

**EVERGREEN HOSPICE
FINANCIAL STATEMENTS**

MARCH 31, 2026



Independent Auditor's Report

To the directors of
Evergreen Hospice

Qualified Opinion

I have audited the financial statements of Evergreen Hospice, which comprise the statement of financial position as at March 31, 2026, and the statements of operations and 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 my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Evergreen Hospice 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 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 organization. Therefore, I was not able to determine whether any adjustments might be necessary to fundraising and donations 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 and for both the 2026 and 2025 years. My 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.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit 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

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Markham, Ontario

Evergreen Hospice

Statement of Financial Position

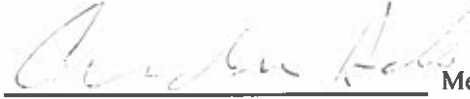
As at March 31, 2026

	2026	2025
Assets		
Current		
Cash and cash equivalents	\$ 297,268	\$ 123,727
Short-term investments (note 5)	1,400,000	-
Interest receivable	7,331	-
Prepaid expenses	11,337	22,983
Government taxes receivable	11,065	6,784
Current portion of mortgage receivable (note 7)	15,883	14,812
Total current	1,742,884	168,306
Property, plant and equipment (note 3)	33,178	-
Long-term investments (note 6)	693,062	549,425
Long term portion of mortgage receivable (note 7)	122,532	138,415
Total assets	\$ 2,591,656	\$ 856,146
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 30,937	\$ 33,681
Government remittances payable	1,296	722
Unearned revenue (note 8)	1,395,341	35,500
Total liabilities	1,427,574	69,903
Commitment (note 10)		
Net Assets		
Unrestricted	1,164,082	786,243
Total liabilities and net assets	\$ 2,591,656	\$ 856,146

Approved on behalf of the Board



Member



Member

See accompanying notes

Evergreen Hospice

Statement of Operations and Changes in Net Assets

For the year ended March 31, 2026

	2026	%	2025	%
Revenue				
Grants (note 12)	\$ 427,105	45.6	\$ 342,403	51.5
Fundraising	211,919	22.6	147,164	22.1
Donations (note 12)	199,878	21.3	164,671	24.7
Bingo	88,134	9.4	-	
Interest on mortgage receivable	10,188	1.1	11,187	1.7
Total revenue	937,224	100.0	665,425	100.0
Expenditures				
Administration (note 9)	132,503	14.1	113,827	17.1
Client services (note 9)	250,297	26.7	270,835	40.7
Delivery and postage	3,083	0.3	1,722	0.3
Fundraising and community awareness (note 9)	178,821	19.1	131,019	19.7
HST expense	7,827	0.8	6,512	1.0
Occupancy	63,553	6.8	59,372	8.9
Office and general	49,886	5.3	49,438	7.4
Supplies	17,188	1.8	15,575	2.3
Total expenditures	703,158	74.9	648,300	97.4
Excess of revenue over expenditures before undernoted items	234,066	25.0	17,125	2.6
Other income (expense)				
Loss on sale of investments	(3,562)	(0.4)	(5,654)	(0.8)
Unrealized gain (loss) on investments	114,882	12.3	48,289	7.3
Investment and other income	32,453	3.5	24,096	3.6
	143,773	15.4	66,731	10.1
Excess of revenue over expenditures	377,839	40.3	83,856	12.7
Net assets, beginning of year	786,243		702,387	
Net assets, end of year	\$ 1,164,082		\$ 786,243	

See accompanying notes

Evergreen Hospice

Statement of Cash Flows

For the year ended March 31, 2026

	2026	2025
Operating activities		
Excess of revenue over expenditures	\$ 377,839	\$ 83,856
Adjustments for		
Loss on sale of investments	3,562	5,654
Unrealized loss (gain) on sale of investments	(114,883)	(48,289)
Interest accretion on mortgage receivable	(10,188)	(11,187)
	256,330	30,034
Change in non-cash working capital items		
Interest receivable	(7,331)	-
Prepaid expenses	11,646	(14,261)
Government taxes receivable	(4,282)	49
Accounts payable and accrued liabilities	(2,744)	9,478
Government remittances payable	574	722
Unearned revenue	1,359,841	(7,670)
	1,614,034	18,352
Investing activities		
Short-term investments	(1,400,000)	-
Purchase of property, plant and equipment (note 3)	(33,178)	-
Long-term investments (note 6)	(22,127)	25,986
Mortgage receivable	14,812	25,000
	(1,440,493)	50,986
Increase in cash and cash equivalents	173,541	69,338
Cash and cash equivalents, beginning of year	123,727	54,389
Cash and cash equivalents, end of year	\$ 297,268	\$ 123,727
Cash and cash equivalents consist of:		
Cash	\$ 281,068	\$ 114,876
Term deposits	16,200	8,851
	\$ 297,268	\$ 123,727

