

HOPE HOUSE COMMUNITY HOSPICE

Financial Statements

March 31, 2026

HOPE HOUSE COMMUNITY HOSPICE

Index to Financial Statements

Year Ended March 31, 2026

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 12

INDEPENDENT AUDITOR'S REPORT

To the Members of Hope House Community Hospice

Opinion

We have audited the financial statements of Hope House Community Hospice (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, 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 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 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 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.

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.

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Independent Auditor's Report to the Members of Hope House Community Hospice *(continued)*

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
September 15, 2026

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

HOPE HOUSE COMMUNITY HOSPICE

Statement of Financial Position

As at March 31, 2026

	2026	2025
ASSETS		
CURRENT		
Cash (Note 3)	\$ 160,491	\$ 197,525
Short-term investments (Note 3)	535,933	518,121
Accounts receivable	18,308	71,991
Prepaid expenses (Note 4)	545,676	273,809
	1,260,408	1,061,446
CAPITAL ASSETS (Notes 5 and 6)	7,487	16,473
	\$ 1,267,895	\$ 1,077,919
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 19,792	\$ 20,529
Current portion of capital lease obligation (Note 6)	3,141	2,793
Deferred contributions (Notes 4 and 7)	637,216	385,920
	660,149	409,242
LONG TERM		
Obligations under capital lease (Note 6)	1,714	4,855
	661,863	414,097
NET ASSETS		
UNRESTRICTED	246,032	303,822
CONTINGENCY RESERVE	360,000	360,000
	606,032	663,822
	\$ 1,267,895	\$ 1,077,919

COMMITMENT (Note 8)

APPROVED ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

See the accompanying notes to these financial statements

HOPE HOUSE COMMUNITY HOSPICE**Statement of Operations
Year Ended March 31, 2026**

	2026	2025 (Note 13)
REVENUES		
Government funding (Note 9)	\$ 472,653	\$ 461,392
Donations and other fundraising (Note 10)	440,595	151,666
Charity gaming (Note 11)	117,464	79,028
Investment and other income	21,694	23,605
	<u>1,052,406</u>	<u>715,691</u>
EXPENSES		
Personnel	613,686	513,941
Special events and other fundraising	245,086	12,683
Rental	78,314	60,389
Administration	66,738	40,429
Program related	59,714	70,931
Professional fees	19,635	11,337
Promotion and outreach	18,037	8,531
Amortization of property and equipment	8,986	9,010
	<u>1,110,196</u>	<u>727,251</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (57,790)</u>	<u>\$ (11,560)</u>

See the accompanying notes to these financial statements

HOPE HOUSE COMMUNITY HOSPICE

Statement of Changes in Net Assets

Year Ended March 31, 2026

	Unrestricted	Contingency Reserve	2026	2025
NET ASSETS - BEGINNING OF YEAR	\$ 303,822	\$ 360,000	\$ 663,822	\$ 675,382
Deficiency of revenues over expenses	(57,790)	-	(57,790)	(11,560)
NET ASSETS - END OF YEAR	\$ 246,032	\$ 360,000	\$ 606,032	\$ 663,822

See the accompanying notes to these financial statements

HOPE HOUSE COMMUNITY HOSPICE**Statement of Cash Flows****Year Ended March 31, 2026**

	2026	2025
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (57,790)	\$ (11,560)
Item not affecting cash:		
Amortization of property and equipment	8,986	9,010
	<u>(48,804)</u>	<u>(2,550)</u>
Changes in non-cash working capital:		
Accounts receivable	53,683	(28,581)
Prepaid expenses	(271,867)	(257,161)
Accounts payable and accrued liabilities	(737)	2,236
Deferred contributions	251,296	320,420
	<u>32,375</u>	<u>36,914</u>
Cash flows from operating activities	<u>(16,429)</u>	<u>34,364</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	-	(2,485)
Purchase of short-term investment (net)	<u>(17,812)</u>	<u>(23,730)</u>
Cash flows used by investing activities	<u>(17,812)</u>	<u>(26,215)</u>
FINANCING ACTIVITY		
Repayment of obligations under capital lease	<u>(2,793)</u>	<u>(2,484)</u>
INCREASE (DECREASE) IN CASH FLOW	(37,034)	5,665
CASH - BEGINNING OF YEAR	<u>197,525</u>	<u>191,860</u>
CASH - END OF YEAR	<u>\$ 160,491</u>	<u>\$ 197,525</u>

