UHN Foundation

Financial statements
March 31, 2026



Shape the future
with confidence

Independent auditor's report

To the Members of the
UHN Foundation

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the **UHN Foundation** [the "Foundation"], which comprise the balance sheet as at March 31, 2026 and the statement of revenue, expenses and changes in fund balances and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

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

Ernst & Young LLP

Toronto, Canada
June 16, 2026

Chartered Professional Accountants
Licensed Public Accountants

UHN Foundation

Balance sheet

[in thousands of dollars]

As at March 31

	2026	2025
	$	$
Assets		
Cash	**276,494**	145,418
Accounts receivable	**832**	938
Prepaid expenses	**585**	422
Due from University Health Network *[note 9[e]]*	**40,457**	75,993
Investments, fair value *[note 3]*	**1,108,620**	1,073,373
Capital assets, net *[note 4]*	**989**	1,138
	1,427,977	1,297,282
Liabilities and fund balances		
Liabilities		
Accounts payable and accrued liabilities	**9,490**	5,231
Due to University Health Network *[note 9[e]]*	**24,527**	16,980
Deferred revenue	**2,678**	627
Total liabilities	**36,695**	22,838
Fund balances		
General Fund	**745**	303
Expendable Restricted Fund *[note 5]*	**962,436**	874,372
Endowment Fund *[note 6]*	**428,101**	399,769
Total fund balances	**1,391,282**	1,274,444
	1,427,977	1,297,282

See accompanying notes

On behalf of the Board:

Paul Farrell
Chair

Lynn McGrade
Treasurer

UHN Foundation

Statement of revenue, expenses and changes in fund balances

[in thousands of dollars]

Year ended March 31

	General Fund		Expendable Restricted Fund		Endowment Fund		Total	
	2026	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
	$	$	$	$	$	$	$	$
Revenue								
Donations *[notes 9[f], [g] and 10]*	**11,994**	10,527	**220,549**	222,285	**6,609**	6,442	**239,152**	239,254
Special events	**1,411**	1,785	**11,399**	10,808	**—**	—	**12,810**	12,593
Bequests	**1,526**	3,553	**3,799**	5,315	**1,366**	384	**6,691**	9,252
Total fundraising revenue	**14,931**	15,865	**235,747**	238,408	**7,975**	6,826	**258,653**	261,099
Investment income *[notes 6 and 7]*	**41,839**	44,274	**16,656**	17,839	**18,081**	19,793	**76,576**	81,906
	56,770	60,139	**252,403**	256,247	**26,056**	26,619	**335,229**	343,005
Expenses								
Fundraising and administrative *[note 9[c]]*	**29,719**	28,351	**7,686**	9,186	**—**	—	**37,405**	37,537
Excess of revenue over expenses before grants	**27,051**	31,788	**244,717**	247,061	**26,056**	26,619	**297,824**	305,468
Grants to University Health Network *[note 9[b]]*	**(574)**	(92)	**(157,583)**	(219,055)	**—**	—	**(158,157)**	(219,147)
Grants to other qualified donees	**(5)**	—	**(22,824)**	(1,844)	**—**	—	**(22,829)**	(1,844)
	(579)	(92)	**(180,407)**	(220,899)	**—**	—	**(180,986)**	(220,991)
Excess of revenue over expenses for the year	**26,472**	31,696	**64,310**	26,162	**26,056**	26,619	**116,838**	84,477
Fund balances, beginning of year	**303**	247	**874,372**	819,144	**399,769**	370,576	**1,274,444**	1,189,967
Transfers between funds *[note 8]*	**(26,030)**	(31,640)	**23,754**	29,066	**2,276**	2,574	**—**	—
Fund balances, end of year	**745**	303	**962,436**	874,372	**428,101**	399,769	**1,391,282**	1,274,444

See accompanying notes

UHN Foundation

Statement of cash flows

[in thousands of dollars]

Year ended March 31

	2026	2025
	$	$
Operating activities		
Excess of revenue over expenses for the year	**116,838**	84,477
Add item not involving cash		
Amortization of capital assets	**159**	152
Changes in non-cash working capital balances related to operations		
Accounts receivable	**106**	(397)
Prepaid expenses	**(163)**	(237)
Due from (to) University Health Network	**43,083**	(13,105)
Accounts payable and accrued liabilities	**4,259**	1,082
Deferred revenue	**2,051**	532
Reinvested investment income	**(76,576)**	(81,906)
Cash provided by (used in) operating activities	**89,757**	(9,402)
Investing activities		
Transfer to externally managed investments	**(140,911)**	(46,671)
Transfer from externally managed investments	**182,240**	9,277
Additions to capital assets	**(10)**	(164)
Cash provided by (used in) investing activities	**41,319**	(37,558)
Net increase (decrease) in cash during the year	**131,076**	(46,960)
Cash, beginning of year	**145,418**	192,378
Cash, end of year	**276,494**	145,418

