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Financial statements of  
St. Michael's and Providence  
Foundation

March 31, 2026

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## Independent Auditor's Report

To the Members of the Board of Directors of  
St. Michael's and Providence Foundation

### Opinion

We have audited the financial statements of St. Michael's and Providence Foundation (the "Foundation"), which comprise the statement of financial position as at March 31, 2026, and the statements of revenues and expenses and changes in fund balances, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

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

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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.

### 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 GAAS 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 GAAS, 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.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
June 18, 2026

**St. Michael's and Providence Foundation**

**Statement of financial position**

As at March 31, 2026

	Notes	<b>2026</b>	2025
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
Current assets			
Cash		<b>121,774,194</b>	89,449,962
Accounts receivables and prepaid expenses		<b>2,276,928</b>	2,365,755
		<b>124,051,122</b>	91,815,717
Investments	3	<b>213,717,399</b>	225,446,485
		<b>337,768,521</b>	317,262,202
<b>Liabilities</b>			
Accounts payable and accrued liabilities	4 (b)	<b>2,901,901</b>	2,873,800
Deferred revenue		<b>996,221</b>	109,357
		<b>3,898,122</b>	2,983,157
<b>Fund balances</b>			
General Fund		<b>66,901,646</b>	49,781,481
Restricted Fund	4 (c)	<b>166,538,416</b>	169,136,964
Endowment Fund		<b>100,430,337</b>	95,360,600
		<b>333,870,399</b>	314,279,045
		<b>337,768,521</b>	317,262,202

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

On behalf of the Board

  
 \_\_\_\_\_, Director  
  
 \_\_\_\_\_, Director

**St. Michael's and Providence Foundation**  
**Statement of revenues and expenses and changes in fund balances**  
Year ended March 31, 2026

Notes	General Fund		Restricted Fund		Endowment Fund		Total
	2026	2025	2026	2025	2026	2025	2025
	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>							
Donations	6,119,487	5,321,280	51,449,269	45,276,322	2,293,510	3,943,381	54,540,983
Bequests	3,728,098	2,665,598	1,861,987	3,832,008	2,300,000	2,661,839	9,159,445
Events	1,842,958	4,545,059	2,885,086	2,487,719	—	115,000	7,147,778
Investment income	9,679,105	11,123,877	87,375	81,077	8,263,958	6,934,147	18,139,101
	<b>21,369,648</b>	<b>23,655,814</b>	<b>56,283,717</b>	<b>51,677,126</b>	<b>12,857,468</b>	<b>13,654,367</b>	<b>88,987,307</b>
<b>Expenses</b>							
Fundraising and administrative	13,486,101	12,100,283	—	—	—	—	12,100,283
Events	914,910	1,577,288	425,495	312,934	—	—	1,890,222
Investments	209,475	281,102	15,026	4,969	502,509	401,968	688,039
	<b>14,610,486</b>	<b>13,958,673</b>	<b>440,521</b>	<b>317,903</b>	<b>502,509</b>	<b>401,968</b>	<b>14,678,544</b>
Excess of revenue over expenses before grants	6,759,162	9,697,141	55,843,196	51,359,223	12,354,959	13,252,399	74,308,763
Grants to St. Michael's Hospital and Providence Healthcare	1,234,262	—	54,131,701	37,265,342	—	—	37,265,342
<b>Excess of revenue over expenses for the year</b>	<b>5,524,900</b>	<b>9,697,141</b>	<b>1,711,495</b>	<b>14,093,881</b>	<b>12,354,959</b>	<b>13,252,399</b>	<b>37,043,421</b>
Fund balances, beginning of year	49,781,481	35,374,301	169,136,964	150,188,901	95,360,600	91,672,422	277,235,624
Interfund transfers	11,595,265	4,710,039	(4,310,043)	4,854,182	(7,285,222)	(9,564,221)	—
<b>Fund balances, end of year</b>	<b>66,901,646</b>	<b>49,781,481</b>	<b>166,538,416</b>	<b>169,136,964</b>	<b>100,430,337</b>	<b>95,360,600</b>	<b>314,279,045</b>

