Huntsville District Memorial Hospital Foundation

Financial Statements

For the year ended March 31, 2026

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Independent Auditor's Report

To the Board of Directors of the Huntsville District Memorial Hospital Foundation

Opinion

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

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

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 2 to the financial statements, which explains that certain comparative information presented for the year ended March 31, 2025 has been restated. Our opinion is not modified in respect of this matter.

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.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario
June 23, 2026

Huntsville District Memorial Hospital Foundation
Statement of Financial Position

March 31	Total 2026	Restated (Note 2) Total 2025
Assets		
Current		
Cash	$ 1,568,719	$ 4,636,453
Short-term Investments (Note 3)	5,493,587	1,016,736
Accounts receivable	83,240	63,838
Prepaid expenses	19,231	29,122
	7,164,777	5,746,149
Investments (Note 4)	26,162,599	6,529,229
Capital assets (Note 5)	200,371	214,864
	$ 33,527,747	$ 12,490,242
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 54,652	$ 34,814
Due to Muskoka Algonquin Health Care (Note 7)	984,684	1,180,610
	1,039,336	1,215,424
Deferred capital contributions (Note 6)	78,627	84,795
	1,117,963	1,300,219
Fund Balances		
Externally restricted (Note 8)	24,502,026	809,663
Internally restricted (Note 8)	5,163,245	9,766,405
Unrestricted (Note 8)	2,744,513	613,955
	32,409,784	11,190,023
	$ 33,527,747	$ 12,490,242

On behalf of the Board:

Deborah Gestin
Director

Director

Huntsville District Memorial Hospital Foundation
Statement of Operations and Changes in Fund Balances

For the year ended March 31	Externally Restricted Fund	Internally Restricted Fund	Unrestricted Fund	Total 2026	Total 2025
Revenue					
Donations and fundraising	$ 24,923,421	$ -	$ 4,133,092	$29,056,513	$ 3,383,192
Bequests	-	-	613,164	613,164	1,171,029
Investment income	-	-	328,480	328,480	618,675
Adjustment to fair value of investments	-	-	(458,381)	(458,381)	532,989
	24,923,421	-	4,616,355	29,539,776	5,705,885
Expenses					
Salaries and benefits	216,163	-	916,380	1,132,543	966,482
Fundraising	14,917	-	417,422	432,339	370,901
Administration	13,496	-	230,857	244,353	223,836
	244,576	-	1,564,659	1,809,235	1,561,219
Excess of revenue over expenses before grants	24,678,845	-	3,051,696	27,730,541	4,144,666
Grants to Muskoka Algonquin Health Care (Note 8)					
Annual	-	(1,648,597)	-	(1,648,597)	(1,033,595)
Focus On Imaging	(973,507)	(3,849,507)	-	(4,823,014)	(3,160,644)
CT Spec/Nuclear Med	-	-	-	-	(745,000)
Recruitment Fund	-	-	(15,000)	(15,000)	(10,000)
Scholarships	(12,975)	-	(11,194)	(24,169)	(12,000)
	(986,482)	(5,498,104)	(26,194)	(6,510,780)	(4,961,239)
Excess (deficiency) of revenue over expenses for the year	23,692,363	(5,498,104)	3,025,502	21,219,761	(816,573)
Fund balances, beginning of year					
As previously reported	1,298,406	9,766,405	125,212	11,190,023	12,006,596
Prior period adjustment (Note 2)	(488,743)	-	488,743	-	-
Fund balances, As restated	809,663	9,766,405	613,955	11,190,023	12,006,596
Interfund transfers (Note 8)	-	894,944	(894,944)	-	-
Fund balances, end of year	$ 24,502,026	$ 5,163,245	$ 2,744,513	$32,409,784	$ 11,190,023

