IWK Health Centre Foundation

Financial Statements

March 31, 2026

IWK Health Centre Foundation

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KPMG LLP
Purdy's Wharf Tower One
1959 Upper Water Street, Suite 1000
Halifax, NS B3J 3N2
Canada
Tel 902 492 6000
Fax 902 492 1307

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of IWK Health Centre Charitable Foundation

Opinion

We have audited the financial statements of IWK Health Centre Charitable Foundation (the Entity), which comprise:

- the statement of financial position as at March 31, 2026.
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity 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 auditor's report.

We are independent of the Entity 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.

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity'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 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Halifax, Canada

June 24, 2026

IWK Health Centre Charitable Foundation
Statement of Financial Position

March 31 **2026** 2025

	Unrestricted General Fund	General Endowment Fund	Externally Restricted Fund	Specified Endowment Fund	**Total** (2026)	Total (2025)
Assets						
Current						
Cash and cash equivalents	$ 11,529,961	$ -	$ 21,865,885	$ -	**$ 33,395,846**	$ 40,206,048
Receivables	185,529	8,502	680,132	43,744	**917,907**	243,725
	11,715,490	8,502	22,546,017	43,744	**34,313,753**	40,449,773
Capital assets (Note 3)	524,633	-	-	-	**524,633**	18,499
Investments, at fair value (Note 4)	27,485,705	11,793,111	17,500,000	63,470,671	**120,249,487**	95,847,703
	28,010,338	11,793,111	17,500,000	63,470,671	**120,774,120**	95,866,202
	$ 39,725,828	$ 11,801,613	$ 40,046,017	$ 63,514,415	**$ 155,087,873**	$ 136,315,975
Liabilities and Fund balances						
Liabilities						
Current						
Payables and accruals	$ 391,717	$ -	$ -	$ -	**$ 391,717**	$ 280,465
Payable to IWK Health	3,293,694	-	24,257,045	-	**27,550,739**	21,199,712
	3,685,411	-	24,257,045	-	**27,942,456**	21,480,177
Long term						
Payable to IWK Health	-	-	15,788,972	-	**15,788,972**	15,234,955
Total Liabilities	3,685,411	-	40,046,017	-	**43,731,428**	36,715,132
Fund balances						
Unrestricted fund	36,040,417	-	-	-	**36,040,417**	34,040,614
Internally restricted	-	11,801,613	-	-	**11,801,613**	10,717,218
Externally restricted	-	-	-	-	**-**	-
Endowment	-	-	-	63,514,415	**63,514,415**	54,843,011
	36,040,417	11,801,613	-	63,514,415	**111,356,445**	99,600,843
	$ 39,725,828	$ 11,801,613	$ 40,046,017	$ 63,514,415	**$ 155,087,873**	$136,315,975

Commitments (Note 7)

On behalf of the Board

Trustee

Kyle MacDonald, Chair

Trustee

Natasha Sideris, Treasurer

See accompanying notes to the financial statements.

IWK Health Centre Charitable Foundation
Statement of Operations and Changes in Fund Balances