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

**St. Michael's and Providence Foundation****Statement of cash flows**

Year ended March 31, 2026

	<b>2026</b>	2025
	<b>\$</b>	\$
<b>Operating activities</b>		
Excess of revenue over expenses for the year	<b>19,591,354</b>	37,043,421
Item not affecting cash		
Change in fair value of investments	<b>(5,389,790)</b>	1,150,532
Reinvested investment income	<b>(9,758,190)</b>	(8,495,108)
Change in non-cash working capital items		
Accounts receivable and prepaid expenses	<b>88,827</b>	2,372,412
Accounts payable and accrued liabilities	<b>28,101</b>	726,397
Deferred revenue	<b>886,864</b>	(2,243,430)
	<b>5,447,166</b>	30,554,224
<b>Investing activities</b>		
Purchase of investments	<b>(194,754,395)</b>	(142,799,055)
Proceeds from disposal of investments	<b>221,631,461</b>	130,413,333
	<b>26,877,066</b>	(12,385,722)
Increase in cash during the year	<b>32,324,232</b>	18,168,502
Cash, beginning of year	<b>89,449,962</b>	71,281,460
<b>Cash, end of year</b>	<b>121,774,194</b>	89,449,962

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

# St Michael's and Providence Foundation

## Notes to the financial statements

March 31, 2026

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### 1. Purpose of the organization

St. Michael's Hospital and Providence Foundation (the "Foundation") is incorporated under the laws of Ontario as a corporation without share capital. The Foundation receives, accumulates and distributes funds and/or the income therefrom for the advancement of medical research, education and improvement of patient care at the St. Michael's Hospital and Providence Healthcare sites of Unity Health Toronto (the "Hospital").

The Foundation is a public foundation registered under the *Income Tax Act* (Canada) (the "Act") and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes under registration number 12296 3663 RR 0001. In order to maintain its status as a public foundation registered under the Act, the Foundation must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

Effective in fiscal year 2026, the Foundation changed its legal name from St. Michael's Hospital Foundation to St. Michael's and Providence Foundation. This change reflects both entities served by the Foundation. The name change does not represent a change in the Foundation's corporate structure, legal status, or underlying operations.

### 2. Summary of significant accounting policies

#### *Basis of presentation*

The financial statements of the Foundation have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Chartered Professional Accountants of Canada.

Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses for the reporting period. Actual results could differ from those estimates.

#### *Fund accounting*

The Foundation follows the restricted fund method of accounting for contributions. The Foundation ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

For financial reporting purposes, the Foundation's funds have been classified as follows:

#### *(a) General Fund*

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

#### *(b) Restricted Fund*

The Restricted Fund reports resources that are to be used for specific purposes as specified by the donor, by internal restrictions or as stipulated by the fundraising appeal.

#### *(c) Endowment Fund*

The Endowment Fund reports resources where either donor or internal restrictions require that the principal must be maintained by the Foundation for a specified period of time or in perpetuity.

## **St Michael's and Providence Foundation**

### **Notes to the financial statements**

March 31, 2026

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## **2. Summary of significant accounting policies (continued)**

### *Revenue recognition*

Contributions represented by donations, bequests and events are recognized as revenue in the year received or receivable if the amounts can be reasonably estimated and collection is reasonably assured. Unrestricted contributions are recognized as revenue of the General Fund in the year received. Donor restricted contributions for specific purposes are recognized as revenue of the Restricted Fund unless the capital is to be maintained for a specified period of time, in which case the contributions are recognized as revenue of the Endowment Fund.

### *Investments and investment income*

Investments are recorded at fair value. Publicly traded securities are valued based on the closing prices and pooled funds are valued based on reported unit values. Investment income represents interest, dividends, and change in fair value.

Investment income earned on Endowment Fund or Restricted Fund resources, which must be spent on donor restricted activities, is recognized as revenue of the Endowment Fund or Restricted Fund. Investment income subject to donor restrictions stipulating that it be added to the principal amount of the endowment is recognized as revenue of the Endowment Fund. Unrestricted investment income earned on Endowment Fund, Restricted Fund and General Fund resources is recognized as revenue of the General Fund.

### *Deferred revenue and prepaid expenses*

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

Costs directly related to future fundraising events are presented as prepaid expenses when the Foundation can reliably demonstrate the event meets the criteria for recognition as a prepayment. The related costs are expensed once the event has been held. Such costs are expensed immediately when there is sufficient evidence that the event does not meet the criteria for recognition as a prepayment.

### *Foreign exchange translation*

The cost of investments, revenues and expenses denominated in foreign currencies is translated into Canadian dollars at the transaction date. The fair value of investments and other monetary items denominated in foreign currencies is translated at the year-end date.

### *Contributed materials and services*

A substantial number of volunteers contribute a significant amount of their time each year. Due to the difficulty in determining the fair value, these contributed services are not recognized or disclosed in the financial statements and related notes. Contributed materials are recorded, when received, at their fair value.

### *Financial instruments and risk management*

Financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification below.

