PRINCE EDWARD COUNTY MEMORIAL HOSPITAL FOUNDATION
FINANCIAL STATEMENTS
AS AT MARCH 31, 2026

WILKINSON

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Prince Edward County Memorial Hospital Foundation

Qualified Opinion

We have audited the financial statements of Prince Edward County Memorial Hospital Foundation (the Foundation), which comprise the statement of financial position as at March 31, 2026, and the statements of fund balances, operations 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 March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether, as at and for the years ended March 31, 2026 and March 31, 2025, any adjustments might be necessary to donations revenue, excess of revenue 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.

WILKINSON & COMPANY LLP - CHARTERED PROFESSIONAL ACCOUNTANTS

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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

BELLEVILLE, Canada
June 11, 2026

Chartered Professional Accountants
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PRINCE EDWARD COUNTY MEMORIAL HOSPITAL FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2026

	2026					
	Unrestricted General Fund $	Restricted Capital Fund $	Restricted New Hospital Fund $	Endowment Fund $	Total $	2025 Total $
ASSETS						
CURRENT						
Cash	630,463	203,539	1,298,231	6,297	2,138,530	903,369
Accounts receivable	267,087		573,872	1,183	842,142	751,192
Prepaid expenses	7,165				7,165	7,165
Investments - Note 3	4,907,651		21,005,201	402,014	26,314,866	24,513,783
	5,812,366	203,539	22,877,304	409,494	29,302,703	26,175,509
LONG-TERM						
Tangible capital assets - Note 4	9,069		366,055		375,124	324,168
Intangible asset - Website	52,469				52,469	52,469
	61,538	NIL	366,055	NIL	427,593	376,637
	5,873,904	203,539	23,243,359	409,494	29,730,296	26,552,146
LIABILITIES						
CURRENT						
Accounts payable and accrued liabilities	59,604	30,524	42,370	1,007	133,505	109,563
Interfund payable (receivable)	98,496	(61)	(98,432)	(3)		
	158,100	30,463	(56,062)	1,004	133,505	109,563
FUND BALANCES						
Externally restricted		173,076	23,299,421	408,490	23,880,987	20,999,214
Unrestricted	5,715,804				5,715,804	5,443,369
	5,715,804	173,076	23,299,421	408,490	29,596,791	26,442,583
	5,873,904	203,539	23,243,359	409,494	29,730,296	26,552,146

APPROVED ON BEHALF OF THE BOARD

Peggy Payne Director

Ann Galvin Director

PRINCE EDWARD COUNTY MEMORIAL HOSPITAL FOUNDATION
STATEMENT OF FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2026

	2026					
	Unrestricted General Fund $	Restricted Capital Fund $	Restricted New Hospital Fund $	Endowment Fund $	Total $	2025 Total $
FUND BALANCES - BEGINNING OF YEAR	**5,443,369**	**75,817**	**20,561,986**	**361,411**	**26,442,583**	19,741,282
EXCESS OF REVENUE OVER EXPENDITURES	**972,323**	**(602,741)**	**2,737,547**	**47,079**	**3,154,208**	6,701,301
INTERFUND TRANSFERS - Note 5	**(699,888)**	**700,000**	**(112)**		**NIL**	NIL
FUND BALANCES - END OF YEAR	**5,715,804**	**173,076**	**23,299,421**	**408,490**	**29,596,791**	26,442,583

