

Women's College Hospital Foundation

Financial statements
March 31, 2026



Shape the future
with confidence

Independent auditor's report

To the Board of Directors of
Women's College Hospital Foundation

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Women's College Hospital Foundation** [the "Foundation"], which comprise the statement of financial position as at March 31, 2026, and the statement of operations and changes in fund balances, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 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 opinion.

Other matter

The consolidated financial statements of the Hospital for the year ended March 31, 2025 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on July 28, 2025.

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.

Report on other legal and regulatory requirements

As required by the *Corporations Act* (Ontario), we report that, in our opinion, Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Toronto, Canada
June 10, 2026

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants



Women's College Hospital Foundation

Statement of financial position

As at March 31

	2026	2025
	\$	\$
Assets		
Cash and cash equivalents	14,103,774	7,906,752
Accounts receivable <i>[note 3]</i>	4,830,484	829,302
Prepaid expenses	55,487	54,487
Investments <i>[note 4]</i>	91,685,186	88,668,570
Total Assets	110,674,931	97,459,111
Liabilities and fund balances		
Liabilities		
Accounts payable and accrued liabilities <i>[note 8]</i>	1,823,468	1,260,252
Derivative liability <i>[note 5]</i>	39,101	907
Total liabilities	1,862,569	1,261,159
Fund balances		
Unrestricted Fund	15,982,624	15,930,490
Restricted Fund <i>[note 10]</i>	42,316,699	31,268,475
Endowment Fund <i>[note 10]</i>	50,513,039	48,998,987
Total fund balances	108,812,362	96,197,952
	110,674,931	97,459,111

See accompanying notes

On behalf of the Board:


Director

Women's College Hospital Foundation

Statement of operations and changes in fund balances

Year ended March 31

	Unrestricted		Restricted		Endowed		Total	Total
	2026	2025	2026	2025	2026	2025	2026	2025
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Donations <i>[note 8]</i>	4,559,122	4,087,128	4,820,000	6,050,048	61,152	22,593	9,440,274	10,159,769
Bequests	8,407,016	597,793	1,044,347	1,014,787	—	—	9,451,363	1,612,580
Events	1,161,812	789,817	974,274	614,139	—	—	2,136,086	1,403,956
	14,127,950	5,474,738	6,838,621	7,678,974	61,152	22,593	21,027,723	13,176,305
Net investment income <i>[note 7]</i>	3,285,859	3,861,507	4,602,261	4,236,866	—	—	7,888,120	8,098,373
	17,413,809	9,336,245	11,440,882	11,915,840	61,152	22,593	28,915,843	21,274,678
Expenses								
Salaries and benefits	3,737,411	3,982,395	—	—	—	—	3,737,411	3,982,395
Fundraising costs <i>[note 8]</i>	1,765,580	1,204,109	14,688	14,136	—	—	1,780,268	1,218,245
Administration	388,254	522,446	—	—	—	—	388,254	522,446
	5,891,245	5,708,950	14,688	14,136	—	—	5,905,933	5,723,086
Excess of revenue over expenses before grants	11,522,564	3,627,295	11,426,194	11,901,704	61,152	22,593	23,009,910	15,551,592
Grants <i>[note 9]</i>	(1,413,810)	(1,147,408)	(8,981,690)	(9,007,239)	—	—	(10,395,500)	(10,154,647)
Excess of revenue over expenses for the year	10,108,754	2,479,887	2,444,504	2,894,465	61,152	22,593	12,614,410	5,396,945
Fund balances, beginning of year	15,930,490	13,500,966	31,268,475	29,512,536	48,998,987	47,787,505	96,197,952	90,801,007
Interfund transfers <i>[note 12]</i>	(10,056,620)	(50,363)	8,603,720	(1,138,526)	1,452,900	1,188,889	—	—
Fund balances, end of year	15,982,624	15,930,490	42,316,699	31,268,475	50,513,039	48,998,987	108,812,362	96,197,952

