St. Joseph's Foundation of Sudbury

Financial Statements

March 31, 2026

St. Joseph's Foundation of Sudbury
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For the year ended March 31, 2026

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Independent Auditor's Report

To the Members of St. Joseph's Foundation of Sudbury:

Qualified Opinion

We have audited the financial statements of St. Joseph's Foundation of Sudbury (the "Foundation"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes 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 March 31, 2026, and its financial performance 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, St. Joseph's Foundation of Sudbury derives most of its revenue from the general public in the form of donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues is limited to the amounts recorded in the records of St. Joseph's Foundation of Sudbury and we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2026 and March 31, 2025 and assets and net assets as at March 31, 2026 and March 31, 2025. The audit opinion on the financial statements for the year ended March 31, 2025 was qualified accordingly because of the possible effects of the limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 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.

MNP LLP

Sudbury, Ontario

Chartered Professional Accountants

June 25, 2026

Licensed Public Accountants

St. Joseph's Foundation of Sudbury
Statement of Financial Position
As at March 31, 2026

	2026	2025
Assets		
Current		
Cash	**3,492,374**	1,141,311
HST recoverable	**23**	22
Investments *(Note 3)*	**20,620,833**	17,432,127
Advances to related parties *(Note 4)*	**-**	35,854
	24,113,230	18,609,314
Liabilities		
Current		
Accounts payable and accrued liabilities	**3,656**	6,987
Deferred contributions *(Note 5)*	**1,930,475**	2,121,991
Advances from related parties *(Note 6)*	**6,108,525**	9,560
	8,042,656	2,138,538
Net Assets		
Unrestricted	**16,019,807**	16,421,819
Endowment	**50,767**	48,957
	16,070,574	16,470,776
	24,113,230	18,609,314

Approved on behalf of the Board

Catherine Hereault

Director

The accompanying notes are an integral part of these financial statements

St. Joseph's Foundation of Sudbury
Statement of Operations
For the year ended March 31, 2026

	2026	2025
Revenue		
Donations		
Caring Beyond Capital Campaign	**2,000**	436,948
50/50 Draw	**-**	4,470
Other	**3,962,096**	16,599,207
Interest	**444,431**	394,072
Net transfers to deferred contributions	**-**	(763,947)
	4,408,527	16,670,750
Expenses		
Salaries and benefits	**205,319**	216,870
Office and general	**45,176**	32,914
Fundraising	**979**	-
Donations	**-**	25,229
Advertising and promotion	**-**	1,154
Insurance	**-**	3,770
50/50 Draw	**-**	4,295
	251,474	284,232
Excess of revenue over expenses before other items	**4,157,053**	16,386,518
Other items		
Disbursements to related parties *(Note 7)*	**(4,557,255)**	(19,265)
Excess (deficiency) of revenue over expenses	**(400,202)**	16,367,253

The accompanying notes are an integral part of these financial statements

St. Joseph's Foundation of Sudbury
Statement of Changes in Net Assets
For the year ended March 31, 2026

	Unrestricted	*Endowment*	*2026*	*2025*
Net assets, beginning of year	**16,421,819**	**48,957**	**16,470,776**	54,566
Excess (deficiency) of revenue over expenses	**(402,012)**	**1,810**	**(400,202)**	16,367,253
Endowment contributions	-	-	-	48,957
Net assets, end of year	**16,019,807**	**50,767**	**16,070,574**	16,470,776

The accompanying notes are an integral part of these financial statements

St. Joseph's Foundation of Sudbury
Statement of Cash Flows
For the year ended March 31, 2026

	2026	2025
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	**(400,202)**	16,367,253
Changes in working capital accounts		
HST recoverable	**(1)**	21
Accounts payable and accrued liabilities	**(3,331)**	2,678
Deferred contributions	**(191,516)**	831,397
	(595,050)	17,201,349
Financing		
Advances from related parties	**6,098,965**	-
Repayment of advances from related parties	**-**	(33,973)
Endowment fund contributions	**-**	48,957
	6,098,965	14,984
Investing		
Repayment of advances to related parties	**35,854**	13,815
Purchase of investments	**(7,496,971)**	(17,432,127)
Proceeds on sale of investments	**4,308,265**	-
	(3,152,852)	(17,418,312)
Increase (decrease) in cash resources	**2,351,063**	(201,979)
Cash resources, beginning of year	**1,141,311**	1,343,290
Cash resources, end of year	**3,492,374**	1,141,311

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

St. Joseph's Foundation of Sudbury (the "Foundation") was incorporated under the Canada Corporations Act on September 30, 1997 as a not-for-profit organization to support the works of the Sisters of St. Joseph of Sault Ste. Marie in the district of Sudbury. Active operations commenced on July 15, 2000. The Foundation is a registered charity under the Income Tax Act and, accordingly, is exempt from income taxes provided certain requirements of the Income Tax Act are met.