See the accompanying notes to these financial statements

HOPE HOUSE COMMUNITY HOSPICE

Notes to Financial Statements

Year Ended March 31, 2026

1. NATURE AND PURPOSE OF THE ORGANIZATION

In June 2017, the Board of Directors approved changing the name of the Organization to Hope House Community Hospice (the "Organization") and changed the letters of patent accordingly (formerly known as Hospice King-Aurora). The Organization was incorporated on May 20, 1983 without share capital under the laws of Ontario. The Organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

The Organization is a volunteer-based organization that provides specialized support to those diagnosed with a life threatening illness, their family, caregivers, and those who are bereaved. The Organization serves the communities of south Aurora, King Township, and Richmond Hill, Ontario.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements are the representation of management. They have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the CPA Canada Handbook and include the following accounting policies.

Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions, which includes government funding and other contributions, plus charity gaming, are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions, including donations and other fundraising plus special events, are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment and other income is recognized as revenue when earned.

Contributed services

Being a volunteer-based organization, volunteers assist in the delivery of its programs and administrative functions. Because of the difficulty in determining the fair value of these services, they are not recognized in the financial statements.

Financial instruments

The Organization's financial instruments consist of cash, short-term investments, accounts receivable, accounts payable and obligations under capital lease.

All financial instruments are initially measured at fair value, and subsequently, at amortized cost.

Impairment of financial instruments

Financial assets measured at cost or amortized cost are tested for impairment if there are indications of possible impairment. 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.

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HOPE HOUSE COMMUNITY HOSPICE

Notes to Financial Statements

Year Ended March 31, 2026

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property and equipment

Property and equipment is recorded at cost less accumulated amortization. They are amortized on a straight-line basis over their estimated useful lives as follows:

Equipment and furniture	3 years
Equipment under capital lease	Over the lease term
Leasehold improvements	Over the lease term

Impairment of long-lived assets

Long-lived assets, comprising property and equipment subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset to be held and used with the total of the undiscounted cash flows expected from its use and disposition. If the asset is impaired, the impairment loss to be recognized is measured as the amount by which the carrying amount of the asset exceeds its fair value, generally determined on a discounted cash flow basis. Any impairment results in a write-down of the asset and a charge to excess of revenues over expenses during the year. An impairment loss is not reversed if the fair value of the related long-lived asset subsequently increases.

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 periodically reviewed and any adjustments necessary are reported in the year in which they become known. Estimates include the useful life of property and equipment. Actual results could differ from these estimates.

3. CASH AND SHORT-TERM INVESTMENTS

A portion of cash and short-term investments is subject to external restrictions imposed by funding agencies and reserve funds set aside by the Board of Directors for future contingencies.

	2026	2025
Deferred contributions	\$ 128,716	\$ 131,670
Contingency reserve	360,000	360,000
Unrestricted cash and short-term investments	207,708	223,976
	<u>\$ 696,424</u>	<u>\$ 715,646</u>

Deferred contributions - Restrictions require cash to be used for the purposes specified by the contributor that are unspent at the end of the fiscal year. Deferred contributions for the golf tournament are shown net of prepaid facility rentals.

Contingency reserve - The Board of Directors increased the contingency reserve to \$360,000 in the prior year, to be used in the event of unforeseen expenses and/or reductions of funding.

Short-term investments consist of two Guaranteed Investment Certificates held at a major Canadian chartered bank that earn interest of 2.50% and 3.70% per annum (2025 - 2.50% and 3.70%), and mature within one year.

HOPE HOUSE COMMUNITY HOSPICE

Notes to Financial Statements

Year Ended March 31, 2026

4. PREPAID EXPENSES

In May 2026, the Organization held a fundraising golf tournament. Prepaid expenses include a rental deposit for the facility of \$508,500 (2025 - \$254,250). Deferred revenue includes a donation received for the golf tournament of \$550,000 (2025 - \$275,000).

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Equipment and furniture	\$ 46,279	\$ 42,693	\$ 3,586	\$ 9,970
Equipment under capital lease	14,306	10,405	3,901	6,503
	<u>\$ 60,585</u>	<u>\$ 53,098</u>	<u>\$ 7,487</u>	<u>\$ 16,473</u>

Equipment under capital lease is a photocopier leased until fiscal 2028 (Note 6).