See accompanying notes

UHN Foundation

Notes to financial statements

[in thousands of dollars, unless otherwise indicated]

March 31, 2026

1. Purpose of the organization

The UHN Foundation [the "Foundation"] is incorporated under the laws of Ontario as a corporation without share capital. The Foundation raises, receives, accumulates and distributes funds and/or the income therefrom for charitable purposes and, in particular, for the benefit of University Health Network ["UHN"] in respect of medical research, education and other activities related to health care.

The Foundation is a public foundation registered under the *Income Tax Act* (Canada) and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes under Registration #12386 4068 RR 0001.

The Board of Directors [the "Board"] of the Foundation approved the amalgamation of UHN Foundation and West Park Healthcare Centre Foundation. Effective April 1, 2026, the newly amalgamated UHN Foundation has all of the assets, rights, liabilities and obligations of the two predecessor corporations.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, "Accounting Standards for Not-for-Profit Organizations," which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

Fund accounting

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:

- The General Fund comprises amounts available for immediate use for the general purposes of the Foundation as determined by the Board.
- The Expendable Restricted Fund comprises amounts that are to be used for specific purposes as specified by the donors, the Board or as stipulated by the fundraising appeal; and
- The Endowment Fund comprises amounts to be maintained permanently as specified by the donors or the Board.

Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions, which include grants, bequests and other donations. Grants and bequests are recorded when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recorded when received. Unrestricted contributions are recognized as revenue in the General Fund when initially recorded in the accounts. Externally restricted contributions, except endowment contributions, are recognized as revenue in the Expendable Restricted Fund when initially recorded in the accounts. Externally restricted endowment contributions are recognized as revenue in the Endowment Fund when initially recorded in the accounts. Effective April 1, 2024, pursuant to the Foundation's Gift Allocation Policy, 10% of all new restricted and endowed gifts to a maximum of $250,000 is allocated to the General Fund.

Notes to financial statements

[in thousands of dollars, unless otherwise indicated]

March 31, 2026

Investment income consists of interest, dividends, income distributions from pooled funds, and realized and unrealized gains and losses. Investment income earned on the Endowment Fund or Expendable Restricted Fund resources that must be spent on donor-restricted activities is recognized as revenue of the Expendable Restricted Fund. Investment income subject to donor restrictions stipulating that it be added to the endowment is recognized as revenue of the Endowment Fund. Unrestricted investment income earned on Endowment Fund, Expendable Restricted Fund and General Fund resources is recognized as revenue of the General Fund. Investment losses are allocated in a manner consistent with investment income.

The Foundation recognizes revenue for special events when earned.

Cash and cash equivalents

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

Financial instruments

Investments reported at fair value consist of equity instruments that are quoted in an active market as well as investments in pooled funds and any investments in fixed income securities that the Foundation designates upon purchase to be measured at fair value. Transaction costs are recognized in the statement of revenue, expenses and changes in fund balances in the period in which they are incurred.

Investments in fixed income securities not designated to be measured at fair value are initially recorded at fair value plus transaction costs and are subsequently measured at amortized cost using the straight-line method, less any provision for impairment.

All transactions are recorded on a trade date basis.

Other financial instruments, including cash and cash equivalents, accounts receivable, due to/from UHN, and accounts payable and accrued liabilities, are initially recorded at their fair value and are subsequently measured at cost.

Capital assets

Purchased capital assets are recorded at cost. Donated capital assets are recorded at fair value at the date of contribution. Amortization is provided over the estimated useful lives of the assets at the following annual rates:

Furniture and equipment	20% declining balance
Computer equipment	30%–50% declining balance
Leasehold improvements	Straight-line over 10 years

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 goods and services. Any impairment results in a write-down of the asset and an expense in the statement of revenue, expenses and changes in fund balances. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

Cloud computing arrangements

The Foundation has chosen to apply the simplification approach to account for expenditures in cloud computing arrangements. Under this approach, the Foundation recognizes expenditures related to the elements in cloud computing arrangements as an expense as incurred.

Grants

Grants are recognized when approved and the recipient has met all conditions.

