

**PILGRIMS HOSPICE SOCIETY**  
**Financial Statements**  
**Year Ended December 31, 2025**

**PILGRIMS HOSPICE SOCIETY**  
**Index to Financial Statements**  
**Year Ended December 31, 2025**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Pilgrims Hospice Society

### **Qualified Opinion**

We have audited the financial statements of Pilgrims Hospice Society (the Society), which comprise the statement of financial position as at December 31, 2025, 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 possible 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 Society as at December 31, 2025, 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 charitable organizations, the Society derives revenue from fundraising events 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 Society. Therefore, we were not able to determine whether any adjustments might be necessary to operations, assets or net assets.

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 Society 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

(continues)

**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 Society'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 Society'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 Society 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.

Edmonton, Alberta  
March 25, 2026



CHARTERED PROFESSIONAL ACCOUNTANTS

**PILGRIMS HOSPICE SOCIETY**  
**Statement of Financial Position**  
**December 31, 2025**

|                                                                             | 2025                 | 2024                 |
|-----------------------------------------------------------------------------|----------------------|----------------------|
| <b>ASSETS</b>                                                               |                      |                      |
| <b>CURRENT</b>                                                              |                      |                      |
| Cash and cash equivalents <i>(Note 3)</i>                                   | \$ 3,780,815         | \$ 5,434,790         |
| Accounts receivable                                                         | 226,134              | 140,738              |
| Goods and Services Tax recoverable                                          | 32,755               | 14,859               |
| Prepaid expenses                                                            | 54,303               | 33,730               |
|                                                                             | <u>4,094,007</u>     | 5,624,117            |
| PORTFOLIO INVESTMENTS <i>(Note 4)</i>                                       | 1,959,135            | 1,510,006            |
| NOTE RECEIVABLE                                                             | 2,692                | 7,692                |
| PROPERTY AND EQUIPMENT <i>(Note 5)</i>                                      | 9,724,100            | 9,982,743            |
|                                                                             | <u>\$ 15,779,934</u> | <u>\$ 17,124,558</u> |
| <b>LIABILITIES AND NET ASSETS</b>                                           |                      |                      |
| <b>CURRENT</b>                                                              |                      |                      |
| Accounts payable and accrued liabilities                                    | \$ 366,422           | \$ 249,168           |
| Source deductions payable                                                   | 19,271               | 12,702               |
| Deferred contributions <i>(Note 6)</i>                                      | 792,646              | 1,502,158            |
|                                                                             | <u>1,178,339</u>     | 1,764,028            |
| DEFERRED CONTRIBUTIONS RELATED TO<br>PROPERTY AND EQUIPMENT <i>(Note 7)</i> | 9,330,186            | 9,721,438            |
|                                                                             | <u>10,508,525</u>    | 11,485,466           |
| <b>NET ASSETS</b>                                                           |                      |                      |
| Invested in property and equipment                                          | 393,914              | 261,305              |
| Internally restricted <i>(Note 8)</i>                                       | 2,805,620            | 3,605,000            |
| Unrestricted                                                                | 2,071,875            | 1,772,787            |
|                                                                             | <u>5,271,409</u>     | 5,639,092            |
|                                                                             | <u>\$ 15,779,934</u> | <u>\$ 17,124,558</u> |

COMMITMENTS *(Note 9)*

**APPROVED BY THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**PILGRIMS HOSPICE SOCIETY**  
**Statement of Operations**  
**Year Ended December 31, 2025**

