

The Hospice of Windsor and Essex County Inc.

Financial Statements

For the year ended March 31, 2026

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Independent Auditor's Report

To the Board of Directors of The Hospice of Windsor and Essex County Inc.

Opinion

We have audited the financial statements of The Hospice of Windsor and Essex County Inc., which comprise the statement of financial position as at March 31, 2026, 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 Hospice of Windsor and Essex County Inc. as at March 31, 2026, and its financial performance and 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 Hospice of Windsor and Essex County Inc. 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 Hospice of Windsor and Essex County Inc.'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 Hospice of Windsor and Essex County Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing The Hospice of Windsor and Essex County Inc.'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 Hospice of Windsor and Essex County Inc.'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 Hospice of Windsor and Essex County Inc.'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 Hospice of Windsor and Essex County Inc. 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Windsor, Ontario
June 16, 2026

The Hospice of Windsor and Essex County Inc.

Statement of Financial Position

March 31,	2026			2025
	General	Capital	Total	Total
Assets				
Current				
Cash and bank	\$ 1,691,966	\$ 3,187	\$ 1,695,153	\$ 532,742
Cash and bank - restricted (Note 2)	331,474	-	331,474	306,921
Accounts receivable	216,345	11,275	227,620	241,822
Due from the Foundation	12,059	-	12,059	11,507
Prepaid expenses and supplies on hand	78,086	-	78,086	63,556
Short-term investments (Note 3)	-	-	-	575,495
Interfund receivable (Note 7)	624,943	-	624,943	525,532
	2,954,873	14,462	2,969,335	2,257,575
Investments (Note 3)	-	104,514	104,514	97,223
Capital assets (Note 4)	-	10,970,959	10,970,959	3,638,315
	\$ 2,954,873	\$ 11,089,935	\$ 14,044,808	\$ 5,993,113

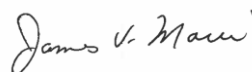
Liabilities and Net Assets

Current				
Accounts payable and accrued liabilities \$	991,527	\$ 69,201	\$ 1,060,728	\$ 691,238
Interfund payable (Note 7)	-	624,943	624,943	525,532
	991,527	694,144	1,685,671	1,216,770
Deferred contributions (Note 6)	886,640	8,775,350	9,661,990	3,814,318
	1,878,167	9,469,494	11,347,661	5,031,088
Net assets				
General fund	1,076,706	-	1,076,706	914,496
Capital fund	-	1,620,441	1,620,441	47,529
	1,076,706	1,620,441	2,697,147	962,025
	\$ 2,954,873	\$ 11,089,935	\$ 14,044,808	\$ 5,993,113

On behalf of the Board:



Director



Director

The Hospice of Windsor and Essex County Inc.

Statement of Operations

For the year ended March 31,			2026	2025
	General Fund	Capital Fund	Total	Total
Revenue				
Grants and other public funding	\$7,181,157	\$ 58,570	\$ 7,239,727	\$ 6,165,409
Donations	2,579,894	1,250	2,581,144	2,349,187
Fundraising, net (Note 5)	1,004,170	-	1,004,170	1,098,989
Amortization of deferrals (Note 6)	-	713,136	713,136	427,708
Donation from Foundation (Note 8)	509,722	-	509,722	-
Interest and miscellaneous	88,625	7,380	96,005	82,136
	11,363,568	780,336	12,143,904	10,123,429
Expenses				
Salaries and benefits (Note 9)	7,611,153	-	7,611,153	6,847,934
Occupancy	991,390	-	991,390	653,287
Amortization (Note 4)	-	762,022	762,022	444,848
Outside services	549,990	-	549,990	241,243
Systems maintenance	273,394	-	273,394	225,833
Medical, linen and program supplies	125,147	-	125,147	154,439
Small equipment and fixtures	-	167,008	167,008	75,004
Insurance	96,806	3,538	100,344	99,700
Promotion and publicity	76,733	-	76,733	64,859
Transportation	55,258	-	55,258	48,990
Photocopier and maintenance	52,029	-	52,029	50,487
Prepared food supplies	64,763	-	64,763	53,077
Licences, dues, and fees	45,527	31	45,558	39,816
Telephone	36,781	-	36,781	34,650
Education and conference	66,944	-	66,944	44,501
Office and sundry	16,203	-	16,203	32,859
Professional services	60,415	22,825	83,240	22,609
Courier and postage	11,425	-	11,425	6,794
	10,133,958	955,424	11,089,382	9,140,930
Excess of revenue over expenses (expenses over revenue) before other expenses	1,229,610	(175,088)	1,054,522	982,499
Other expenses				
Donation to Foundations (Note 8)	(1,067,400)	-	(1,067,400)	(810,467)
Excess of (expenses over revenue) revenue over expenses	\$ 162,210	(175,088)	\$ (12,878)	\$ 172,032

