

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FOUR COUNTIES HEALTH SERVICES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

3. Unrestricted Investments

The book values and estimated fair values of investments as at March 31, 2026 are as follows:

	2026 Cost	**Market Value**	2025 Cost	Market Value
Fixed income	**$ 1,081,552**	**$ 1,064,106**	$ 986,805	$ 966,767
Equity investment - Portfolio Shares	**549,717**	**721,346**	542,508	643,944
Other	**20,578**	**20,987**	16,093	19,093
	$ 1,651,847	**$ 1,806,439**	$ 1,545,406	$ 1,629,804

4. Accounts payable and accrued liabilities

Included in the accounts payable and accrued liabilities is $NIL ($199 - 2025) in government remittances payable.

5. Related Party Transactions

Four Counties Health Services Foundation maintains an office in premises owned by the Four Counties Health Services. During the year, the Foundation transferred $288,868 (2025 - $214,467) to Four Counties Health Services. These transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

Four Counties Health Services is a hospital that provides health care services to the residents of Four Counties and surrounding areas.

The Foundation operates its business in one of the Hospital's buildings. In lieu of the rent, the Foundation directly donates money to the Hospital. There is no rental agreement in place and is considered month to month.

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6. Financial instruments - risks

The Foundation is exposed to various risks through its financial instruments. The following analysis provides information about the Foundation's risk exposure and concentration. There have been no significant changes in the nature or concentration of the risk exposures from the prior year, unless otherwise noted.

a. Liquidity risk

Liquidity risk is the risk that the Foundation encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities. The Foundation manages its liquidity risk by forecasting its cash needs on a regular basis and seeking additional information based on those forecasts.

b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments. This is mitigated by having a fixed interest rate on the GIC. Refer to note 3 for current values held in these investments.

c. Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk through its portfolio of investments. the Foundation mitigates this risk by reviewing the statements and having regular communications with investment advisor. Refer to note 3 for current values held in these investments.

d. Currency

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation has an investment account in US dollars. As a result, the Foundation is exposed to the exchange rate fluctuations of the US dollar. At March 31, 2026, the following financial instrument balances exist:

Cash	$	6,962
Investments (included in note 3)	$	343,492

These have been converted to Canadian dollars at March 31, 2026.

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7. Comparative balances

The comparative balances have been audited by the Foundation's previous auditor.