William Osler Health System Foundation

Financial Statements
March 31, 2026

Independent auditor's report

To the Board of Directors of William Osler Health System Foundation

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of William Osler Health System Foundation (the Foundation) as at March 31, 2026 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

The Foundation's financial statements comprise:

- the statement of financial position as at March 31, 2026;
- the statement of revenues and expenditures and changes in fund balances for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2500
Toronto, Ontario, Canada M5J 0B2
T.: +1 416 863 1133, F.: +1 416 365 8215
Fax to mail: ca_toronto_18_york_fax@pwc.com

Independence

We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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.
- 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Ontario
June 23, 2026

William Osler Health System Foundation

Statement of Financial Position

As at March 31, 2026

	2026 $	2025 $
Assets		
Current assets		
Cash	22,998,249	16,019,554
Current portion of term deposits (note 5)	6,000,000	12,000,000
Current portion of investments (note 4)	1,753,867	1,531,373
Amounts receivable	264,627	329,783
Prepaid expenses and other assets	92,193	128,513
	31,108,936	30,009,223
Term deposits (note 5)	12,000,000	6,000,000
Investments (note 4)	15,916,474	15,322,590
Capital assets (note 6)	36,231	48,493
	59,061,641	51,380,306
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	382,258	365,985
Due to William Osler Health System (note 3)	217,586	249,373
Deferred revenue	286,376	540,350
	886,220	1,155,708
Fund Balances		
Unrestricted	23,043,108	17,839,574
Restricted (note 7)	34,827,433	32,097,553
Endowment	304,880	287,471
	58,175,421	50,224,598
	59,061,641	51,380,306

Approved by the Board of Directors

____________________________ Director ____________________________ Director

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

William Osler Health System Foundation

Statement of Revenues and Expenditures and Changes in Fund Balances

For the year ended March 31, 2026

	Unrestricted		Restricted		Endowment		Total	
	2026 $	2025 $	2026 $	2025 $	2026 $	2025 $	2026 $	2025 $
Revenues								
Fundraising	9,956,262	9,746,172	4,380,630	12,658,599	-	-	14,336,892	22,404,771
William Osler Health System Volunteer Association (note 3)	125,000	100,000	-	-	-	-	125,000	100,000
Investment income	1,696,261	1,664,807	-	-	6,191	6,264	1,702,452	1,671,071
	11,777,523	11,510,979	4,380,630	12,658,599	6,191	6,264	16,164,344	24,175,842
Expenditures								
Fundraising (note 8)	3,672,808	3,079,707	40,706	241,124	-	-	3,713,514	3,320,831
Administrative (note 8)	1,315,595	1,332,826	33,305	27,795	-	-	1,348,900	1,360,621
Investment management fees	69,581	64,848	-	-	1,231	1,122	70,812	65,970
Amortization of capital assets	14,723	33,821	-	-	-	-	14,723	33,821
	5,072,707	4,511,202	74,011	268,919	1,231	1,122	5,147,949	4,781,243
Excess of revenues over expenditures for the year before the following	6,704,816	6,999,777	4,306,619	12,389,680	4,960	5,142	11,016,395	19,394,599
Change in fair value of investments	431,702	859,391	-	-	12,449	15,950	444,151	875,341
Grants to William Osler Health System (note 3)	(1,695,376)	(2,795,452)	(1,788,739)	(2,409,897)	-	-	(3,484,115)	(5,205,349)
Grants to other	(25,608)	(107,248)	-	-	-	-	(25,608)	(107,248)
Excess of revenues over expenditures for the year	5,415,534	4,956,468	2,517,880	9,979,783	17,409	21,092	7,950,823	14,957,343
Fund balances – Beginning of year	17,839,574	13,313,106	32,097,553	21,687,770	287,471	266,379	50,224,598	35,267,255
Interfund transfer (note 10)	(212,000)	(430,000)	212,000	430,000	-	-	-	-
Fund balances – End of year	23,043,108	17,839,574	34,827,433	32,097,553	304,880	287,471	58,175,421	50,224,598

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

William Osler Health System Foundation

Statement of Cash Flows

For the year ended March 31, 2026

	2026 $	2025 $
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenditures for the year	7,950,823	14,957,343
Items not affecting cash		
Revenue recognized for donated securities	(2,999,371)	(5,824,172)
Change in fair value of investments	(444,151)	(875,341)
Amortization of capital assets	14,723	33,821
	4,522,024	8,291,651
Changes in non-cash working capital items		
Amounts receivable	65,156	(45,893)
Prepaid expenses and other assets	36,320	(15,684)
Accounts payable and accrued liabilities	16,273	(2,800)
Due to William Osler Health System	(31,787)	38,054
Deferred revenue	(253,974)	277,450
	4,354,012	8,542,778
Investing activities		
Proceeds from sale of investments and donated securities	6,584,012	12,140,500
Purchase of investments	(3,956,868)	(6,649,806)
Purchase of capital assets	(2,461)	(8,339)
Term deposits matured	12,000,000	-
Purchase of term deposits	(12,000,000)	(6,000,000)
	2,624,683	(517,645)
Increase in cash during the year	6,978,695	8,025,133
Cash – Beginning of year	16,019,554	7,994,421
Cash – End of year	22,998,249	16,019,554

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

1 Purpose of the organization

William Osler Health System Foundation (the Foundation) is incorporated under the Ontario Not-for-Profit Corporations Act. The Foundation is a registered charity and accordingly is exempt from income taxes provided certain requirements of the Income Tax Act (Canada) are met. The Foundation's registered charitable number is 12996 5133 RR0001.