The Hospice of Windsor and Essex County Inc.

Statement of Changes in Net Assets

For the year ended March 31,

	General Fund	Capital Fund	2026 Total	2025 Total
Balance, beginning of year	\$ 914,496	\$ 47,529	\$ 962,025	\$ 789,993
Excess of (expenses over revenue) revenue over expenses	162,210	(175,088)	(12,878)	172,032
Land donation (Note 4)	-	1,748,000	1,748,000	-
Balance, end of year	\$ 1,076,706	\$ 1,620,441	\$ 2,697,147	\$ 962,025

The Hospice of Windsor and Essex County Inc.

Statement of Cash Flows

For the year ended March 31,	2026	2025
Cash from operations		
Excess of (expenses over revenue) revenue over expenses	\$ (12,878)	\$ 172,032
Items not requiring an outlay of cash		
Amortization - capital assets	762,022	444,848
Amortization - deferred capital contributions	<u>(713,136)</u>	<u>(427,708)</u>
	36,008	189,172
Changes in non-cash working capital		
Accounts receivable	14,202	191,393
Prepaid expenses	(14,530)	8,199
Accounts payable and accrued liabilities	<u>369,491</u>	<u>(89,295)</u>
	<u>405,171</u>	<u>299,469</u>
Cash from investing		
Net change from investments	<u>568,204</u>	<u>(29,974)</u>
Cash from financing		
Purchase of capital assets	(94,666)	(119,317)
Deferred contributions received (used)	308,807	(449,260)
Advances from (to) The Foundation	<u>(552)</u>	<u>9,061</u>
	<u>213,589</u>	<u>(559,516)</u>
Increase (decrease) in cash during the year	1,186,964	(290,021)
Cash and cash equivalents, beginning of year	<u>839,663</u>	<u>1,129,684</u>
Cash and cash equivalents, end of year	\$ 2,026,627	\$ 839,663
Represented by:		
Cash and bank	\$ 1,695,153	\$ 532,742
Cash and bank - restricted	<u>331,474</u>	<u>306,921</u>
	\$ 2,026,627	\$ 839,663

The Hospice of Windsor and Essex County Inc.

Notes to Financial Statements

March 31, 2026

1. Significant accounting policies

Nature of organization The Hospice of Windsor and Essex County Inc. is a charitable organization (as defined in The Income Tax Act) to receive and administer gifts, bequests and grants for charitable purposes. It provides services to individuals who are affected by or are caring for a person with a life-altering diagnosis in order to achieve their desired quality of life.

Basis of accounting The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Fund accounting The agency follows the restricted fund method of accounting for contributions.

The General Fund accounts for the agency's program delivery and administrative activities. The General fund has both restricted and unrestricted contributions.

The Capital Fund reports the assets, liabilities, revenues and expenses related to the agency's capital assets.

Capital assets Purchased capital assets are recorded at cost. Amortization expense is reported in the Capital Asset Fund provided as follows:

Building	20 years straight-line basis
Greenhouse	10 years straight-line basis
Land improvements	10 years straight-line basis
Furniture and equipment	5 years straight-line basis
Computers and software	3 years straight-line basis
Automobiles	3 years straight-line basis
Parking lots	10 years straight-line basis

Contributed property and equipment are recorded at fair value at the date of contribution.

The Hospice of Windsor and Essex County Inc.