The accompanying notes are an integral part of these financial statements

Huntsville District Memorial Hospital Foundation
Statement of Cash Flows

For the year ended March 31	2026	2025
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses for the year	$ 21,219,761	$ (816,573)
Items not involving cash		
Amortization of capital assets	14,493	14,866
Amortization of deferred contributions related to capital assets	(6,168)	(5,870)
Adjustment to fair value of investments	458,381	(532,989)
	21,686,467	(1,340,566)
Changes in non-cash working capital balances		
Accounts receivable	(19,402)	(11,334)
Prepaid expenses	9,891	(18,673)
Accounts payable and accrued liabilities	19,838	478
Due to Muskoka Algonquin Health Care	(195,926)	1,102,847
	21,500,868	(267,248)
Investing activities		
Purchase of investments	(25,585,338)	(2,691,619)
Sale of investments	1,016,736	7,000,000
	(24,568,602)	4,308,381
(Decrease) increase in cash during the year	(3,067,734)	4,041,133
Cash, beginning of year	4,636,453	595,320
Cash, end of year	$ 1,568,719	$ 4,636,453

The accompanying notes are an integral part of these financial statements

1. Summary of Significant Accounting Policies

Nature and Purpose of Organization

The Huntsville District Memorial Hospital Foundation (the Foundation) is a not-for-profit organization incorporated without share capital under the laws of Ontario. Registration has been granted by the Department of National Revenue for designation as a charitable organization and as such, the Foundation is exempt from income taxes. The Foundation performs fundraising activities in support of health care organizations in Huntsville, Ontario.

Basis of Accounting

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Capital Assets

Capital assets are stated at cost less accumulated amortization. Cost is net of related investment tax credits and government grants. Amortization based on the estimated useful life of the asset is calculated as follows:

Building	-	6%	declining balance method
Furniture and equipment	-	20%	declining balance method

When a capital asset no longer contributes to the Foundation's ability to provide services, or the future economic benefits or service potential of the tangible capital asset is less than its carrying value, the excess of its net carrying amount over its fair value or replacement cost is recognized as an expense in the statement of operations. Any unamortized deferred contribution amount related to the capital asset is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

Financial Instruments

Arm's length financial instruments are recorded at fair value at initial recognition. Related party financial instruments are recorded at cost at initial recognition.

In subsequent periods, equities traded in an active market are reported at fair value with any unrealized gains and losses reported in operations. In addition, all guaranteed investment certificates and investments 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. 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 when indicators of impairment exist.

1. Summary of Significant Accounting Policies (continued)

Fund Accounting

The Foundation follows the restricted fund method of accounting for contributions.

For financial reporting purposes the accounts have been classified into the following funds:

The Externally Restricted fund comprises the resources that are to be used for specific purposes as specified by the donor or project funder.

The Internally Restricted fund comprises the resources that are to be used for specific purposes as specified by the Foundation's Board.

The Unrestricted fund comprises the unrestricted resources available for the Foundation's immediate operating purposes. The use of these funds is at the discretion of the Foundation's Board.

Revenue Recognition

Restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. However, if no appropriate restricted fund is presented, then the restricted contribution is recognized as revenue of the Unrestricted fund in the year in which the related expenses are incurred.

Restricted contributions for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

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

Net investment income earned, including fair value changes in investments, is recognized in the Externally Restricted fund when the donors have placed restrictions on the use of these earnings. Where there are no such restrictions on the net investment income, including fair value changes in investments, these are recognized in the Unrestricted fund.

The Foundation ensures, as part of its fiduciary responsibilities, that all funds received with restricted purposes are expended for the purpose for which they were provided.

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. The principal estimates used in the preparation of these financial statements are the estimated useful life of capital assets, the accrued liabilities, the fair values of financial instruments and the fair value of in-kind donations. Actual results could differ from management's best estimates as additional information becomes available in the future.

