

HOSPICE PALLIATIVE CARE ONTARIO

FINANCIAL STATEMENTS

MARCH 31, 2026

Tummon Wallington Chong LLP
Chartered Professional Accountants
Toronto, Ontario

Independent Auditors' Report

To the Board of Directors of
HOSPICE PALLIATIVE CARE ONTARIO

Opinion

We have audited the financial statements of Hospice Palliative Care Ontario ("HPCO"), which comprise the statement of financial position as at March 31, 2026 and 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 HPCO as at March 31, 2026 and the 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 Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of HPCO 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 these 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 HPCO'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 HPCO or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditors' Report *(continued)*

Auditors' 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 auditors' 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 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 HPCO'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 HPCO's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause HPCO 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.

Tummon Wallington Chong LLP

Toronto, Ontario
June 29, 2026

Chartered Professional Accountants
Licensed Public Accountants

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HOSPICE PALLIATIVE CARE ONTARIO

Statement of Financial Position

March 31,	2026 \$	2025 \$
ASSETS		
Current assets		
Cash in bank	1,171,244	387,910
Investments (note 2)	300,000	500,000
Accounts receivable	89,269	62,693
Prepaid expenses and deposits (note 3)	135,066	122,218
	<u>1,695,579</u>	<u>1,072,821</u>
TANGIBLE CAPITAL ASSETS (note 4)	<u>4,172</u>	<u>6,258</u>
	<u><u>1,699,751</u></u>	<u><u>1,079,079</u></u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	409,762	296,084
HST payable	31,334	13,937
Due to Government of Ontario (note 5)	18,815	44,523
Deferred revenue (note 6)	645,410	446,800
Deferred contributions (note 7)	162,500	29,774
	<u>1,267,821</u>	<u>831,118</u>
NET ASSETS		
Invested in tangible capital assets	4,172	6,258
Unrestricted	57,758	41,703
Internally restricted	300,000	200,000
Strategic reserve	70,000	-
	<u>431,930</u>	<u>247,961</u>
	<u><u>1,699,751</u></u>	<u><u>1,079,079</u></u>

Approved on behalf of the Board:

Director

Director

HOSPICE PALLIATIVE CARE ONTARIO

Statement of Operations

Year ended March 31,			2026	2025
	HPCO Member Services \$	Palliative Education and Information Services \$	Total \$	Total \$
		(note 5)		
Revenues				
Government of Ontario (note 5)	139,125	298,492	437,617	393,492
Palliative education funding	100,000	-	100,000	220,598
Membership fees	345,616	-	345,616	301,088
Donations and fundraising	420,500	-	420,500	321,991
Conference and education	455,481	-	455,481	438,280
Interest and sundry income	175,448	-	175,448	133,964
Merchandise and publication sales	483,707	-	483,707	461,235
	2,119,877	298,492	2,418,369	2,270,648
Expenditures				
Salaries and benefits	467,008	260,400	727,408	645,963
Professional fees and consultants	356,257	1,500	357,757	313,255
Office and general	428,618	26,519	455,137	503,870
Meetings	401,361	-	401,361	398,439
Rent	25,065	10,000	35,065	38,059
Nevada ticket sales	12,273	-	12,273	23,379
One-time project expense	235,000	-	235,000	239,312
Amortization	2,086	-	2,086	985
Insurance	7,313	1,000	8,313	9,161
	1,934,981	299,419	2,234,400	2,172,423
Excess of revenues over expenditures (expenditures over revenues)	184,896	(927)	183,969	98,225

HOSPICE PALLIATIVE CARE ONTARIO

Statement of Changes in Net Assets

Year ended March 31,					2026	2025
	Invested in Tangible Capital Assets \$	Unrestricted \$	Internally Restricted \$	Strategic Reserve \$	Total \$	Total \$
Balance, beginning of year	6,258	41,703	200,000	-	247,961	149,736
Excess of revenues over expenditures (expenditures over revenues)	(2,086)	186,055	-	-	183,969	98,225
Allocation from unrestricted net assets	-	(170,000)	100,000	70,000	-	-
Balance, end of year	4,172	57,758	300,000	70,000	431,930	247,961

