HOSPICE OF MISSISSAUGA INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Hospice of Mississauga Inc.

**Opinion**

We have audited the financial statements of Hospice of Mississauga Inc. (the Organization), which comprise the statement of financial position as at March 31, 2026, and the statements of operations and net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASPNO).

**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 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 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.

**INDEPENDENT AUDITOR'S REPORT - continued**

**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 the 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.

Brownlow Partners

Ancaster, Ontario
June 22, 2026

Chartered Professional Accountants
Licensed Public Accountants

HOSPICE OF MISSISSAUGA INC.
(Incorporated under the laws of Ontario)
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2026

## ASSETS

| | Operating Fund | Hospice Centre Fund | 2026 | 2025 |
|---|---|---|---|---|
| CURRENT ASSETS | | | | |
| Cash | $ 1,847,637 | $ 6,764,119 | $ 8,611,756 | $ 3,516,156 |
| Short-term investments (note 3) | 179,491 | 481,894 | 661,385 | 4,657,208 |
| Accounts receivable (note 4) | 12,395 | 62,748 | 75,143 | 250,524 |
| Receivable from Operating Fund | - | 465,892 | 465,892 | 684,842 |
| Prepaid expenses and deposits | 60,584 | 105,808 | 166,392 | 59,594 |
| | 2,100,107 | 7,880,461 | 9,980,568 | 9,168,324 |
| PROPERTY AND EQUIPMENT (note 5) | 13,476 | 2,788,550 | 2,802,026 | 1,334,186 |
| | $ 2,113,583 | $ 10,669,011 | $ 12,782,594 | $ 10,502,510 |

HOSPICE OF MISSISSAUGA INC.
(Incorporated under the laws of Ontario)
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2026

LIABILITIES

| | Operating Fund | Hospice Centre Fund | 2026 | 2025 |
|---|---|---|---|---|
| CURRENT LIABILITIES | | | | |
| Accounts payable and accrued liabilities | $ 179,233 | $ 693,880 | $ 873,113 | $ 582,865 |
| Payable to Hospice Centre Fund | 465,892 | - | 465,892 | 684,842 |
| Deferred revenue (note 6) | - | 849,288 | 849,288 | 705,261 |
| | 645,125 | 1,543,168 | 2,188,293 | 1,972,968 |
| DEFERRED CAPITAL CONTRIBUTIONS (note 7) | - | 4,699,821 | 4,699,821 | 2,700,000 |
| | 645,125 | 6,242,989 | 6,888,114 | 4,672,968 |

NET ASSETS

| | Operating Fund | Hospice Centre Fund | 2026 | 2025 |
|---|---|---|---|---|
| Internally restricted funds (note 8) | 1,551,559 | - | 1,551,559 | 1,551,559 |
| Hospice Centre fund | - | 4,426,022 | 4,426,022 | 4,426,022 |
| Operating fund (deficit) | (83,101) | - | (83,101) | (148,039) |
| | 1,468,458 | 4,426,022 | 5,894,480 | 5,829,542 |
| | $ 2,113,583 | $ 10,669,011 | $ 12,782,594 | $ 10,502,510 |

Restatement of prior year figures (note 9)
Commitments (note 10)

Approved by the Board

Director

Director

(The accompanying notes form an integral part of these financial statements)

HOSPICE OF MISSISSAUGA INC.
STATEMENT OF OPERATIONS AND NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2026

| | Operating Fund | Hospice Centre Fund | 2026 | 2025 |
|---|---|---|---|---|
| REVENUE | | | | |
| Grants | $ 1,347,387 | $ - | $ 1,347,387 | $ 1,275,422 |
| Donations | 581,173 | 958,870 | 1,540,043 | 1,130,519 |
| Fundraising | 170,293 | - | 170,293 | 429,806 |
| Interest and other investment income | 69,891 | 126,170 | 196,061 | 246,623 |
| Other income | 1,153 | - | 1,153 | 10,838 |
| | 2,169,897 | 1,085,040 | 3,254,937 | 3,093,208 |
| EXPENDITURES | | | | |
| Amortization | 11,049 | - | 11,049 | 14,584 |
| Annual dues and licenses | 64,392 | 15,098 | 79,490 | 67,912 |
| Fundraising | 157,696 | 10,000 | 167,696 | 80,304 |
| HST expense | 28,940 | - | 28,940 | 34,632 |
| Insurance | 22,958 | - | 22,958 | 19,797 |
| Interest and bank charges | 17,073 | 131 | 17,204 | 17,038 |
| Meetings | 8,242 | 2,466 | 10,708 | 18,582 |
| Office | 78,020 | 2,353 | 80,373 | 141,649 |
| Other program expenses | - | - | - | 7,356 |
| Professional fees | 57,292 | 44,323 | 101,615 | 344,495 |
| Program administration | 62,563 | 5,944 | 68,507 | 44,329 |
| Public relations | 40,421 | 98,371 | 138,792 | 83,224 |
| Rent and utilities | 139,039 | - | 139,039 | 132,588 |
| Repairs and maintenance | 2,781 | - | 2,781 | 3,702 |
| Salaries and benefits | 1,346,725 | 904,459 | 2,251,184 | 2,461,428 |
| Software and data services | 10,892 | - | 10,892 | 8,324 |
| Staff development | 7,569 | - | 7,569 | 11,694 |
| Telephone | 37,945 | 1,446 | 39,391 | 39,050 |
| Travel | 11,362 | 449 | 11,811 | 16,098 |
| | 2,104,959 | 1,085,040 | 3,189,999 | 3,546,786 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 64,938 | - | 64,938 | (453,578) |
| NET ASSETS, BEGINNING OF YEAR | 1,403,520 | 4,426,022 | 5,829,542 | 6,283,120 |
| NET ASSETS, END OF YEAR | $ 1,468,458 | $ 4,426,022 | $ 5,894,480 | $ 5,829,542 |

