REGIONAL HOSPICE OF QUINTE INC.
(Operating as Hospice Quinte)

FINANCIAL STATEMENTS

March 31, 2026

INDEPENDENT AUDITOR'S REPORT

To the members of
REGIONAL HOSPICE OF QUINTE INC.

Qualified Opinion

We have audited the financial statements of **REGIONAL HOSPICE OF QUINTE INC.** (Operating as Hospice Quinte), which comprise the statement of financial position as at March 31, 2026, and the statements of operations 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 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 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 Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from 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 might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2026 and 2025, current assets as at March 31, 2026 and 2025, and net assets as at April 1 and March 31 for both the 2026 and 2025 years. 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.

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.

INDEPENDENT AUDITOR'S REPORT (continued)

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.

Welch LLP

Belleville, Ontario
June 22, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

REGIONAL HOSPICE OF QUINTE INC.

(Operating as Hospice Quinte)

(Incorporated without share capital under laws of Ontario)

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2026

ASSETS

	2026	2025
CURRENT ASSETS		
Cash	$ 1,374,945	$ 1,008,457
Accounts receivable	105,450	138,523
Prepaid expenses	25,648	26,181
	1,506,043	1,173,161
INVESTMENTS - note 4	1,698,664	2,347,922
CAPITAL ASSETS - note 5	6,094,118	6,022,256
	$ 9,298,825	$ 9,543,339

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 299,223	$ 161,046
Deferred revenue - note 6	1,776,853	2,089,248
Government remittances payable	18,284	18,079
	2,094,360	2,268,373
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS - note 7	5,782,519	5,730,672
	7,876,879	7,999,045
NET ASSETS		
Invested in capital assets	456,107	456,515
Internally restricted - note 8	740,300	862,800
Unrestricted	225,539	224,979
	1,421,946	1,544,294
	$ 9,298,825	$ 9,543,339

Approved by the Board

Director

Director

(See accompanying notes)

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REGIONAL HOSPICE OF QUINTE INC.

(Operating as Hospice Quinte)

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2026

	2026	2025
REVENUE		
Membership fees	$ 260	$ 161
Donations	990,254	624,659
Subsidies - Ministry of Health and Long-Term Care/OH East	1,505,560	1,537,830
Grants	22,769	46,371
Fundraising	245,869	212,136
Interest & other revenue	108,285	107,555
Amortization of deferred contributions related to capital assets	313,281	343,757
	3,186,278	2,872,469
EXPENSES		
Advertising	54,026	27,229
Amortization of capital assets	313,690	343,757
CPOC program expenses	150,553	191,659
Equipment rental	637	1,286
Fundraising	71,147	81,261
Insurance	31,247	27,398
Maintenance - equipment	33,825	22,871
- building	143,008	115,222
Memberships	1,867	6,497
Office	82,931	80,714
Professional fees	85,789	67,462
Program costs	78,944	85,392
Telephone	18,824	20,203
Training	8,861	56,629
Travel	8,544	6,663
Utilities	55,218	53,262
Volunteer	4,625	3,147
Wages and benefits - note 11	2,281,565	1,795,820
	3,425,301	2,986,472
Deficiency of revenue over expenses before other items	(239,023)	(114,003)
OTHER INCOME		
Gain on foreign exchange	5,235	5,742
Gain on sale of investments	8,187	19,994
Unrealized gain on fair value adjustment of investments	103,253	39,228
	116,675	64,964
DEFICIENCY OF REVENUE OVER EXPENSES	$ (122,348)	$ (49,039)

(See accompanying notes)

REGIONAL HOSPICE OF QUINTE INC.

(Operating as Hospice Quinte)

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2026

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficiency of revenue over expenses	$ (122,348)	$ (49,039)
Adjustments for:		
Amortization of capital assets	313,690	343,757
Amortization of deferred contributions related to capital assets	(313,281)	(343,757)
Gain on sale of investments	(8,187)	(19,994)
Writeup of investments	(103,253)	(39,228)
Foreign exchange gain	(5,235)	(5,742)
Stock donations received - non-cash	(129,610)	(21,312)
	(368,224)	(135,315)
Change in non-cash working capital components:		
Accounts receivable	33,073	6,261
Prepaid expenses	533	(288)
Accounts payable and accrued liabilities	138,178	(2,965)
Deferred revenue	(312,395)	1,104,872
Government remittances payable	205	5,419
	(508,630)	977,984
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(813,026)	(1,490,331)
Proceeds on sale of investments	1,708,569	647,563
Purchase of capital assets	(385,553)	(12,624)
	509,990	(855,392)
CASH FLOWS FROM FINANCING ACTIVITY		
Contributions received related to capital assets	365,128	12,624
INCREASE IN CASH	366,488	135,216
CASH, beginning of year	1,008,457	873,241
CASH, end of year	$ 1,374,945	$ 1,008,457

(See accompanying notes)

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1. PURPOSE OF ORGANIZATION

The Regional Hospice of Quinte Inc. assists terminally ill patients and their caregivers by giving them support and companionship, during the patients' final stages of life, in an effort to improve their quality of life.

The Organzation is a registered charity (#11911 4452 RR0001) and as such is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

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

Investments

The purchase and sale of investments are accounted for using settlement date accounting.

Capital assets and amortization

Capital assets are stated at cost. Amortization is provided on a straight line basis, at a half-year rate in the year of acquisition, using the following annual rates:

Furniture and equipment	10 years
Medical equipment	4 years
Buildings	25 years
Computer equipment	3 years

Revenue recognition

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management makes accounting estimates when determining the estimated useful life of the Organization's capital assets, accrued liabilities, deferred revenues and subsidy repayable. Actual results could differ from those estimates.