|                                                                                               | 2025                | 2024              |
|-----------------------------------------------------------------------------------------------|---------------------|-------------------|
| <b>OPERATING REVENUE</b>                                                                      |                     |                   |
| Alberta Health Services contract ( <i>Note 11</i> )                                           | \$ 2,662,568        | \$ 1,796,065      |
| Donations                                                                                     | 1,846,247           | 1,284,271         |
| Fundraising events                                                                            | 717,258             | 685,803           |
| Memorials                                                                                     | 434,422             | 428,306           |
| Amortization of deferred contributions related to<br>property and equipment ( <i>Note 7</i> ) | 408,971             | 428,209           |
| Government grants ( <i>Note 10</i> )                                                          | 361,379             | 1,302,490         |
| Investment income                                                                             | 183,318             | 263,741           |
| Physician overhead                                                                            | 131,422             | 113,638           |
| Casino                                                                                        | 89,319              | 22,052            |
| Bequests                                                                                      | 56,000              | 1,021,722         |
| Fee for service and other                                                                     | 32,107              | 18,336            |
| Unrealized gain on investments                                                                | 26,883              | 22,391            |
|                                                                                               | <b>6,949,894</b>    | <b>7,387,024</b>  |
| <b>OPERATING EXPENSES</b>                                                                     |                     |                   |
| Wages and benefits                                                                            | 5,367,791           | 4,679,143         |
| Amortization                                                                                  | 467,461             | 449,615           |
| Facility                                                                                      | 352,539             | 311,243           |
| Administration                                                                                | 351,948             | 305,209           |
| Direct program costs                                                                          | 323,606             | 315,363           |
| Fundraising events                                                                            | 170,667             | 162,536           |
| Contracted services                                                                           | 158,775             | 187,523           |
| Government relations                                                                          | 105,245             | 120,356           |
| Marketing                                                                                     | 19,545              | 49,086            |
|                                                                                               | <b>7,317,577</b>    | <b>6,580,074</b>  |
| <b>REVENUE (UNDER) OVER EXPENSES</b>                                                          | <b>\$ (367,683)</b> | <b>\$ 806,950</b> |

**PILGRIMS HOSPICE SOCIETY**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2025**

|                                               | Invested in<br>Property and<br>Equipment | Internally<br>Restricted | Unrestricted | 2025         | 2024         |
|-----------------------------------------------|------------------------------------------|--------------------------|--------------|--------------|--------------|
| <b>NET ASSETS -<br/>BEGINNING OF<br/>YEAR</b> | \$ 261,305                               | \$ 3,605,000             | \$ 1,772,787 | \$ 5,639,092 | \$ 4,832,142 |
| Net purchase of<br>property and<br>equipment  | 191,099                                  | -                        | (191,099)    | -            | -            |
| Transfer <i>(Note 8)</i>                      | -                                        | (799,380)                | 799,380      | -            | -            |
| Revenue over<br>(under)<br>expenses           | (58,490)                                 | -                        | (309,193)    | (367,683)    | 806,950      |
| <b>NET ASSETS - END<br/>OF YEAR</b>           | \$ 393,914                               | \$ 2,805,620             | \$ 2,071,875 | \$ 5,271,409 | \$ 5,639,092 |

**PILGRIMS HOSPICE SOCIETY**  
**Statement of Cash Flows**  
**Year Ended December 31, 2025**

|                                                                          | 2025                | 2024                |
|--------------------------------------------------------------------------|---------------------|---------------------|
| <b>OPERATING ACTIVITIES</b>                                              |                     |                     |
| Revenue (under) over expenses                                            | \$ (367,683)        | \$ 806,950          |
| Items not affecting cash:                                                |                     |                     |
| Amortization                                                             | 467,461             | 449,615             |
| Amortization of deferred contributions related to property and equipment | (408,971)           | (428,209)           |
| Realized loss (gain) on sale of investments                              | 4,028               | (259)               |
| Unrealized gain on investments                                           | (26,883)            | (22,391)            |
|                                                                          | <u>(332,048)</u>    | <u>805,706</u>      |
| Changes in non-cash working capital items:                               |                     |                     |
| Accounts receivable                                                      | (85,396)            | (13,243)            |
| Goods and Services Tax recoverable                                       | (17,896)            | (1,846)             |
| Prepaid expenses                                                         | (20,573)            | 34,459              |
| Accounts payable and accrued liabilities                                 | 117,254             | (141,576)           |
| Source deductions payable                                                | 6,569               | (41,406)            |
| Deferred contributions                                                   | (709,512)           | (964,520)           |
|                                                                          | <u>(709,554)</u>    | <u>(1,128,132)</u>  |
|                                                                          | <u>(1,041,602)</u>  | <u>(322,426)</u>    |
| <b>INVESTING ACTIVITIES</b>                                              |                     |                     |
| Purchase of property and equipment                                       | (208,818)           | (83,987)            |
| Proceeds from sale of portfolio investments                              | 1,495,990           | 233,175             |
| Purchase of portfolio investments                                        | (1,922,264)         | (1,460,426)         |
| Note receivable advanced                                                 | -                   | (10,000)            |
| Repayment of note receivable                                             | 5,000               | 2,308               |
|                                                                          | <u>(630,092)</u>    | <u>(1,318,930)</u>  |
| <b>FINANCING ACTIVITY</b>                                                |                     |                     |
| Deferred contributions received for property and equipment               | <u>17,719</u>       | <u>37,500</u>       |
| <b>DECREASE IN CASH AND CASH EQUIVALENTS</b>                             | <b>(1,653,975)</b>  | <b>(1,603,856)</b>  |
| Cash and cash equivalents - beginning of year                            | <u>5,434,790</u>    | <u>7,038,646</u>    |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>                           | <b>\$ 3,780,815</b> | <b>\$ 5,434,790</b> |