HOSPICE PALLIATIVE CARE ONTARIO

Statement of Cash Flows

Year ended March 31,	2026 \$	2025 \$
Cash flows from operating activities		
Operating excess of revenues over expenditures for year	177,180	89,349
Cash flows from investment income	6,789	8,876
Add items not requiring a current cash flow:		
Amortization of tangible capital assets	2,086	985
	186,055	99,210
Net changes in non-cash working capital components		
Accounts receivable	(26,576)	153,252
Prepaid expenses and deposits	(12,848)	(10,039)
Accounts payable and accrued liabilities	113,678	(136,747)
HST payable	17,397	(13,170)
Due to Government of Ontario	(25,708)	(228,104)
Deferred revenue	198,610	(5,213)
Deferred contributions	132,726	24,783
	583,334	(116,028)
Cash flows from investing activities		
Redemption (purchase) of investments	200,000	(500,000)
Purchase of capital assets	-	(6,258)
	200,000	(506,258)
Increase (decrease) in cash during year	783,334	(622,286)
Cash in bank, beginning of year	387,910	1,010,196
Cash in bank, end of year	1,171,244	387,910

HOSPICE PALLIATIVE CARE ONTARIO

Notes to Financial Statements

March 31, 2026

Operations

The objectives of the Hospice Palliative Care Ontario (“HPCO”) are to provide a network of expertise, information and communications to support and assist members in their efforts to provide the maximum possible hospice palliative care support in the communities they serve.

HPCO is incorporated under the Canada Corporations Act as a not-for-profit corporation and was issued a certificate of continuance effective June 26, 2014. HPCO is exempt of income tax, is a registered charity under the Income Tax Act and is able to issue charitable donation receipts for income tax purposes.

1. Significant accounting policies

Basis of accounting

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed below:

a) Revenue recognition

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

Conference and education revenues are recognized in the period the event occurs.

Membership fee revenues are recognized in the year to which they relate. Membership fees received for future periods are recorded as deferred membership fees.

Other revenues, which are comprised of interest and sundry income, Nevada ticket sales, and merchandise and publication sales, are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

b) Tangible capital assets

Tangible capital assets are recorded at cost in the year of acquisition and are amortized on a straight-line basis over their estimated useful lives, as follows:

Computer equipment	- 3 years
Furniture and fixtures	- 5 years
Leasehold improvements	- 5 years

No amortization is charged in the year of acquisition.

HOSPICE PALLIATIVE CARE ONTARIO

Notes to Financial Statements (continued)

March 31, 2026

1. **Significant accounting policies (continued)**

c) **Net assets**

HPCO's financial statements separately disclose the activities of its unrestricted and restricted funds and segregate their net asset balances as follows:

- i) Invested in tangible capital assets represent HPCO's net investment in property which is comprised of the amount of its tangible capital assets purchased with either restricted or unrestricted funds.
- ii) Unrestricted net assets comprise the remaining excess (deficiency) of revenues over expenditures from operations.
- iii) Internally restricted net assets comprise Board designated allocations of unrestricted net assets to a reserve intended to fund HPCO's operations in the event of unanticipated loss in funding, sudden increases in expenditures or uninsured losses. These internally restricted amounts are not available for other purposes without approval by the Board.
- iv) Strategic reserve net assets comprise Board designated allocations of unrestricted net assets to a reserve to be used to fund years' strategic initiatives not funded through other sources. Funded by cash or cash equivalents, the strategic reserve fund will focus on supporting HPCO's capacity to deliver programs and services, investments in infrastructure and to provide seed funding to one-time projects and start-up initiatives.

d) **Financial instruments**

HPCO measures its financial instruments at the financial statement date as follows:

<u>Assets/liabilities</u>	<u>Measurement</u>
Cash	fair value
Investments	cost
Accounts receivable	amortized cost
Accounts payable and accrued liabilities	amortized cost
Deferred revenue	amortized cost
Deferred contributions	amortized cost

e) **Allocation of management and administrative expenses**

Management and administrative expenditures are incurred to operate HPCO in a cost-effective manner while maximizing all opportunities to further HPCO's mission. HPCO allocates certain of its management and administrative costs by identifying the appropriate basis of allocation. The allocation basis may be amended annually to reflect HPCO's priorities and implemented programs and may affect the comparability of financial information.

f) **Contributed services and materials**

Due to the difficulty in determining the fair value of contributed services and materials, these financial statement do not reflect the value received from volunteer services or materials donated.

HOSPICE PALLIATIVE CARE ONTARIO

Notes to Financial Statements (continued)

March 31, 2026

1. Significant accounting policies (continued)

g) Use of estimates

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, which require the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures during the reporting period. Estimates are primarily used in determining the useful lives of tangible capital assets, and certain accruals. Actual results could differ from those estimates.

