Hospice Huronia
Financial Statements
For the year ended March 31, 2026

Contents

Tel: 705 726 6331
Fax: 705 722 6588
www.bdo.ca

BDO Canada LLP
300 Lakeshore Drive, Suite 300
Barrie, ON, Canada, L4N 0B4

Independent Auditor's Report

To the Board of Directors of Hospice Huronia

Qualified Opinion

We have audited the accompanying financial statements of Hospice Huronia (the organization), 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 organization 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 Qualified Opinion

In common with many charitable organizations, the organization derives revenues from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenues, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2026 and 2025, current assets as at March 31, 2026 and 2025, and net assets as at April 1 and March 31 for both the 2026 and 2025 years. Our audit opinion on the financial statements for the year ended March 31, 2025 was modified accordingly because of the possible effects of this 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 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 these 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.

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario
June 29, 2026

Hospice Huronia
Statement of Financial Position

March 31	2026	2025
Assets		
Current		
Cash (note 2)	**$ 338,505**	$ 258,492
Short-term investments - internally restricted (note 3)	**1,011,917**	716,835
Accounts receivable (note 4)	**93,117**	122,372
Prepaid expenses	**13,661**	17,396
	1,457,200	1,115,095
Capital Assets, at cost less accumulated amortization (note 5)	**5,139,086**	5,254,385
	$ 6,596,286	$ 6,369,480
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 120,774**	$ 134,221
Government remittances payable	**16,064**	12,361
Due to Ministry of Health (note 6)	**-**	2,775
Deferred contributions (note 7)	**247,355**	52,979
	384,193	202,336
Deferred Contributions Related to Capital Assets (note 9)	**4,126,649**	4,250,043
Commitment (note 10)		
Net Assets		
Internally restricted reserve funds (note 11)	**1,110,000**	1,110,000
Unrestricted	**975,444**	807,101
	2,085,444	1,917,101
	$ 6,596,286	$ 6,369,480

On behalf of the Board:

____________________ Director ____________________ Director

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

Hospice Huronia
Statement of Operations

For the year ended March 31	2026	2025
Revenues		
Ministry of Health - base	$ **1,223,220**	$ 1,049,244
Donations and fundraising	**995,743**	810,231
Amortization of deferred contributions related to capital assets (note 9)	**155,060**	150,904
Other grants	**119,989**	58,500
Ontario Trillium Foundation grants	**96,256**	105,271
Investment income	**30,829**	65,692
	2,621,097	2,239,842
Expenses		
Residential Hospice		
Compensation	**1,318,373**	1,098,598
Supplies	**50,595**	29,563
Sundry	**22,688**	12,515
Building and grounds	**419**	3,628
	1,392,075	1,144,304
Visiting Hospice		
Compensation	**235,434**	155,139
Supplies	**1,653**	8,672
Sundry	**6,455**	24,376
	243,542	188,187
Support Services Training		
Compensation	**109,236**	134,159
Sundry	**784**	3,117
	110,020	137,276
Grief and Bereavement		
Compensation	**37,988**	46,027
Supplies	**4,449**	12,925
	42,437	58,952
Administration		
Amortization	**166,244**	161,353
Compensation	**112,820**	68,197
Supplies	**11,906**	15,224
Sundry (note 12)	**142,684**	108,146
Equipment	**1,331**	4,857
Interest on debt	**-**	40,902
Buildings and grounds	**51,071**	47,667
Utilities	**43,964**	42,140
	530,020	488,486
Fundraising		
Compensation	**103,825**	105,508
Supplies	**4,329**	1,019
Sundry	**26,506**	26,520
	134,660	133,047
Total expenses	**2,452,754**	2,150,252
Excess of revenues over expenses for the year	$ **168,343**	$ 89,590

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

Hospice Huronia
Statement of Changes in Net Assets

For the year ended March 31			**2026**	2025
	Internally Restricted (note 11)	**Unrestricted**	**Total**	Total
Balance, beginning of year	**$ 1,110,000**	**$ 807,101**	**$ 1,917,101**	$ 1,742,464
Excess of revenues over expenses for the year	-	**168,343**	**168,343**	89,590
Grants received for the repayment of debt related to the land purchase	**-**	**-**	**-**	42,743
Donations received for the repayment of debt related to the land purchase	**-**	**-**	**-**	42,304
Balance, end of year	**$ 1,110,000**	**$ 975,444**	**$ 2,085,444**	$ 1,917,101