PRINCE EDWARD COUNTY MEMORIAL HOSPITAL FOUNDATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2026

	2026					
	Unrestricted General Fund $	Restricted Capital Fund $	Restricted New Hospital Fund $	Endowment Fund $	Total $	2025 Total $
REVENUE						
Donations and bequests	943,611	437,294	2,478,222		3,859,127	6,245,780
Investment income - Note 6	286,009		881,395	20,906	1,188,310	742,377
Change in unrealized gain on investments	149,894		(292,931)	30,097	(112,940)	1,024,787
	1,379,514	437,294	3,066,686	51,003	4,934,497	8,012,944
EXPENDITURES						
Amortization of tangible capital assets	2,417				2,417	2,106
Accounting, audit and legal fees	9,773		990		10,763	13,164
Fundraising expenses	38,042		58,235		96,277	114,238
Investment management fees	26,292			3,924	30,216	29,792
Office and administration	68,583	78	7,830		76,491	73,199
Wages and benefits	262,084		262,084		524,168	362,120
	407,191	78	329,139	3,924	740,332	594,619
EXCESS OF REVENUE OVER EXPENDITURES BEFORE THE UNDERNOTED	972,323	437,216	2,737,547	47,079	4,194,165	7,418,325
OTHER EXPENDITURES						
Transfers to Quinte Health - Note 8		1,039,957			1,039,957	714,524
Community grants						2,500
	NIL	1,039,957	NIL	NIL	1,039,957	717,024
EXCESS OF REVENUE OVER EXPENDITURES	972,323	(602,741)	2,737,547	47,079	3,154,208	6,701,301

The accompanying notes form an integral part of these financial statements

PRINCE EDWARD COUNTY MEMORIAL HOSPITAL FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2026

	2026					
	Unrestricted General Fund $	Restricted Capital Fund $	Restricted New Hospital Fund $	Endowment Fund $	Total $	2025 Total $
OPERATING ACTIVITIES						
Excess of revenue over expenditures	972,323	(602,741)	2,737,547	47,079	3,154,208	6,701,301
Adjustments for items which do not affect cash:						
- Realized capital gain on investments	(86,643)			(8,011)	(94,654)	(80,240)
- Change in unrealized gain on investments	(149,894)		292,931	(30,097)	112,940	(1,024,787)
- Amortization of tangible capital assets	2,417				2,417	2,106
	738,203	(602,741)	3,030,478	8,971	3,174,911	5,598,380
Net change in non-cash working capital balances related to operations:						
- Accounts receivable	(109,939)	258	18,699	35	(90,947)	(534,280)
- Prepaid expenses						3,790
- Accounts payable and accrued liabilities	(11,037)	30,524	4,455		23,942	45,227
- Interfund payable (receivable)	98,496	(61)	(98,432)	(3)		
- Deferred revenue						(6,277)
	(22,480)	30,721	(75,278)	32	(67,005)	(491,540)
CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES	715,723	(572,020)	2,955,200	9,003	3,107,906	5,106,840
INVESTING ACTIVITIES						
Purchase of investments	(2,180,601)		(24,116,737)	(234,518)	(26,531,856)	(6,030,650)
Proceeds on sale of investments	2,710,075		21,771,141	231,271	24,712,487	1,296,799
Purchase of tangible capital assets	(1,403)		(51,970)		(53,373)	(53,678)
CASH FLOWS USED IN INVESTING ACTIVITIES	528,071	NIL	(2,397,566)	(3,247)	(1,872,742)	(4,787,529)
FINANCING ACTIVITIES						
Interfund transfers	(699,888)	700,000	(112)	NIL	NIL	NIL
NET INCREASE IN CASH AND EQUIVALENTS	543,906	127,980	557,522	5,756	1,235,164	319,311
CASH AND EQUIVALENTS - BEGINNING OF YEAR	86,557	75,559	740,709	541	903,366	584,058
CASH AND EQUIVALENTS - END OF YEAR	630,463	203,539	1,298,231	6,297	2,138,530	903,369
REPRESENTED BY:						
Cash	630,463	203,539	1,298,231	6,297	2,138,530	903,369

The accompanying notes form an integral part of these financial statements

PRINCE EDWARD COUNTY MEMORIAL HOSPITAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

1. PURPOSE OF ORGANIZATION

Prince Edward County Memorial Hospital Foundation is a not-for-profit organization, incorporated under the laws of Ontario, without share capital.

The purpose of the Foundation is to support and enhance the operations of the Prince Edward County Memorial Hospital and various charitable organizations whose objectives support or are consistent with healthcare and benefit the community served by the Prince Edward County Memorial Hospital.

The Foundation has been registered with the Canada Revenue Agency as a charitable public foundation, and accordingly, is exempt from income taxes.

2. ACCOUNTING POLICIES

Outlined below are those accounting policies adopted by the Foundation 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) Accounting Estimates

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the year. The most significant management estimates relate to the valuation of accounts receivable. Actual results could differ from these estimates.