See accompanying notes

Women's College Hospital Foundation

Statement of cash flows

Year ended March 31

	2026	2025
	\$	\$
Operating activities		
Excess of revenue over expenses for the year	12,614,410	5,396,945
Deduct items not involving cash		
Change in fair value of investments and derivatives	(1,503,334)	(3,338,033)
Investment income reinvested	(6,475,088)	(4,526,670)
Gifts of investments	(607,450)	(225,084)
Changes in non-cash working capital balances related to operations		
Accounts receivable	(4,001,182)	61,227
Prepaid expenses	(1,000)	4,699
Accounts payable and accrued liabilities	563,216	(1,385,700)
Cash provided by (used in) operating activities	589,572	(4,012,616)
Investing activities		
Transfer from externally managed investments	5,000,000	—
Proceeds from sale of gifted investments	607,450	225,084
Cash provided by investing activities	5,607,450	225,084
Net increase (decrease) in cash during the year	6,197,022	(3,787,532)
Cash and cash equivalents, beginning of year	7,906,752	11,694,284
Cash and cash equivalents, end of year	14,103,774	7,906,752

See accompanying notes

Women's College Hospital Foundation

Notes to financial statements

March 31, 2026

1. Nature of operations

Women's College Hospital Foundation [the "Foundation"] is incorporated under the laws of the Province of Ontario as a corporation without share capital.

The Foundation was established to solicit, receive, manage and distribute funds in respect of the advancement of health science research and education and the improvement of patient care in support of the legislated and strategic priorities of Women's College Hospital [the "Hospital"].

The Foundation is a registered charity under the *Income Tax Act* (Canada) and as such, is exempt from income taxes provided certain requirements of the *Income Tax Act* (Canada) are met and is able to issue donation receipts for income tax purposes under Registration #11930 2628 RR 0001.

2. Summary of significant accounting policies

These financial statements have been prepared by management in accordance with Part III of the *CPA Canada Handbook – Accounting*, "Accounting Standards for Not-for-Profit Organizations ["ASNPO"]", which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the following significant policies summarized below:

Fund accounting

The financial statements separately disclose the activities of the following funds maintained by the Foundation:

- [a] The Unrestricted Fund reflects the general fundraising, investing, granting and administrative activities and reports on unrestricted resources available for immediate use. The Unrestricted Fund is used to support Foundation operations and make grants to the Hospital for its highest priority needs.
- [b] The Restricted Fund includes those funds that are to be used for purposes as specified by the donor or as stipulated in the fundraising appeal. The Board of Directors may also internally restrict funds, a restriction that may be reversed by the Board of Directors.
- [c] The Endowment Fund is comprised of amounts to be maintained permanently as specified by the donors or the Board of Directors.

Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions, which includes grants, bequests and other donations.

Women's College Hospital Foundation

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Unrestricted contributions are recognized as revenue in the Unrestricted Fund when initially recorded in the accounts. Externally restricted contributions, except endowment contributions, are recognized as revenue in the Restricted Fund when initially recorded in the accounts. Contributions the donor has required to be held in perpetuity are recognized as revenue in the Endowment Fund when initially recorded in the accounts. Pursuant to the Foundation's Gift Allocation Policy, 5% to 12.5% of all restricted and endowed gifts up to a maximum of \$250,000 is allocated to the Unrestricted Fund.

Investment income (loss) consists of interest, dividends, income distributions from pooled funds, and realized and unrealized gains and losses. Investment income earned on External Endowment Funds is recognized as revenue of the Restricted Fund. Unrestricted investment income earned on Unrestricted and Restricted Funds is recognized as revenue of the Unrestricted Fund. Investment losses are allocated in a manner consistent with investment income.

The Foundation recognizes revenue for special events when earned. Amounts received relating to fundraising events to be held after the year-end are deferred and recognized on completion of the specific fundraising event.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and at the bank and short-term investments with an original term to maturity of less than 90 days. Cash and investments meeting the definition of cash and cash equivalents that are held for investing rather than liquidity purposes are classified as investments.

Financial instruments

Investments reported at fair value consist of equity instruments that are quoted in an active market as well as investments in pooled funds and any investments in fixed income securities that the Foundation designates upon purchase to be measured at fair value. The Foundation's investments are held in a segregated account with a custodian and are managed by an independent investment manager. Transaction costs are recognized in the statement of revenue and expenses and changes in fund balances in the year during which they are incurred.