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

Hospice Huronia
Statement of Cash Flows

For the year ended March 31	2026	2025
Cash flows from operating activities		
Excess of revenues over expenses for the year	**$ 168,343**	$ 89,590
Charges (credits) to operations not involving cash		
Amortization of deferred contributions related to capital assets	**(155,060)**	(150,904)
Amortization of capital assets	**166,244**	161,353
	179,527	100,039
Change in non-cash working capital balances related to operations		
Accounts receivable	**29,255**	(105,121)
Prepaid expenses	**3,735**	8,859
Accounts payable and accrued liabilities	**(13,447)**	20,785
Government remittances payable	**3,703**	10,041
Due to Ministry of Health	**(2,775)**	-
Deferred contributions	**194,376**	(10,663)
	394,374	23,940
Cash flows from investing activities		
Purchase of capital assets	**(50,945)**	(70,048)
Decrease (increase) in investments	**(295,083)**	515,343
	(346,028)	445,295
Cash flows from financing activities		
Increase in deferred contributions related to capital assets	**31,666**	15,584
Repayment of long-term debt	**-**	(518,091)
Donations and grants received for the repayment of debt on land purchase	**-**	85,047
	31,666	(417,460)
Net increase in cash during the year	**80,012**	51,775
Cash, beginning of the year	**258,493**	206,718
Cash, end of the year	**$ 338,505**	$ 258,493

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

1. Significant Accounting Policies

Nature of Organization

Hospice Huronia (the "organization") is an incorporated not-for-profit organization without share capital under the Corporations Act (Ontario). The organization serves individuals and their families who are facing a life threatening illness or grieving the loss of a loved one. The organization operates a residential hospice providing accommodation and end of life care for individuals with terminal illnesses.

Basis of Accounting

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Use of Estimates

The preparation of financial statements in accordance 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 reporting period. The significant estimates made in the preparation of these financial statements include the fair value of financial instrument and the estimated useful life of capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

Revenue Recognition

The organization follows the deferral method of accounting for contributions which includes donations and government subsidies. Operating revenue, including grants and subsidies are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. When a portion of a grant relates to a future period, it is deferred and recognized in that future period.

Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenditures are recognized.

Contributions restricted for the purpose of capital assets are deferred and amortized into revenue on a straight-line basis at a rate corresponding with the amortization rate for the related capital assets.

Interest revenues are recorded when earned.

1. Significant Accounting Policies (continued)

Income Taxes

The organization is not subject to federal or provincial income taxes pursuant to exemptions accorded to registered charities in the income tax legislation.

Capital Assets

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair market value at the date of contribution. Where fair market value cannot be reasonably determined, contributed assets are recorded at nominal amounts.

Amortization is provided on capital assets based on a straight-line basis over their estimated useful lives as follows:

Furniture and equipment	10 years
Building	40 years
Computer hardware and software	5 years

Pledges

Pledges, which represent promises to donate cash, are not recorded as revenue until collected, unless the ultimate collection is reasonably assured.

In-Kind Contributions

Contributions of assets are recognized in the period they are donated at their fair market value when a fair value can be reasonably estimated and when the assets are used in the normal course of the organization's operations and would otherwise have been purchased.

Contributed services are not recognized in the financial statements due to the inherent difficulty in valuing the time of volunteers.

Allocation of Expenses

The organization operates four separate programs: Residential Hospice, Visiting Hospice, Support Services Training and Grief and Bereavement. Additionally, the organization pursues fundraising activities to supplement its income. The costs of each program includes expenses as detailed on the statement of operations. The organization also incurs general and administrative expenses that are common to the administration of the organization and each of its programs. The organization allocates certain general and administrative expenses to the programs on a pro rata basis based on budgeted amounts.

March 31, 2026

1. Significant Accounting Policies (continued)

Pension Plan

The organization applies defined contribution plan accounting to its multi-employer defined benefit plan for which the organization has insufficient information to apply defined benefit plan accounting (see note 14).

Financial Instruments

Investment 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 and guaranteed investment certificates that the organization designates upon purchase to be measured at fair value. Investments in fixed income securities not designated to be measured at fair value and equity instruments not quoted in an active market are initially recorded at fair value plus transaction costs and are subsequently measured at amortized cost less any provision for impairment.

All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Impairment of Long Lived Assets

In the event that facts and circumstances indicate that the organization's long lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow is required. The organization considers that no circumstances exist that would require such evaluation.

2. Cash

The organization's bank accounts are held at a credit union. The bank accounts earn interest at a variable rate dependent on the monthly minimum balances.