(c) Investments

Investments are acquired substantially for their income earning potential and are initially recorded at their acquisition cost. Investments are subsequently adjusted to fair value as at the date of the Statement of Financial Position, and the corresponding unrealized gains and losses are recorded in the Statement of Operations for the year.

2. ACCOUNTING POLICIES (Cont'd)

(d) Fund Accounting

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

The General Fund accounts for the unrestricted revenue from donations, fundraising activities and investment income and the Foundation's general operations.

The Capital Fund accounts for donations and revenue generated from fundraising activities restricted for the purpose of purchasing medical equipment or other capital equipment for Prince Edward County Memorial Hospital and, in some circumstances, other Quinte Health sites based on shared services. The Foundation maintains the funds received and will pay Quinte Health for approved funding amounts as are requested in writing for such purposes with appropriate supporting documentation.

The New Hospital Fund accounts for the restricted donations, fundraising activities and investment income and expenditures for the New Hospital Back the Build Campaign.

The Endowment Fund accounts for donations designated for endowment. The investment earnings of endowment funds are used to support the mission of the Foundation or other purposes specified by the donor upon approval by the Foundation's Board of Directors. Endowments can be restricted in their use or unrestricted depending on the donor's intent.

(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 a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Foundation subsequently measures all its financial assets (with the exception of investments) and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial assets measured at fair value include investments.

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

PRINCE EDWARD COUNTY MEMORIAL HOSPITAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

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 reflected in excess (deficiency) of revenue over expenditures. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in excess (deficiency) of revenue over expenditures, up to the amount previously recognized as impaired.

(f) Tangible Capital Assets

Tangible capital assets are recorded at cost, net of direct government and other assistance. Contributed assets are recorded at fair value at the date of contribution. Amortization of tangible capital assets, which is based on estimated useful life, is calculated on the following bases and at the rates set out below:

Asset	Basis	Rate
Computer equipment	Straight-line	Over 5 years
Office furniture	Straight-line	Over 20 years

Tangible capital assets under development acquired during the year but not available for use during this time are not amortized in the year of acquisition.

(g) Intangible Assets

Intangible assets are stated at acquisition cost and amortized when a definite life can be determined. The Website for the Foundation is recorded at cost and is not being amortized as it is deemed to have an indefinite life. The annual maintenance expenses of the intangible asset are recognized in earnings in the year that they are incurred. Gains or losses on the disposal of intangible assets are recognized in earnings in the year of disposal.

PRINCE EDWARD COUNTY MEMORIAL HOSPITAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

2. ACCOUNTING POLICIES (Cont'd)

(h) Revenue Recognition

(i) Donations and Bequests

Unrestricted donations and bequests are recognized as revenue in the General Fund in the year received and not when pledged.

Restricted donations and bequests are recognized as revenue in the Capital Fund, New Hospital Fund and Endowment Fund as intended, in the year received and not when pledged.

Donations and bequests consisting of donated equity securities are recorded at the fair market value of the security as at the date of the transfer and recognized in revenue in the fund as intended.

(ii) Investment Income

Investment income is recognized on an earned basis.

(i) Web-Based Subscriptions

Payments for web-based subscriptions are accounted for using the simplification approach under Accounting Guideline AcG-20 and recognized as an expense as services are received.

(j) Contributed Services

Related parties, as described in Note 8 to these financial statements, volunteer their time and services to assist in the Foundation's activities. While these services benefit the Foundation considerably, a reasonable estimate of their amount and fair value cannot be made, and accordingly, these contributed services are not recognized in these financial statements.

(k) Cash and Equivalents

Cash and equivalents consist of cash on deposit.

