

Financial Statements of

**ED'S HOUSE
NORTHUMBERLAND
HOSPICE CENTRE
CARE FOUNDATION**

And Independent Auditor's Report thereon

Year ended March 31, 2026



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Ed's House Northumberland Hospice Care Centre Foundation

Qualified Opinion

We have audited the financial statements of Ed's House Northumberland Hospice Care Centre Foundation (the Entity), which comprise:

- the statement of financial position as at March 31, 2026
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the "***Basis for Qualified Opinion***" section of our auditor's report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2026, and its results of operations and its cash flows 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 Entity derives revenue from fundraising activities and donations, 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 Entity.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statements of financial position as at March 31, 2026 and March 31, 2025
- the fundraising and donations revenues and excess of revenue over expenses reported in the statements of operations for the years ended March 31, 2026 and March 31, 2025



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- the unrestricted net assets, at the beginning and end of the year, reported in the statements of changes in net assets for the years ended March 31, 2026 and March 31, 2025
- the excess of revenue over expenses reported in the statements of cash flows for the years ended March 31, 2026 and March 31, 2025.

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 auditor's report.

We are independent of the Entity 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 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 the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the financial statements.



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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 Entity'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 Entity'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 Entity's 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

June 24, 2026

ED'S HOUSE NORTHUMBERLAND HOSPICE CENTRE CARE FOUNDATION

Statement of Financial Position

March 31, 2026, with comparative information for 2025

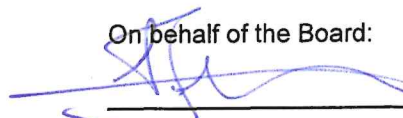
	2026	2025
Assets		
Current assets:		
Cash	\$ 1,094,863	\$ 1,521,738
Investments (note 3)	2,538,527	1,525,500
Accounts receivable (note 3)	14,330	47,296
Prepaid expenses	11,943	7,577
	<u>\$ 3,659,663</u>	<u>\$ 3,102,111</u>

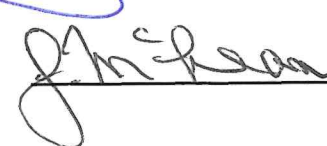
Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 13,960	\$ 9,500
Deferred revenue	57,375	70,550
Due to Community Care Northumberland (note 5)	125,174	88,185
	<u>196,509</u>	<u>168,235</u>
Net assets:		
Unrestricted surplus	3,463,154	2,933,876
	<u>\$ 3,659,663</u>	<u>\$ 3,102,111</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

ED'S HOUSE NORTHUMBERLAND HOSPICE CENTRE CARE FOUNDATION

Statement of Operations

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Revenue:		
Donations and fundraising	\$ 1,420,593	\$ 2,696,668
Investment and interest income	63,907	82,243
Unrealized gain on investments	17,485	—
	<u>1,501,985</u>	<u>2,778,911</u>
Expenses:		
Professional fees	45,006	61,462
Event expenses	41,345	58,931
Bank charges and interest	12,465	9,487
Dues and subscriptions	6,486	6,063
Office and administrative	3,592	5,004
Advertising	520	235
	<u>109,414</u>	<u>141,182</u>
Excess of revenue over expenses before the undernoted	1,392,571	2,637,729
Contribution to Community Care Northumberland (note 5)	863,293	820,013
Excess of revenue over expenses	<u>\$ 529,278</u>	<u>\$ 1,817,716</u>

See accompanying notes to financial statements.

ED'S HOUSE NORTHUMBERLAND HOSPICE CENTRE CARE FOUNDATION

Statement of Changes in Net Assets

Year ended March 31, 2026, with comparative information for 2025

	Unrestricted	2026 Total	2025 Total
Net assets, beginning of year	\$ 2,933,876	\$ 2,933,876	\$ 1,116,160
Excess of revenue over expenses	529,278	529,278	1,817,716
Net assets, end of year	\$ 3,463,154	\$ 3,463,154	\$ 2,933,876

See accompanying notes to financial statements.