Year ended March 31 **2026** 2025

	Unrestricted General Fund	General Endowment Fund	Externally Restricted Fund	Specified Endowment Fund	**Total**	Total
Revenue (Note 6)						
Telethon	$ 6,114,100	$ -	$ 3,540,076	$ 1,740	**$ 9,655,916**	$ 8,216,942
Annual giving	1,658,459	-	991,317	48,060	**2,697,836**	3,478,192
Planned giving and major gifts	2,756,888	-	8,198,876	2,605,749	**13,561,513**	10,926,917
Total revenue	10,529,447	-	12,730,269	2,655,549	**25,915,265**	22,622,051
Expenses						
Administrative/Donor services	3,842,254	-	-	-	**3,842,254**	3,573,146
Development/Philanthropy	3,086,171	-	-	-	**3,086,171**	2,499,471
Communications	1,920,607	-	-	-	**1,920,607**	1,734,011
Strategic initiatives	337,186	-	-	-	**337,186**	-
Total expenses	9,186,218	-	-	-	**9,186,218**	7,806,628
Excess of revenue over expenses before charitable activities, distributions and investments	1,343,229	-	12,730,269	2,655,549	**16,729,047**	14,815,423
Charitable Activities and Distributions						
Education and advocacy	510,159	-	-	-	**510,159**	86,000
Other distributions	44,834	-	184,615	-	**229,449**	203,100
IWK Health distributions	3,254,447	-	13,354,653	1,308,002	**17,917,102**	18,778,352
	3,809,440	-	13,539,268	1,308,002	**18,656,710**	19,067,452
Excess (deficiency) of revenue over expenses before investments	(2,466,211)	-	(808,999)	1,347,547	**(1,927,663)**	(4,252,029)
Investments						
Investment income, net of fees	2,092,556	259,218	-	1,333,642	**3,685,416**	2,921,560
Realized investment gain	380,120	100,929	-	519,246	**1,000,295**	9,069,024
Unrealized (loss) gain in market value of investments	2,475,199	1,061,433	-	5,460,922	**8,997,554**	(2,219,262)
	4,947,875	1,421,580	-	7,313,810	**13,683,265**	9,771,322
Excess (deficiency) of revenue over expenses	2,481,664	1,421,580	(808,999)	8,661,357	**11,755,602**	5,519,293
Fund balances, beginning of year	34,040,614	10,717,218	-	54,843,011	**99,600,843**	94,081,550
Interfund transfers (Note 5)	(481,861)	(337,185)	808,999	10,047	**-**	-
Fund balances, end of year	$ 36,040,417	$ 11,801,613	$ -	$ 63,514,415	**$ 111,356,445**	$ 99,600,843

See accompanying notes to the financial statements.

IWK Health Centre Charitable Foundation
Statement of Cash Flows

Year ended March 31	**2026**	2025
Cash provided by (used in):		
Operating		
Excess of revenue over expenses	**$ 11,755,602**	$ 5,519,293
Depreciation	**18,258**	3,864
Realized (gain) loss on sale of investments	**(1,000,295)**	(9,069,024)
Unrealized loss (gain) in market value of investments	**(8,997,554)**	2,219,262
	1,776,011	(1,326,605)
Changes in non-cash operating working capital		
Receivables	**(674,182)**	(27,746)
Payables and accruals	**111,252**	(118,183)
Payable to the IWK Health		
General Fund Grants	**1,019,661**	1,108,521
Operating and Designated	**5,885,383**	9,015,625
	6,905,044	9,978,217
	6,342,114	8,651,612
Investing		
Purchase of capital assets	**(524,392)**	(7,679)
Proceeds from sale of investments	**8,135,843**	107,900,696
Purchases of investments	**(22,539,778)**	(114,068,504)
	(14,928,327)	(6,175,487)
Net increase (decrease) in cash and cash equivalents	**(6,810,202)**	2,476,125
Cash and cash equivalents		
Beginning of year	**40,206,048**	37,729,923
End of year	**$ 33,395,846**	$ 40,206,048

See accompanying notes to the financial statements.

1. Purpose of the Foundation

The IWK Health Centre Charitable Foundation (the "Foundation") is a public foundation established to raise and provide funds for the charitable purposes of IWK Health and for the improvement of patient care, illness prevention, health promotion, research, facilities, and equipment for the benefit of children, women, and families. The Foundation is a registered charity under the Income Tax Act and as such is not subject to income tax.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The significant policies are detailed as follows:

Fund accounting

The accounts of the Foundation are maintained in accordance with the principles of fund accounting. This method ensures observance of restrictions, if any, on the use of the resources by maintaining separate accounts for each fund. Funds that have limitations placed on their use internally by the Board of Trustees ("Board") or by external parties are classified as restricted.

The Unrestricted General Fund accounts for unrestricted donations available for general use in support of the charitable purposes of the Foundation.

The Externally Restricted Fund accounts for donations which have been restricted for a specific purpose by the donor or donor appeal and are distributed, net of an administration fee, for that specific purpose.

The General Endowment Fund accounts for unrestricted donations whereby the capital is internally endowed by Board appropriation and/or the donor has endowed the capital.

The Foundation Board of Trustees approves allocations from this fund. The allocations related to internally endowed amounts may include amounts used for strategic initiatives outside of regular operations or for expenditures that require funding more than what is otherwise considered available in the General Fund.