See accompanying notes

Evergreen Hospice

Notes to the Financial Statements

March 31, 2026

1. Organization

Evergreen Hospice of Markham-Stouffville ("the organization") was incorporated under The Laws of Ontario in February, 1989 as a corporation without Share Capital and merged with Hospice of Thornhill on April 1, 2014, forming Evergreen Hospice.

The organization's purpose is to provide supportive and bereavement care to people in Markham, Thornhill and Whitchurch-Stouffville who are experiencing the impact of life-threatening illness and death.

The organization is classified as a registered charity under the Income Tax Act and as such is not subject to income tax provided certain disbursement requirements are met.

2. Significant accounting policies

The organization applies the Canadian accounting standards for not-for-profit organizations.

(a) Revenue recognition

The organization follows the deferral method of 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 collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Externally restricted contributions for the purchase of property, plant and equipment that will be amortized are recorded as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired property, plant and equipment. Externally restricted contributions for the purchase of property, plant and equipment that will not be amortized are recognized as direct increases in net assets to the Investment in Capital Assets balance.

Revenue from fundraising events are recognized when the related event occurs. Ticket sales and sponsorship revenue received in advance of the event are deferred and recorded as unearned revenue. Bingo proceeds are externally restricted for purposes prescribed under the applicable lottery licence and municipal requirements. Bingo revenue is recognized as the related eligible expenditures are incurred.

(b) Allocated payroll expenses

The organization engages in patient care and fundraising programs. The costs of each program include the costs of personnel that are directly related to providing the program. Accordingly, the organization allocates payroll expenses by identifying the appropriate basis of allocating each component expense and applies that basis consistently each year.

(c) Contributed services

Volunteers contribute significant hours per year to assist in the organization's activities. While these services benefit the organization considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

(d) Cash and cash equivalents

Cash and cash equivalents consists of money held in banks and term deposits.

2. Significant accounting policies, continued

(e) Investments

The organization has elected to classify all of its investments as held-for-trading, and accordingly they are recorded at fair value. Changes in fair values during the year are included in revenue or expenditures on the statement of operations.

Quoted market prices were used to determine the fair value of the investments as at the year end date.

Earnings on investments include interest, dividends, realized and unrealized gains and losses, less portfolio management fees. Investment transactions are recorded as of the trade date. Net realized gains and losses on the sale of investments and unrealized gains and losses in the fair values of investments are recognized in the statement of operations as changes in the fair value of the investments. Distributions from mutual funds are recorded when declared by the fund administrator. Transaction costs are expensed as incurred.

(f) Property, plant and equipment

Property, plant and equipment is recorded at cost. The organization provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

- Residential Hospice expenses 25-years straight line

(g) Financial instruments

The organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The organization's financial instruments are comprised of cash and cash equivalents, short term investments, interest receivable, mortgage receivable, and accounts payable.

Financial assets or liabilities obtained in arms-length transactions are initially measured at their exchange amount. The organization subsequently measures all financial instruments at amortized cost except for investments which are recorded at fair value. Unrealized gains or losses are reflected in the statement of operations as investment income.

Financial assets measured at cost or amortized cost are tested for impairment if there are indications of possible impairment. The amount of the write-down is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of the improvement, either directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment loss not been recognized previously. The amount of the reversal is recognized in the statement of operations.

(h) 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include impairment of financial assets and accruals, and are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant.

Evergreen Hospice

Notes to the Financial Statements

March 31, 2026

3. Property, plant and equipment

During the year, the Organization incurred \$33,178 in costs related to building improvements on leased land. The Organization entered into a 25-year lease agreement with Parks Canada for the use of the land. As the building remains under construction and is not yet available for use, no amortization has been recognized during the year ended March 31, 2026.