The Foundation raises funds to support capital expenditures, education, research and other special projects for the benefit of William Osler Health System (the Health System) in the communities of Etobicoke and Brampton.

2 Summary of significant accounting policies

The financial statements of the Foundation have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The significant accounting policies are as follows.

Accounting Guideline AcG-20, Customer's accounting for cloud computing arrangements (AcG-20)

The Foundation enters intro arrangements with vendors that provide cloud computing services, which is the on-demand delivery of computing resources over the internet or a private network. Some arrangements include multiple elements, such as software, hardware and implementation activities. Total consideration is allocated at the inception of the cloud computing arrangement to all significant separable elements based on relative stand-alone selling prices.

Capital assets in the cloud computing arrangements are accounted for in accordance with the Foundation's accounting policy for capital assets. Intangible assets acquired in cloud computing arrangements are recognized when a separate software asset is acquired or an intangible asset is developed through implementation activities. Intangible assets are measured at cost less accumulated amortization and impairment (if any) and are amortized over their estimated useful lives. Cost includes any consideration allocated to the software intangible asset and expenditures on implementation activities that are directly attributable to preparing the asset for its intended use.

The Foundation has applied the simplified approach, as permitted by AcG-20 to account for software service expenditures on implementation activities. In applying this approach, the Foundation expenses the expenditures on implementation activities when it receives the service. The total amount expensed in respect of the arrangement with the vendors was $93,108 (2025 – $87,150) and was included in administrative expenses in the statement of revenues and expenditures and changes in fund balances.

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions. The financial statements separately disclose the activities of the funds maintained by the Foundation. These funds are held in accordance with the objectives specified by the donors or in accordance with directives issued by the Board of Directors. For financial reporting purposes, the accounts have been classified into the following funds:

- Unrestricted Fund

  The Unrestricted Fund accounts for the Foundation's general fundraising, granting and administrative activities. The Unrestricted Fund reports unrestricted resources available for immediate purposes.

- Restricted Fund

  The Restricted Fund includes those funds where the purpose of the funds has been externally restricted as specified by the donor or by the fundraising appeal, or internally restricted as determined by the Board of Directors.

- Endowment Fund

  The Endowment Fund includes those funds where either donor or internal restrictions require the principal to be maintained by the Foundation for a specified period of time.

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 of assets, certain interfund transfers are necessary to ensure the appropriate allocation of assets and liabilities to the respective funds. Interfund transfers, if any, are recorded in the statement of revenues and expenditures and changes in fund balances.

Revenue recognition

Contributions are recognized as revenue in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Amounts received relating to fundraising events to be held after the fiscal year-end are deferred and recognized on completion of the specific fundraising event. Contributions designated to a program or specific project as directed by the donor are recognized as revenue in the Restricted Fund. Donor restricted contributions for endowment purposes are recognized as revenue in the Endowment Fund. Unrestricted contributions are recognized as revenue in the Unrestricted Fund. Investment income is recognized as revenue in the Unrestricted Fund unless a donor has stipulated a restriction over the use of the investment income. The Foundation recognizes government grants and subsidies when there is reasonable assurance that it will comply with the conditions required to qualify for the grant and the grant will be received.

Investments

Investments are recorded at quoted fair values. The fair values of the units in pooled funds are based on the quoted fair values of the securities held by the pooled funds and are provided by the administrators of the pooled funds.

Debt instruments with a maturity of less than one year from the date of the financial statements are classified as current.

Capital assets

Capital assets are stated at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Computer hardware	3 to 5 years
Office equipment	5 years

When a capital asset no longer contributes to the Foundation's ability to provide services, or the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount, the net carrying amount of the capital asset shall be written down to the capital asset's fair value or replacement cost.

Deferred revenue

Deferred revenue represents deposits received in advance for the subsequent year's fundraising events. These amounts are recognized as revenue in the period in which the event occurs, together with any associated costs.

Contributed materials and services

A number of volunteers contribute their services to the Foundation each year. Due to the difficulty of determining the fair value, these contributed services are not recognized or otherwise disclosed in the financial statement notes. Contributed materials and services are recorded as revenue and expenditures when received, when the fair value is reasonably determinable and when they would normally be purchased and paid for by the Foundation if not donated.

Gifts of securities

Gifts of securities are valued at fair value on the day the Foundation, or the Foundation's investment broker, receives the securities. Any gains or losses arising from timing differences from the receipt and subsequent sale of the securities are recognized by the Foundation in the statement of revenues and expenditures and fund balances.