The Specified Endowment Fund accounts for donations that have been provided for a specific purpose by the donor and whereby the capital is to be maintained permanently. Annually 4% of the market value of each opening specified endowment fund balance is available for allocation to that specific purpose, as per the funds' Terms of Reference. The Board reviews this allocation annually.

Collectively, the four funds described above are referred to as the "Funds".

Revenue recognition

The Foundation follows the Restricted Fund method of accounting for donations.

Unrestricted donations, including bequests, are recognized as revenue of the Unrestricted General Fund when received.

2. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Restricted donations, including bequests, that are restricted for use, are recognized as revenue of the Restricted Fund when received.

Contributions where the capital resource is to be maintained permanently are recognized as revenue in Endowment Funds when received.

Investment income earned during the year on the Foundation's investments is allocated amongst the Funds based on the opening investment balance of the Fund in the given year. Investment income earned on Restricted Funds is allocated to the General Fund, if the investment income earned is not further restricted by the donor.

Pledges are recorded as revenue when payment is received.

Contributed materials and services are recorded as revenue when the fair value can be reasonably estimated, and the materials and services are used in the normal course of operations and would otherwise be purchased. The corresponding offset to these revenues is included in the "Distributions - IWK Health" when directly related to supporting the Health Centre. For items that directly support the Foundation, the offset is recorded in the expense category. Contributed services of volunteers are not recognized as the fair value cannot be reasonably determined.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with bank, deposits which are highly liquid with original maturities of less than three months, guaranteed investment certificates ("GIC"), short term deposits and cash like exchange-traded or mutual funds. Bank borrowings are considered to be financing activities. Cash and investments meeting the definition of cash and cash equivalents that have maturities greater than one year or that are held for investing rather than operating purposes are classified as investments.

Capital assets

Capital assets are recorded at cost less accumulated amortization in the General Fund and amortized using the straight-line method over the estimated useful lives of the assets as follows:

Office equipment and furniture	3-5 years
Computer equipment	3-5 years
Furniture & fixtures	3-5 years
Leasehold improvements	Shorter of 7 years or remaining term on the lease

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not contribute to the Foundation's ability to provide services. The carrying amount is written down to the residual value.

2. Summary of significant accounting policies (continued)

Investments

Investments that are actively traded in a public market are measured at fair value equal to the quoted market value. Investments in pooled funds that are not actively traded in a public market are measured at the latest unit values supplied by the external pooled fund investment manager. Investments in pooled funds can include alternative investments.

Investment income is income earned from distributions, dividends and interest that has been collected or accrued in the current fiscal period, net of investment related fees. Realized gains or losses are from the disposal of investments.

Unrealized investment income is income that is recorded reflecting the change in market value over the book value of the investments held by the Foundation at the end of the period. The unrealized change in market value is the result of both the change in the value of the investment as well as the change in foreign currency, where applicable, and is included in income for the current period.

Employee future benefits

The Foundation participates in the Nova Scotia Health Employees' Pension Plan which is a multi-employer defined benefit pension plan sponsored jointly by the Health Association of Nova Scotia and other parties. The most recent actuarial valuation for funding purposes as at July 1, 2024 indicated a solvency ratio of 110%. The next expected actuarial valuation is July 1, 2027. As a multi-employer plan which does not separate the information by employer, it is accounted for as a defined contribution plan.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically, and adjustments are made as appropriate in the year they become known. Items subject to significant management estimates include fair value of investments and the current and long-term classification of payables to IWK Health.

3. Capital assets

Capital assets consist of the following:

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Computer equipment	$ 71,476	$ 12,313	$ 59,163	$ 18,499
Furniture & fixtures	233,582	4,055	229,527	-
Leasehold improvements	241,697	5,754	235,943	-
	$ 546,755	$ 22,122	$ 524,633	$ 18,499

4. Investments, at fair value

	2026	2025
Cash and cash equivalents	**$ 19,639,505**	$ 6,363,150
Fixed income	**28,631,528**	25,716,353
Canadian equities	**15,485,281**	12,885,048
Foreign equities	**54,707,709**	47,520,653
Alternatives	**1,785,464**	3,362,499
	$120,249,487	$ 95,847,703

