Dundas County Hospice

Financial Statements

Year Ended March 31, 2026

Ottawa • Toronto

INDEPENDENT AUDITOR'S REPORT

To the Members of Dundas County Hospice

Qualified Opinion

We have audited the financial statements of Dundas County Hospice (the "Organization"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, 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 (the "financial statements").

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 cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from donations and fundraising, 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, current assets and net assets.

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 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.

Other Matter

The financial statements for the year ended March 31, 2025 were audited by another auditor who expressed a qualified opinion on those financial statements on June 23, 2025 for the reasons described in the *Basis for Qualified Opinion* section.

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Authorized to practice public accounting by the Chartered Professional Accountants of Ontario
ABFK Chartered Professional Accountants Professional Corporation

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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 ASNPO, 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.

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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.

ABFK Chartered Professional Accountants

Ottawa, Ontario
June 10, 2026

ABFK Chartered Professional Accountants
Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario

Statement of Financial Position
March 31, 2026

		General Operating Fund		Donations & Fundraising Fund		Building Fund		**2026**		2025
ASSETS										
CURRENT										
Cash	$	188,924	$	-	$	-	**$**	**188,924**	$	95,995
Investments		-		40,598		-		**40,598**		183,848
Accounts receivable		-		-		-		**-**		17,131
Interfund balances *(Note 3)*		12,565		(12,565)		-		**-**		-
Harmonized sales tax recoverable		10,918		-		-		**10,918**		6,378
Prepaid expenses		7,022		-		-		**7,022**		7,709
		219,429		28,033		-		**247,462**		311,061
LONG TERM										
Capital assets *(Note 4)*		4,937		-		274,225		**279,162**		275,141
Long term Investments *(Note 3)*		-		225,473		-		**225,473**		-
TOTAL ASSETS	$	224,366	$	253,506	$	274,225	**$**	**752,097**	$	586,202

Statement of Financial Position
March 31, 2026

	General Operating Fund	Donations & Fundraising Fund	Building Fund	**2026**	2025
LIABILITIES AND FUND BALANCES					
CURRENT					
Accounts payable	$ 20,857	$ -	$ -	**$ 20,857**	$ 12,601
Employee deductions payable	4,935	-	-	**4,935**	3,177
Deferred income	167,650	-	-	**167,650**	3,145
Deferred capital contributions *(Note 5)*	5,565	-	100,138	**105,703**	105,098
TOTAL LIABILITIES	199,007	-	100,138	**299,145**	124,021
FUND BALANCES					
Fund balances	25,359	253,506	174,087	**452,952**	462,181
TOTAL LIABILITIES AND FUND BALANCES	$ 224,366	$ 253,506	$ 274,225	**$ 752,097**	$ 586,202

ON BEHALF OF THE BOARD

_________________________________ *Director*

_________________________________ *Director*

Statement of Operations
Year Ended March 31, 2026

	General Operating Fund	Donations & Fundraising Fund	Building Fund	**2026**	2025
REVENUES					
LHIN funding - base	$ 100,722	$ -	$ -	**$ 100,722**	$ 100,132
LHIN funding - one time	44,833	-	-	**44,833**	50,590
Donations	-	186,516	-	**186,516**	155,115
Fundraising income	-	45,537	-	**45,537**	29,396
Interest income	6,218	2,223	-	**8,441**	7,976
Interfund transfers	225,753	-	12,107	**237,860**	115,380
Other income	1,580	-	6,431	**8,011**	7,724
	379,106	234,276	18,538	**631,920**	466,313
PROGRAM EXPENSES					
Palliative	12,661	-	-	**12,661**	10,349
Travel	2,265	-	-	**2,265**	1,002
Equipment lending	2,795	-	-	**2,795**	2,025
Volunteer support	1,422	-	-	**1,422**	2,614
Salaries and benefits	184,719	-	-	**184,719**	122,647
Grief and bereavement	1,075	-	-	**1,075**	-
Day hospice	9,838	-	-	**9,838**	10,293
	214,775	-	-	**214,775**	148,930
EXPENSES *(Schedule 1)*	164,331	248,572	13,470	**426,373**	254,138
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$ -	$ (14,296)	$ 5,068	**$ (9,228)**	$ 63,245

Statement of Changes in Fund Balances
Year Ended March 31, 2026

	General Operating Fund	Donations & Fundraising Fund	Building Fund	**2026**	2025
FUND BALANCES - BEGINNING OF YEAR	$ 25,359	$ 267,802	$ 169,019	**$ 462,180**	$ 398,936
Deficiency of revenues over expenses	-	(14,296)	5,068	**(9,228)**	63,245
FUND BALANCES - END OF YEAR	$ 25,359	$ 253,506	$ 174,087	**$ 452,952**	$ 462,181

Dundas County Hospice

Statement of Cash Flows

Year Ended March 31, 2026

	2026	2025
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	**$ (9,228)**	$ 63,245
Item not affecting cash:		
Amortization of capital assets	**19,080**	14,743
	9,852	77,988
Changes in non-cash working capital:		
Accounts receivable	**17,131**	(3,298)
Investments	**143,250**	(44,526)
Accounts payable	**8,255**	(2,222)
Deferred income	**164,505**	1,285
Prepaid expenses	**687**	(1,403)
Harmonized sales tax payable	**(4,540)**	123
Employee deductions payable	**1,758**	(304)
Deferred capital contributions	**605**	4,226
	331,651	(46,119)
Cash flow from operating activities	**341,503**	31,869
INVESTING ACTIVITIES		
Purchase of capital assets	**(23,101)**	(19,430)
Long term Investments	**(225,473)**	-
Cash flow used by investing activities	**(248,574)**	(19,430)
INCREASE IN CASH FLOW	**92,929**	12,439
Cash - beginning of year	**95,995**	83,556
CASH - END OF YEAR	**$ 188,924**	$ 95,995
CASH CONSISTS OF:		
Cash	**$ 188,924**	$ 95,995

1. PURPOSE OF THE ORGANIZATION

Dundas County Hospice (the "Organization") is a not-for-profit organization incorporated under the laws of Ontario on November 26,1992. As a registered charity the Organization is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The Organization operates to provide services to individuals experience a life-threatening disease and their families and to provide compassionate care directed at improving their lives physically, emotionally, and spiritually.

