

**CAMPBELLFORD MEMORIAL HOSPITAL
FOUNDATION
FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025**

**CAMPBELLFORD MEMORIAL HOSPITAL FOUNDATION
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AS AT DECEMBER 31, 2025**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Campbellford Memorial Hospital Foundation (the Foundation), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, change in 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 section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2025, 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 Foundation derives revenue from fundraising activities, 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 Foundation and we were not able to determine whether, as at and for the years ended December 31, 2025 and December 31, 2024, any adjustments might be necessary to donations revenue, excess of revenues over expenditures, assets and fund balances.

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.

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 these 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.

**INDEPENDENT AUDITOR'S REPORT
(CONT'D)**

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.

Wilkinson & Company LLP

TRENTON, Canada
March 19, 2026

Chartered Professional Accountants
Licensed Public Accountants

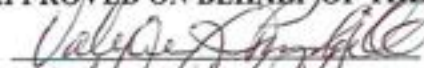

WILKINSON 

CAMPBELLFORD MEMORIAL HOSPITAL FOUNDATION
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2025

	<u>Externally Restricted</u>				
	Campbellford Memorial Hospital	Endowment	Unrestricted	2025 \$	2024 \$
ASSETS					
CURRENT					
Cash	184,023	-	791,288	975,311	780,234
Accounts receivable	-	-	17,494	17,494	4,522
Prepaid expenses and deposits	-	-	30,840	30,840	-
	<u>184,023</u>	<u>-</u>	<u>839,622</u>	<u>1,023,645</u>	<u>784,756</u>
LONG-TERM					
Investment - Note 3	2,369,077	170,326	131,150	2,670,553	2,242,809
Long-term receivable - Note 4	-	-	-	-	157,200
	<u>2,369,077</u>	<u>170,326</u>	<u>131,150</u>	<u>2,670,553</u>	<u>2,400,009</u>
	<u>2,553,100</u>	<u>170,326</u>	<u>970,772</u>	<u>3,694,198</u>	<u>3,184,765</u>
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities - Note 5 (b)	-	-	122,926	122,926	89,826
NET ASSETS					
Campbellford Memorial Hospital - restricted	2,553,100	-	-	2,553,100	1,952,847
Endowment - restricted	-	170,326	-	170,326	165,660
Unrestricted	-	-	847,846	847,846	976,432
	<u>2,553,100</u>	<u>170,326</u>	<u>847,846</u>	<u>3,571,272</u>	<u>3,094,939</u>
	<u>2,553,100</u>	<u>170,326</u>	<u>970,772</u>	<u>3,694,198</u>	<u>3,184,765</u>

COMMITMENTS - Note 7

APPROVED ON BEHALF OF THE BOARD

 Director
 Director

The accompanying notes form an integral part of these financial statements.



CAMPBELLFORD MEMORIAL HOSPITAL FOUNDATION
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Externally Restricted</u>			2025 \$	2024 \$
	Campbellford Memorial Hospital	Endowment	Unrestricted		
BALANCE - BEGINNING OF YEAR	1,952,847	165,660	976,432	3,094,939	3,459,418
NET EARNINGS (LOSS) FOR YEAR	600,253	4,666	(128,586)	476,333	(364,479)
BALANCE - END OF YEAR	2,553,100	170,326	847,846	3,571,272	3,094,939

The accompanying notes form an integral part of these financial statements

**CAMPBELLFORD MEMORIAL HOSPITAL FOUNDATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Externally Restricted</u>			2025 \$	2024 \$
	Campbellford Memorial Hospital	Endowment	Unrestricted		
REVENUE					
Catch the ace ticket sales	-	-	258,550	258,550	806,315
Donations					
Bequests	-	-	466,960	466,960	634,789
Other	612,972	-	1,231,417	1,844,389	1,210,279
Government grants	62,500	-	5,495	67,995	62,500
Investment income - Note 3	54,694	4,666	20,074	79,434	114,234
Other revenue	-	-	1,825	1,825	8,440
	<u>730,166</u>	<u>4,666</u>	<u>1,984,321</u>	<u>2,719,153</u>	<u>2,836,557</u>
EXPENSES					
Capital Campaign	67,413	-	-	67,413	-
Catch the ace disbursements	-	-	185,151	185,151	483,470
Fundraising and events	-	-	94,224	94,224	109,577
Office, printing and supplies	-	-	28,209	28,209	35,819
Professional fees	-	-	35,119	35,119	10,047
Salaries and benefits	-	-	386,371	386,371	316,811
	<u>67,413</u>	<u>-</u>	<u>729,074</u>	<u>796,487</u>	<u>955,724</u>
EXCESS OF REVENUE OVER EXPENDITURES BEFORE TRANSFERS					
	<u>662,753</u>	<u>4,666</u>	<u>1,255,247</u>	<u>1,922,666</u>	<u>1,880,833</u>
TRANSFERS					
Campbellford Memorial Hospital - Note 5 (a)	(62,500)	-	(1,350,397)	(1,412,897)	(2,208,328)
Other 5 (c)	-	-	(33,436)	(33,436)	(36,984)
	<u>(62,500)</u>	<u>-</u>	<u>(1,383,833)</u>	<u>(1,446,333)</u>	<u>(2,245,312)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES					
	<u>600,253</u>	<u>4,666</u>	<u>(128,586)</u>	<u>476,333</u>	<u>(364,479)</u>