5. Interfund transfers

2026	**Unrestricted General Fund**	**General Endowment Fund**	**Externally Restricted Fund**	**Specified Endowment Fund**
Administration fee	**$ 666,531**	**$ -**	**$ (666,531)**	**$ -**
Board approved fund transfers	**(1,128,604)**	**(337,185)**	**1,465,789**	**-**
Other interfund transfers	**(19,788)**	**-**	**9,741**	**10,047**
	$ (481,861)	**$ (337,185)**	**$ 808,999**	**$ 10,047**

2025	Unrestricted General Fund	General Endowment Fund	Externally Restricted Fund	Specified Endowment Fund
Administration fee	$ 692,233	$ -	$ (692,233)	$ -
Board approved fund transfers	(1,569,125)	-	1,569,125	-
Other interfund transfers	(276,130)	-	(21,457)	297,587
	$ (1,153,022)	$ -	$ 855,435	$ 297,587

6. Contributed materials and services

Recognized as revenue in the current year are donations of materials and services with an estimated fair value of $580,917 (2025 - $534,140), consisting primarily of equipment, toys, fuel gift certificates, air travel passes, media and support programming.

7. Commitments

The Foundation is committed to future charitable distributions which are contingent on IWK Health meeting various milestones and reporting requirements. These future charitable distributions will be funded through the Unrestricted General Fund, future anticipated pledges, endowments or specific fundraising activities. These include programs for research and innovation, capital equipment, and various patient initiatives in pediatric health and research, women’s health and research and child and adolescent mental health and addictions.

7. Commitments (continued)

The total charitable distribution commitments are as follows for the years ended:

March 31, 2027	$ 3,681,325
March 31, 2028	$ 3,129,254
March 31, 2029	$ 2,898,289
March 31, 2030	$ 2,644,801
March 31, 2031	$ 478,446
Total	**$12,832,115**

Annual lease commitments

A new permanent office location and related lease began on February 1, 2026. The new lease is a 10-year term with the following minimum payments:

March 31, 2027	$ 251,580
March 31, 2028	$ 251,580
March 31, 2029	$ 251,580
March 31, 2030	$ 251,580
March 31, 2031	$ 251,580
Beyond	$1,285,454
Total	**$2,545,750**

8. Financial instruments

Initial measurement
Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement
At each reporting date, the Foundation measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for investments which are recorded at fair value.

All changes in fair value of the Foundation's investments are recorded in the statement of revenues, expenses and changes in fund balances.

The Foundation uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of revenues, expenses and changes in fund balances. The financial instruments measured at amortized cost are cash and cash equivalents, receivables and payables and accruals.

For financial assets measured at cost or amortized cost, the Foundation regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Foundation determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the

8. Financial instruments (continued)

statement of revenues, expenses and changes in fund balances. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure as at the date of the financial statements.

i) Credit risk
The Foundation is exposed to credit risk in the event of non-performance by counterparties to financial instruments. The Foundation is not exposed to any significant credit risk.

ii) Liquidity risk
Liquidity risk is the risk that the Foundation will not be able to pay financial liabilities as they come due. The Foundation manages its liquidity risk by monitoring its operating requirements, including payables to IWK Health to ensure it maintains sufficient cash and cash equivalent balances to fulfill immediate obligations. The majority of investment assets held by the Foundation are invested in securities that are directly traded in an active public market or the underlying pooled assets are directly traded in an active public market and can be readily disposed or redeemed if liquidity needs arise.

iii) Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. For purposes of this disclosure, the Foundation segregates market risk into three categories: interest rate risk, currency risk and other price risk.

Interest rate risk
Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market interest rates.

Currency risk
The Foundation's functional currency is the Canadian dollar. Foreign currency risk arises from the Foundations investments that are denominated in a foreign currency. Fluctuations in the relative value of foreign currencies against the Canadian dollar can result in positive or negative effect on the fair value of the investments.

Other price risk
Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those occurring from interest rate risk or currency risk. Securities held for trading are carried at fair value and, as such, impact earnings as changes occur.

The Foundation manages its investment portfolio according to a Board approved Investment Policy. Credit, liquidity and market risks are mitigated through appropriate asset, sector and geographic allocation and the use of professional investment managers or advisors that are monitored for compliance with the Investment Policy.