Foreign currency translation

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

Contributed goods and services

Contributed goods transferred to UHN are recognized at their fair market value. Other donated goods and services are not recognized in these financial statements.

3. Investments

Investments consist of the following:

	2026 $	2025 $
Cash and term deposits	**156,480**	183,019
Fixed income		
Canada/provincial bonds	**96,231**	84,340
Guaranteed Investment Certificates/corporate bonds	**587,399**	551,237
	683,630	635,577
Equities		
Canadian	**97,373**	86,362
US	**86,395**	85,785
International	**84,742**	82,630
	268,510	254,777
	1,108,620	1,073,373

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

The weighted average yield and average term to maturity for the fixed income securities are as follows:

	2026		2025	
	Weighted average yield %	**Average term to maturity** [years]	**Weighted average yield** %	**Average term to maturity** [years]
Cash and term deposits	**4.38**	**0.23**	5.65	0.42
Canada/provincial bonds	**3.74**	**8.34**	3.33	8.64
Guaranteed Investment Certificates/ corporate bonds	**4.59**	**5.39**	4.96	4.63

Investments are managed as two pools:

[i] Investments related to the Endowment Fund are invested as follows: short-term investments – 2% [2025 – 1%]; equities – 60% [2025 – 63%]; and fixed income securities – 38% [2025 – 36%]; and
[ii] Investments related to the Expendable Restricted Fund are invested primarily in Guaranteed Investment Certificates ["GICs"].

4. Capital assets

Capital assets consist of the following:

	2026		2025	
	Cost $	**Accumulated amortization** $	**Cost** $	**Accumulated amortization** $
Furniture and equipment	**518**	**440**	518	423
Computer equipment	**541**	**535**	541	531
Leasehold improvements	**1,381**	**476**	1,371	338
	2,440	**1,451**	2,430	1,292
Less accumulated amortization	**1,451**		1,292	
Net book value	**989**		1,138	

Notes to financial statements

[in thousands of dollars, unless otherwise indicated]

March 31, 2026

5. Expendable Restricted Fund

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

	2026 $	2025 $
Externally restricted		
Research	**419,452**	366,014
Equipment, building and renovation	**79,363**	81,317
Education and other	**373,084**	354,226
	871,899	801,557
Internally restricted *[note 8[b]]*	**90,537**	72,815
	962,436	874,372

The internally restricted balance represents amounts set aside by the Board for various purposes, predominantly in a Stabilization Reserve available for operational needs of $49,306 [2025 − $35,863].

6. Endowment Fund

[a] Major categories of the Endowment Fund balance are as follows:

	2026 $	2025 $
Funds externally restricted for endowment purposes		
Income, which must be used for a restricted purpose	**368,242**	343,371
Income, which is unrestricted	**28,502**	27,173
Externally restricted funds restricted for endowment purposes by the Board	**20,445**	18,716
Unrestricted funds restricted for endowment purposes by the Board	**10,912**	10,509
	428,101	399,769

[b] The Foundation has a policy designed to protect the real value of endowments by limiting the amount of investment income made available for spending and requiring the reinvestment of income not made available. In 2026 and 2025, the amount made available for spending is 3.5%, with the exception of two funds that remain at 5.0%. The administration fee is 1.5%.

In any particular year, should net investment income be insufficient to fund the amount to be made available for spending or the return on investments is a net investment loss, the amount that is to be made available for spending is funded by the accumulated reinvested income. However, for individual endowment funds without sufficient accumulated reinvestment income, endowment capital is used in the current year. This amount is expected to be recovered by future net investment income.

The preservation of capital [i.e., any excess investment income earned above the payout rate] is recorded as revenue of the Endowment Fund for donor-designated funds. For Board-designated unrestricted funds, the preservation of capital is recorded as income of the General Fund and transferred to the Endowment Fund in the statement of revenue, expenses and changes in fund balances. For Board-designated restricted funds, the preservation of capital is recorded as income in the Expendable Restricted Fund and transferred to the Endowment Fund in the statement of revenue, expenses and changes in fund balances.

[c] In 2026, investment income of $37,566 [2025 – $38,518] was earned on investments held for the Endowment Fund. An amount of $19,413 [2025 – $21,291] was allocated for the preservation of capital. Of this amount, $18,081 [2025 – $19,793] related to donor-designated funds was recorded as investment income in the Endowment Fund. Capital preservation of $1,332 [2025 – $1,498] related to Board-designated funds was recorded as income in the General and Expendable Restricted Funds then transferred to the Endowment Fund *[note 8[a]]*.

