JESSICA'S HOUSE HOSPICE

FINANCIAL STATEMENTS

March 31, 2026

SEEBACH & COMPANY
Chartered Professional Accountants

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Chartered Professional Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members of Jessica's House Hospice

Opinion

We have audited the accompanying financial statements of Jessica's House Hospice, which are comprised of 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, 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 Jessica's House Hospice 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 (ASNFPO).

Basis for Qualified Opinion

In common with many charitable organizations, Jessica's House Hospice derives revenue from 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 Jessica's House Hospice. Therefore, we were not able to determine whether any adjustments might be necessary to recorded donations, excess of revenues over expenses, assets and fund balances. Our opinion on the financial statements for the year ended March 31, 2026, as well as the opinion on the prior year financial statements for the year ended March 31, 2025, was modified accordingly because of the possible effects of this scope limitation.

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 Jessica's House Hospice 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 the financial statements in accordance with ASNFPO, 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 Jessica's House Hospice'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 Jessica's House Hospice or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Jessica's House Hospice's financial reporting process.

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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 scepticism 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 Jessica's House Hospice'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 Jessica's House Hospice'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 Jessica's House Hospice 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.

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
June 18, 2026

JESSICA'S HOUSE HOSPICE

STATEMENT OF FINANCIAL POSITION

See Accompanying Notes to Financial Statements

As at March 31	2026	2025
ASSETS		
Current assets		
Cash	**$ 210,774**	$ 139,806
Accounts receivable	**1,041**	5,681
Government accounts receivable	**5,830**	-
HST receivable	**16,154**	15,440
Short term investments (note 3)	**628,560**	620,118
Prepaid expenses	**1,417**	1,488
	863,776	782,533
Long term investments (note 3)	**1,620,032**	1,402,917
Capital assets (note 4)	**1,131,786**	1,259,716
	$ 3,615,594	$ 3,445,166
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable and accrued liabilities	**$ 121,491**	$ 104,871
Deferred revenues	**152,994**	3,531
	274,485	108,402
Deferred contributions related to tangible capital assets	**1,056,847**	1,188,975
Net assets		
Operating Fund	**1,776,191**	1,653,915
Invested in capital assets	**74,938**	70,741
Bequest Fund	**433,133**	423,133
	2,284,262	2,147,789
	$ 3,615,594	$ 3,445,166

On behalf of the board:

.....
Director

.....
Director

JESSICA'S HOUSE HOSPICE

STATEMENT OF OPERATIONS AND FUND BALANCES

See Accompanying Notes to Financial Statements

For the year ended March 31	Operating Fund	Capital Asset Fund	Bequest Fund	2026 Total	2025
Receipts					
Ontario Ministry of Health	$ 525,300			**$ 525,300**	$ 537,800
Donations and fundraising	671,761		10,000	**681,761**	829,897
Grants				**-**	72,029
Investment income - interest, dividends and realized gains (losses)	40,388			**40,388**	31,860
Investment income - unrealized holding gains (losses)	205,405			**205,405**	57,768
Amortization of deferred grants and donations		132,128		**132,128**	132,128
	$ 1,442,854	$ 132,128	$ 10,000	**$ 1,584,982**	$ 1,661,482
Expenditure					
Fundraising expenses	$ 57,310			**$ 57,310**	$ 63,336
Salaries and benefits	1,086,804			**1,086,804**	936,714
Facilities expenses	63,664			**63,664**	86,326
Amortization of tangible capital assets		140,202		**140,202**	136,529
Program delivery expenses	30,583			**30,583**	26,665
Administrative expenses	69,946			**69,946**	147,091
	$ 1,308,307	$ 140,202	$ 0	**$ 1,448,509**	$ 1,396,661
Excess (deficiency) of revenues over expenditures	$ 134,547	($ 8,074)	$ 10,000	**$ 136,473**	$ 264,821
Interfund transfer	(12,271)	12,271	-	-	-
Fund balance, beginning of year	1,653,915	70,741	423,133	**2,147,789**	$ 1,882,968
Fund balance, end of year	$ 1,776,191	$ 74,938	$ 433,133	**$ 2,284,262**	$ 2,147,789

JESSICA'S HOUSE HOSPICE
STATEMENT OF CASH FLOWS
See Accompanying Notes to Financial Statements