3. Short-Term Investments

	2026	2025
Guaranteed Investment Certificate, interest at 5.00%, maturity date of June 26, 2025	$ -	$ 200,000
Guaranteed Investment Certificate, interest at 4.05%, maturity date of July 12, 2025	-	100,000
Guaranteed Investment Certificate, interest at 4.20%, maturity date of September 26, 2025	-	200,000
Guaranteed Investment Certificate, interest at 4.25%, maturity date of December 26, 2025	-	100,000
Guaranteed Investment Certificate, interest at 3.62%, maturity date of December 26, 2025	-	100,000
Guaranteed Investment Certificate, interest at 2.70%, maturity date of June 24, 2026	**100,000**	-
Guaranteed Investment Certificate, interest at 2.70%, maturity date of June 24, 2026	**100,000**	-
Guaranteed Investment Certificate, interest at 3.40%, maturity date of June 26, 2026	**200,000**	-
Guaranteed Investment Certificate, interest at 3.00%, maturity date of October 3, 2026	**300,000**	-
Guaranteed Investment Certificate, interest at 2.55%, maturity date of December 26, 2026	**100,000**	-
Guaranteed Investment Certificate, interest at 3.00%, maturity date of March 20, 2027	**200,000**	-
Accrued interest	**11,917**	16,835
	$ 1,011,917	$ 716,835

The investments have been recorded on the statement of financial position at their fair market value as at March 31, 2026.

4. Accounts Receivable

	2026	2025
Grants receivable	**$ 53,800**	$ 87,526
HST recoverable	**33,193**	15,943
WSIB receivable	**6,124**	8,051
Other receivables	**-**	10,852
	$ 93,117	$ 122,372

5. Capital Assets

	2026		2025	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Land and development costs	**$ 814,800**	**$ -**	$ 814,800	$ -
Computer hardware and software	**45,178**	**20,466**	45,178	11,431
Furniture and fixtures	**399,693**	**168,053**	348,748	132,240
Building	**4,855,827**	**787,893**	4,855,827	666,497
	$ 6,115,498	**$ 976,412**	$ 6,064,553	$ 810,168
Net book value		**$ 5,139,086**		$ 5,254,385

6. Contingency

The organization receives funding from the Ministry of Health. The amount of funding provided to the organization is subject to final review and approval by the Ministry. As at the date of these financial statements, funding for the period April 1, 2025 to March 31, 2026 had not been subject to this review process. Any future adjustments required as a result of this review will be accounted for in the year the adjustment is determined.

7. Deferred Contributions

This amount represents grant funding received from the Ontario Trillium Foundation, Ontario Health as well as funding for the MEDITECH Expanse Hospice Platform which was unspent as at March 31, 2026. The funds are to be used to offset future expenses incurred by the organization for specific programs.

8. Credit Facilities

The organization has available credit facilities with the Meridian Credit Union ("Meridian"). The credit facilities include an operating line of credit to a maximum limit of $500,000, a non revolving loan to a maximum limit of $492,588, and available credit cards to a maximum of $5,000. Meridian can terminate the credit facilities at any time.

The operating line of credit has a variable rate of interest at prime rate plus 1.10%. The amount drawn against both credit facilities at March 31, 2026 is $NIL (2025 - $NIL).

The above credit facilities are secured by a general security agreement over all of the organization's present and after acquired personal property; collateral mortgage for $1,250,000 on the property and buildings located at 948 Fuller Avenue and 928 Fuller Avenue, Penetanguishene, Ontario; assignment of rents and leases on the property and buildings located at 948 Fuller Avenue and 928 Fuller Avenue; assignment of fire insurance, indicating Meridian as first loss payee or first mortgagee on the subject property and buildings located at 948 Fuller Avenue and 928 Fuller Avenue; comprehensive general liability insurance for a minimum of $2,000,000 to be carried by the organization with Meridian shown as additional insured.

The agreement governing the loan facility contains certain covenants regarding debt service coverage. Meridian requires the organization to maintain a debt service ratio greater than or equal to 1.15 measured on an annual basis.

9. Deferred Contributions Related to Capital Assets

Deferred contributions represent the unamortized amount of grants and restricted donations received to be used in the purchase of certain assets or in the settlement of certain obligations. The amortization of these contributions is recorded as revenue in the statement of operations.