2. Significant accounting policies

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook - Accounting. The Foundation's significant policies are as follows:

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Pledges and donations are not recognized as revenue until received.

Interest revenue is recognized as revenue when earned.

Contributed services

The Foundation relies on volunteers to assist in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Measurement uncertainty (use of 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 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.

Accrued liabilities are estimated based on anticipated charges for unbilled goods and services at year-end.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

Deferred contributions

The unexpended portions of donations received for specific purposes is recorded in the account as deferred contributions.

Investments

Investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment.

Financial instruments

The Foundation recognizes financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Foundation may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Foundation has not made such an election during the year.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

The Foundation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Foundation's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Foundation initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market;
- Debt instruments quoted in an active market;
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly);
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the Foundation may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Foundation has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

The Foundation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess (deficiency) of revenues over expenses.

Financial asset impairment

The Foundation assesses impairment of all its financial assets measured at cost or amortized cost. The Foundation groups assets for impairment testing when no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Foundation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Foundation reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Foundation reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Foundation reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenues over expenses.

The Foundation reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenues over expenses in the year the reversal occurs.

3. Investments

	2026	*2025*
Cash	**1**	7
Common shares	**14,471**	-
Mutual funds	**19,610,400**	16,468,358
Guaranteed investment certificates (cost $957,604)	**995,961**	963,762
	20,620,833	17,432,127

4. Advances to related parties

The advances to related parties are unsecured, non-interest bearing with no set terms of repayment.

St. Joseph's Foundation of Sudbury was established to raise, receive, maintain and manage funds to be distributed towards various programs and capital projects of St. Joseph's Health Centre of Sudbury, St. Joseph's Villa of Sudbury Inc., St. Joseph's Continuing Care Centre of Sudbury, St. Gabriel's Villa of Sudbury and St. Joseph's Lodge of Manitoulin Island.

	2026	*2025*
St. Joseph's Health Centre of Sudbury	-	35,854

5. Deferred contributions

	2026	*2025*
Donations received on behalf of St. Gabriel's Villa of Sudbury	**87,539**	98,260
Donations received on behalf of Monique Landry Sabourin fund	**7,370**	7,370
Donations received on behalf of St. Joseph's Villa of Sudbury	**148,434**	175,297
Donations received on behalf of St. Joseph's Continuing Care Centre of Sudbury	**439,496**	442,475
Donations received on behalf of St. Joseph's Health Centre of Sudbury	**9,583**	9,583
Gore Bay project	**-**	150,000
50/50 Draw	**5,071**	5,071
Caring Beyond Capital Campaign	**1,171,821**	1,172,774
Area of Greatest Need	**61,161**	61,161
	1,930,475	2,121,991

6. Advances from related parties

The advances from related parties are unsecured, non-interest bearing with no set terms of repayment.

	2026	*2025*
St. Joseph's Villa of Sudbury	**70,652**	694
St. Joseph's Continuing Care Centre of Sudbury	**224**	8,866
St. Joseph's Health Centre of Sudbury	**6,020,378**	-
St. Gabriel's Villa of Sudbury	**17,271**	-
	6,108,525	9,560

7. Disbursements to related parties

	2026	*2025*
St. Gabriel's Villa of Sudbury	**17,871**	13,916
St. Joseph's Villa of Sudbury	**71,515**	1,197
St. Joseph's Continuing Care Centre of Sudbury	**18,662**	4,152
St. Joseph's Health Centre of Sudbury	**4,442,578**	-
St. Joseph's Lodge of Manitoulin Island	**6,629**	-
	4,557,255	19,265

8. Financial instruments

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

8. Financial instruments *(Continued from previous page)*

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk relating to its accounts payable and accrued liabilities.

The Foundation reduces its exposure to liquidity risk by management's monitoring of cash activities and expected outflow through extensive budgeting and maintaining enough cash and investments to repay creditors as those liabilities become due.

Credit risk

Credit risk is the risk that one party to a financial transaction will cause a financial loss for the other party by failing to discharge a financial obligation. The Foundation's main credit risk relates to its cash. The Foundation minimized credit risk associated with these financial assets by ensuring that they are held with a reputable financial institution with a high credit rating.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The organization is exposed to this risk though its interest bearing investments. Changes in market interest rates, due to a variety of financial market factors, may change the future interest earnings.

9. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.