6. CAPITAL LEASE OBLIGATION

The Organization has a photocopier lease with quarterly payments of \$895. The following is a schedule of future minimum lease payments expiring in fiscal 2028:

2027	\$ 3,582
2028	<u>1,791</u>
	5,373
Less: interest expense (calculated at 11.9% per annum)	<u>(518)</u>
	<u>\$ 4,855</u>

The lease obligation is secured by specific equipment under capital lease (Note 5).

7. DEFERRED CONTRIBUTIONS

Deferred contributions are for special events or programmes in a future period. The balance as at March 31 is comprised of the following:

	2026	2025
Deferred donations	\$ 550,000	\$ 275,000
Deferred registrations	54,081	30,843
Unspent proceeds from charity gaming	33,135	22,940
Deferred grants	-	57,137
	<u>\$ 637,216</u>	<u>\$ 385,920</u>

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HOPE HOUSE COMMUNITY HOSPICE**Notes to Financial Statements****Year Ended March 31, 2026****7. DEFERRED CONTRIBUTIONS (continued)**

The continuity of deferred contributions is as follows:

	<u>2026</u>	<u>2025</u>
Balance, beginning of the fiscal year	\$ 385,920	\$ 65,500
Add: amounts received during the fiscal year	841,413	820,841
Less: amounts recognized in revenue during the fiscal year	<u>(590,117)</u>	<u>(500,421)</u>
Balance, end of the fiscal year	<u>\$ 637,216</u>	<u>\$ 385,920</u>

8. COMMITMENTS

The Organization leases commercial office space in Aurora, Ontario. The lease agreement expires in June 2035.

Minimum lease payments for the premises are as follows:

2027	\$ 60,000
2028	62,250
2029	65,250
2030	68,250
2031	71,250
Thereafter	324,000

9. GOVERNMENT FUNDING

Government funding recognized in the fiscal year is as follows:

	<u>2026</u>	<u>2025</u>
Ministry of Health - Better Living Health and Community Services	\$ 383,272	\$ 337,269
Ontario Trillium - Resilient Communities Fund	84,737	82,663
Government of Canada - Employment and Social Development Canada	4,644	4,469
Minister of Employment and Social Development - New Horizons	-	24,640
Other	-	12,351
	<u>\$ 472,653</u>	<u>\$ 461,392</u>

HOPE HOUSE COMMUNITY HOSPICE

Notes to Financial Statements

Year Ended March 31, 2026

10. DONATIONS AND OTHER FUNDRAISING

Donations and other fundraising revenue is from the following sources:

	2026	2025
Donations		
Individuals	\$ 24,527	\$ 34,009
Other	13,538	7,010
Foundations	15,000	25,900
Corporations	-	1,500
Golf Day	308,952	-
Third-party fundraising events	44,530	45,238
High Tea	24,633	-
Auction	9,415	16,301
Joint fundraising events	-	21,708
	<u>\$ 440,595</u>	<u>\$ 151,666</u>

11. CHARITY GAMING

	2026	2025
Revenue	<u>\$ 117,464</u>	<u>\$ 79,028</u>

Charity gaming restrictions require cash to be used for pre-approved program related costs, salary recoveries for bereavement staff, and a portion of salary recoveries for bereavement staff and wellness coordinator. These funds are regulated by the Ontario Lottery and Gaming Commission and subject to regular review and approval.

12. FINANCIAL RISKS

The Organization is exposed to various risks arising from its financial instruments. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2026.

Credit risk

The Organization is exposed to credit risk on its accounts receivable, which is the risk that arises from the potential that a counter-party will fail to perform its obligations. Management regularly monitors its accounts receivable to minimize its exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization's objective, with respect to its capital, is to preserve net assets and deliver services to the community at no less than a break-even basis over two years. As at March 31, 2026, the Organization had met its objective of having sufficient liquid resources to meet its current obligations.

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HOPE HOUSE COMMUNITY HOSPICE

Notes to Financial Statements

Year Ended March 31, 2026

12. FINANCIAL RISKS (continued)

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 subject to interest rate risk on its guaranteed investment certificates. Fluctuations in market interest rates are not expected to significantly affect the Organization's cash flows.

It is management's opinion that the Organization is not exposed to significant currency or other price risks arising from its financial instruments.

13. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
