

FEDERATED HEALTH CHARITIES CORPORATION

Financial Statements

September 30, 2025

FEDERATED HEALTH CHARITIES CORPORATION

Index to Financial Statements

Year Ended September 30, 2025

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 9

INDEPENDENT AUDITOR'S REPORT

To the Members of Federated Health Charities Corporation

Qualified Opinion

We have audited the financial statements of Federated Health Charities Corporation (the "Organization"), which comprise the statement of financial position as at September 30, 2025, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at September 30, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations

Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from contributions, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses and cash flows from operations for the years ended September 30, 2025 and 2024, current assets as at September 30, 2025 and 2024, and net assets as at October 1 and September 30 for both the 2025 and 2024 fiscal years. Our audit opinion on the financial statements for the year ended September 30, 2024 was modified accordingly because of the possible effects of this limitation of 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 Organization 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 audit 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

(continues)

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.

Hogg, Shain & Scheck PC

Toronto, Ontario
February 18, 2026

Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

FEDERATED HEALTH CHARITIES CORPORATION

Statement of Financial Position

As at September 30, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 265,546	\$ 365,874
Short-term investments (Note 3)	344,447	307,606
Accounts receivable	124,656	113,441
Prepaid expenses	37,160	5,700
	<u>\$ 771,809</u>	<u>\$ 792,621</u>
LIABILITIES		
CURRENT		
Due to member charities	\$ 244,839	\$ 264,964
Accounts payable and accrued liabilities (Note 4)	31,935	36,133
	<u>276,774</u>	<u>301,097</u>
NET ASSETS		
UNRESTRICTED	185,971	162,076
INTERNALLY RESTRICTED (Note 5)	309,064	329,448
	<u>495,035</u>	<u>491,524</u>
	<u>\$ 771,809</u>	<u>\$ 792,621</u>

APPROVED ON BEHALF OF THE BOARD

_____ Director

_____ Director

See the accompanying notes to these financial statements

FEDERATED HEALTH CHARITIES CORPORATION

Statement of Changes in Net Assets

Year Ended September 30, 2025

	Unrestricted	Internally Restricted (Note 5)	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 162,076	\$ 329,448	\$ 491,524	\$ 446,884
Excess of revenues over expenses	3,511	-	3,511	44,640
Transfer <i>(Note 5)</i>	20,384	(20,384)	-	-
NET ASSETS - END OF YEAR	\$ 185,971	\$ 309,064	\$ 495,035	\$ 491,524

See the accompanying notes to these financial statements

FEDERATED HEALTH CHARITIES CORPORATION**Statement of Operations****Year Ended September 30, 2025**

	2025	2024
CONTRIBUTIONS <i>(Note 6)</i>	\$ 1,660,131	\$ 1,602,347
DISTRIBUTIONS <i>(Note 7)</i>	<u>(1,660,131)</u>	<u>(1,602,347)</u>
	-	-
REVENUE		
Administration fees	394,353	386,074
EXPENSES		
Salaries, benefits and wages	266,637	271,450
Special project <i>(Note 5)</i>	38,191	-
Campaign	33,049	22,755
Lottery	26,061	26,038
Administrative	20,670	17,121
Professional fees	14,337	12,753
Volunteer management and recognition	<u>6,644</u>	<u>7,359</u>
	<u>405,589</u>	<u>357,476</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	(11,236)	28,598
INTEREST INCOME	<u>14,747</u>	<u>16,042</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 3,511</u>	<u>\$ 44,640</u>

See the accompanying notes to these financial statements

FEDERATED HEALTH CHARITIES CORPORATION**Statement of Cash Flows****Year Ended September 30, 2025**

	2025	2024
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 3,511	\$ 44,640
Changes in non-cash working capital:		
Accounts receivable	(11,215)	(14,579)
Prepaid expenses	(31,460)	23,479
Due to member charities	(20,125)	(7,449)
Accounts payable and accrued liabilities	(4,198)	3,913
	<u>(66,998)</u>	<u>5,364</u>
Cash flows from (used by) operating activities	<u>(63,487)</u>	<u>50,004</u>
INVESTING ACTIVITY		
Net increase in short-term investments	<u>(36,841)</u>	<u>(44,841)</u>
Cash flow used by investing activity	<u>(36,841)</u>	<u>(44,841)</u>
INCREASE (DECREASE) IN CASH	(100,328)	5,163
CASH - BEGINNING OF YEAR	<u>365,874</u>	<u>360,711</u>
CASH - END OF YEAR	<u>\$ 265,546</u>	<u>\$ 365,874</u>

See the accompanying notes to these financial statements

FEDERATED HEALTH CHARITIES CORPORATION

Notes to Financial Statements

Year Ended September 30, 2025

1. ORGANIZATION AND OPERATIONS

Federated Health Charities Corporation (the "Organization") is a coalition of provincially based charities in Ontario dedicated to raising funds for its charity members within the Ontario Public Service that will support health education and awareness, medical research, and client and patient services. The Organization was previously incorporated under the Canada Corporations Act and was continued under the Canada Not-for-profit Corporations Act in March 2014. As a registered charity the Organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions. 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.