All transactions are recorded on a trade date basis.

The fair value of alternative and non-marketable investments, which include real estate, infrastructure, private equity and private debt, and are typically structured as limited partnerships, is based on the Foundation's percentage ownership in each of these investments, applied to independent quarterly valuations determined by the external investment manager using accepted industry valuation methods approved by the general partner.

The fair value of financial derivative instruments on initial recognition is the transaction price. The fair value of these contracts at year-end is determined based on the prevailing USD/CAD foreign exchange rate and is reflected as either a derivative asset or derivative liability within the statement of financial position. Changes in the fair value of derivative assets and liabilities is included within investment income in the statement of operations and changes in fund balances.

Women's College Hospital Foundation

Notes to financial statements

March 31, 2026

Other financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities, are initially recorded at their fair value and are subsequently measured at amortized cost or amortized cost, net of any provisions for impairment.

Grants

Grants are recognized on an accrual basis once approved.

Foreign currency translation

Revenue and expenses denominated in foreign currencies are translated into Canadian dollars at the transaction date. Investments and other monetary items denominated in foreign currencies are translated at the year-end rate. Translation gains and losses are recorded in the statement of operations and changes in fund balances.

Contributed goods and services

Contributions of goods are recognized in the financial statements when they can be reliably valued and are for the use of the Hospital. Other contributed goods are not recognized.

Volunteers make a substantial contribution of time each year to assist the Foundation in carrying out its activities. Due to the difficulty in determining the fair value of such services, they are not recognized in these financial statements.

Use of estimates

The financial statements of the Foundation have been prepared by management in accordance with ASNPO, which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the revenue and expenses for the reporting period. Significant areas requiring the use of management estimates include the assumptions used in the determination of the fair value of financial instruments where the values are based on non-observable inputs that are supported by little or no market activity. The estimated value of derivative instruments resulting in derivative assets and liabilities is, by its very nature, subject to measurement uncertainty. Actual results could differ from those estimates.

3. Accounts receivable

As at March 31, 2026, the Foundation has recorded \$4,236,149 in accounts receivable in the statement of financial position related to one bequest, which was subsequently received [2025 – nil].

Women's College Hospital Foundation

Notes to financial statements

March 31, 2026

4. Investments

The Foundation's investments consist of the following:

	2026 \$	2025 \$
Cash equivalents	11,885,227	9,482,319
Pooled funds		
Canadian equity	8,509,819	8,404,138
Global equity	15,935,894	20,426,488
Fixed income	35,774,565	34,008,814
Alternative pooled funds	2,927,457	2,754,000
Non-marketable investments	16,652,224	13,592,811
	79,800,209	79,186,251
	91,685,186	88,668,570

Investments in pooled funds have been allocated among the asset classes based on the underlying investments in the pooled funds.

As at March 31, 2026, the unfunded commitments related to non-marketable investments was \$8,330,555 [CAD \$5,097,547 and USD \$2,319,397] [2025 – \$8,625,797 [USD \$6,239,300]].

5. Derivative financial instruments

To mitigate currency risk associated with investments in US-dollar-denominated securities, the Foundation periodically enters into currency forward contracts. The following table summarizes the Foundation's commitment to sell US dollars for Canadian dollars under foreign exchange forward contracts as at March 31:

Derivative type	2026		Maturity date	Fair value
	Notional amount USD	Exchange rate		
Liability	524,500	1.3772	May 4, 2026	(9,630)
Liability	524,500	1.3769	May 4, 2026	(9,767)
Liability	524,500	1.3771	May 4, 2026	(9,665)
Liability	524,500	1.3772	May 4, 2026	(9,640)
Liability	20,000	1.3641	May 4, 2026	(630)
Asset	8,000	1.3667	May 4, 2026	231
				(39,101)

Women's College Hospital Foundation

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March 31, 2026

Derivative type	2025			
	Notional amount USD	Exchange rate	Maturity date \$	Fair value \$
Liability	1,460,500	1.4391	May 2, 2025	(263)
Liability	1,460,500	1.4388	May 2, 2025	(682)
Liability	1,460,500	1.4387	May 2, 2025	(840)
Liability	1,460,500	1.4388	May 2, 2025	(599)
Asset	338,000	1.4474	May 2, 2025	(2,767)
Asset	1,505,000	1.4364	May 2, 2025	4,243
				<u>(907)</u>

6. Credit facilities

The Foundation has a \$3 million revolving demand facility to finance general operating requirements, which bears interest at the bank's prime rate and is secured by the Foundation's investments. No amounts were drawn on this facility as at March 31, 2026 or 2025.