PRINCE EDWARD COUNTY MEMORIAL HOSPITAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

3. INVESTMENTS

The estimated fair value of investments is as follows:

	2026 $	2025 $
Unrestricted General Fund		
Fixed income, bearing interest at 1.05%, maturing August 2027	**455,653**	233,518
Foreign fixed income, bearing interest at rates from 0.625% to 2.375%, maturing between May 2026 and January 2029	**200,262**	20,882
Equity securities	**1,018,765**	1,057,515
Foreign securities	**37,961**	8,959
Mutual funds	**538,449**	1,134,487
Investment savings account	**96,561**	105,227
Guaranteed investment certificate bearing interest at rates from 3.00% to 4.70%, maturing between June 2027 and July 2027	**2,560,000**	2,640,000
Total General Fund	**4,907,651**	5,200,588
Restricted New Hospital Fund		
Fixed income, bearing interest at rates from 1.00% to 1.85%, maturing between September 2026 and March 2027	**8,507,189**	
Principal protected notes		8,392,536
Investment savings account	**126,354**	
Guaranteed investment certificates, bearing interest at rates from 3.00% to 5.50%, maturing between April 2026 and September 2026	**12,371,658**	10,560,000
Total New Hospital Fund	**21,005,201**	18,952,536

PRINCE EDWARD COUNTY MEMORIAL HOSPITAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

3. INVESTMENTS (Cont'd)

	2026 $	2025 $
Endowment Fund		
Fixed income, bearing interest at rates from 1.05% to 1.25%, maturing between June 2026 and September 2027	**131,494**	41,492
Equity securities	**155,903**	151,082
Foreign securities	**7,532**	1,667
Mutual funds	**104,733**	160,970
Investment savings account	**2,352**	5,448
Total Endowment Fund	**402,014**	360,659
Total Investments	**26,314,866**	24,513,783

4. TANGIBLE CAPITAL ASSETS

	2026		2025	
	Cost **$**	**Accumulated amortization** **$**	Cost $	Accumulated amortization $
Unrestricted General Fund				
Computer equipment	**11,150**	**8,613**	9,747	6,196
Office furniture	**6,532**		6,532	
	17,682	**8,613**	16,279	6,196
Restricted New Hospital Fund				
Donor recognition system under development	**366,055**		314,085	
	383,737	**8,613**	330,364	6,196
Total cost less accumulated amortization	**$ 375,124**		$ 324,168	

During the year, tangible capital assets were acquired at an aggregate cost of $53,373 (2025 - $53,678), allocated as $1,403 for the General Fund (2025 - $1,708) and $51,970 for the New Hospital Fund (2025 - $51,970).

PRINCE EDWARD COUNTY MEMORIAL HOSPITAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

5. INTERFUND TRANSFERS

During the year, the Foundation permanently transferred $699,888 (2025 - $325,000) from the General Fund, and $112 (2025 - $Nil) from the New Hospital Fund, to the Capital Fund.

These transfers were to reimburse the Capital Fund for transfers to Quinte Health during the year.

6. INVESTMENT INCOME

Income earned from investments is as follows:

	2026				
	Unrestricted General Fund $	**Restricted New Hospital Fund $**	**Endowment Fund $**	**Total $**	2025 Total $
Interest	**122,859**	**810,886**	**1,164**	**934,909**	557,555
Dividends	**25,859**		**4,699**	**30,558**	38,827
Other income	**50,648**	**70,509**	**7,032**	**128,189**	65,755
Capital gain	**86,643**		**8,011**	**94,654**	80,240
	286,009	**881,395**	**20,906**	**1,188,310**	742,377

7. WEB-BASED SUBSCRIPTIONS

During the year, total web-based subscriptions of $10,530 were expensed, which is included in office and administration expenses on the statement of operations, as described in Note 2(i) to these financial statements.

PRINCE EDWARD COUNTY MEMORIAL HOSPITAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

8. RELATED PARTY TRANSACTIONS

Prince Edward County Memorial Hospital Foundation is one of several organizations that Quinte Health has an economic interest in. The Foundation's principal activity is to collect and maintain funds to be used substantially for building, equipment purchases and special program costs for Quinte Health. Prince Edward County Memorial Hospital Auxiliary is also an organization which Quinte Health has an economic interest in and therefore it is also related to the Foundation.

Directors and key management personnel are related parties of the Organization due to their authority for planning, directing and controlling activities of the Foundation.

