

Matthews House Hospice Foundation

Financial Statements
Year Ended March 31, 2026

- audited -

Matthews House Hospice Foundation

INDEX

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 11



Ward & Uptigrove
Chartered Professional Accountants

Small town values. Downtown expertise.

P.O. Box 127, 145 Main Street East
Listowel, ON N4W 3H2
Tel: (519) 291-3040 Fax: (519) 291-1850
Email: info@w-u.on.ca
wardanduptigrove.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Matthews House Hospice Foundation:

Qualified Opinion

We have audited the financial statements of Matthews House Hospice Foundation, 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 Foundation 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 Foundation derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, the verification of these revenues was limited to the amounts recorded in the records of Matthews House Hospice Foundation. Therefore, we were unable to determine whether any adjustments might be necessary with respect to donations and fundraising, 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...

Independent Auditor's Report continued...

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 Foundation

Statement of Financial Position

as at March 31, 2026

in dollars

Page 3

The Accompanying Notes are an Integral Part of the Financial Statements

2026

2025

ASSETS

Current Assets

Cash and cash equivalents - Note 4	1,097,617	197,844
Short term investments - Note 5	15,825	678,065
Public Service Bodies' rebate receivable	13,355	22,323
Prepaid expenditures	2,995	2,995

1,129,792

901,227

Other Assets

Long term investments - Note 5	2,107,228	2,139,622
--------------------------------	-----------	-----------

Tangible capital assets - Note 6

Cost	5,658,800	5,658,800
Less accumulated amortization	824,136	603,122

4,834,664

5,055,678

TOTAL ASSETS

8,071,684

8,096,527

LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities

Accounts payable and accruals	271	1,054
Deferred revenue - Note 7	51,830	113,458

52,101

114,512

Long Term Liabilities

Due to Matthews House Hospice - Note 8	2,679,509	2,556,702
--	-----------	-----------

TOTAL LIABILITIES

2,731,610

2,671,214

NET ASSETS

Internally restricted	4,834,664	5,055,678
Unrestricted	505,410	369,635

TOTAL NET ASSETS

5,340,074

5,425,313

TOTAL LIABILITIES AND NET ASSETS

8,071,684

8,096,527

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

Matthews House Hospice Foundation
Statement of Operations and Changes in Net Assets
year ended March 31, 2026

in dollars

Page 4

<i>The Accompanying Notes are an Integral Part of the Financial Statements</i>			2026	2025
REVENUE				
	Fundraising		1,282,332	1,224,494
	Donations		475,417	451,844
			1,757,749	1,676,338
Expenditures				
	Amortization		221,014	232,646
	Bank charges and interest		24,740	50,170
	Building occupancy - <i>Note 8</i>		45,656	59,247
	Donations - <i>Note 8</i>		1,041,355	804,996
	Fundraising		187,085	151,617
	Insurance		24,877	20,216
	Office		33,118	1,873
	Outsourced services - <i>Note 8</i>		314,344	311,757
	Professional fees		15,113	13,428
	Repairs and maintenance		-	3,012
			1,907,302	1,648,962
Operating income (loss)			(149,553)	27,376
Other income				
	Investment income - <i>Note 5</i>		49,262	137,781
	Rental income - <i>Note 8</i>		15,052	13,300
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES			(85,239)	178,457
Net assets, beginning of year			5,425,313	5,246,856
NET ASSETS, END OF YEAR			5,340,074	5,425,313

Matthews House Hospice Foundation

Statement of Cash Flows

year ended March 31, 2026

in dollars

Page 5

The Accompanying Notes are an Integral Part of the Financial Statements	2026	2025
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess (Deficiency) of revenue over expenditures for the year	(85,239)	178,457
Items not affecting cash		
Amortization of tangible capital assets	221,014	232,646
Realized loss (gain) on sale of investments	15,383	(26,138)
Unrealized loss (gain) on investments	49,732	(26,603)
	200,890	358,362
Changes in non-cash working capital related to operations - Note 10	(53,444)	41,835
	147,446	400,197
FINANCING ACTIVITIES		
Advances from Matthews House Hospice	122,807	233,128
INVESTING ACTIVITIES		
Change in cash in investment account	4,542	(6,347)
Purchase of investments	(1,401,058)	(4,235,633)
Proceeds on sale of investments	2,026,036	3,666,941
	629,520	(575,039)
CHANGE IN CASH AND CASH EQUIVALENTS	899,773	58,286
Cash and cash equivalents, beginning of year	197,844	139,558
Cash and cash equivalents, end of year	1,097,617	197,844
Represented by:		
Cash and cash equivalents	1,097,617	197,844
	1,097,617	197,844

Matthews House Hospice Foundation

Notes to the Financial Statements

year ended March 31, 2026

in dollars

Page 6

The Accompanying Notes are an Integral Part of the Financial Statements

1 PURPOSE OF ORGANIZATION

Matthews House Hospice Foundation (the "Organization") was incorporated without share capital under the laws of Canada. The purpose of the Organization is to receive and maintain a fund or funds and to apply all or part of the principal and income therefrom, from time to time, to charitable organizations that are also registered charities under the Income Tax Act whose purposes and activities are restricted to addressing the needs of individuals who are experiencing a life-limiting illness, facing end of life or grieving a loss. The Organization also promotes 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 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. Long term investments consist of investments in marketable securities and other instruments with maturities in excess of one year at the date of acquisition. The Organization 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.