2. Investments

During the fiscal year, HPCO purchased Guaranteed Investment Certificate ("GIC") investments in the aggregate of \$300,000 (2025 - \$500,000). HPCO holds six (6) separate GIC investments, each with a face value of \$50,000, totalling \$300,000. All six (6) GIC investments were purchased on January 13, 2026, are cashable before maturity and carry an annual interest rate of 2%. Interest income is recognized as earned. All six (6) GIC's are measured at cost and mature on January 13, 2027.

These GIC investments have been designated to fund the balance of the Internally restricted net assets as at March 31, 2026.

3. Prepaid expenses and deposits

Prepaid expenses and deposits are comprised as follows:

	2026 \$	2025 \$
Prepaid expenses and deposits	33,719	35,476
Conference and facility costs paid in advance	101,347	86,742
	135,066	122,218

HPCO's annual conference is scheduled to commence subsequent to each year-end. Accordingly, conference and facility costs incurred in advance will be expensed in the following fiscal year.

HOSPICE PALLIATIVE CARE ONTARIO

Notes to Financial Statements (continued)

March 31, 2026

4. Tangible capital assets

Tangible capital assets consist of the following:

Year ended March 31,	2026		2025	
	Cost \$	Accumulated Amortization \$	Cost \$	Accumulated Amortization \$
Computer equipment	16,045	11,873	16,045	9,787
Furniture and fixtures	12,186	12,186	12,186	12,186
Leasehold improvements	20,081	20,081	20,081	20,081
	48,312	44,140	48,312	42,054
Less: accumulated amortization	(44,140)		(42,054)	
Balance, end of year	<u>4,172</u>		<u>6,258</u>	

5. Due to Government of Ontario

In aggregate, the Government of Ontario provided total funding of \$298,492 (2025 - \$298,492) to service the End of Life Information Services ("EOL") and Palliative Care Education ("PCE") programs. Expenditures exceeded provincial grant funding for the fiscal year in the amount of \$927 (2025 – expenditures exceeded provincial grant funding in the amount of \$2,849).

Contractual arrangements with the Ministry relative to each service program stipulate that contract year funding grant surplus are recoverable by the Ministry through direct payment or reduction in future annual funding grant contracts and transfer payments.

HOSPICE PALLIATIVE CARE ONTARIO

Notes to Financial Statements (continued)

March 31, 2026

5. Due to Government of Ontario (continued)

Due to Government of Ontario is comprised as follows:

	2026 \$	2025 \$
Opening balance	44,523	272,627
Plus:		
Received or receivable in year for EOL program (i)	110,071	125,857
Received or receivable in year for PCE program (ii)	188,421	172,635
Received or receivable in year for Ontario Health/OPCN funding (iii)	450,000	425,000
Received or receivable in year for one-time funding	-	95,000
	793,015	1,091,119
Less:		
Repayments and reductions in transfer payments	(26,083)	(246,544)
Recognized as revenue for EOL & PCE programs (i) and (ii)	(298,492)	(298,492)
Recognized as revenue for one-time funding	-	(95,000)
Recognized as revenue for Ontario Health/OPCN funding (iii)	(449,625)	(406,560)
Ending balance	18,815	44,523

The year-end balances are made up as follows:

	2026 \$	2025 \$
EOL and PCE funding (i) and (ii)	-	26,083
Ontario Health/OPCN repayable (iii)	18,815	18,440
	18,815	44,523

(i) End of Life Information Services (“EOL”)

HPCO is funded by the Government of Ontario, Ministry of Health (“MOH”), to provide information about and referral to a wide range of hospice palliative care services and resources. These services and resources include hospices, palliative care programs and units, community-based services, pain and symptom management, bereavement support services and palliative care education. The scope of the program is Ontario wide.

During fiscal 2026, MOH provided aggregate funding to the End of Life Information Services in the amount of \$110,071 (2025 - \$125,857).

HOSPICE PALLIATIVE CARE ONTARIO

Notes to Financial Statements (continued)

March 31, 2026

5. Due to Government of Ontario (continued)

(ii) Palliative Care Education (“PCE”)

This Ontario Health (“OH”) funded service includes introductory, advanced and enhanced palliative care education to front line health care staff working the community support sector. The scope of the program is the City of Toronto.

During fiscal 2026, MOH provided aggregate funding towards PCE in the amount of \$188,421 (2025 - \$172,635).

(iii) Ontario Health/Ontario Palliative Care Network (“OPCN”)

The objective of funds employed are to support the provision of palliative care education to primary care providers from community organizations participating in the implementation of the Adult Community Model of Care.

Under a funding agreement dated December 2, 2024 (amended March 14, 2025), the Ontario Health/Ontario Palliative Care Network agreed to provide funding in the amount of \$450,000 (2025 - \$425,000), of which HPCO received in its entirety in fiscal 2026. HPCO has recognized \$449,625 (2025 - \$406,560) as revenue in fiscal 2026.