Cash and cash equivalents are recorded at fair value.

The investment portfolio of the Foundation is valued at fair value. Changes in the value of the portfolio are reflected in the statement of revenues and expenses and changes in fund balances. Transaction costs related to financial assets are expensed as incurred.

**2. Summary of significant accounting policies (continued)**

*Financial instruments and risk management (continued)*

Accounts receivable and accounts payable and accrued liabilities are measured at amortized cost, which approximates fair value due to the short-term maturity of the instruments.

The financial assets subsequently measured at amortized cost consist of accounts receivable. The financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

The Foundation mitigates the following risks through the use of investment managers for the long-term portfolio investments and by investing other funds in short-term fixed rate products with high credit ratings.

*Price risk*

The investments of the Foundation are subject to price risk because changing interest rates, market value of the investments and general economic conditions affect the market value of equity, fixed income investments, and currency exchange rate changes impact the market value of the investments denominated in currencies other than the Canadian dollar.

*Liquidity risk*

The Foundation uses investment managers for the investments it plans to hold for a long period of time. These investments are subject to liquidity risk if the Foundation is required to sell at a time that the market for the investments is unfavorable.

*Credit and interest rate risk*

It is management's opinion that the Foundation is not exposed to significant interest rate or credit risk from these financial instruments.

**3. Investments**

Investments consist of the following amounts held in units of various pooled funds, calculated on a unit basis, allocated as follows:

	<b>2026</b>	2025
	<b>\$</b>	\$
Guaranteed investment certificates	<b>29,255,399</b>	47,873,343
Pooled funds		
Short-term investments	<b>19,146,505</b>	22,442,103
Fixed income	<b>90,118,033</b>	76,766,249
Canadian equities	<b>26,970,200</b>	28,968,691
Global equities	<b>37,595,094</b>	39,839,261
Alternative investments	<b>10,632,168</b>	9,556,838
	<b>184,462,000</b>	177,573,142
Aggregate fair value	<b>213,717,399</b>	225,446,485
Aggregate cost	<b>214,286,108</b>	220,307,661

The investment portfolio is managed in accordance with the Foundation's investment policy.

**3. Investments (continued)**

Investment income earned on the Foundation's investments consists of the following:

	<b>2026</b>	2025
	\$	\$
Interest and dividends	<b>12,575,413</b>	11,590,187
Gains on disposition of investments	<b>10,844,815</b>	5,398,382
Changes in fair value of investments	<b>(5,389,790)</b>	1,150,532
	<b>18,030,438</b>	18,139,101

During fiscal year 2026, the Foundation transitioned to new investment managers. As part of this transition, the existing investment portfolios were substantially liquidated and reinvested with the new managers. Accordingly, purchases and sales activity, as well as realized gains and losses recognized in the year, may be higher than in prior periods and are not indicative of ongoing investment activity.

**4. Related party transactions and balances**

- (a) The Foundation is an independent corporation without share capital and has an independent board of directors. The Hospital is affiliated with the Foundation as a result of common board members between the two organizations. Furthermore, the Foundation solicits on behalf of and holds investments for the exclusive benefit of the Hospital. The Hospital provides certain services to the Foundation and pays some operating expenses on behalf of the Foundation.
- (b) Included in accounts payable and accrued liabilities is \$847,453 payable (\$923,491 payable in 2025) to the Hospital. This amount is payable on demand, is non-interest bearing and consists of two components: grants that have not been disbursed to the Hospital and operating expenses incurred by the Foundation that have not yet been repaid.
- (c) The Foundation holds designated funds of \$166,538,415 (\$169,136,965 in 2025), which will be disbursed to the Hospital in the future. Of this amount, \$33,500,000 (\$53,856,229 in 2025) relates to funds intended for the SMH 3.0 campaign.
- (d) The Foundation, from time to time, makes payments to the Hospital to fund the purchase of tangible capital assets, research costs and the reimbursement of expenses paid on behalf of the Foundation. During the year, \$65,051,895 (\$46,185,015 in 2025) was paid to the Hospital, of which \$10,685,940 (\$8,919,734 in 2025) was for reimbursement of expenses, \$31,876,240 (\$7,659,801 in 2025) was for capital assets and \$22,489,715 (\$29,605,480 in 2025) was for research, trust, or other transfers.

**5. Pension plan**

Employees of the Foundation participate in a contributory defined benefit pension plan sponsored by the Hospital. Contributions made to the plan during the year by the Foundation amounted to \$860,689 (\$687,350 in 2025) and are recorded as part of fundraising and administrative expenses.