Donated material and services

Donated materials are recorded at fair value at the date of contribution. Donated services are not recorded by the Organziation due to the difficulty of determining their fair value.

Financial instruments

The Organization measures its financial assets and financial liabilities at fair value adjusted by transaction costs in the case where a financial asset or financial liability is subsequently measured at amortized cost.

The Organization measures all its financial assets and its financial liabilities at amortized cost except for investments quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the Statement of Operations in the period incurred.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The fair value of the equity instruments is the closing price obtained from the applicable exchange at the date of the Statement of Financial Position.

3. FINANCIAL INSTRUMENTS

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. The Organization's maximum exposure to credit risk is represented by the carrying value of its cash and accounts receivable. The Organization's cash is on deposit with Canadian chartered banks and therefore it is management's opinion that the Organization is not subject to significant credit risk. The Organization's accounts receivable comprise HST rebates and fundraising proceeds collected by third parties prior to the year end but not yet remitted; it is management's opinion that the Organization is not subject to significant credit risk with respect to accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Organization cannot meet its commitments when they become due. Liquidity risk also includes the risk of the Organization not being able to liquidate assets in a timely manner. The Organization's management manages this risk by reviewing expected cash flow requirements, anticipating investing and financing activities and holding assets that can be readily converted to cash.

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 is comprised of 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. The Organization's transactions are primarily denominated in Canadian dollars. The Organization is exposed to currency risk with fluctuations in the US dollar, as investments with a fair market value in Canadian dollars of $145,505 (2025 - $122,668) are held in US investments.

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's exposure to interest rate risk arises from its interest bearing assets.

3. FINANCIAL INSTRUMENTS (continued)

Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. The Organization manages other price risk by investing in low risk investments and is exposed to price risk on its equity investments.

Change in risk

There were no changes to the Organization's risk exposure during the year.

4. INVESTMENTS

	2026		2025	
	Market Value	Cost	Market Value	Cost
Fixed income	$ 84,118	$ 82,028	$ 103,916	$ 98,697
Preferred shares	46,634	34,601	81,453	66,794
Common shares	787,064	589,421	510,752	431,920
Guaranteed investment certificates	780,848	780,848	1,651,801	1,651,801
	$ 1,698,664	$ 1,486,898	$ 2,347,922	$ 2,249,212

During the year, the Organization received donations of investments with a fair value of $129,611. Guaranteed investment certificates bear interest at rates ranging from 2.15% to 3.62%, with maturity dates ranging from July 16, 2026 to December 18, 2026.

5. CAPITAL ASSETS

Capital assets consist of the following:

	2026			2025
	Cost	Accumulated amortization	Net	Net
Land	$ 291,584	$ -	$ 291,584	$ 291,584
Building	6,371,577	1,143,309	5,228,268	5,462,299
Medical equipment	189,633	176,631	13,002	40,346
Furniture and equipment	318,915	127,069	191,846	223,738
Computer equipment	68,720	68,720	-	-
Construction in progress	369,418	-	369,418	4,289
	$ 7,609,847	$ 1,515,729	$ 6,094,118	$ 6,022,256

6. DEFERRED REVENUE

Deferred revenue consists of the following:

	2026	2025
Capital campaign donations	$ 1,689,303	$ 2,048,423
Unearned fundraising revenue	-	35,704
Parrott Foundation grant	-	5,121
Resident Home funding for next fiscal	87,550	-
	$ 1,776,853	$ 2,089,248

7. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets consist of:

	2026	2025
Balance, beginning of year	$ 5,730,672	$ 6,061,805
Contributions received for capital asset purchases	365,128	12,624
Amortization	(313,281)	(343,757)
Balance, end of year	$ 5,782,519	$ 5,730,672

8. RESTRICTION ON NET ASSETS

The balance of the internally restricted net assets at the end of March 31, 2026 is $740,300 (2025 - $862,800), representing a three month operating contingency reserve of $490,300 and a capital reserve of $250,000.

9. GOVERNMENT SUBSIDIES

Government subsidies are provided by the Ministry of Health and Long-Term Care (MOHLTC)/Ontario Health East (OHE). The Organization is required to report to funder as specified in the relevant agreements. Future operation of the Organization depends on the continuance of government funding.

The Organization entered into a Memorandum of Understanding ("MOU) with Providence Care Centre ("Providence Care"), effective from April 1, 2024 to March 31, 2027. The palliative service funding from MOHLTC/OHE was transferred to Providence Care, effective January 1, 2019. Under the MOU, Providence Care is responsible for reporting to MOHLTC/OHE for the palliative service. However, the Organization is responsible for administering budget, bookkeeping and preparing payroll for the palliative service and remits financial and statistical information required by the MIS Guideline for the palliative service to Providence Care on a monthly basis. Providence Care is required to transfer MOHLTC/OHE funding to the Organization on a monthly basis.

10. COMMITMENTS

The Organization has a commitment under contracts for building maintenance and internet services. The minimum payments under the contract are as follows:

2027	$	43,256
2028		26,724

The Organization has a commitment under a contract for equipment maintenance from June 2024 to May 2029. The total cost for the 5 years is $62,642 plus HST.

The Organization has entered into contracts related to building expansion for engineering services and construction services. The Organization has committed to contracts for a total of $5,911,779 plus HST.

11. WAGES AND BENEFITS

During the year, there was a significant increase in salaries and benefits. The increase is as a result of adding additional administrative and fundraising positions, implementing a new staffing model for 24/7 coverage, and contracts to cover leave positions. A portion of these costs are one-time and will not be incurred in future periods