Financial instruments

The Foundation initially measures financial assets and financial liabilities at their fair values. It subsequently measures its financial assets and financial liabilities at amortized cost other than cash, term deposits and investments, which are reported at fair value. The financial assets subsequently measured at amortized cost include accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities and due to the Health System.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized on a straight-line basis.

Financial assets are tested for impairment at the end of each reporting period when there are indicators the assets may be impaired.

Financial assets originated or acquired, and financial liabilities issued or assumed in a related party transaction are initially measured at cost. For financial instruments with repayment terms, cost is determined as the sum of undiscounted cash flows less any impairment losses previously recognized by the transferor. For financial instruments with no repayment terms, cost is determined by reference to the consideration transferred or received by the Foundation in the transaction.

Allocation of expenses

The Foundation engages in fundraising initiatives to support capital expenditures, education, research and other special projects for the benefit of the Health System. The cost of each fundraising initiative includes the cost of personnel, services and other expenses that are directly related to undertaking the fundraising initiative. The Foundation also incurs a number of personnel related costs common to the administration of each of its ongoing fundraising initiatives. The Foundation allocates these personnel costs based on an estimate of time spent by the personnel on the fundraising initiative. The allocation percentages are reviewed by management and are applied consistently on an annual basis.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect revenues and expenditures during the reporting period, in addition to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

3 Related party balances and transactions

The Foundation is related to the following entities:

- William Osler Health System Volunteer Association
- William Osler Health System

These organizations either contribute funds to support the Health System through the Foundation or are the recipients of funds granted by the Foundation. The Foundation does not exercise control or significant influence over these organizations and consequently these financial statements do not include the assets, liabilities and activities of those organizations. The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

- During the year, William Osler Health System Volunteer Association contributed $125,000 (2025 – $100,000) to the Foundation.

- The amount due to the Health System of $217,586 (2025 – $249,373) represents amounts to be reimbursed for expenses paid by the Health System on behalf of the Foundation.

- During the year, the Foundation donated $3,484,115 (2025 – $5,205,349) to the Health System for the purpose of supporting purchases of equipment and for ongoing operating, education and research programs.

- The Health System provides office space and certain minor administrative services such as payroll processing and purchasing to the Foundation at no charge.

4 Investments

The investments are held in pooled funds and in individual securities, and are recorded at fair value. The investments consist of the following:

	2026 $	2025 $
Money market	336,888	327,072
Bonds	12,349,431	11,252,898
Canadian equities	2,305,740	2,128,258
International and US equities	2,678,282	3,145,735
Total investments	17,670,341	16,853,963
Less: Current portion	1,753,867	1,531,373
Long-term portion of investments	15,916,474	15,322,590

5 Term deposits

Term deposits consist of four Guaranteed Investment Certificates (GICs): two totalling $6,000,000, maturing on December 10, 2026, with an annual interest rate of 3.35%; and two totalling $12,000,000, maturing on December 8, 2027, with an annual interest rate of 2.65%.

6 Capital assets

	2026			2025
	Cost $	Accumulated amortization $	Net $	Net $
Computer hardware	191,251	168,437	22,814	31,791
Office equipment	38,417	25,000	13,417	16,702
	229,668	193,437	36,231	48,493

7 Restricted Fund balances

The major categories of the Restricted Fund balance, identifying the purpose for which they will be used, are as follows:

	2026 $	2025 $
Externally restricted		
Capital and other	27,556,625	25,338,127
Research, Education, and Operational	2,589,808	2,290,426
	30,146,433	27,628,553
Internally restricted	4,681,000	4,469,000
	34,827,433	32,097,553

The internally restricted balance represents amounts set aside by the Board of Directors available for operational priorities.

8 Expense allocation

Fundraising and administrative expenses include employee personnel costs. The majority of the personnel costs are categorized as either fundraising or administrative based on the duties of the Foundation personnel. Certain personnel, however, perform both fundraising and administrative functions. As such, management has allocated certain personnel costs of $1,190,127 (2025 – $1,049,237) as follows: $785,650 (2025 – $686,545) to fundraising expenses; and $404,477 (2025 – $362,692) to administrative expenses.

9 Financial risk management

Market risk

The Foundation is exposed to market risk with regard to its investments. To manage this risk, the Foundation has an investment policy, which includes a target mix of investment types and concentration limits designed to achieve return results within risk tolerances as approved by the Finance Committee.

Currency risk

Currency risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation's investments include non-Canadian equities, the value of which fluctuates in part due to changes in foreign exchange rates.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income securities held by the Foundation. The current interest bearing investments held by the Foundation have a reduced exposure to interest rate risk due to their short-term maturities.

Credit risk

The Foundation is exposed to credit risk in connection with its short-term and fixed income investments because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation. To manage this risk, the Foundation has an investment policy, which includes a target mix of investment types and concentration limits designed to achieve the optimum return within reasonable risk tolerances and only purchases investments with reputable institutions. In addition, the amounts receivable include Canadian harmonized sales tax, which is recoverable from the Canada Revenue Agency, and the risk is considered to be minimal given that the amount is due from the Canadian government.

10 Interfund transfer

The interfund transfer represents a transfer to the Restricted Fund in accordance with the Foundation's reserve fund policy approved by the Board of Directors.