ST. FRANCIS VALLEY HEALTHCARE FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

Ferguson & Kubisheski
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
St. Francis Valley Healthcare Foundation,

Opinion

We have audited the financial statements of St. Francis Valley Healthcare Foundation, (the Foundation) which comprise the statement of financial position as at March 31, 2026, and the statements of operations, 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 and other explanatory information.

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, changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis of 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, 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 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 related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Foundation or to cease operation or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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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.



CHARTERED PROFESSIONAL ACCOUNTANTS, LICENSED PUBLIC ACCOUNTANTS

Renfrew, Ontario
10 June 2026

ST. FRANCIS VALLEY HEALTHCARE FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	2026	2025
ASSETS		
CURRENT		
Cash	$ 2,573,535	$ 2,226,991
Guaranteed investment certificates (Note 2)	3,720,025	3,510,270
Accrued interest receivable	65,271	67,673
HST recoverable	1,351	6,173
Prepaid expenses	1,044	-
	6,361,226	5,811,107
CAPITAL ASSETS (Note 3)	2,573	3,431
	$ 6,363,799	$ 5,814,538
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 9,869	$ 8,217
Due to St. Francis Memorial Hospital Association (Note 5)		
- grant payable	622,683	124,628
- expense reimbursement payable	75,063	65,070
	707,615	197,915
NET ASSETS		
Unrestricted net assets	1,526,749	1,260,956
Externally restricted net assets (Notes 4)	4,129,435	4,355,667
	5,656,184	5,616,623
	$ 6,363,799	$ 5,814,538

APPROVED ON BEHALF OF THE BOARD:

Director

Director

ST. FRANCIS VALLEY HEALTHCARE FOUNDATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED 31 MARCH 2026

	Unrestricted	Externally Restricted	2026	2025
REVENUE				
Donations				
General Donations	$ 519,586	$ -	$ 519,586	$ 287,171
Madawaska Valley Hospice Palliative Care	-	74,204	74,204	95,258
St. Francis Memorial Hospital				
-equipment	-	71,108	71,108	6,440
-emergency department redevelopment	-	344,593	344,593	848,685
Valley Manor Inc.				
- designated purpose	-	5,445	5,445	4,376
- site redevelopment	-	1,729	1,729	3,011
Events	263,457	-	263,457	86,620
Investment income	168,226	23,806	192,032	229,190
Lottery Hospital - Catch the Ace	-	-	-	1,242,408
Lottery Local Healthcare - Catch the Ace	188,990	-	188,990	-
Lottery Hospital - Auto Lotto	-	-	-	204,092
Grants	1,805	35,500	37,305	3,866
	1,142,064	556,385	1,698,449	3,011,117
EXPENSES				
Administrative	283,259	-	283,259	214,399
Amortization	858	-	858	1,130
Campaigns	-	25,428	25,428	98,175
Events	27,771	-	27,771	17,916
Fundraising	-	3,195	3,195	2,962
Lottery prizes and costs - Catch the Ace	-	-	-	661,727
Lottery Local Healthcare - Catch the Ace	104,371	-	104,371	-
Lottery prizes and costs - Auto Lotto	-	-	-	68,463
Programs	1,963	-	1,963	2,150
	418,222	28,623	446,845	1,066,922
EXCESS OF REVENUE OVER EXPENSES BEFORE GRANTS	723,842	527,762	1,251,604	1,944,195
Grants to St. Francis Memorial Hospital Association	(395,009)	(728,844)	(1,123,853)	(341,934)
Grants to Madawaska Valley Hospice Palliative Care	-	(20,150)	(20,150)	(52,185)
Grants to Valley Manor Inc.	(63,040)	(5,000)	(68,040)	(34,854)
TOTAL GRANTS	(458,049)	(753,994)	(1,212,043)	(428,973)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES AND GRANTS	$ 265,793	$ (226,232)	$ 39,561	$ 1,515,222

ST. FRANCIS VALLEY HEALTHCARE FOUNDATION

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2026

	Unrestricted	Externally Restricted	2026	2025
Balance, beginning of the year	$ 1,260,956	$ 4,355,667	$ 5,616,623	$ 4,101,401
Excess (deficiency) of revenue over expenses and grants	265,793	(226,232)	39,561	1,515,222
Balance, end of the year	$ 1,526,749	$ 4,129,435	$ 5,656,184	$ 5,616,623