1. Summary of Significant Accounting Policies (continued)

Contributed Services and Materials

A substantial number of volunteers contribute a significant amount of their time to the Foundation each year. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Contributed materials and gifts which are used in the normal course of the Foundation's operations, and would otherwise have been purchased, are recorded at their fair value at the date of contribution if fair value can be reasonably estimated. During the year, the Foundation received "in-kind" donations in the amount of $8,565 (2025 - $30,645).

2. Prior Period Adjustment

During the current year, the Foundation determined that investment income and adjustments to fair value of investments had been incorrectly recognized in the Externally Restricted fund. The investment income and fair value adjustments on externally restricted contributions have not been restricted by the donors and as such should have been recognized in the Unrestricted fund.

As a result, the Externally Restricted fund balance was overstated and the Unrestricted fund balance was understated at March 31, 2025. The result of this correction on the comparative figures is as follows:

Statement of Financial Position and Statement of Operations and Changes in Fund Balances:	
Decrease in Externally Restricted fund balance	$ (488,743)
Increase in Unrestricted fund balance	$ 488,743

3. Short-term Investments

	2026	2025
Fixed income and guaranteed investment certificates	$ 4,124,558	$ 1,016,736
Money market funds	1,369,029	-
Aggregate fair value	$ 5,493,587	$ 1,016,736
Aggregate cost	$ 5,506,326	$ 1,000,000

The investment portfolio is managed in accordance with the Foundation's investment policy.

The Foundation's investments are financial assets and are measured at fair value.

4. Investments

	2026	2025
Fixed income	$10,366,865	$ 4,042,732
Canadian equities	6,288,075	1,726,931
Global equities	8,331,560	529,173
Emerging markets	876,355	-
Alternative investments	74,452	-
Cash and equivalents	(37,336)	(12,485)
Cash surrender value of life insurance (i)	262,628	242,878
Aggregate fair value	$26,162,599	$ 6,529,229
Aggregate cost	$26,269,249	$ 6,011,697

The investment portfolio is managed in accordance with the Foundation's investment policy.

The Foundation's investments are financial assets and are measured at fair value.

(i) The Foundation holds title to life insurance policies on the lives of donors with a face value of $862,999 (2025 - $862,999). The Foundation receives cash or in kind donations equivalent to the premiums on the insurance policies. The increase in cash surrender value of the policies is included in adjustment to fair value of investments for the year.

5. Capital Assets

	2026		2025	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Building	$ 270,356	$ 79,137	$ 270,356	$ 66,932
Furniture and equipment	25,384	16,232	25,384	13,944
	$ 295,740	$ 95,369	$ 295,740	$ 80,876
Net book value		$ 200,371		$ 214,864

6. Deferred Capital Contributions

Deferred capital contributions represent the unamortized portion of capital assets donated to the Foundation. The changes for the year in the deferred contributions balance are as follows:

	2026	2025
Balance, beginning of year	$ 84,795	$ 60,020
Contributions deferred for donated capital assets	-	30,645
Amortization of deferred capital contributions	(6,168)	(5,870)
Balance, end of year	$ 78,627	$ 84,795

7. Related Party Transactions

The Foundation is related to Muskoka Algonquin Health Care (MAHC). Specifically, Huntsville District Memorial Hospital is one of the hospitals within MAHC. The Foundation solicits funds on behalf of Huntsville District Memorial Hospital. These funds are transferred to MAHC in support of approved capital projects of the Huntsville District Memorial Hospital. Substantially all contributions are made to this entity and it therefore has an economic interest in the Foundation.

During the year the Foundation transferred $6,499,585 to MAHC (2025 - $4,949,239). These transactions were carried out in the normal course of operations and are recorded at their carrying amount.

At year end, the balance due to MAHC was $984,684 (2025 - $1,180,610) and is non-interest bearing.

In addition, during the year, the Foundation incurred operating costs of $1,163,377 (2025 - $968,022) which were initially paid by MAHC and then reimbursed by the Foundation.