For the year ended March 31	2026	2025
Operating activities		
Excess of revenue over expenses for the period	**$ 136,473**	$ 264,821
Items not requiring (not providing) cash		
Depreciation of capital assets	**140,202**	136,529
Amortization of deferred capital grants and donations	**(132,128)**	(132,128)
Working capital provided from operations	**$ 144,547**	$ 269,222
Cash provided from (used for) changes in operational balances		
Accounts receivable	**($ 1,904)**	$ 81
Prepaid expenses	**71**	(303)
Accounts payable and accrued liabilities	**16,620**	662
Deferred revenue	**149,463**	1,800
Cash provided from (used for) operating activities	**$ 308,797**	$ 271,462
Financing and investing activities		
Net investment sales (purchases)	**($ 225,557)**	($ 172,454)
Net capital asset disposals (purchases)	**(12,272)**	(32,164)
	($ 237,829)	($ 204,618)
Increase (decrease) in cash	**$ 70,968**	$ 66,844
Cash, beginning of year	**139,806**	72,962
Cash, end of year	**$ 210,774**	$ 139,806

1. Incorporation

Jessica's House Hospice ('Hospice') is a non- profit organization incorporated under the Registered Charities Act of Ontario, operating a residential hospice for end of life care for those suffering a life limiting illness.

The financial statements of the Hospice are the representation of management prepared in accordance with Canadian accounting principles for not-for-profit organizations.

2. Significant accounting policies

Revenue recognition

The financial statements have been prepared using the deferral method of accounting for contributions, which includes amounts received from governments and community- based health providers, donations and revenue from other fundraising activities.

Unrestricted contributions, including revenue from fundraising, are recognized as revenue when received or receivable, provided the amounts to be received can be reasonably estimated and collection is reasonable assured. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Income from investments is recognized on an accrual basis.

Capital assets

Capital assets are recorded at cost. Assets are amortized over their estimated useful lives using the following rates on a straight- line basis:

Building	20 years
Building service equipment	10 years
Equipment	10 years
Land improvements	20 years

Construction in progress is not amortized until construction is complete and the facilities are placed into use.

Financial instruments

The Hospice's financial instruments consist of cash and cash equivalents, short term investments, accounts and HST receivable, accounts payable and accrued liabilities. Cash and cash equivalents and short term investments that are quoted in an active market are measured at fair value. Accounts receivable, accounts payable and accrued liabilities are initially recognized at fair value and subsequently measured at amortized cost. Transaction costs associated with financial instruments carried at amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the life of the financial instrument or shorter, dependent upon the expected period of cash flow.

Where there is an indication of impairment and such an impairment is determined to have occurred, the carrying amounts of financial assets, measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. Such impairments can be subsequently reversed if the value subsequently improves, but cannot exceed the amount that would have been reported at the date of reversal, had the impairment not been recognized previously.

It is management's opinion that the Hospice is not exposed to significant interest and credit risks arising from these financial instruments. The fair value of the financial instruments approximates their carrying amount.

2. Significant accounting policies (continued)

Investments

The Hospice has classified all stocks and bonds as available-for-sale which are carried at fair market value. Bank guaranteed investment certificates are classified as held-to-maturity and are carried at cost. A write down of the carrying amount of held-to-maturity investments is charged against income when evidence indicates a permanent decline in the underlying value and earning power of an investment. Gains and losses on disposal of held-to-maturity investments are determined on a completed transaction basis.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

3. Investments

Investments consist of negotiable federal and provincial government securities and corporate bonds and equities as follows:

	March 2026		March 2025	
	cost	market value	cost	market value
Cash	$ 96,093	$ 96,093	$ 93,559	$ 93,559
Fixed income	532,614	532,467	519,120	526,559
Equities	1,260,993	1,620,032	1,256,869	1,402,917
	$ 1,889,700	$ 2,248,592	$ 1,869,548	$ 2,023,035

The investment portfolio is managed by an arm's length professional manager. These monies are being accumulated for further capital expansion purposes.

4. Capital assets

	Cost	Accumulated Depreciation	Net Book Value March 2026	Net Book Value March 2025
Building	$ 1,012,006	$ 362,979	$ 649,027	$ 693,365
Building service equipment	558,396	385,251	173,145	222,974
Equipment	123,786	85,058	38,728	51,106
Land improvements	427,710	156,824	270,886	292,271
	$ 2,121,898	$ 990,112	$ 1,131,786	$ 1,259,716

5. Deferred capital contributions related to capital assets

Deferred capital contributions related to capital assets represent the unamortized amount received for the purchase of capital assets and consists of the following:

	2026	2025
Balance, beginning of year	$ 1,188,975	$ 1,321,103
Additional contributions	-	-
Less: Amounts amortized to revenue	(132,128)	(132,128)
Less: Net value of disposals	-	-
Balance, end of year	$ 1,056,847	$ 1,188,975