Restatement of prior year figures (note 9)

HOSPICE OF MISSISSAUGA INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2026

| | 2026 | 2025 |
|---|---|---|
| CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | |
| Excess (deficiency) of revenues over expenditures | $ 64,938 | $ (453,578) |
| Adjustment for: | | |
| - amortization of property and equipment | 11,049 | 14,584 |
| - amortization of deferred capital contributions | - | (5,677) |
| | 75,987 | (444,671) |
| Net changes in working capital balances | | |
| - accounts receivable | 175,381 | 132,848 |
| - prepaid expenses and deposits | (106,798) | (19,032) |
| - accounts payable and accrued liabilities | 290,248 | 315,225 |
| - deferred revenue | 144,027 | 688,065 |
| | 502,858 | 1,117,106 |
| | 578,845 | 672,435 |
| INVESTING ACTIVITIES | | |
| Acquisition of property and equipment | (1,478,889) | (887,160) |
| Redemption of short-term investments | 3,995,823 | 259,428 |
| Increase in deferred capital contributions | 1,999,821 | 2,200,000 |
| | 4,516,755 | 1,572,268 |
| INCREASE IN CASH DURING THE YEAR | 5,095,600 | 2,244,703 |
| CASH AT BEGINNING OF THE YEAR | 3,516,156 | 1,271,453 |
| CASH AT END OF THE YEAR | $ 8,611,756 | $ 3,516,156 |

Restatement of prior year figures (note 9)

(The accompanying notes form an integral part of these financial statements)

## 1. PURPOSE OF ORGANIZATION

Hospice of Mississauga Inc. operates as "Hospice Mississauga". The Organization is a non-for-profit organization incorporated without share capital under the Ontario Business Corporations Act. The Organization is a registered charity under the Income Tax Act and is therefore exempt from income taxes and may issue official donation receipts for income tax purposes. Its principal activities include the provision of home care services and supportive care of the terminally ill.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for Not-for-Profit Organizations (ASNPO).

### (b) Short-term Investments

Short-term investments include guaranteed investment certificates which are recorded at cost and mutual funds which are quoted in an active market and recorded at market value.

### (c) Property and Equipment

Property and equipment are recorded at cost and are being amortized over their estimated useful lives. The annual amortization rates are as follows:

| | |
|---|---|
| Computer equipment | 3 years straight-line |
| Equipment | 5 years straight-line |

Assets under construction are not amortized until construction is substantially complete.

### (d) Impairment of Long-lived Assets

A long-lived asset is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Fund Accounting

(i) Operating Fund

The Operating fund reports the assets, liabilities, revenues and expenses related to the Organization's activities and operations.

(ii) Hospice Centre Fund

The Hospice Centre Fund reports the assets, liabilities, revenues and expenses related to the development of a planned residential hospice.

(iii) Internally Restricted Funds

The Board of Directors has approved the following reserve funds from the Operating Fund:

Reserve for Operating Costs
As the funding received by Hospice of Mississauga Inc. is irregular, the Board of Directors has approved the establishment of a reserve to cover future operating costs.

Reserve for Special Expenditures
The Board of Directors has established a reserve to provide funding for certain specified future expenditures.

(f) Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are deferred and recognized as revenue in the periods 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 contributions for the purchase of property and equipment that will be amortized are deferred as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired property and equipment. Interest and other investment income is recognized when it is earned.

(g) Contributed Services

Directors and committee members volunteer their time to assist in the Organization's activities. While these services benefit the Organization considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

(h) Employee Future Benefits

In June 2022, the Organization joined the Healthcare on Ontario Pension Plan ("HOOPP"), a define benefit pension plan. HOOPP is a multi-employer pension plan. All full time employees are enrolled in the plan upon hiring, and part time employees are eligible to join the pension plan at any time during their employment. The employee contribution rate is 6.9% up to the yearly maximum pensionable earnings ("YMPE") and 9.2% of the earnings above YMPE. YMPE is set by the pension plan annually. The employers of the pension plan are required to contribute to the plan an amount of 1.26 times the employee contributions.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (i) 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include the useful lives of property and equipment, amount of uncollectible debts, and accruals. Actual results may vary from the current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

### (j) Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income in the period incurred.

Financial assets measured at amortized cost include cash, guaranteed investment certificates and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Organization has designated mutual funds to be measured at fair value.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, 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 not been recognized previously. The amount of the reversal is recognized in net income.