8. Continuity of Fund Balances

	Restated (Note 2) 2026 Balance, beginning of year	Revenue	Expenses	Grants	Transfers	2026 Balance, end of year
Externally Restricted Funds:						
Focus on Imaging	$ 780,885	$ 192,622	$ -	$ (973,507)	$ -	$ -
Capital redevelopment (i)	28,778	17,480,799	(244,576)	-	-	17,265,001
Limberlost Invictus Scholarship	-	250,000	-	(12,975)	-	237,025
Equipment - Raise Muskoka	-	5,000,000	-	-	-	5,000,000
Equipment - CT	-	2,000,000	-	-	-	2,000,000
	809,663	24,923,421	(244,576)	(986,482)	-	24,502,026
Internally Restricted Funds:						
Annual commitment (ii)						
Fiscal 2024	302,970	-	-	(141,374)	-	161,596
Fiscal 2025	663,435	-	-	(190,379)	(473,056)	-
Fiscal 2026	1,300,000	-	-	(1,056,950)	-	243,050
Fiscal 2027	-	-	-	(259,894)	1,368,000	1,108,106
Focus on Imaging	5,000,000	-	-	(3,849,507)	-	1,150,493
Capital redevelopment (i)	2,500,000	-	-	-	-	2,500,000
	9,766,405	-	-	(5,498,104)	894,944	5,163,245
Unrestricted Funds:	613,955	4,616,355	(1,564,659)	(26,194)	(894,944)	2,744,513
Total	$11,190,023	$ 29,539,776	$ (1,809,235)	$ (6,510,780)	$ -	$32,409,784

(i) During fiscal 2025-26, the Foundation launched fundraising efforts for the Capital Redevelopment campaign ("Raise Muskoka") supporting a new hospital build.

(ii) The Foundation annually approves and allocates to internally restricted funds a maximum amount that it will provide to MAHC for specified capital equipment requested by MAHC.

8. Continuity of Fund Balances (continued)

	Restated (Note 2) 2025 Balance, beginning of year	Restated (Note 2) Revenue	Expenses	Grants	Transfers	Restated (Note 2) 2025 Balance, end of year
Externally Restricted Funds:						
Focus on Imaging	$ 3,580,624	$ 360,905	$ -	$ (3,160,644)	$ -	$ 780,885
Hospital redevelopment	-	44,426	(15,648)	-	-	28,778
	3,580,624	405,331	(15,648)	(3,160,644)	-	809,663
Internally Restricted Funds:						
Annual commitment						
Fiscal 2024	1,000,000	-	-	(697,030)	-	302,970
Fiscal 2025	1,000,000	-	-	(336,565)	-	663,435
Fiscal 2026	-	-	-	-	1,300,000	1,300,000
Focus on Imaging	4,000,000	-	-	-	1,000,000	5,000,000
CT Spec/Nuclear Med	-	-	-	(745,000)	745,000	-
Capital redevelopment	1,500,000	-	-	-	1,000,000	2,500,000
Dr. Allan Health Sciences Scholarship	65,621	-	-	(2,000)	(63,621)	-
	7,565,621	-	-	(1,780,595)	3,981,379	9,766,405
Unrestricted Funds:	860,351	5,300,554	(1,545,571)	(20,000)	(3,981,379)	613,955
Total	$12,006,596	$ 5,705,885	$ (1,561,219)	$ (4,961,239)	$ -	$11,190,023

9. Financial Instrument Risks

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is exposed to credit risk arising from bank accounts being held at one financial institution and deposits are only insured up to $100,000. The Foundation mitigates this risk by placing its deposits solely with a high-credit quality, Tier-1 Canadian financial instituion.

Interest Rate Risk

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 Foundation is exposed to interest rate risk through its interest bearing investments. The Foundation mitigates interest rate risk on investments by diversifying the durations of the fixed-income investments that are held at a given time.

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 instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk through its investments.

The Foundation manages other price risk through asset allocation and maintaining a portfolio that is well diversified on both a geographic and industry sector basis.

There have not been any changes in the above risk from the prior year.