Building

5%

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.

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.

Matthews House Hospice Foundation

Notes to the Financial Statements year ended March 31, 2026

in dollars

Page 7

The Accompanying Notes are an Integral Part of the Financial Statements

2.4 Use of estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles 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.

2.5 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.

2.6 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 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 exposed to interest rate risk on its fixed rate financial instruments. Fixed rate instruments subject the Organization to a fair value risk, since fair value fluctuates inversely to changes in market interest rates.

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.

Matthews House Hospice Foundation

Notes to the Financial Statements

year ended March 31, 2026

in dollars

Page 8

The Accompanying Notes are an Integral Part of the Financial Statements

4 CASH AND CASH EQUIVALENTS

	2026	2025
Cash	354,209	197,844
Government of Canada treasury bill - face value of \$747,000, matures June 2026, acquired at a discount of \$3,592 from face value.	743,408	-
	1,097,617	197,844

Matthews House Hospice Foundation

Notes to the Financial Statements

year ended March 31, 2026

in dollars

Page 9

The Accompanying Notes are an Integral Part of the Financial Statements

5 INVESTMENTS

	2026	2025
Cash	825	5,367
Non redeemable guaranteed investment certificate - bearing interest at 2.45%, matures December 2026	15,000	-
Province of Alberta bond - bearing interest at 2.9%, matures December 2028	538,988	543,616
Province of Alberta bond - bearing interest at 4.1%, matures June 2029	1,568,240	1,596,006
Government of Canada treasury bill	-	99,740
Government of Canada treasury bill	-	557,958
Guaranteed investment certificate	-	15,000
	2,123,053	2,817,687

Represented by:

Short term investments	15,825	678,065
Long term investments	2,107,228	2,139,622
	2,123,053	2,817,687

Investment income consists of the following:

	2026	2025
Interest	120,193	91,240
Brokerage fees	(5,816)	(6,200)
Realized gain (loss)	(15,383)	26,138
Unrealized gain (loss)	(49,732)	26,603
	49,262	137,781

Matthews House Hospice Foundation

Notes to the Financial Statements

year ended March 31, 2026

in dollars

Page 10

The Accompanying Notes are an Integral Part of the Financial Statements

6 TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	2026 Net book value	2025 Net book value
Land	635,404	-	635,404	635,404
Building	5,023,396	824,136	4,199,260	4,420,274
	5,658,800	824,136	4,834,664	5,055,678

7 DEFERRED REVENUE

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

	2026	2025
Balance, beginning of year	113,458	50,622
Less: Amount recognized as revenue in the year	(113,458)	(50,622)
Plus: Amount received during the year	51,830	113,458
Balance, end of year	51,830	113,458

8 RELATED PARTIES

During the year, the Organization received human resources, equipment, supplies and maintenance from the controlling related party, Matthews House Hospice ("Hospice"). The total paid for services was \$360,000 (2025 - \$371,004). Of these funds, \$314,344 (2025 - \$311,757) were for outsourced services and \$45,656 (2025 - \$59,247) were for building occupancy. These transactions are in the normal course of operations and are measured at the exchange amount.

During the year, the Organization donated funds to the related controlling Hospice. The total amount donated 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 use of the building to the related controlling Hospice. The total rent received was \$12 for the year. These transactions are in the normal course of operations and are measured at the exchange amount.

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

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

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

Matthews House Hospice Foundation

Notes to the Financial Statements

year ended March 31, 2026

in dollars

Page 11

The Accompanying Notes are an Integral Part of the Financial Statements

9 CONTROLLING ORGANIZATION

The Organization is related to Matthews House Hospice (the "Hospice") as the board of directors for the Organization is appointed by the board of directors for the Hospice. The Hospice 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 Hospice is to provide caring and compassionate community, in-home and residential support for people affected by life threatening illnesses and end of life. The Hospice has not been consolidated in the Organization's financial statements. The summary of financial statements of the Hospice as at March 31, 2026 and for the year then ended are as follows:

	2026	2025
Statement of financial position		
Assets	3,920,907	3,668,559
Liabilities	654,086	452,607
Unrestricted net assets	2,934,005	2,789,325
Internally restricted net assets	332,816	426,627
Statement of operations		
Revenue	4,021,131	4,142,348
Expenditures	4,013,161	3,699,983
Other income	42,899	-
Excess of revenue over expenditures	50,869	442,365
Statement of cash flows		
Cash flows from operating activities	202,321	418,987
Cash flows from financing activities	139,199	(143,407)
Cash flows from investing activities	(11,853)	(263,033)

10 STATEMENT OF CASH FLOWS

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

	2026	2025
Public Service Bodies' rebate receivable	8,968	(20,831)
Accounts payable and accruals	(784)	(170)
Deferred revenue	(61,628)	62,836
	(53,444)	41,835

11 COMPARATIVE FIGURES

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