## 3. SHORT-TERM INVESTMENTS

| | 2026 | 2025 |
|---|---|---|
| Guaranteed investment certificates | $ 472,913 | $ 4,472,913 |
| Mutual funds | 188,472 | 184,295 |
| | $ 661,385 | $ 4,657,208 |

## 4. ACCOUNTS RECEIVABLE

| | 2026 | 2025 |
|---|---|---|
| Contribution receivable | $ 50,000 | $ - |
| Government remittances receivable | 10,673 | 75,198 |
| Grant receivable | - | 38,400 |
| Interest receivable | 4,190 | 86,413 |
| Ontario Health Central receivable | - | 40,235 |
| Other receivables | 10,280 | 10,278 |
| | $ 75,143 | $ 250,524 |

## 5. PROPERTY AND EQUIPMENT

| | | 2026 | | 2025 |
|---|---|---|---|---|
| | | Accumulated Amortization | Net | Net |
| Operating Fund | | | | |
| Computer equipment | $ 127,225 | $ 117,836 | $ 9,389 | $ 13,988 |
| Equipment | 50,110 | 46,023 | 4,087 | 6,673 |
| Hospice Centre Fund | | | | |
| Construction in progress | 2,788,550 | - | 2,788,550 | 1,313,525 |
| | $ 2,965,885 | $ 163,859 | $ 2,802,026 | $ 1,334,186 |

## 6. DEFERRED REVENUE

| | 2026 | 2025 |
|---|---|---|
| Donations | $ 849,288 | $ 705,261 |

## 7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions include donations received for the construction of the new Hospice building. These contributions will be amortized and recognized as revenue on the same basis as the amortization expense related to the building, upon completion.

| | 2026 | 2025 |
|---|---|---|
| Balance, beginning of the year | $ 2,700,000 | $ 505,677 |
| Capital contributions received during the year | 1,999,821 | 2,200,000 |
| Amortization of deferred capital contributions | - | (5,677) |
| Balance, end of the year | $ 4,699,821 | $ 2,700,000 |

## 8. INTERNALLY RESTRICTED FUNDS

| | 2026 | 2025 |
|---|---|---|
| Reserve for special expenditures | | |
| Day program | $ 7,300 | $ 7,300 |
| Future hospice centre operations | 1,000,000 | 1,000,000 |
| Translation of hospice materials | 5,000 | 5,000 |
| | 1,012,300 | 1,012,300 |
| Reserve for operating expenses | 539,259 | 539,259 |
| | $ 1,551,559 | $ 1,551,559 |

## 9. PRIOR PERIOD ADJUSTMENTS

During the year, the following errors were corrected, and the prior year's comparative figures have been restated:

Prior year's accounts receivable was understated by $3,854 and property and equipment was understated by $69,093 because of an understatement of accounts payable and accrued liabilities.

Prior year's opening net assets were overstated by $500,000 because of an understatement of deferred capital contributions.

Prior year's donation revenue was overstated by $150,000 because of an understatement of deferred capital contributions.

Prior year's deferred revenue was overstated by $90,000 because of an understatement of donation revenue.

Prior year's accounts receivable was understated by $38,400 because of an understatement of grant revenue.

Prior year's cash was understated by $38,469 and accounts receivable was overstated by $3,084 because of an overstatement in professional fees by $10,000, fundraising expense by $24,043 and HST expense by $1,341.

## 10. COMMITMENTS

The Organization has the following annual commitments for the lease of its operating facility and other services:

| | |
|---|---|
| 2027 | $ 190,038 |
| 2028 | 130,030 |
| | $ 320,068 |

In addition, the Organization has a commitment of $1,000,000 upon the completion of the new hospice centre.

## 11. LETTER OF CREDIT

The Organization has an operating letter of credit which is authorized up to $472,913 as a hold for potential damages for the new Hospice building, and bears at 1.6% per annum, payable quarterly. As at March 31, 2026, the credit was not drawn on.

## 12. ECONOMIC DEPENDENCE

The Organization is dependent on government funding agreements from Ontario Health. It would be difficult for the current operations of the Organization to continue without this annual funding. Management believes this funding will continue into the foreseeable future.

## 13. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at March 31, 2026.

(a) 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 risk, interest rate risk and other price risk. The Organization is mainly exposed to interest and other price risk

(i) 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-rate short term investments and fixed-rate letter of credit which subjects the Organization to a fair value risk.

(ii) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk through its investments in mutual funds, which are quoted in an active market.