

WOODSTOCK HOSPITAL FOUNDATION

**FINANCIAL STATEMENTS
(Audited)**

YEAR ENDED DECEMBER 31, 2025

WOODSTOCK HOSPITAL FOUNDATION
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YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Members,
Woodstock Hospital Foundation

Qualified Opinion

We have audited the financial statements of the Woodstock Hospital Foundation, which comprise the statement of financial position as at December 31, 2025, and 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, 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 the Woodstock Hospital Foundation as at December 31, 2025, and the results of operations and its cash flows for the period then ended in accordance with Canadian Accounting Standards for Not-for-Profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many non-profit organizations, the Woodstock Hospital Foundation derives revenue from both donation and fundraising contributions, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Woodstock Hospital Foundation and as such we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenditures, current assets and fund balances for the years ended December 31, 2025 and December 31, 2024. Our audit opinion on the financial statements for the year ended December 31, 2024 was also 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 Woodstock Hospital 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 opinion.

Emphasis Of Matter - Restated Comparative Information

Without modifying our opinion, we draw attention to note 13 in the financial statements, which describes that certain comparative information presented for the year ended December 31, 2024 has been restated.

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 ASNPO, 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 Woodstock 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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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 with a statement that we have complied 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.

MW&CO

MW&CO Professional Corporation

Chartered Professional Accountants

Authorized to practise public accounting by the Chartered Professional Accountants of Ontario

Woodstock, Ontario

February 21, 2026

WOODSTOCK HOSPITAL FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025
(Audited)

	ASSETS	
	<u>2025</u>	<u>2024</u>
Current		
Cash and bank (note 3)	\$ 1,578,219	\$ 3,654,144
Accounts receivable	449	2,361
HST recoverable	24,767	22,308
Prepaid expenses	<u>20,166</u>	<u>16,508</u>
	1,623,601	3,695,321
Investments (note 4)	23,930,547	23,392,272
Capital assets (note 6)	55,547	59,438
CSV of life insurance policies (note 7)	672,613	655,869
Collections (note 8)	<u>69,069</u>	<u>69,069</u>
	<u>\$ 26,351,377</u>	<u>\$ 27,871,969</u>
LIABILITIES		
Current		
Due to Woodstock Hospital (note 9)	\$ 155,576	\$ 114,778
Accounts payable and accrued liabilities	<u>172,017</u>	<u>35,694</u>
	<u>327,593</u>	<u>150,472</u>
NET ASSETS		
General fund (page 5)	23,351,637	23,139,834
Restricted fund (page 5)	<u>2,672,147</u>	<u>4,581,663</u>
	<u>26,023,784</u>	<u>27,721,497</u>
	<u>\$ 26,351,377</u>	<u>\$ 27,871,969</u>

Approved by the board:

Director: _____

Director: _____

WOODSTOCK HOSPITAL FOUNDATION
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2025
(Audited)

