Saugeen Hospice Incorporated
Financial Statements
March 31, 2026

Saugeen Hospice Incorporated
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To the Board of Saugeen Hospice Incorporated:

Qualified Opinion

We have audited the financial statements of Saugeen Hospice Incorporated (the "Organization"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in fund balances and 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 possible 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 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from donations and fundraising activities 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 the organization. Therefore, we were not able to determine whether any adjustments may be necessary to donation revenue or fundraising revenue, excess of revenues over expenses and cash flows for the year ended March 31, 2026 and 2025, current assets as at March 31, 2026 and 2025 and fund balances as at March 31, 2026 and 2025 due to this limitation in scope. The audit opinion on the financial statements for the period 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. 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.

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Hanover, Ontario

September 18, 2026

Saugeen Hospice Incorporated
Statement of Financial Position
As at March 31, 2026

	2026	*2025*
Assets		
Current		
Cash and cash equivalents	**606,059**	315,262
Short term investments *(Note 2)*	**4,430,272**	2,358,728
Accounts receivable	**80,540**	60,540
Prepaid expenses	**26,933**	12,313
	5,143,804	2,746,843
Capital assets *(Note 3)*	**306,907**	74,793
Long term investments *(Note 2)*	**173,568**	-
	5,624,279	2,821,636
Liabilities		
Current		
Accounts payable and accrued liabilities *(Note 4)*	**22,153**	22,576
Deferred revenues	**-**	4,301
	22,153	26,877
Commitments *(Note 5)*		
Fund Balances		
General Fund	**5,602,126**	2,794,759
	5,624,279	2,821,636

Approved on behalf of the Board of Directors

Director **Director**

The accompanying notes are an integral part of these financial statements

Saugeen Hospice Incorporated
Statement of Operations
For the year ended March 31, 2026

	2026	*2025*
Revenue		
Donation revenue	**3,013,788**	1,009,749
Interest revenue	**108,958**	87,893
Miscellaneous revenue	**1,058**	-
	3,123,804	1,097,642
Expenses		
Advertising and promotion	**16,440**	583
Amortization	**2,196**	593
Bank charges and interest	**9,658**	5,381
Contract work	**89,804**	35,591
Insurance	**2,234**	2,047
Office supplies	**56,439**	28,099
Professional fees and consulting services	**47,344**	80,358
Rent	**3,208**	3,118
Repairs and maintenance	**75**	262
Salaries and benefits	**83,204**	38,097
Subscription fees	**4,408**	847
Telephone	**395**	604
Training and education	**766**	-
Travel	**266**	-
	316,437	195,580
Excess of revenue over expenses	**2,807,367**	902,062

The accompanying notes are an integral part of these financial statements

Saugeen Hospice Incorporated
Statement of General Fund Balance
For the year ended March 31, 2026

	2026	*2025*
General fund balance, beginning of year	**2,794,759**	1,892,697
Excess of revenue over expenses	**2,807,367**	902,062
General fund balance, end of year	**5,602,126**	2,794,759

The accompanying notes are an integral part of these financial statements

Saugeen Hospice Incorporated
Statement of Cash Flows
For the year ended March 31, 2026

	2026	*2025*
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	**2,807,367**	902,062
Amortization	**2,196**	593
	2,809,563	902,655
Changes in working capital accounts		
Accounts receivable	**(20,000)**	(30,258)
Prepaid expenses	**(14,620)**	(9,820)
Accounts payable and accrued liabilities	**(423)**	14,504
Deferred revenues	**(4,301)**	(299)
	2,770,219	876,782
Investing		
Purchase of capital assets	**(234,309)**	(74,090)
Purchase of investments	**(4,603,841)**	(1,408,603)
Proceeds from investments	**2,358,728**	362,875
	(2,479,422)	(1,119,818)
Increase (decrease) in cash resources	**290,797**	(243,036)
Cash resources, beginning of year	**315,262**	558,298
Cash resources, end of year	**606,059**	315,262

The accompanying notes are an integral part of these financial statements

1. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Nature and Purpose of Organization

Saugeen Hospice Incorporated was incorporated in the Province of Ontario without share capital on June 4, 2021. The goal of the Organization is to provide compassionate and professional end-of-life services in a residential hospice facility serving southern Bruce and Grey counties. Saugeen Hospice Incorporated is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

Fund accounting

The Organization follows the deferral method of accounting for contributions and reports using fund accounting, and maintains one fund: the General Fund.

The General Fund reports the Organization's assets, liabilities, revenues and expenses related to services provided to people and families affected by a life-threatening illness including planning and construction phases.

Capital assets

Purchased capital assets are recorded at cost.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Buildings	declining balance	4 %
Computer equipment	declining balance	30 %
Furniture and fixtures	declining balance	20 %

Cash and cash equivalents

Cash and cash equivalents include cash balances held with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Contributions receivable

Contributions receivable are recognized as an asset when the amounts to be received can be reasonably estimated and ultimate collection is reasonably assured.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased.

Volunteers contribute many hours per year to assist the hospice in carrying out its service delivery activities. Due to the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses 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. Transaction costs on the acquisition, sale or issue of the financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

1. Significant accounting policies *(Continued from previous page)*

Revenue recognition

Restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue in the year received or receivable in the general fund if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

2. Investments

Investments include short-term investments of $4,430,272 (2025 - $2,358,728) and long-term investments of $173,568 (2025 - $Nil) held in guaranteed investment certificates with Meridian Credit Union and Royal Bank of Canada with interest rates ranging from 2.00% to 3.60% (2025 - $2.85% to 5.75%).

3. Capital assets

	Cost	***Accumulated amortization***	***2026 Net book value***	*2025 Net book value*
Buildings	**298,017**	**-**	**298,017**	71,865
Computer equipment	**8,271**	**2,111**	**6,160**	1,891
Furniture and fixtures	**3,912**	**1,182**	**2,730**	1,037
	310,200	**3,293**	**306,907**	74,793

Buildings includes work-in-progress with a carrying value of $298,017 (2025 - $71,865). No amortization of this asset has been recorded during the current year because it is currently under development.

4. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances payable of $Nil (2025 - $1,192)

5. Commitments

As at the reporting date, the Organization had entered into an agreement with G.M. Diemert Architect Inc. related to architectural work surrounding the construction of the new Hospice building. Under the agreement, the Organization is committed to further architectural fees of $190,000.

The Organization had also entered into an agreement to purchase beds and furniture with requirements to pay $248,000.

6. Subsequent event

On June 9, 2026, the Organization entered into a construction management contract with J.P. Commercial Contractors Inc. to manage the construction of the Hospice building. The total budget of the construction project is $10,700,000.

7. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. The Organization is exposed to credit risk arising from its accounts and contributions receivable.

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 arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments.

Liquidity risk

Liquidity risk is the risk that the Organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of 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. Liquidity risk arises from accounts payable and accrued liabilities.