	2026	2025
Balance, beginning of year	**$ 4,250,043**	$ 4,385,363
Contributions received from the County of Simcoe for capital purchases	**-**	15,584
Contribution received from the Ontario Trillium Foundation for capital purchases	**31,666**	-
Amounts amortized to revenue	**(155,060)**	(150,904)
Balance, end of year	**$ 4,126,649**	$ 4,250,043

10. Commitment

During the year, the organization entered into an agreement with Royal Victoria Regional Health Centre for MEDITECH system administration and support, and professional privacy advisory and operational support services. The agreement commences April 1, 2026 and is effective for 10 years with an additional 5 year extension term at the organization's discretion. The annual commitment is $28,047, which is subject to an annual increase based on the Consumer Price Index (CPI) capped at no more than 3% per year.

11. Internally Restricted Reserve Funds

Contingency Fund

The board of directors has established a contingency fund to be used to offset unforeseen future expenses. The use of the funds are subject to the approval of the board of directors.

	2026	2025
Balance, beginning and end of year	$ 360,000	$ 360,000

Capital Reserve Fund

The board of directors has established a capital reserve fund to be used to fund future capital expenses. The use of the funds are subject to the approval of the board of directors.

	2026	2025
Balance, beginning and end of year	$ 750,000	$ 750,000

Total Internally Restricted Reserve Funds	$ 1,110,000	$ 1,110,000

12. Administrative Sundry Expenses

	2026	2025
Advertising	$ 3,918	$ 715
Bank charges	14,143	7,276
Data and software licences	33,322	14,614
Insurance	11,530	11,371
Memberships and subscriptions	8,220	7,841
Office expenses	14,815	9,676
Other sundry	2,076	904
Professional fees	54,300	53,870
Travel	360	1,879
	$ 142,684	$ 108,146

13. Economic Dependence

The organization received 47% (2025 - 47%) of its revenue from the Ministry of Health.

14. Pension Plan

All permanent employees of the organization are members of the Healthcare of Ontario Pension Plan which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the Ontario Hospital Association. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the five consecutive years prior to retirement, termination or death, that provide the highest earnings.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by the Healthcare of Ontario Pension Plan by placing plan assets in trust and through the Plan investment policy.

Pension expense is based on Plan management's best estimates, in consultation with its actuaries, of the amount, together with the percentage of salary contributed by employees, required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by the Plan. The funding objective is for employer contributions to the Plan to remain a constant percentage of employees' contributions.

The Plan provides pension services to more than 504,000 active and retired members and approximately 871 employers. The Plan is a multi-employer plan and therefore the organization's contributions are accounted for as if the Plan were a defined contribution plan with the organization's contributions being expensed in the period they come due. Each year, an independent actuary determines the funding status of the Plan by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The results of the most recent valuation as at December 31, 2025 disclosed a surplus of $11,103 million. The results of this valuation disclosed total actuarial liabilities and pension obligations of $261,782 million in respect of benefits accrued for service with actuarial assets at that date of $272,885 million. Because the Plan is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario member organizations and their employees. As a result, the organization does not recognize any share of the Plan surplus or deficit.

Employer contributions made to the Plan during the year by the organization amount to $115,338 (2025 - $104,745) and is included in compensation expense.

15. Financial Instruments

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its fixed and variable interest rate financial instruments. Fixed-interest instruments subject the organization to a fair value risk while the variable rate instruments subject it to a cash flow risk.

The organization holds an operating line of credit with a variable interest rate which involves risks of default in interest and principal and price changes due to, without limitation, such factors as interest rates and general economic conditions. Currently the organization has not drawn on the operating line of credit, therefore the risk is considered to be limited.

The organization is exposed to changes in interest rates related to its investments in guaranteed investment certificates. The organization's primary objective is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving a satisfactory return. The organization mitigates interest rate risk on investments by diversifying the durations of the fixed-income investments that are held at a given time.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk arising from its accounts receivable. The majority of the organization's receivables are from government sources and the organization works to ensure they meet all eligibility criteria in order to qualify to receive the funding. The organization is also exposed to credit risk arising from all of its bank accounts being held at one financial institution and deposits are only insured up to $250,000.

Liquidity Risk

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities, government remittances payable and amounts due to Ministry of Health.

There have not been any changes in the financial instruments risk from the prior year.

16. Allocation of Expenses

The organization classifies their expenses by function and allocates corporate administrative expenses from one function to another as described in note 1 - Significant Accounting Policies. Expenses have been allocated to various programs as follows:

	2026	2025
Residential Hospice	**$ 6,023**	$ 6,010
Visiting Hospice	**12,046**	12,389
Support Services Training	**12,046**	12,834
Grief and Bereavement	**10,195**	10,500
Fundraising	**20,478**	23,208
Total Compensation	**$ 60,788**	$ 64,941