Matthews House Hospice

Financial Statements
Year Ended March 31, 2026

- audited -

Matthews House Hospice

INDEX

Ward & Uptigrove
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Matthews House Hospice:

Qualified Opinion
We have audited the financial statements of Matthews House Hospice, which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in net assets and statement of 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 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 Matthews House Hospice as at March 31, 2026, and its 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, Matthews House Hospice derives revenue from donations, 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 Matthews House Hospice. Therefore, we were unable to determine whether any adjustments might be necessary with respect to donations, the excess of revenues over expenditures and cash flows from operating activities for the years ended March 31, 2026 and March 31, 2025, current assets and net assets as at March 31, 2026 and March 31, 2025. 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 opinion.

Other Information
Management is responsible for the other information. The other information comprises the 2025/2026 Annual Impact Report, which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Independent Auditor's Report continued on next page...

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.

Ward & Uptigrove

Listowel, Ontario

August 10, 2026

Ward & Uptigrove
Chartered Professional Accountants
Licensed Public Accountants

Matthews House Hospice
Statement of Financial Position
as at March 31, 2026

in dollars

The Accompanying Notes are an Integral Part of the Financial Statements	2026	2025
ASSETS		
Current Assets		
Cash	689,814	360,147
Short-term investments	-	100,000
Accounts receivable *- Note 4*	28,387	84,328
Public Service Bodies' rebate receivable	25,391	26,265
Prepaid expenditures	8,023	6,618
	751,615	**577,358**
Other Assets		
Due from Matthews House Hospice Foundation *- Note 5*	2,679,509	2,556,702
Tangible Capital Assets *- Note 6*		
Cost	1,323,915	1,212,062
Less accumulated amortization	834,132	677,563
	489,783	**534,499**
TOTAL ASSETS	**3,920,907**	**3,668,559**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts payable and accruals	240,202	214,735
Deferred contributions	126,917	-
	463,487	**293,108**
Long Term Liabilities		
Deferred capital contributions *- Note 7*	286,967	237,872
TOTAL LIABILITIES	**654,086**	**452,607**
NET ASSETS		
Internally restricted - tangible capital assets	202,816	296,627
Internally restricted - capital improvements *- Note 8*	130,000	130,000
Unrestricted	2,934,005	2,789,325
TOTAL NET ASSETS	**3,266,821**	**3,215,952**
TOTAL LIABILITIES AND NET ASSETS	**3,920,907**	**3,668,559**

Approved on Behalf of the Board of Directors by Margaret Backle CEO

Matthews House Hospice

Statement of Operations and Changes in Net Assets

year ended March 31, 2026 *in dollars*

The Accompanying Notes are an Integral Part of the Financial Statements	2026	2025
REVENUE		
Grant funding - *Note 10*	2,839,455	2,893,973
Donations - *Note 5*	1,041,355	1,124,234
Fundraising and events	-	3,380
Amortization of deferred capital contributions - *Note 7*	85,994	71,103
Other income	54,327	49,658
	4,021,131	**4,142,348**
Expenditures		
Advertising	29,802	25,895
Amortization	156,569	141,088
Bank charges and interest	3,428	4,075
Building occupancy - *Note 5*	111,225	142,887
Fundraising and events expenditures	-	2,314
Insurance	27,814	23,986
Office	143,906	153,802
Professional fees	74,831	40,838
Program expenditures	42,114	51,117
Residence - operating expenditures	60,330	51,181
Staff training and recruitment	24,424	21,670
Travel	1,178	992
Volunteer training and recognition	1,013	977
Wages and benefits - *Note 5*	3,336,527	3,039,161
	4,013,161	**3,699,983**
Operating income	**7,970**	**442,365**
Other income		
Interest earned	12,093	-
WSIB rebate	30,806	-
EXCESS OF REVENUE OVER EXPENDITURES	**50,869**	**442,365**
Net assets, beginning of year	3,215,952	2,773,587
NET ASSETS, END OF YEAR	**3,266,821**	**3,215,952**

Matthews House Hospice

Statement of Cash Flows

year ended March 31, 2026

in dollars

The Accompanying Notes are an Integral Part of the Financial Statements	2026	2025
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenditures for the year	50,869	442,365
Items not affecting cash		
Amortization of tangible capital assets	156,569	141,088
Amortization of deferred capital contributions	(85,994)	(71,103)
	121,444	512,350
Changes in non-cash working capital related to operations *- Note 11*	80,877	(93,363)
	202,321	**418,987**
FINANCING ACTIVITIES		
Advances to Matthews House Hospice Foundation	(122,807)	(233,128)
Deferred contributions received	126,917	-
Deferred capital contributions received	135,089	89,721
	139,199	**(143,407)**
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(111,853)	(163,033)
Maturity (acquisition) of short-term investments	100,000	(100,000)
	(11,853)	**(263,033)**
CHANGE IN CASH AND CASH EQUIVALENTS	**329,667**	**12,547**
Cash and cash equivalents, beginning of year	360,147	347,600
Cash and cash equivalents, end of year	**689,814**	**360,147**
Represented by:		
Cash	689,814	360,147
	689,814	**360,147**

1 PURPOSE OF ORGANIZATION

Matthews House Hospice was incorporated without share capital under the laws of Canada. The purpose of the Organization is to provide caring and compassionate community, in-home and residential support for people affected by life threatening illnesses and end of life.