4. Financial Instruments

a) Credit risk - Credit risk is the risk that a counterparty will fail to perform its obligations when they come due. The organization is exposed to credit risk on its cash, investments and mortgage receivable. The organization does not have significant accounts receivable exposure to any individual and investments are held with well known, reputable companies. The organization manages its risk from cash balances and investments by maintaining its accounts with credit worthy financial institutions. The organization manages its risk from the mortgage receivable by closely monitoring scheduled payments. There has been no change to this risk exposure from 2025. As at March 31, 2026, the organization is exposed to a concentration risk since substantially all of its mortgage receivable is from one party.

b) Interest rate risk - Interest rate risk is the risk that the value of the organization's financial instruments will vary due to fluctuations in interest rates and the degree of volatility of these rates. The organization is exposed to interest rate risk on a portion of its investments. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. There has been an increase in this risk exposure from 2025 as a result of the acquisition of GICs.

c) Liquidity risk - Liquidity risk is the risk that the organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The organization's objective is to have sufficient liquidity to meet its liabilities when they come due. The organization monitors its cash balances and cash flows generated from operations to meet its requirements. As at March 31, 2026, the most significant financial liabilities are accounts payable and accrued liabilities. There has been no change to this risk exposure from 2025.

d) Market price risk - Market 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 whether those changes are caused by factors specific to the individual financial instrument issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to market price risk on its investments in equities quoted in an active market since changes in market prices would result in changes in the fair value of these financial instruments.

5. Short-term investments

During the year, the Organization purchased a guaranteed investment certificate ("GIC") for \$1,400,000 (2025 – \$Nil), which matures on January 12, 2027.

Evergreen Hospice

Notes to the Financial Statements

March 31, 2026

6. Long-term investment

The Organization invests excess funds in marketable securities in compliance with its investment policy.

	2026	2025
Various dividend paying common and preferred shares, measured at fair value	\$ 475,895	\$ 365,126
Mutual funds, measured at fair value	217,167	184,299
	<u>\$ 693,062</u>	<u>\$ 549,425</u>

7. Mortgage receivable

The mortgage receivable is secured by real property, repayable in annual installments of \$ 25,000, is non interest bearing and has been discounted to fair market value at the annualised rate of 7%, with a maturity date of November, 2032.

	2026	2025
Mortgage receivable	\$ 138,415	\$ 153,227
Less current portion	15,883	14,812
Due beyond one year	<u>\$ 122,532</u>	<u>\$ 138,415</u>

Evergreen Hospice

Notes to the Financial Statements

March 31, 2026

8. Unearned revenue

Unearned revenue as at March 31, 2026 represented unspent donations received from various sources that are related to future periods. During the year ended March 31, 2026, the Organization received additional donations for the Residential Hospice Build that are expected to construct in the subsequent period. The changes in unearned revenue are as follows:

	2026	2025
Received during the year		
Residential Hospice Build	\$ 1,395,341	\$ -
Afternoon Tea	-	14,500
Memorial Walk	-	2,500
Grant for Elder Abuse training	-	18,500
	1,395,341	35,500
Transferred to revenue		
Memorial Walk	2,500	2,500
Afternoon Tea	14,500	38,170
Gala	-	2,500
Grant for Elder Abuse training	18,500	-
	35,500	43,170
Increase (decrease) during the year	1,359,841	(7,670)
Unearned revenue, beginning of year	35,500	43,170
Unearned revenue, end of year	\$ 1,395,341	\$ 35,500

Evergreen Hospice

Notes to the Financial Statements

March 31, 2026

9. Allocation of expenses by function

	Administration	Client services	Fund-raising and community awareness
Allocation of expenses in percentage			
Personnel costs	27	50	23

Personnel costs were allocated as follows:

	2026	2025
Administration	\$ 132,503	\$ 113,827
Client services	242,980	263,800
Fund-raising and community awareness	109,863	101,451
	<u>\$ 485,346</u>	<u>\$ 479,078</u>

10. Commitment

The Organization's property lease agreement expires on January 31, 2027. The organization's total commitment, under the property lease agreement, exclusive of occupancy costs, is as follows:

2027	<u>\$ 55,488</u>
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11. Economic Dependence

The organization receives 48% (2025 - 51%) of its revenue in the form of grants from government entities across Canada. The organization's continuing operations are dependent on the continuance of these grants. Program grants are assessed by these governments for renewal annually and although the organization applies for grants, past approval does not guarantee future grant renewals.

12. Revenue

Of the total grants revenue of \$427,105 (2025 - \$342,403), \$367,272 (2025 - \$309,769) was received from Better Living Health and Community Services. The remaining grant revenue in 2026 was received from various provincial government programs, while the remaining grant revenue in 2025 was primarily received from the Regional Municipality of York. Donations and fundraising revenue was primarily received from individual donors and corporations. During the year, the Organization also received donated equity investments totaling \$25,437 (2025 - \$25,126), which were recognized as donation revenue.