Notes to Financial Statements

March 31, 2026

1. Significant accounting policies (continued)

Financial instruments	Financial instruments are recorded at fair value when acquired or issued. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.
Use of estimates	The preparation of financial statements in accordance with Canadian 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 reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.
Revenue recognition	<p>The agency follows the deferral method of accounting for contributions, which include donations and Ministry of Health funding.</p> <p>Unrestricted contributions are recognized as revenue as received.</p> <p>Externally restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on the same basis as the related capital assets that are amortized.</p>
Contributed services	Over 633 (2025 - 559) individuals provided over 82,183 (2025 - 68,585) volunteer hours; because of the difficulty of determining their fair value, contributed volunteer services are not recognized in the financial statements.
Government assistance	The Hospice of Windsor and Essex County Inc. makes periodic applications for financial assistance under government incentive programs including investment tax credits. Government assistance received during the year for current expenses is included in the determination of net income for the year. Government assistance related to capital expenditures is shown as a reduction of the cost of such assets.

The Hospice of Windsor and Essex County Inc.

Notes to Financial Statements

March 31, 2026

1. Significant accounting policies (continued)

Allocation of expenses

The agency engages in services to individuals who are affected by or are caring for a person with a life-altering diagnosis through funding provided by the Ministry of Health and Long-Term Care. The costs of these programs and services include the costs of personnel, premises, supplies and other expenses that are directly related to the provision of these programs and services. The agency also incurs a number of the general support expenses that are common to the administration of the organization and its programs and services.

Personnel costs (salaries and benefits) are allocated across the programs and services based on a percentage of the total salary for each staff position. The percentage is determined based on the estimated time spent on the various programs and services.

The General Fund includes an allocation of salaries and benefits related to administration and to programs and services funded by the Ministry of Health and Long-Term Care.

2. Cash and bank

The use of funds in the bingo and lottery bank accounts are externally restricted by the regulatory bodies. The cash balances for these funds are \$331,474 (2025 - \$306,921).

At year end, the organization had available \$150,000 (2025 - \$150,000) operating line of credit that bears interest at prime rate plus 1%. The line of credit has not been drawn upon.

3. Investments

	2026	2025
WFCU GIC matured February 21, 2025 at 5.40%	\$ -	\$ 368,952
WFCU GIC matured May 22, 2024 at 4.65%	-	154,644
WFCU GIC matured September 22, 2024 at 5.20%	-	51,900
Total Short-term investments	<u>\$ -</u>	<u>\$ 575,496</u>
Capital		
Cash surrender value of life insurance	<u>\$ 104,514</u>	<u>\$ 97,223</u>

Investments are recorded at original cost plus accrued interest.

The Hospice of Windsor and Essex County Inc.

Notes to Financial Statements

March 31, 2026

4. Capital assets

	Cost	Accumulated Amortization	2026	2025
Land	\$ 1,998,000	\$ -	\$ 1,998,000	\$ 250,000
Land improvements	320,564	292,972	27,592	20,926
Buildings	17,470,368	8,692,095	8,778,273	3,195,857
Greenhouse	41,072	12,321	28,751	32,858
Parking lot	10,904	10,904	-	-
Furniture and equipment	999,586	883,612	115,974	89,758
Automobiles	111,115	95,517	15,598	42,113
Computers and software	362,712	362,712	-	6,803
Construction in progress	6,771	-	6,771	-
	\$ 21,321,092	\$ 10,350,133	\$ 10,970,959	\$ 3,638,315

During the year, the Organization received a donation of land and building for \$8,000,000. The building portion of this donation has been deferred under capital contributions (Note 6) and will be recorded into income over the life of the asset.

The value of the contributed building have been recorded in the financial statements and a deferred contribution has been set up as a liability. The balance at the year end for building is \$5,939,400 (2025 - NIL). The contribution will be taken into income over time and the amount taken into income will equal the amortization of the contributed building. The amortization recognized for the current year is \$312,600 (2025 - NIL).

5. Fundraising

The net amounts for fundraising activities in the General Fund are comprised of the following:

	2026	2025
Revenue	\$1,266,912	\$ 1,366,650
Expenses	262,742	267,661
	\$1,004,170	\$ 1,098,989

The Hospice of Windsor and Essex County Inc.