The accompanying notes form an integral part of these financial statements

**CAMPBELLFORD MEMORIAL HOSPITAL FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Externally Restricted</u>				
	Campbellford Memorial Hospital	Endowment	Unrestricted	2025 \$	2024 \$
OPERATING ACTIVITIES					
Excess (deficiency) of revenue over expenditures	600,253	4,666	(128,586)	476,333	(364,479)
Net change in non-cash working capital -					
Accounts receivable	-	-	(12,972)	(12,972)	14,199
Prepaid expenses	-	-	(30,840)	(30,840)	-
Accounts payable and accrued liabilities	-	-	33,100	33,100	(55,278)
CASH FLOWS PROVIDED FROM (USED IN) OPERATING ACTIVITIES	600,253	4,666	(139,298)	465,621	(405,558)
INVESTING ACTIVITIES					
Redemptions (purchases) of investments	(427,247)	(4,666)	4,169	(427,744)	152,205
Long-term receivable	-	-	157,200	157,200	-
CASH FLOWS PROVIDED FROM (USED IN) INVESTING ACTIVITIES	(427,247)	(4,666)	161,369	(270,544)	152,205
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR YEAR	173,006	-	22,071	195,077	(253,353)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	11,017	-	769,217	780,234	1,033,587
CASH AND CASH EQUIVALENTS - END OF YEAR	184,023	-	791,288	975,311	780,234

The accompanying notes form an integral part of these financial statements

**CAMPBELLFORD MEMORIAL HOSPITAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

1. NATURE OF BUSINESS

Campbellford Memorial Hospital Foundation (the "Foundation") is incorporated, without share capital, under the laws of Canada. The Foundation's mandate is to raise funds and manage funds for charitable purposes in the field of health and related charitable social and educational purposes.

The Foundation is a registered charity and as such is exempt from income taxes and may issue income tax receipts to donors, provided certain requirements of the Income Tax Act are met.

2. SIGNIFICANT ACCOUNTING POLICIES

Outlined below are those accounting policies adopted by the Foundation that are considered to be particularly significant:

(a) Basis of Accounting

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

(b) Fund Accounting

In order 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. Accordingly, 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 (the "Board"). Transfers between the funds are made when it is considered appropriate and authorized by the Board. To meet these objectives of financial reporting and stewardship over assets, certain interfund transfers are necessary to ensure the appropriate allocation of assets and liabilities to the respective funds. These inter-fund balances are reported on the Statement of Changes of Net Assets.

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

(i) Unrestricted

The Unrestricted Fund accounts for the Foundation's general fundraising, granting and administrative activities.

(ii) Campbellford Memorial Hospital Fund

Donations restricted for Campbellford Memorial Hospital include donations specified for equipment, donations for professional nursing development and other donations for specified purposes.

**CAMPBELLFORD MEMORIAL HOSPITAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

2. ACCOUNTING POLICIES - (Cont'd)

(b) Fund Accounting (Cont'd)

(iii) Endowment Fund

The Endowment fund includes funds where donor restrictions require that the principal be invested by the Foundation in perpetuity. The investment income generated from assets held for endowment purposes must be used in accordance with the various purposes established by the donors or the Board. Investment income attributed to the fund is accumulated within the fund. Disbursements of income from the fund are in accordance with the terms of the specific endowment requirements.

(c) Revenue Recognition

Investment income, which is recorded on the accrual basis, includes dividends, interest and realized and unrealized gains (losses).

Donations, grants and fundraising income are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and the collection is reasonable assured.

(d) 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. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(e) Financial Instruments

(i) Measurement of Financial Instruments

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

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost except for equities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in income.

Financial assets measured at fair value include cash and investments.