	General Fund		Restricted Fund		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Bequests (note 13)	\$ 58,375	\$ 87,074	\$ 2,850	\$ 480,000	\$ 61,225	\$ 567,074
Contributions (note 13)	471,545	454,088	2,570,181	2,640,154	3,041,726	3,094,242
In memoriums	74,164	52,406	-	-	74,164	52,406
Lifeline rentals	413,229	393,324	-	-	413,229	393,324
	<u>1,017,313</u>	<u>986,892</u>	<u>2,573,031</u>	<u>3,120,154</u>	<u>3,590,344</u>	<u>4,107,046</u>
Expenses						
Advertising and promotion	24,663	6,513	-	-	24,663	6,513
Amortization	20,100	22,708	-	-	20,100	22,708
Campaign and events	59,500	36,219	911,380	1,019,426	970,880	1,055,645
Office	32,558	35,484	-	-	32,558	35,484
Miscellaneous	16,351	13,529	-	-	16,351	13,529
Salaries and wages	234,141	201,223	-	-	234,141	201,223
Lifeline	346,534	331,055	5,000	-	351,534	331,055
	<u>733,847</u>	<u>646,731</u>	<u>916,380</u>	<u>1,019,426</u>	<u>1,650,227</u>	<u>1,666,157</u>
Funds from operations	283,466	340,161	1,656,651	2,100,728	1,940,117	2,440,889
Investment income (note 5)	2,811,822	2,631,304	-	-	2,811,822	2,631,304
Contributions to Woodstock Hospital (note 9)	<u>(2,733,485)</u>	<u>-</u>	<u>(3,716,167)</u>	<u>(1,164,671)</u>	<u>(6,449,652)</u>	<u>(1,164,671)</u>
Excess of revenues over expenses	361,803	2,971,465	(2,059,516)	936,057	(1,697,713)	3,907,522
Transfers (note 12)	(150,000)	-	150,000	-	-	-
Fund balances, beginning of year	<u>23,139,834</u>	<u>20,168,369</u>	<u>4,581,663</u>	<u>3,645,606</u>	<u>27,721,497</u>	<u>23,813,975</u>
Fund balances, end of year	<u>\$ 23,351,637</u>	<u>\$ 23,139,834</u>	<u>\$ 2,672,147</u>	<u>\$ 4,581,663</u>	<u>\$ 26,023,784</u>	<u>\$ 27,721,497</u>

WOODSTOCK HOSPITAL FOUNDATION
STATEMENT OF CASH FLOWS
AS AT DECEMBER 31, 2025
(Audited)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Excess of revenues over expenses	\$ (1,697,713)	\$ 3,907,522
Non-cash items:		
Amortization	20,100	22,708
Unrealized gain on CSV of life insurance policies	(16,744)	(16,430)
Realized gain on investments	<u>(117,312)</u>	<u>(293,107)</u>
	(1,811,669)	3,620,693
Changes in non-cash working capital		
Accounts receivable	1,912	1,086
HST recoverable	(2,459)	1,051
Prepaid expenses	(3,658)	-
Due to Woodstock Hospital	40,797	(4,772)
Accounts payable and accrued liabilities	<u>136,323</u>	<u>(4,214)</u>
	<u>(1,638,754)</u>	<u>3,613,844</u>
Cash flows from investing activities		
Purchase of capital assets	(16,208)	(11,693)
Net (increase) decrease in investments	<u>(420,963)</u>	<u>(2,294,998)</u>
	<u>(437,171)</u>	<u>(2,306,691)</u>
Net increase (decrease) in cash and bank	(2,075,925)	1,307,153
Cash and bank, beginning of year	<u>3,654,144</u>	<u>2,346,991</u>
Cash and bank, end of year	<u>\$ 1,578,219</u>	<u>\$ 3,654,144</u>

WOODSTOCK HOSPITAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Audited)

1. Purpose of organization

The Woodstock Hospital Foundation (the "Foundation") is incorporated under the laws of Ontario as a corporation without share capital. The Foundation receives, accumulates and distributes funds and the income for the benefit of the Woodstock Hospital.

The Foundation is a public foundation registered under the Income Tax Act (Canada) and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes. To maintain its status as a public foundation registered under the Act, the Foundation must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

2. Significant accounting policies

The accounting policies of the Foundation are in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant.

Fund Accounting

To ensure observance of the limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of "fund accounting". Resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the donors or in accordance with directives issued by the Board of Directors. Transfers between the funds are made when it is considered appropriate and authorized by the Board of Directors. To meet these objectives of financial reporting and stewardship over assets, certain interfund transfers may be necessary to ensure the appropriate allocation of assets and liabilities to the respective funds. These interfund transfers are recorded as a component of changes in fund balances.

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

General Fund

The General Fund accounts for the Foundation's general fundraising, receiving of grants and administrative activities. The General Fund reports unrestricted resources available for immediate purposes.