2. Summary of significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

Dundas County Hospice follows the deferral method of accounting for contributions and maintains the following funds:

The General Fund accounts for the Organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Donations and Fundraising Fund accounts for charitable donations and fundraising activities. The Fund provides resources to the General Operating fund required to carry out its programs and community support activities.

The Building Fund reports the land, building, building improvements.

Revenue recognition

Dundas County Hospice follows the deferral method of accounting for contributions.

Government funding contributions and restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Government grants

Government grants are recorded when there is a reasonable assurance that the Organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Contributed services

The operations of the organization depend on contribution of time by volunteers. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements.

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

Donated goods

Donated goods are recorded at their fair market value at the time of the donation. During the year, $7,249 in goods were donated (2025 - $1,037).

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Building	40 years
Building improvements	15 years
Furniture and equipment	5 years
Computer equipment	3 years

The Organization regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Investments

Short term investments, which consist primarily of commercial paper with original maturities at date of purchase beyond three months are carried at cost plus accrued interest.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Comparative figures

Certain comparative amounts have been reclassified to conform to the current year's presentation.

3. INVESTMENTS

		2026		2025
Current				
GIC earning interest at 3.00% pa, maturing December 2026	**$**	**40,322**	$	-
GIC earning interest at 3.31% pa, maturing December 2025		**-**		40,366
GIC earning interest at 3.48% pa, maturing February 2026		**-**		54,803
GIC earning interest at 2.50% pa, maturing February 2026		**-**		42,922
GIC earning interest at 4.76% pa, maturing February 2026		**-**		45,756
		-		-
		-		-
		40,322		183,847
Long-term				
GIC earning interest at 3.10% compounded annually, maturing February 2028		**43,554**		-
GIC earning interest at 3.25% compounded annually, maturing February 2029		**56,690**		-
GIC earning interest at 3.38% compounded annually, maturing February 2030		**44,055**		-
GIC earning interest at 3.50% compounded annually, maturing October 2030		**81,174**		-
		-		-
		225,473		-
Grand total	**$**	**265,795**	$	183,847

4. CAPITAL ASSETS

		Cost		Accumulated amortization		**2026 Net book value**		2025 Net book value
Land	$	53,987	$	-	**$**	**53,987**	$	53,987
Building		184,220		48,358		**135,862**		140,468
Computer equipment		25,099		25,099		**-**		2,047
Furniture and equipment		58,480		53,543		**4,937**		5,351
Building improvements		142,929		58,554		**84,375**		73,288
	$	464,715	$	185,554	**$**	**279,161**	$	275,141

5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred contributions related to capital assets represent externally restricted capital contributions and grants received for the purchase of capital assets together with contributed capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2026	2025
Balance - beginning of year	**$ 105,098**	$ 100,872
Deferred capital contributions received during the year	**8,435**	11,300
	113,533	112,172
Amortization of deferred capital contributions	**(7,831)**	(7,074)
Balance - end of year	**$ 105,702**	$ 105,098

6. ECONOMIC DEPENDENCE

Government contributions from the Ministry of Health represent 38.39% (2025 - 56.5%) of total general operating fund revenues. These contributions are renewal on an annual basis. The loss of these contributions could significantly affect the future operations of the organization.

7. 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. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2026.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization has a significant number of donors and is not exposed to this risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is not exposed to this risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Organization is not exposed to any of these risks.

Unless otherwise noted, it is management’s opinion that the Organization is not exposed to significant risks arising from these financial instruments.

Expenses (Schedule 1)

Year Ended March 31, 2026

	General Operating Fund	Donations & Fundraising Fund	Building Fund	**2026**	2025
Accounting fees	$ 12,850	$ -	$ -	**$ 12,850**	$ 3,100
Advertising and promotion	518	-	-	**518**	553
Amortization	5,611	-	13,470	**19,081**	14,744
Business taxes, licenses and memberships	1,480	-	-	**1,480**	-
Consulting fees	102	-	-	**102**	-
Fundraising expenses	-	10,712	-	**10,712**	8,657
Insurance	7,363	-	-	**7,363**	7,435
Interfund transfers	-	237,860	-	**237,860**	115,380
Memberships	368	-	-	**368**	1,674
Miscellaneous expenses	951	-	-	**951**	-
Office	23,262	-	-	**23,262**	24,842
Property taxes	370	-	-	**370**	170
Repairs and maintenance	11,148	-	-	**11,148**	12,126
Salaries and wages	90,152	-	-	**90,152**	60,986
Training	5,976	-	-	**5,976**	744
Utilities	4,180	-	-	**4,180**	3,727
	$ 164,331	$ 248,572	$ 13,470	**$ 426,373**	$ 254,138