Financial assets measured at amortized cost include accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

**CAMPBELLFORD MEMORIAL HOSPITAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

2. ACCOUNTING POLICIES - (Cont'd)

(e) Financial Instruments - (Cont'd)

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recorded in net income. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the impairment amount previously recognized.

(f) Investments

Investments are classified as held-for-trading, and are initially recorded at their acquisition cost, including related transaction costs, on the date of trade. Investments are subsequently adjusted to fair value as at the date of the balance sheet, and the corresponding unrealized gains and losses are recorded in the statement of operations for the year.

(g) Pledges

The amount of any pledges made to donate funds to the Foundation is not included in revenue until such time as the funds are received.

(h) Cash and Equivalents

Cash and equivalents consist of cash on deposit with the bank and broker.

(i) Accounting Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make 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 reporting period. Significant items subject to such estimates and assumptions include valuation of accounts receivable. Actual results could differ from those estimates.

(j) Translation of Foreign Currencies

Investments held in a foreign currency are translated at the rate of exchange in effect at the statement of financial position date. Revenues and expense items are translated at the date the transactions takes place. Gains and losses resulting from translation practices are recorded in earnings.

**CAMPBELLFORD MEMORIAL HOSPITAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

3. INVESTMENTS

	2025		2024	
	Cost \$	Fair value \$	Cost \$	Fair Value \$
Guaranteed investment certificates	233,333	235,697	699,999	699,999
Mutual funds - investment savings account	2,435,189	2,434,856	1,542,810	1,542,810
	2,668,522	2,670,553	2,242,809	2,242,809

Guaranteed investment certificates yield interest of 5.51% to 5.52% and mature October 2026.

Investment income consists of:

	2025 \$	2024 \$
Interest and dividends, net of fees	77,403	114,234
Unrealized gain for the year	2,031	-
	79,434	114,234

4. LONG-TERM RECEIVABLE

In the year ended December 31, 2022, the Foundation was designated as the beneficiary with regards to a life insurance policy.

During the current year, the Foundation received a total of \$201,932, of which \$44,732 is included in the current year's revenue.

**CAMPBELLFORD MEMORIAL HOSPITAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

5. RELATED PARTY TRANSACTIONS

Related parties include Campbellford Memorial Hospital, Campbellford Memorial Hospital Auxiliary and Campbellford Memorial Multicare Lodge.

These parties are related by common representation on the Board of Directors.

- (a) During the year, the Foundation transferred \$1,412,897 (2024 - \$2,208,328) to the Campbellford Memorial Hospital in order to promote the hospital mission. Of this amount, \$62,500 (2024 - \$187,500) was transferred from the CMH Restricted Fund, which represents the accumulated funds received from the County of Northumberland capital grant towards the support of certain hospital equipment.
- (b) Campbellford Memorial Hospital pays various expenses on behalf of the Foundation, such as salaries and supplies for which it is reimbursed by the Foundation. At year-end, the payable for these expenses amounts to \$34,067 (2024 - \$36,279) and is included in accounts payable and accrued liabilities on the Statement of Financial Position.
- (c) During the year, the Foundation transferred \$33,436 (2024 - \$36,984) to the Campbellford Memorial Hospital Auxiliary, Campbellford Memorial Multicare Lodge and other organizations.

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.

**CAMPBELLFORD MEMORIAL HOSPITAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

6. FINANCIAL RISKS AND CONCENTRATION OF RISK

The Foundation has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include interest rate risk, credit risk, liquidity risk and market (other price) risk.

(a) Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The exposure of the Foundation to interest rate risk arise from guaranteed investment certificates in the investments portfolio.

(b) Market Risk

Market risk is the risk that changes in market prices which effect the Foundation's income of the value of its holdings of financial instruments. The objective of market risk management is to control market exposures within acceptable parameters while optimizing return on investment. The Foundation's mutual funds give rise to market risk.

(c) Liquidity Risk

Liquidity risk is the risk that the Foundation will not be able to meet all cash outflow obligations as they come due. The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

7. COMMITMENTS

- (i) In a prior year, the Foundation pledged to donate \$2,989,000 to the Campbellford Memorial Hospital towards the implementation of the digital clinical information system ("CIS"). As at December 31, 2025, the remaining commitment is \$1,471,151 (2024 - \$1,821,002) which is expected to be fully paid by June 2031.
- (ii) During the fiscal year 2025, an agreement was signed with KCI to have them direct, organize, manage and otherwise make effective the solicitation of certain funds for the benefit of the Campbellford Memorial Hospital Redevelopment Project.

According to the agreement with KCI, Campbellford Memorial Hospital Foundation is committed to make the following payments:

	\$
2026	230,520
2027	179,218
2028	127,973