Restricted Fund

The Restricted Fund consists of funds that have been externally restricted by donors. The purpose of the Restricted Fund is to distribute, as specified, donor requested contributions and to fund costs associated with the fundraising events that generate any donor restricted contributions. The costs include fundraising costs and any directly related office expenses.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash deposits held in bank accounts. Cash and investments meeting the definition of cash and cash equivalents that are held for investing rather than liquidity purposes are classified as investments.

WOODSTOCK HOSPITAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Audited)

2. Significant accounting policies (continued)

Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market and insurance contracts with a cash surrender value, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and bank, accounts receivable and GIC investments.

Financial liabilities measured at amortized cost include accounts payable.

Revenue Recognition

- i) Donor restricted contributions are recognized as revenue of the restricted fund when received.
- ii) Interest and dividend income, and operating expenses are recorded as earned or incurred.
- iii) Unrestricted contributions are recognized as revenue of the General Fund. Contributions are recognized in revenue when received or receivable.
- iv) Life insurance policies that have named the Foundation as owner/beneficiary are recorded at the cash surrender value of the policy. The increase in cash surrender value from year to year is recorded as investment income to the General Fund.
- v) Pledges are recorded on a cash basis as they are not legally enforceable claims.

Investments

The investments are presented at their fair values using quoted market prices as at December 31, 2025. Interest, dividends, realized and unrealized gains are recorded as investment income and included in net income for the year. Investment income is allocated to the General Fund.

Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Lifeline equipment is amortized using the straight-line method over a period of seven years.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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 these estimates.

Contributed materials and services

Due to the difficulty of determining their fair value, contributed materials and services, other than donated artwork, are not recognized in these financial statements.

WOODSTOCK HOSPITAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Audited)

2. Significant accounting policies (continued)

Collections

Donated works of art are measured at fair value at the date of contribution plus all costs directly attributable to the acquisition of the collection items. Fair value is estimated at the date of contribution using market or appraisal values.

Allocation of expenses

Direct fundraising expenses represent expenses and costs of any personnel that are directly related to these activities. No costs of personnel in general fundraising or administrative expenses are included in these balances. General fundraising and administrative expenses are not allocated to the Restricted fund.

Cloud computing arrangements

At the inception of the cloud computing arrangement with a supplier, the Foundation allocates the consideration of the arrangement to all of the significant separable elements based on their specific sales price. Development costs and costs on the rights to use a tangible asset are recognized according to the accounting methods applicable to such elements. To account for the expenditures in a cloud computing arrangement that fall within the scope of AcG-20, Customer's Accounting for Cloud Computing Arrangements, the Foundation has opted for the simplification measure. Such expenditures shall be treated as the supply of services and recognized as an expenditure when the Foundation receives such services. These expenditures are shown in the Office expenses line on the statement of income (2025 - \$25,381, 2024 - \$16,508). The Foundation recognizes a prepayment as an asset when payment for services has been made in advance of the entity receiving those services. Expenditures related to implementation activities are expenses as incurred in the General Fund.

3. Cash and bank

Cash and bank consists of petty cash on hand and five accounts held at Scotiabank that yield interest at the Bank of Canada overnight interest rate +.450%.

4. Investments

	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Cash	\$ 166,505	\$ 166,505	\$ 161,876	\$ 161,876
Accrued interest and dividends	107,373	107,373	114,238	114,238
Guaranteed investment certificates	3,855,900	4,073,758	6,246,735	6,495,637
Equities	6,117,644	9,047,222	5,895,419	7,498,809
Mutual funds	<u>10,271,021</u>	<u>10,535,689</u>	<u>9,197,323</u>	<u>9,121,712</u>
	<u>\$ 20,518,443</u>	<u>\$ 23,930,547</u>	<u>\$ 21,615,591</u>	<u>\$ 23,392,272</u>

The guaranteed investment certificates (GICs) consist of five GICs yielding interest ranging from 1.536% to 5.000%, with maturities ranging from September 2026 to May 2028.