ST. FRANCIS VALLEY HEALTHCARE FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

	2026	2025
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Excess of revenue over expenses and grants	$ 39,561	$ 1,515,222
Add item which did not require an outlay of cash:		
Amortization	858	1,130
Change in non cash working capital balances from operations:		
Accrued interest receivable	2,402	(964)
HST recoverable	4,822	(4,792)
Prepaid expenses	(1,044)	225
Accounts payable and accrued liabilities	1,652	(40,251)
	48,251	1,470,570
FINANCING ACTIVITIES		
Increase (decrease) in amount due to St. Francis Memorial Hospital	508,048	(362,457)
Decrease in amount due to Valley Manor Inc.	-	(71,071)
	508,048	(433,528)
INVESTING ACTIVITIES		
Net change to guaranteed investment certificates	(209,755)	(646,910)
NET CHANGE IN CASH	346,544	390,132
CASH, BEGINNING OF YEAR	2,226,991	1,836,859
CASH, END OF YEAR	$ 2,573,535	$ 2,226,991

ST. FRANCIS VALLEY HEALTHCARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

The Foundation's name was changed from St. Francis Memorial Hospital Foundation to St. Francis Valley Healthcare Foundation on June 6, 2014 by way of Supplementary Letters Patent. The Foundation was incorporated without share capital under the laws of Ontario on August 25, 2000. Effective June 4, 2014 the Foundation's objects were amended to allow it to receive and maintain a fund or funds and to pay all or part of the principal amount of such fund or funds and the income there from to charitable organizations that are registered charities under the Income Tax Act (Canada) that at the time of payment are operating a healthcare program, facility or service within the Township of Madawaska Valley in the County of Renfrew, including without limitation St. Francis Memorial Hospital Association, Valley Manor Inc. and Madawaska Valley Hospice Palliative Care. The Foundation is a registered charity under the Income Tax Act and accordingly is exempt from income taxes and is able to issue donation receipts for income tax purposes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.

USE OF ESTIMATES

The preparation of financial statements requires management makes 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 amounts could differ from those estimates.These estimates are reviewed annually and as adjustments become necessary they are recorded in the financial statements in the reporting period as they become known.

BASIS OF PRESENTATION

The accrual basis of accounting is used for reporting all revenue and expenses except for donations, which in most cases, due to the inability to predict recoverability, are typically accounted for on a cash basis.

REVENUE RECOGNITION

The Foundation follows the restricted method of accounting for contributions, which include donations and fundraising.

The Unrestricted Fund accounts for the Foundation's program delivery, fundraising and administrative activities. Contributions are recognized as revenue of unrestricted net assets in the year receivable or received if the amount to be received can be reasonably estimated and collection is reasonably assured. Pledge revenue is recognized as revenue as cash is received.

The Externally Restricted Fund reports resources that are to be used for designated purposes specified by the donor. Contributions are recognized as revenue of restricted net assets according to the appropriate classification in the year receivable or received if the amount to be received can be reasonably estimated and the collection is reasonably assured. Pledge revenue is recognized as cash is received.

Lottery revenue is recognized in the fiscal year in which the funds are collected. Unpaid weekly and progressive prizes are included in lottery prize expense and accounts payable.

CASH

Cash is comprised of cash on hand and cash on deposit with banks.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (con't)

CONTRIBUTED SERVICES

A substantial number of volunteers contribute a significant amount of their time each year to assist the Foundation in carrying out its service activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

CAPITAL ASSETS

Purchased capital assets are recorded at cost. Computer hardware and software is amortized on a straight-line basis over five years. The donor wall is amortized on a straight-line basis over ten years.

FINANCIAL INSTRUMENTS

The foundation's financial instruments consist of cash, guaranteed investment certificates, accrued interest receivable, HST recoverable, accounts payable and accrued liabilities, and amounts due to St. Francis Memorial Hospital Association. It is Management's opinion that, unless otherwise stated, the fair value of these instruments is not materially different than their cost and that the Foundation is not exposed to significant interest rate, market or credit risk.