The Organization is a registered charitable organization. As a registered charity it must comply with certain requirements to maintain its status under the Income Tax Act and, while registered, is exempt from income taxes under Section 149(1) and may issue income tax receipts.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

2.1 Portfolio Investments

Short term investments consist of investments with maturities of between three months and one year at the date of acquisition. The corporation does not exercise significant influence with respect to any of these investments.

2.2 Tangible capital assets

Tangible capital assets are stated at cost and are amortized on a diminishing-balance basis utilizing annual rates, as indicated below, which will fully amortize the assets over their estimated useful lives. Leasehold improvements are being amortized on a straight line basis over a five year term.

Furniture and equipment	20%
Computer hardware	45%

In the year of acquisition, only one half of the above rates are applied. When a tangible asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expenditure in the statement of operations.

2.3 Revenue recognition

The Organization follows the deferral method of accounting for contributions. Unrestricted donations and fundraising are recognized as revenue when received, or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted donations and fundraising are recognized as revenue in the year in which the related expenses are incurred.

Funding and other grant revenue are recorded when the funding agency has approved the funding and the related expenditures have been incurred. Government assistance revenue is recorded when received, or receivable if the amount can be reasonably estimated and collection is reasonably assured. Unspent funds may be subject to clawback by Ontario Health at Home. Funds received in advance are recorded to deferred contributions.

Contributions restricted for the purchase of tangible capital assets are deferred and amortized into revenue at a rate similar to the amortization of the related tangible capital assets.

Fee for service revenue from day programs is recognized as revenue when the service is performed, the amount to be received can be reasonable estimated and collection is reasonably assured. This revenue is recorded to Other income.

Donated goods and services are not recorded in the financial statements, except when they are used in the normal course of business and when a value for such goods and services can be readily determined.

2.4 Cloud computing arrangements

At the inception of the cloud computing arrangement with a supplier, the company allocates the consideration of the arrangement to all of the significant separable elements based on their specific sales price. Development costs and costs on the rights to use a tangible asset are recognized according to the accounting methods applicable to such elements. To account for expenditures in a cloud computing arrangement that fall within the scope of AcG-20, Customer's Accounting for Cloud Computing Arrangements, the company has opted for the simplification approach. Such expenditures shall be treated as the supply of services and recognized as an expenditure when the company receives such services. These expenditures are shown under office expenses on the statement of income. The company recognizes a prepayment as an asset when payment for services has been made in advance of the entity receiving those services. Expenditures related to implementation activities are expensed as incurred.

2.5 Use of estimates

The preparation of these 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

2.6 Financial instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The entity subsequently measures all its financial assets and financial liabilities at amortized cost, except for any investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess (deficiency) of revenue over expenditures. Financial assets measured at amortized cost include cash and accounts receivable.

2.7 Contributed services

The Organization is dependent upon the many hours contributed by volunteers during the year. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

3 FINANCIAL INSTRUMENTS

The significant risks arising from financial instruments to which the Organization is exposed as at year end are detailed below.

a) Credit risk

The Organization's credit risk is mainly related to accounts receivable. The Organization provides credit to its residents in the normal course of operations.The Organization is not exposed to any significant credit risk.

b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization is not exposed to any significant currency risk.

c) 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 not exposed to any significant interest rate risk.

d) Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is not exposed to any significant liquidity risk.

e) 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. The Organization is not exposed to any significant other price risk.

4 ACCOUNTS RECEIVABLE

	2026	2025
Ontario Nurses Association	4,667	-
Ontario Health at Home	23,720	8,882
Simcoe County	-	75,446
	28,387	84,328

5 RELATED PARTIES

During the year, the Organization provided human resources, equipment, supplies and maintenance to the related controlled Matthews House Hospice Foundation. The total funds for services received was $360,000 (2025 - $371,004). Of these funds, $314,344 (2025 - $311,757) are received for wages and benefits and $45,656 (2025 - $59,247) are for building occupancy. These transactions are not in the normal course of operations and are measured at the carrying amount.