Administration fees are recognized as revenue in the fiscal year to which they relate.

Interest income is recognized in the year earned, as reported by financial institutions interacted with.

Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value and subsequently at amortized cost.

The financial assets and liabilities subsequently measured at amortized cost include cash, accounts receivable, and accounts payable.

Short-term investments are measured at cost plus accrued interest.

Impairment of financial instruments

Financial assets, measured at cost or amortized cost, are tested for impairment if there are indications of possible impairment. The impairment loss is measured as the difference between the carrying value and estimated recoverable amount. A previously recognized impairment loss may be reversed to the extent of the improvement, either directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal, had the impairment loss not been recognized previously. The amount of any write down or reversal is recognized in excess of revenues over expenses.

Volunteer services

The Organization benefits substantially from services in the form of volunteer time. These invaluable services are not recorded in these financial statements.

In-kind donations

Donated items are recorded when a fair market value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased.

(continues)

FEDERATED HEALTH CHARITIES CORPORATION

Notes to Financial Statements

Year Ended September 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, at the date of the financial statements and the reported amounts of revenues and expenses during the year. Such estimates are reviewed periodically and adjustments are reported in excess of revenues and expenses in the year they become known. Such estimates include collectability of accounts receivable and year-end accrued liabilities.

3. SHORT-TERM INVESTMENTS

The Organization holds guaranteed investment certificates in the amount of \$344,447 (2024 - \$307,606), with interest rates of 3.00% to 5.75% (2024 - 3.50% to 5.75%) and maturity dates between October and December 2025 (2024 - November 2024 and October 2025).

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable of \$4,480 (2024 - \$4,560), which includes amounts payable for payroll taxes.

5. INTERNALLY RESTRICTED NET ASSETS

Reserve fund

In 2013, the Board of Directors resolved to set aside funds to cover future unforeseen administration costs. The use of these funds is at the discretion of the Board of Directors. During the fiscal year, the Board approved a transfer of \$17,806 (2024 - \$19,101) bring the total of this fund to \$284,539 (2024 - \$266,732).

Special project fund

In 2023, the Board of Directors resolved to set aside funds to build and maintain an adequate level of funds to support the Organization's special projects that are above the regular day-to-day operations of the Organization and campaign. The use of these funds is at the discretion of the Board of Directors. During the fiscal year, the Board of Directors approved the use of \$38,191 in funding towards a special project as noted on the Statement of Operations. As a result, the remaining balance of this internally restricted fund is \$24,525 (2024 - \$62,716).

The above Fund balances are supported by cash and investments in GICs.

FEDERATED HEALTH CHARITIES CORPORATION

Notes to Financial Statements Year Ended September 30, 2025

6. CONTRIBUTIONS

Contributions consist of the following:

	<u>2025</u>	<u>2024</u>
From payroll deductions of:		
Ministries	\$ 1,143,156	\$ 1,135,951
Agencies	85,486	74,365
Special events	259,869	219,788
General donations	82,770	110,258
Lottery	88,850	61,985
	<u>\$ 1,660,131</u>	<u>\$ 1,602,347</u>

7. DISTRIBUTIONS

Distributions to member charities consist of the following:

	<u>2025</u>	<u>2024</u>
Canadian Cancer Society	\$ 225,253	\$ 217,885
Alzheimer Society of Ontario	179,984	178,737
Heart and Stroke	137,920	139,899
Diabetes Ontario	102,887	103,330
Canadian Institute for Advancements in Mental Health	87,656	74,172
Autism Ontario	79,077	74,649
Parkinson Canada	76,799	73,801
Crohn's and Colitis Canada	71,796	66,537
Arthritis Society	69,349	68,436
ALS Society of Canada	67,770	64,505
The Kidney Foundation of Canada	64,437	60,893
Sickle Cell Awareness Group Ontario	60,760	57,238
MS Canada	60,261	61,413
Ontario AIDS Network	53,420	52,051
Canadian Liver Foundation	51,733	48,188
Lung Health Foundation	51,334	50,167
Cystic Fibrosis Canada	48,955	47,894
Spinal Cord Injury Ontario	45,455	43,385
Osteoporosis Canada	44,770	42,424
Ontario Federation for Cerebral Palsy	42,221	40,180
Hemophilia Ontario	38,294	36,563
	<u>\$ 1,660,131</u>	<u>\$ 1,602,347</u>

8. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant credit, liquidity, market, currency, interest rate or other price risks arising from its financial instruments.