2. GUARANTEED INVESTMENT CERTIFICATES

Guaranteed investment certificates consist of the following:

	2026	2025
Guaranteed investment certificates issued by Northern Credit Union, bearing interest at rates of 1.75% to 4.65% (2024 - 1.60% to 4.65%) and maturing between August and October 2026.	$ 273,615	$ 540,270
Guaranteed investment certificates issued by Canadian Imperial Bank of Commerce bearing interest at rates of 3.00% to 3.10% (2025 - 3.35% to 4.95%) and maturing between April and December 2026.	1,575,000	1,175,000
Guaranteed investment certificates issued by Bank of Montreal bearing interest at rates of 2.89% to 3.80% (2025 - 3.41% to 5.05%) and maturing between May 2026 and December 2027.	1,871,410	1,795,000
	$ 3,720,025	$ 3,510,270

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2026	Net 2025
Computer hardware and software	$ 9,684	$ 9,684	$ -	$ -
Donor wall	24,259	21,686	2,573	3,431
	$ 33,943	$ 31,370	$ 2,573	$ 3,431

4. EXTERNALLY RESTRICTED NET ASSETS

Externally restricted net assets represent donations upon which donors have imposed restrictions on the use of funds.

Major categories of externally-imposed restrictions on net assets are as follows:

	2026	2025
Madawaska Valley Hospice Palliative Care	$ 352,220	$ 301,363
St. Francis Memorial Hospital		
- equipment	59,375	59,957
- emergency department redevelopment	2,389,986	2,430,830
- lottery - Catch the Ace	173,949	287,750
- lottery - Auto Lotto	3,819	139,991
Valley Manor Inc.		
- designated purpose	3,607	3,162
- site redevelopment	689,482	687,753
- lottery for redevelopment	456,997	444,861
	$ 4,129,435	$ 4,355,667

5. RELATED PARTY TRANSACTIONS

St. Francis Memorial Hospital Association (the "Hospital"), Valley Manor Inc. and Madawaska Valley Hospice Palliative Care do not exercise significant influence or control over the Foundation. The Foundation is an independent corporation that has its own Board of Directors.

Operating expenses relating to the Foundation are paid on behalf of the Foundation by the Hospital. These operating expenses are then reimbursed by the Foundation. In addition, amounts totaling $622,683 (2025 - $124,628), are payable by the Foundation to the Hospital and are included in amounts due to St. Francis Memorial Hospital Association for specific capital asset funding commitments the Foundation made during the year.

6. FINANCIAL RISK AND CONCENTRATION OF RISK

The Foundation manages its investment portfolio to earn investment income and invests according to its bylaws. The Foundation is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

Management of the Foundation believes that the Foundation is not exposed to significant interest-rate, market, credit or cash flow risk arising from its financial instruments.

ST. FRANCIS VALLEY HEALTHCARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

7. STATEMENT OF OPERATIONS, BY FUND, FOR THE YEAR ENDED MARCH 31, 2025

	Unrestricted	Externally Restricted	2025
REVENUE			
Donations			
General Donations	$ 287,171	$ -	$ 287,171
Madawaska Valley Hospice Palliative Care	-	95,258	95,258
St. Francis Memorial Hospital			
- equipment	-	6,440	6,440
- emergency department redevelopment	-	848,685	848,685
Valley Manor Inc.			
- designated purpose	-	4,376	4,376
- site redevelopment	-	3,011	3,011
Events	86,620	-	86,620
Investment income	196,557	32,633	229,190
Lottery Hospital - Catch the Ace	-	1,242,408	1,242,408
Lottery Hospital - Auto Lotto	-	204,092	204,092
Grants	1,766	2,100	3,866
	572,114	2,439,003	3,011,117
EXPENSES			
Administrative	214,399	-	214,399
Amortization	1,130	-	1,130
Campaigns	-	98,175	98,175
Events	17,916	-	17,916
Fundraising	-	2,962	2,962
Lottery prizes and costs - Catch the Ace	-	661,727	661,727
Lottery prizes and costs - Auto Lotto	-	68,463	68,463
Programs	2,150	-	2,150
	235,595	831,327	1,066,922
EXCESS OF REVENUE OVER EXPENSES BEFORE GRANTS	336,519	1,607,676	1,944,195
Grants to St. Francis Memorial Hospital	(28,735)	(313,199)	(341,934)
Grants to Madawaska Valley Hospice Palliative Care	-	(52,185)	(52,185)
Grants to Valley Manor Inc.	(30,716)	(4,138)	(34,854)
TOTAL GRANTS	(59,451)	(369,522)	(428,973)
EXCESS OF REVENUE OVER EXPENSES AND GRANTS	$ 277,068	$ 1,238,154	$ 1,515,222