Contractual agreements with Ontario Health/OPCN stipulate the repayment of unspent funding. Of the total palliative care education funding received, \$375 remained unspent and accordingly is recognized as a liability to the Government of Ontario as at March 31, 2026 in the amount of \$18,815 (2025 - \$18,440).

Upon settlement with Ontario Health/OPCN, HPCO’s balance owing is expected to be repaid in fiscal 2027.

6. Deferred revenue

Deferred revenue is primarily made up of conference revenue and membership fees received prior to the fiscal year end but applicable subsequent to year-end. Accordingly, these revenues received in advance are recognized as revenue in the following fiscal year.

	2026 \$	2025 \$
Conference and education	251,085	108,675
Membership fees	394,325	338,125
	<u>645,410</u>	<u>446,800</u>

HOSPICE PALLIATIVE CARE ONTARIO

Notes to Financial Statements (continued)

March 31, 2026

7. Deferred contributions

Deferred contributions are comprised as follows:

	2026 \$	2025 \$
Beginning balance	29,774	4,991
Plus: Received or receivable in year	162,500	27,474
Less: Recognized as revenue	(29,774)	(2,691)
Ending balance	162,500	29,774

The year-end balance are made up as follows:

	2026 \$	2025 \$
Librach Award funding (i)	-	2,300
Other funding (ii)	162,500	27,474
Ending balance	162,500	29,774

(i) Librach Award funding

The Librach Award funding represents restricted contributions used to fund the Dr. S. Lawrence Librach Award for Palliative Medicine in the community. The funds may be used by HPCO to grant a cash award to a physician selected by the HPCO Awards Committee.

In 2026, HPCO granted the final cash award of \$2,300 (2025 - \$2,500).

(ii) Other funding

Other funding represents various restricted contributions designated for specific uses. As the restrictions were not fully met in 2026, these funds are intended to be used in the 2027 fiscal year.

8. Credit facilities

HPCO has an unsecured line of credit for \$40,000 which bears interest at the Royal Bank of Canada's prime rate plus 2.4% per annum, repayable on demand. No advances on the credit facility were outstanding as at March 31, 2026 (2025 - \$nil).

HPCO also has a credit card line with a limit of \$14,000.

HOSPICE PALLIATIVE CARE ONTARIO

Notes to Financial Statements (continued)

March 31, 2026

9. Commitments

HPCO is obligated under an office premise lease expiring October 31, 2027. No further option to renew or extend the term has been granted by the landlord beyond the expiry date. Minimum annual lease payments, excluding applicable taxes, are determined as follows:

2027	\$ 15,521
2028	<u>9,176</u>
	<u>\$ 24,697</u>

In the normal course of operations, HPCO enters into contractual and purchase commitments with consulting service providers and suppliers. These amounts are of varying terms and can provide for fixed or variable prices and amounts.

10. Financial instruments

HPCO is exposed to and manages various financial risks resulting from operations. Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. HPCO's main financial risk exposures and its financial risk management policies are as follows:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. HPCO's maximum exposure to credit risk represents the sum of the carrying value of its cash, accounts receivable and HST receivable. HPCO cash is held with a Canadian chartered bank and as a result, management believes the risk of loss on this item to be remote. HPCO manages its credit risk by reviewing accounts receivable aging and following up on outstanding amounts. As a result, management believes HPCO's credit risk with respect to accounts receivable is limited.

b) Liquidity risk

Liquidity risk is the risk that HPCO cannot meet a demand for cash or fund its obligations as they become due. HPCO's financial liabilities are comprised of accounts payable and accrued liabilities, HST payable and amounts due to Government of Ontario. HPCO manages its liquidity risk by monitoring cash flows and holding assets readily converted into cash. HPCO also has credit facilities available to draw upon should it be required to meet temporary fluctuations in cash requirements. HPCO believes its overall liquidity risk to be minimal as HPCO's financial assets are considered to be highly liquid.

Notes to Financial Statements (continued)

March 31, 2026

10. Financial instruments (continued)

c) 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.

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. HPCO's financial instruments are all denominated in Canadian dollars and it transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

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. HPCO's cash is earning interest at prevailing market rates. As a result, management believes that the interest rate exposure related to these financial instruments is negligible.

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. Management does not believe that HPCO is exposed to significant other price risk as it does not hold portfolio investments.

Changes in risk

There have been no significant changes in HPCO's risk exposure from the prior year.

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