During the year, the Organization received funding by the related controlled Matthews House Hospice Foundation. The total funding received was $1,041,355 (2025 - $804,996). These transactions are in the normal course of operations and are measured at the exchange amount.

During the year, the Organization leased the building from the related controlled Matthews House Hospice Foundation. The total rent paid was $12 for the year. These transactions are in the normal course of operations and are measured at the exchange amount.

Balances owing from related parties at year end are as follows:

	2026	2025
Due from Matthews House Hospice Foundation	2,679,509	2,556,702

Related party loan is non interest bearing with no fixed terms of repayment.

6 TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	2026 Net book value	2025 Net book value
Furniture and equipment	862,415	566,653	295,762	319,254
Computer hardware	27,670	11,239	16,431	11,142
Leasehold improvements	433,830	256,240	177,590	204,103
	1,323,915	834,132	489,783	534,499

Included in the leasehold improvements tangible capital assets balance is $11,437 of flooring renovation costs that are not yet in use and not being amortized.

7 DEFERRED CAPITAL CONTRIBUTIONS

The changes for the year in the deferred capital contributions balance reported are as follows:

	2026	2025
Balance, beginning of year	237,872	219,254
Plus: Contributed capital funding improvements	135,089	89,721
Less: Amounts amortized to income	(85,994)	(71,103)
Balance, end of year	286,967	237,872

Deferred capital contributions represent the unamortized amount of funding and donations received for the purchase of tangible capital assets. These contributions are to be paid back if not spent in accordance with the related agreement. At year-end one grant from the Ontario Trillium Foundation has $58,882 of funds not spent as the renovation project is in progress.

8 INTERNALLY RESTRICTED NET ASSETS

In March 2025, the board of directors of Matthews House Hospice resolved to restrict $130,000 for capital improvements. The organization may not use these internally restricted amounts for any other purpose without approval of the board of directors.

9 CONTROLLED FOUNDATION

The Organization is related to Matthews House Hospice Foundation (the "Foundation") as the board of directors for the Organization appoint the board of directors for the Foundation. The Foundation is incorporated under the Canada Corporations Act and is a registered charity under the Income Tax Act and is exempt from income taxes under Section 149(1) of the Income Tax Act. The purpose of the Foundation is to promote health by providing individuals who are experiencing life limiting illness, facing end of life or grieving a loss with access to related counselling, information and/or group support programs. The Foundation has not been consolidated in the Organization's financial statements. The summary of the financial statements of the Foundation as at March 31, 2026 and for the year then ended are as follows:

	2026	2025
Statement of financial position		
Assets	8,071,684	8,096,527
Liabilities	2,731,610	2,671,214
Unrestricted net assets	505,410	369,635
Internally restricted net assets	4,834,664	5,055,678
Statement of operations		
Revenue	1,757,749	1,676,338
Expenditures	1,907,302	1,648,962
Other income	64,314	151,081
Deficiency (Excess) of revenue over expenditures	(85,239)	178,457
Statement of cash flows		
Cash flows from operating activities	147,446	233,128
Cash flows from financing activities	122,807	233,128
Cash flows from investing activities	629,520	(575,039)

10 GRANT FUNDING

	2026	2025
Ontario Health at Home funding	2,788,995	2,882,487
Other grants	50,460	11,486
	2,839,455	2,893,973

Included in the Ontario Health at Home funding is $1,219,528 (2025 - $1,269,528) relating to the Community Services Program. The funding is awarded to Stevenson Memorial Hospital, which administers the funding to Matthews House Hospice. See Note 12 for additional information.

11 STATEMENT OF CASH FLOWS

The net change in non-cash working capital consists of:

	2026	2025
Accounts receivable	55,941	15,626
Public Service Bodies' rebate receivable	874	13,311
Prepaid expenditures	(1,405)	(177)
Accounts payable and accruals	25,467	(122,123)
	80,877	(93,363)

12 ECONOMIC DEPENDENCE

The Organization is dependent on the funding provided by the Ontario Health at Home and Stevenson Memorial Hospital, of which consisted of approximately 69% (2025 - 70%) of revenue. The Organization's continuing operations are dependent on the continuance of this funding.

13 CONTINGENCY

During the year, the Organization was named as a defendant in a legal action commenced by a former employee. The claim seeks damages up to a maximum of $250,000. Management has reviewed the claim with legal counsel and believes that the action is without merit. As the outcome of the matter cannot be determined at this time and no amount can be reasonably estimated, no provision has been recorded in these financial statements.

14 COMMITMENTS

In November 2023, the Organization entered into a three year licensing and support contract for their donation software program, ending November 2026, requiring quarterly payments of $7,827.

Lease payments required in the next year are as follows:

2027	20,871

15 COMPARATIVE FIGURES

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