7. Net investment income

Net investment income consists of the following:

	2026 \$	2025 \$
Interest income	1,917,945	392,375
Distributions from pooled funds	5,046,968	4,367,965
Realized gains (losses)	2,984,242	5,916,066
Unrealized gains (losses)	(1,481,043)	(2,123,144)
Investment management fees	(579,992)	(454,889)
	<u>7,888,120</u>	<u>8,098,373</u>

8. Related party transactions

Women's College Hospital

The Hospital is an independent corporation without share capital with its own Board of Directors ["Board"]. The Hospital is affiliated with the Foundation as a result of some common Board members between the two organizations.

The Hospital provides certain services at no cost to the Foundation and pays some expenses, including salaries and benefits, on behalf of the Foundation. The Foundation reimburses the Hospital for all direct costs associated with the services provided and expenses paid.

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As at March 31, 2026, \$1,163,261 [2025 – \$598,398] was owed by the Foundation to the Hospital and is included in accounts payable and accrued liabilities. Amounts due to the Hospital are interest free and due on demand.

Women's Health Collective Canada ["WHCC"]

The Foundation exercises significant influence over WHCC by virtue of its ability to participate in the election of WHCC's directors and its ability to participate in WHCC's policy-making processes. WHCC was established to raise funds for the use of the Foundation and of other organizations in Canada with similar objectives to those of the Foundation. WHCC is incorporated under the *Canada Not-for-profit Corporations Act* and is a registered charity under the *Income Tax Act*.

As a member of WHCC, the Foundation pays membership dues to WHCC and receives a portion of funds raised annually by WHCC. The Foundation also provides certain services at no cost to WHCC. For the year ended March 31, 2026, \$189,104 [2025 – \$95,000] in membership dues was paid to WHCC and were included in fundraising costs. Grants received from WHCC amounted to \$421,404 [2025 – \$321,947] and are included within Donations.

As at March 31, 2026, the Foundation had amounts due to WHCC of \$17,055 [2025 – nil], which is included in accounts payable and accrued liabilities.

9. Grants

During the year, the Foundation made grants to the Hospital in the following categories:

	Unrestricted Fund		Restricted Fund	
	2026	2025	2026	2025
	\$	\$	\$	\$
Program and operational	1,291,016	1,147,408	7,039,866	6,207,711
Chairs and standing support	—	—	1,432,561	1,179,147
Capital expenditures	122,794	—	193,113	1,088,876
Academic awards	—	—	316,150	531,505
	1,413,810	1,147,408	8,981,690	9,007,239

Women's College Hospital Foundation

Notes to financial statements

March 31, 2026

10. Restricted Fund

The Restricted Fund balance represents the excess of amounts received with external restrictions over expenses for the following purposes, together with funds internally restricted by the Board:

	2026 \$	2025 \$
Externally restricted	32,316,699	31,268,475
Internally restricted	10,000,000	—
	<u>42,316,699</u>	<u>31,268,475</u>

The internally restricted balance represents amounts set aside by the Board for various purposes, amounting to \$10,000,000 [2025 – nil] for operational needs of the Foundation and future granting to the Hospital [note 12].

11. Endowment Fund

[a] The categories of the endowment fund balance are as follows:

	2026 \$	2025 \$
Funds externally restricted for endowment purposes	45,805,102	44,426,550
Externally restricted funds limited for endowment purposes by the Board	3,826,141	3,716,042
Unrestricted funds restricted for endowment purposes by the Board	881,796	856,396
	<u>50,513,039</u>	<u>48,998,987</u>

[b] The Foundation has a policy designed to maintain the purchasing power of endowments by limiting the amount of net investment income made available for spending to 4% of the two-year average Endowment Fund balance [2025 – 4%] and allocating 3% [2025 – 2.5%] of the two-year average Endowment Fund balance to the Endowment Fund, representing preservation of capital. An administrative fee of 1% [2025 – 1%] of the Endowment Fund balance is allocated to the Unrestricted Fund.