WOODSTOCK HOSPITAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Audited)

5. Investment income

	<u>2025</u>	<u>2024</u>
Investment income net of management fees	\$ 2,677,766	\$ 2,321,767
Realized gains	117,312	293,107
Unrealized gains on CSV of life insurance policy	<u>16,744</u>	<u>16,430</u>
	<u>\$ 2,811,822</u>	<u>\$ 2,631,304</u>

6. Capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2025</u>	<u>Net 2024</u>
Lifeline equipment	<u>\$ 417,985</u>	<u>\$ 362,438</u>	<u>\$ 55,547</u>	<u>\$ 59,438</u>

7. CSV of life insurance policies

The existing life insurance policies at December 31, 2025 have a cash surrender value at year end of \$672,613 and a value upon the death of the insured of \$1,065,000.

8. Collections

The collection of works of art consists of donated paintings. There were no paintings gifted to the Foundation in 2025 or 2024.

9. Related party transactions

The Woodstock Hospital is related to the Foundation. The Foundation has the following transactions with the Woodstock Hospital:

Due to Woodstock Hospital

This amount represents expenses paid by the Woodstock Hospital on behalf of the Foundation that were not yet repaid at year-end.

Contributions to Woodstock Hospital

During the year, the Foundation transferred funds to the Woodstock Hospital subject to restrictions provided by the donors. Amount contributed to the Woodstock Hospital included funds for renovations and purchase new equipment for the hospital.

10. Financial instruments

The Foundation is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Foundation's risk exposure as at the year then ended.

WOODSTOCK HOSPITAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Audited)

10. Financial instruments (continued)

(i) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its balance due to Woodstock Hospital, accounts payable, and accrued liabilities.

(ii) 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 interest rate exposure of The Foundation arises from its interest bearing assets.

There have been no significant change in these risks from the prior period.

(iii) 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's main credit risks relate to its accounts receivable. The Foundation maintains an allowance for doubtful accounts, and any losses to date have been within management's expectations.

(iv) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Foundation is mainly exposed to market risk on its cash balances and investments.

11. Change in accounting policy

On January 1, 2025, the Foundation adopted the new AcG-20, Customer's Accounting for Cloud Computing Arrangements, which provides indications on the accounting treatment for expenses related to a customer's cloud computing arrangement and on the matter of whether there is a software intangible asset in the arrangement. Previously, at the inception of the cloud computing arrangement, the Company expensed the expenditures that fall within the scope of AcG-20 over the term of the service provided. Henceforth, upon the inception of a cloud computing arrangement, the Foundation continues to recognized the expenses related to such arrangements that fall into the scope of AcG-20, and applied the permitted simplification measure. These expenses are therefore treated as the supply of services and recognized as expenses when the Foundation receives the service in question. These expenses are included in the Office expenses line in the income statement. The Foundation recognizes a prepayment as an asset when payments for goods and services are made in advance. Implementation costs were and continue to be expensed as incurred within the General Fund.

The Foundation applied the simplification measure approach retrospectively, in accordance with Section 1506, Accounting Changes, and the provisions set out under AcG-20. No restatement of prior period balances was determined to be required for the application of the simplification measure.

12. Inter-fund transfer

The board of directors approved a transfer of net assets, totaling \$150,000, from the General Fund to the Restricted Fund for the year ended December 31, 2025 to ensure sufficient net assets exist for planned expenditures from the Restricted Fund.

WOODSTOCK HOSPITAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Audited)

13. Restated comparative information

Comparative information in the statement of operations and changes in fund balances have been restated to reflect an error in classification of revenues previously recorded in the General Fund which were restricted and should be recognized as revenues of the Restricted Fund. As a result, the prior period Contributions revenue recorded in the General Fund decreased by \$195,208 and the Contributions revenue recorded in the Restricted fund increased by the same amount. In addition, General Fund Bequests revenue decreased by \$480,000 and Restricted Fund Bequests revenue increased by the same amount.

14. Comparative figures

Certain amounts in the prior year financial statements have been reclassified to conform with the financial statement presentation adopted in the current year.