ED'S HOUSE NORTHUMBERLAND HOSPICE CENTRE CARE FOUNDATION

Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 529,278	\$ 1,817,716
Item not involving cash:		
Unrealized gain on investments	(17,485)	-
Change in non-cash operating activities		
Accounts receivable	32,966	(42,362)
Due to Community Care Northumberland	36,989	(239,312)
Prepaid expenses	(4,366)	(392)
Accounts payable and accrued liabilities	4,460	(3,395)
Deferred revenue	(13,175)	25,711
	568,667	1,557,966
Investing activities:		
Purchase of investments	(995,542)	(1,520,000)
Increase (decrease) in cash	(426,875)	37,966
Cash, beginning of year	1,521,738	1,483,772
Cash, end of year	\$ 1,094,863	\$ 1,521,738

See accompanying notes to financial statements.

ED'S HOUSE NORTHUMBERLAND HOSPICE CENTRE CARE FOUNDATION

Notes to Financial Statements

Year ended March 31, 2026

1. Purpose of the Organization:

Ed's House Northumberland Hospice Care Centre Foundation (the "Organization") was created to support those impacted by progressive, life-threatening illness and become a hub of excellence in hospice palliative care throughout Northumberland County and surrounding areas.

The Organization was incorporated on December 11, 2019 under the laws of the Province of Ontario as a not-for-profit corporation without share capital and is registered as a charitable organization under the Income Tax Act of Canada. As such, the Organization is exempt from income taxes and has the authority to issue donation receipts for income tax purposes.

2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. Significant aspects of the accounting policies adopted by the Organization are as follows:

(a) Revenue recognition:

The Organization follows the deferral method of accounting for contributions.

Unrestricted grants, fundraising and donations, interest and other revenue are reported as income when received.

Funding from government sources is recognized as related costs are incurred, up to approved maximum funding levels.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Investment income is recognized as earned.

(b) Contributed materials and services:

Contributions of materials and services are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations, and would otherwise have been purchased.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. The Organization has not elected to subsequently carry its financial instruments at fair value.

ED'S HOUSE NORTHUMBERLAND HOSPICE CENTRE CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

2. Significant accounting policies (continued):

(c) Financial instruments (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(d) Related party transactions:

Monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of operations, except when the transaction is an exchange of a product or property held for sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

(e) 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. Actual results could differ from these estimates.

ED'S HOUSE NORTHUMBERLAND HOSPICE CENTRE CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

3. Investments:

Investments consist of guaranteed investment certificates with interest rates ranging from 1.65% to 4.97% per annum and have maturities ranging from September 2026 to December 2034.

	2026 Book Value	2026 Market Value	2025 Market Value
Cash and cash equivalents	\$ 28,950	\$ 28,950	\$ —
Fixed income	1,525,010	1,534,882	1,525,500
Equities	357,070	336,776	—
Mutual funds	592,700	637,919	—
	\$ 2,503,730	\$ 2,538,527	\$ 1,525,500

Fixed income investments consist of guaranteed investment certificates with interest rates ranging from 1.65% to 4.97% per annum and have maturities ranging from September 2026 to December 2034.

4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances of \$Nil (2025 - \$Nil).

ED'S HOUSE NORTHUMBERLAND HOSPICE CENTRE CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

5. Related party transactions:

The Organization shares common Board representation with Community Care Northumberland, a not-for-profit organization providing community-based support services to persons with dependencies related to aging and physical disability and to their caregivers.

The Organization provides funding to Community Care Northumberland to support operating and capital requirements for the delivery of Hospice Services. During the year, the Organization contributed \$863,293 (2025 - \$820,013) to Community Care Northumberland. Of this amount, \$125,174 (2025 - \$207,244) is outstanding at March 31, 2026 with \$125,174 (2025 - \$88,185) reflected as due to Community Care Northumberland on the Statement of Financial Position and \$Nil (2025 - \$119,059) reflected as an outstanding cheque against Cash on the Statement of Financial Position.

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

6. Risk management:

In the normal course of operations, the Organization is exposed to a variety of financial risks which are actively managed by the Organization.

(a) Credit risk:

The Organization provides credit to its clients in the normal course of operations. It carries out, on a continuing basis, a review of outstanding amounts and maintains provisions for estimates of uncollectible amounts. The Organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not considered collectible in an allowance for doubtful accounts. The balance in the allowance for doubtful accounts as at March 31, 2026 is \$Nil (2025 - \$Nil).

(b) Liquidity risk:

Liquidity risk is the risk that the organization cannot meet its debts when they become due. The Organization's management manages this risk by reviewing its expected future cash flow requirements and by maintaining cash reserves.