For the year ended March 31, 2026, the Foundation earned net investment income of \$4,692,681 [2025 – \$4,320,129] on the Endowment Fund after the allocation of administrative fees. Of this amount, \$4,602,261 [2025 – \$4,236,866] was earned on externally endowed funds as was recorded in the Restricted Fund. The remaining \$90,420 [2025 – \$83,263] was earned on internally endowed funds and was recorded in the Unrestricted Fund. \$1,427,500 and \$25,400 [2025 – \$1,163,400 and \$20,500], representing preservation of capital on externally and internally endowed funds, was transferred from the Restricted and Unrestricted Funds, respectively, to the Endowment Fund [note 12] in accordance with the Foundation's preservation of capital policy.

Women's College Hospital Foundation

Notes to financial statements

March 31, 2026

12. Interfund transfers

Transfers between funds consist of the following:

	2026		
	Unrestricted Fund	Restricted Fund	Endowment Fund
	\$	\$	\$
Preservation of capital on externally endowed funds <i>[note 11[b]]</i>	—	(1,427,500)	1,427,500
Preservation of capital on internally endowed funds <i>[note 11[b]]</i>	(25,400)	—	25,400
Internal restriction for operational needs of the Foundation and future granting to the Hospital <i>[note 10]</i>	(10,000,000)	10,000,000	—
Other board approved transfers	(31,220)	31,220	—
	(10,056,620)	8,603,720	1,452,900

	2025		
	Unrestricted Fund	Restricted Fund	Endowment Fund
	\$	\$	\$
Preservation of capital preservation on externally endowed funds <i>[note 11[b]]</i>	—	(1,163,400)	1,163,400
Preservation of capital preservation on internally endowed funds <i>[note 11[b]]</i>	(20,500)	—	20,500
Other board approved transfers	(29,863)	24,874	4,989
	(50,363)	(1,138,526)	1,188,889

13. Financial risk management

The main risks to which the Foundation's financial instruments are exposed are as follows:

Credit risk

Credit risk is the risk of non-payment of scheduled interest and/or principal payments. The Foundation is exposed to credit risk as it holds investments in fixed income securities *[note 4]*, deposits cash with various financial institutions and periodically enters into foreign exchange currency contracts *[note 5]*. Credit risk on fixed income securities is managed by the Foundation's investment managers whose responsibility is to regularly monitor credit exposures and follow guidelines on credit quality. Credit risk on cash is managed by making deposits with reputable and financially stable organizations.

Credit risk on foreign exchange contracts is managed by the Foundation's investment managers through the careful selection of its derivative counterparties.

Women's College Hospital Foundation

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March 31, 2026

Currency risk

Currency risk is the risk that the value or future cash flows of an investment will change due to fluctuations in foreign exchange rates. The Foundation is exposed to currency risk as it holds investments denominated in currencies other than Canadian dollars and has unfunded investment commitments denominated in US dollars [note 4].

The Foundation periodically enters into foreign exchange forward contracts to mitigate currency risk relating to its non-Canadian investments [note 5].

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.

To manage these risks, the Foundation has established investment policies, which include a target mix of investment types and concentration limits designed to achieve an appropriate return within reasonable risk tolerances.

Market risk

Market risk arises as a result of trading in equity securities and fixed income securities. Fluctuations in the market expose the Foundation to a risk of loss.

Other price risk

The Foundation is exposed to other price risk through changes in market prices [other than changes arising from interest rate or currency risks] in connection with its investments in equity securities and pooled funds. The Foundation manages this risk through diversification as set out in its investment policies and by regularly monitoring the asset mix of the portfolio.

14. Comparative financial statements

Certain comparative figures were reclassified from statements previously presented to conform to the presentation of the 2026 financial statements.