

Espanola General Hospital Foundation

Financial Statements

Year ended March 31, 2026



INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors of
Espanola General Hospital Foundation

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **Espanola General Hospital Foundation**, which comprise the statement of financial position as at **March 31, 2026**, and the statements of operations, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Espanola General Hospital 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 Qualified Opinion

In common with many charitable organizations, the Espanola General Hospital Foundation derives some of its revenue from donations and fundraising activities 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 and we were not able to determine whether any adjustments might be necessary to donations and fundraising revenues, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2026 and 2025, current assets at March 31, 2026 and 2025, and fund balances as at April 1st and March 31st for both the years 2026 and 2025. Our opinion on the financial statements as at and for the year ended March 31, 2025 was modified accordingly because of the possible effects of this limitation in scope.

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.

INDEPENDENT AUDITOR'S REPORT, continued

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.

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.

INDEPENDENT AUDITOR'S REPORT, continued

- ♦ 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.

Freelandt Caldwell Reilly LLP

FREELANDT CALDWELL REILLY LLP

Chartered Professional Accountants
Licensed Public Accountants

Espanola, Ontario
June 16, 2026

Espanola General Hospital Foundation
Statement of Financial Position
March 31, 2026 with comparative figures for 2025

	2026	2025
Assets		
Current		
Cash	\$ 306,597	\$ 164,853
Accounts receivable	-	656
Prepaid expenses	3,683	3,461
	\$ 310,280	\$ 168,970
Liabilities and fund balances		
Current		
Accounts payable and accrued liabilities	\$ 5,006	\$ 4,069
Accounts payable - Espanola General Hospital	-	8,253
	5,006	12,322
Fund balances		
Restricted fund (note 3)	233,174	162,404
Operating fund (deficit)	72,100	(5,756)
	305,274	156,648
	\$ 310,280	\$ 168,970

Approved on behalf of the board

Members _____

Members _____

Espanola General Hospital Foundation

Statement of Operations

Year ended March 31, 2026 with comparative figures for 2025

	2026	2025
Revenues		
Donations	\$ 335,556	\$ 123,974
Fundraising	33,908	32,461
Interest income	7,211	3,602
	376,675	160,037
Expenditures		
Donations to Espanola General Hospital	186,534	2,548
Salaries and benefits	13,189	23,509
Fundraising costs and supplies	10,398	7,603
Office and administration	7,952	8,486
Professional fees	7,479	6,835
Advertising and promotion	2,497	613
	228,049	49,594
Excess of revenues over expenditures	\$ 148,626	\$ 110,443

Espanola General Hospital Foundation

Statement of Changes in Fund Balances

Year ended March 31, 2026 with comparative figures for 2025

	Restricted fund	Operating fund (deficit)	Total 2026	Total 2025
Balance, beginning of year	\$ 162,404	\$ (5,756)	\$ 156,648	\$ 46,205
Excess of revenues over expenditures	70,770	77,856	148,626	110,443
Balance, end of year	\$ 233,174	\$ 72,100	\$ 305,274	\$ 156,648

Espanola General Hospital Foundation**Cash Flows Statement****Year ended March 31, 2026 with comparative figures for 2025**

	2026	2025
Cash flows from operating activities		
Excess of revenues over expenditures	\$ 148,626	\$ 110,443
Change in non-cash working capital items		
Accounts receivable	656	(656)
Prepaid expenses	(222)	(248)
Accounts payable and accrued liabilities	937	(1,197)
Accounts payable - Espanola General Hospital	(8,253)	(201,747)
	141,744	(93,405)
Cash flows from investing activities		
Decrease in portfolio investments	-	172,011
	-	172,011
Increase in cash	141,744	78,606
Cash, beginning of year	164,853	86,247
Cash, end of year	\$ 306,597	\$ 164,853

Espanola General Hospital Foundation

Notes to the Financial Statements

Year ended March 31, 2026 with comparative figures for 2025

1. Nature of operations

The Espanola General Hospital Foundation (the “Foundation”) is a not-for-profit organization incorporated without share capital and is exempt from tax under the Income Tax Act (Canada). The corporation’s purpose is to promote and assist fundraising efforts for projects of the Espanola General Hospital.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Capital assets

The Foundation expenses its capital assets in the year of acquisition. There were no capital expenditures in the current or prior year.

(b) Revenue recognition

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

Unrestricted and externally restricted contributions, donations and fundraising revenue are recognized in the appropriate fund when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Interest income is recognized when earned.

(c) Financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Foundation subsequently measures its financial assets and financial liabilities at amortized cost except for equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in the statement of operations in the period they occur.

Financial assets and liabilities measured at amortized cost include cash, accounts receivable, accounts payable and accrued liabilities and payable to Espanola General Hospital.

(d) Contributed services

The Foundation is dependent on the voluntary services of many individuals. Since these services are not normally purchased by the Foundation and because of the difficulty in estimating their fair market value, these services are not recorded in these financial statements.

Espanola General Hospital Foundation
Notes to the Financial Statements
Year ended March 31, 2026 with comparative figures for 2025

3. Restricted fund

The restricted fund balances consist of the following:

	2026	2025
Palliative/Hospice	\$ 177,305	\$ 10,974
Long-Term Care - recreation	14,888	12,965
Lab equipment	13,870	13,870
Long-Term Care - general	10,987	10,651
Lifts	6,155	6,155
Nursing education	5,507	5,507
Equipment	3,067	4,116
Queensway Place	1,000	1,000
X-Ray machine	395	395
Cardiac monitoring system	-	94,777
50/50 funds	-	3,062
Long-Term Care - expansion	-	(1,068)
	\$ 233,174	\$ 162,404

4. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring financial risks to another party. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments. The Foundation is exposed to the following risks associated with its financial instruments and transactions it is a party to:

(a) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Foundation is exposed to this risk relating to its cash.

Credit risk associated with cash is minimized by ensuring the Foundation holds its cash accounts with large reputable financial institutions with high credit ratings.

(b) Liquidity risk

Liquidity risk is the risk that the Foundation cannot repay its obligations when they become due to its creditors. The Foundation is exposed to this risk relating to its accounts payable and accrued liabilities and accounts payable to Espanola General Hospital.

The Foundation reduces its exposure to liquidity risk by monitoring cash activities and expected outflow through budgeting and maintaining adequate cash to repay creditors as payables become due.