Notes to Financial Statements

March 31, 2026

6. Deferred contributions

General deferred revenue

Deferred contributions reported in the General Fund relate to operating funding received in the current period relating to the subsequent period. Changes in the deferred contributions balance reported in the operating fund are as follows:

	2026	2025
Balance, beginning of year	\$ 30,470	\$ 308,268
Add: amount received related to the following year	320,700	30,470
Less: amount recognized as revenue in the year	(30,470)	(308,268)
Balance, end of year	<u>\$ 320,700</u>	<u>\$ 30,470</u>

Capital contributions

Deferred capital contributions represent externally restricted contributions received for the purchase and betterment of the capital assets. The amortization of deferred capital contributions is recorded as revenue in the combined statement of operations. Changes in the deferred contributions balance reported in the Capital Fund are as follows:

	2026	2025
Balance, beginning of year	\$3,156,233	\$ 3,568,669
Add: capital contributions	6,332,253	15,272
Less: amortization for the year	(713,136)	(427,708)
Balance, end of year	<u>\$8,775,350</u>	<u>\$ 3,156,233</u>

Restricted contributions

Deferred contributions reported in the restricted fund relate to unspent restricted contributions. Changes in the deferred contributions balance reported in the restricted fund are as follows:

	2026	2025
Balance, beginning of year	\$ 627,616	\$ 814,350
Add: amounts related to the following year	165,858	58,629
Less: amounts recognized as revenue in the year	(180,331)	(230,091)
Less: transfers to Capital Fund during the year	(47,203)	(15,272)
Balance, end of year	<u>\$ 565,940</u>	<u>\$ 627,616</u>

The Hospice of Windsor and Essex County Inc.

Notes to Financial Statements

March 31, 2026

7. Interfund receivables/payables

Interfund balances are non-interest bearing and have no specific terms of repayment.

8. Designated gifts to/from Foundations

Hospice for Life Foundation

The Hospice of Windsor and Essex County Inc. Board of Directors issued a designated gift in accordance with the Canada Income Tax Act, amounting to \$1,067,400 (2025 - \$710,467), to the Hospice for Life Foundation. These funds, originating from donor bequests, are intended for future operational needs. During the year, the Hospice for Life Foundation donated \$509,722 (2025 - \$Nil) to the Organization.

Erie Shores Health Foundation

The Erie Shores Health Foundation is the fundraising arm of the Erie Shores campus and funds any government shortfall.

The Hospice Board of Directors did not issue a designated gift to the Erie Shores Health Foundation in 2026 (2025 - \$100,000). These funds were donor-restricted and specifically earmarked for use at this location.

9. Pension Plan

Effective April 14, 2025, the Organization entered the Healthcare of Ontario Pension Plan. All employees of the Organization are eligible to be members of the Healthcare of Ontario Pension Plan (HOOPP), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal 126% of the employee contributions to the plan, and contribution rates are directed by HOOPP. The Board does not have direct access to information regarding the deficit calculation of the fund nor its impact on the contribution rates, except as disclosed periodically by HOOPP. As of December 31, 2025 the funded ratio for the plan was 109%. During the year ended March 31, 2026, the Organization contributed \$403,566 (2025 - \$Nil) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. Amounts payable to the plan at year-end are included in accounts payable and accrued liabilities.

The Hospice of Windsor and Essex County Inc.

Notes to Financial Statements

March 31, 2026

10. Financial instrument risk

Operational risk

An operational risk occurs when one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Agency is exposed to an operational risk resulting from the possibility that funding from the Ministry of Health defaults on their financial obligations. For the March 31, 2026 year end, a significant portion of the Agency's funding came from the Ministry of Health.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that as a result of an operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset. The organization is exposed to this risk mainly in respect of its accounts payable and commitments.

The organization's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The organization also maintains certain credit facilities, which can be drawn upon as needed.

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 this risk through its fixed interest rate financial instruments. Fixed-interest instruments subject the organization to a fair value risk.

The organization is exposed to changes in interest rates related to its investments.

The organization mitigates interest rate risk of investments by diversifying the durations of the fixed-income investments that are held at a given time.

11. Comparative figures

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