During the year, the Foundation had the following transactions with these organizations and individuals:

Medical Equipment Transfers

During the year, the Foundation transferred the following amounts to Quinte Health for previous commitments made by the Foundation for various capital equipment purchases:

	Restricted Capital Fund **$**
Hamilton-T1 - Intelligent transport ventilator	**101,890**
Echo-Ultrasound System - pre-payment	**152,835**
Holter monitors	**15,284**
ECG machine	**23,883**
Additional funding request	**94,656**
Regional capital funding	**500,000**
Hospital information system	**200,000**
Equipment commitment price variance	**(48,591)**
	1,039,957

During the March 31, 2025 year-end, the Foundation transferred amounts totalling $714,524 to Quinte Health for previous commitments made by the Foundation for various capital equipment purchases.

Office Space and Other Services

During the year, Quinte Health provided office space, payroll services, human resources services and other services to the Foundation at the Prince Edward County Memorial Hospital site. These services have not been accounted for, in accordance with Note 2(j) to these financial statements.

PRINCE EDWARD COUNTY MEMORIAL HOSPITAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

8. RELATED PARTY TRANSACTIONS (Cont'd)

Donations

During the year, the Foundation received donations from Prince Edward County Memorial Hospital Auxiliary of $146,354 (2025 - $128,565).

During the year, the Foundation received donations from certain board directors and key management of $20,390 (2025 - $24,608).

These 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.

9. COMMITMENTS

The Board of Directors has approved the following commitments:

During the 2023/2024 fiscal year, the Foundation approved a budget for funding commitments to Quinte Health for medical equipment in the 2023/2024 fiscal year in an amount of $354,419. During the 2025/2026 fiscal, this commitment was decreased due to a price variance of $39,184. As at March 31, 2026, no amount remains to be transferred.

The Foundation has made a funding commitment to raise an additional $3,000,000, above and beyond the previous goal of $27,000,000, in support for the new hospital build in Prince Edward County. The total of $30,000,000 will be used to cover a portion of the cost of the building's construction, furnishings and medical equipment, environmental sustainability enhancements and increased infection control measures. The majority of these funds will be transferred to Quinte Health upon substantial completion of the hospital, which is expected to be in November 2027. These funds will be transferred to Quinte Health as requested.

During the 2022/2023 fiscal year, the Foundation entered into a contract to build a donor recognition system for the new hospital. As at March 31, 2026, $153,645 remains to be transferred.

During the 2024/2025 fiscal year, the Foundation approved a budget for funding commitments to Quinte Health for medical equipment in the 2025/2026 fiscal year in an amount of $212,380. During the 2025/2026 fiscal year, this commitment was decreased due to a price variance of $11,959 and removal of a request of $20,378. As at March 31, 2026, $30,514 remains to be transferred which is reflected as an accounts payable on the Statement of Financial Position.

PRINCE EDWARD COUNTY MEMORIAL HOSPITAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

10. 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 market risk and liquidity risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk and equity 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 Foundation is exposed to interest rate risk through its interest-bearing investments, as discussed in Note 3 to these financial statements. As prevailing interest rates increase or decrease, the market value of the interest-bearing investments also change. However, the Foundation intends to hold these investments to maturity, thereby reducing any potential interest rate risk.

b) Currency Risk

Currency risk relates to the Foundation operating in different currencies and converting non-Canadian earnings at different points in time at different foreign exchange levels when adverse changes in foreign currency rates occur.

The Foundation is exposed to currency risk with respect to the cash and investments held with a carrying value at year end of approximately $315,751 USD (2025 - $277,333 USD).

c) Equity Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Foundation is exposed to this risk through its equity and mutual fund holdings within its investment portfolio, as disclosed in Note 3 to these financial statements.

PRINCE EDWARD COUNTY MEMORIAL HOSPITAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

10. FINANCIAL RISKS AND CONCENTRATION OF RISK (Cont'd)

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's exposure to liquidity risk is dependent on the receipt of funds from its operations. The Foundation mitigates this risk by monitoring cash activities and expected outflows. Management is of the opinion that the Foundation will be able to meet all of its cash flow obligations as they come due and is not subject to significant liquidity risk.

There have been no significant changes from the previous period in the exposure to risk or policies, procedures and methods used to measure the risk.

11. COMPARATIVE FIGURES

In order to conform with the financial statement presentation adopted for the current year, certain elements of the comparative figures have been regrouped.