In 2026, $12,172 [2025 – $11,689] made available for spending as calculated in accordance with the Foundation's Endowment Fund policy was recorded as investment income in the Expendable Restricted and General Funds. In addition, $5,981 [2025 – $5,538] related to donor-designated and Board-designated funds was recorded as investment income in the General Fund for administration in accordance with the Board policy.

7. Investment income

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

	2026 $	**2025** $
Interest and dividends	**16,156**	19,178
Realized gains	**43,164**	30,209
Net change in unrealized gains and losses on investments	**18,320**	33,633
	77,640	83,020
Less investment management and custodial fees	**1,064**	1,114
	76,576	81,906

Notes to financial statements

[in thousands of dollars, unless otherwise indicated]

March 31, 2026

8. Interfund transfers

Transfers between funds consist of the following:

	General Fund		Expendable Restricted Fund		Endowment Fund	
	2026	2025	**2026**	2025	**2026**	2025
	$	$	$	$	$	$
[a] Allocation of investment income in accordance with the Board policy *[note 6[c]]*	**(694)**	(735)	**(638)**	(763)	**1,332**	1,498
[b] Board-/donor-approved transfers	**(25,336)**	(30,905)	**24,392**	29,829	**944**	1,076
	(26,030)	(31,640)	**23,754**	29,066	**2,276**	2,574

9. Related party transactions

[a] The Foundation, together with three other foundations affiliated with UHN, is responsible for fundraising activities carried out on behalf of UHN.

[b] During the year, the Foundation funded the following projects carried out at UHN, primarily from the Expendable Restricted Fund:

	2026	2025
	$	$
Equipment, building and renovation	**31,276**	107,460
Research, education and patient care	**126,881**	111,687
	158,157	219,147

[c] The Foundation reimbursed UHN for salaries and benefits of $22,464 [2025 – $20,819] recorded in fundraising and administrative expenses associated with UHN staff working at the Foundation. In addition, UHN charged the Foundation $689 [2025 – $672] for the use of office equipment and related technical support. UHN provides the Foundation with space and other administrative support at no cost.

[d] The Foundation pays certain common expenses on behalf of other foundations affiliated with UHN and is reimbursed. The Foundation reimburses the other foundations affiliated with UHN for those common expenses incurred by them on the Foundation's behalf.

[e] Amounts due to/from UHN are interest free and due on demand.

[f] The Foundation received grants of US$779 [2025 – US$1,020] from The American Friends of UHN, Inc., an affiliated United States tax-exempt charitable organization.

[g] During the year ended March 31, 2026, UHN made a contribution of $40,457 [2025 – $75,993] to the Foundation, which is recorded as revenue in the Expendable Restricted Fund.

10. Lottery

During the year, the Foundation operated a 50/50 Payday Raffle lottery under the Alcohol and Gaming Commission of Ontario license.

	2026 $	2025 $
Lottery funds revenue	**975**	934
Expenses	**500**	479
Net proceeds	**475**	455

Lottery funds raised have been used to support research projects at UHN.

The Foundation has been categorized as operating an Electronic 50/50 raffle, and as such does not require a standby letter of credit in connection with the lottery.

11. Cloud computing arrangements

For the year ended March 31, 2026, the Foundation expensed $390 [2025 – $536] for elements in a cloud computing arrangement, which are recorded in fundraising and administrative expenses in the statement of revenue, expenses and changes in fund balances.

12. Financial instruments and risk management

The Foundation is exposed to various financial risks through transactions in financial instruments.

Currency risk

The Foundation is exposed to currency risk with respect to its investments denominated in foreign currencies, including the underlying investments of its pooled funds denominated in foreign currencies, because the fair value and future cash flows will fluctuate due to the changes in the relative value of foreign currencies against the Canadian dollar. The Foundation mitigates this risk with various strategies such as ensuring foreign securities exceed no more than 50% of the total market value of the endowment equity portfolio and no one security shall represent more than 10% of the equity portfolio.

Credit risk

The Foundation is exposed to credit risk in connection with its fixed income investments because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation. The Foundation mitigates this risk by monitoring the performance of the individual investments and by ensuring compliance by the investment manager with the set investment policies of the Foundation.

Interest rate risk

The Foundation is exposed to interest rate risk with respect to its investments in GICs because of the reinvestment risk of GICs at maturity. The Foundation mitigates this risk by laddering the GIC investments over terms of one to 10 years.

Other price risk

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

13. Comparative financial statements

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