**PILGRIMS HOSPICE SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2025**

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1. PURPOSE OF SOCIETY

Pilgrims Hospice Society ("the Society") is a charitable organization incorporated under the Societies Act (Alberta). The Society operates the Roozen Family Hospice Centre, a warm and family-friendly, end-of-life residence with 12 comfortable suites for individuals in the final stages of life who do not require acute medical care. The Society provides programming that helps support both the ill person and their loved ones, from diagnosis through to loss and bereavement. With a whole-family approach, our community programs also support caregivers and those grieving the death of a loved one throughout the greater Edmonton region. The Society is a registered charity under the Income Tax Act and, as such, is exempt from income taxes.

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2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Cash and cash equivalents

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date. Cash equivalents are defined as a money market and flex fund.

Portfolio investments

Portfolio investments consists of Guaranteed Investment Certificates recorded at cost plus accrued interest and Pooled Bond funds recorded at fair market value. Any gains and losses on Pooled Bond funds are recorded in the statement of operations.

Property and equipment

Property and equipment are stated at cost less accumulated amortization. Amortization is recorded at the following rates and methods over the estimated useful lives of the assets as follows:

|                    |          |                          |
|--------------------|----------|--------------------------|
| Building           | 40 years | straight-line method     |
| Mechanical system  | 20 years | straight-line method     |
| Roof               | 20 years | straight-line method     |
| Software           | 3 years  | straight-line method     |
| Website            | 3 years  | straight-line method     |
| Facility equipment | 20%      | declining balance method |
| Office equipment   | 20%      | declining balance method |
| Furniture          | 20%      | declining balance method |
| Computer equipment | 30%      | declining balance method |

Property and equipment acquired during the year but not placed into use are not amortized until they are available for use.

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**PILGRIMS HOSPICE SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2025**

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2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

The Society follows the deferral method of accounting for contributions. Contributions, including operating grants, are included in revenue in the year in which they are received or receivable, with the exception that contributions to fund a specific future period's expenses are included in revenue in that later period. Contributions received for the acquisition of property and equipment are deferred and amortized to revenue on the same basis as the related property and equipment.

Casino revenue is restricted and recognized as revenue when the authorized expenditures are incurred.

Government grants and Alberta Health Services contracts are recognized in the period in which the conditions of the grant have been met and collection is reasonably assured.

Pledges are recorded if the amount is determinable and collection is reasonably assured.

Fundraising events, physician overhead, fee for service and other are recognized in the period to which it applies and collection is reasonably assured.

Investment income is recognized as it is earned.

In-kind donations

Donated goods or services are recognized as revenue at the time of donation when their fair market value can be reasonably estimated. During the year \$58,466 (2024 - \$49,880) in goods were donated. Volunteers contribute a significant amount of time each year to assist the Society in carrying out its programs and services. Contributed services of volunteers are not recognized as revenue in these financial statements because fair value cannot be reasonably determined.

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**PILGRIMS HOSPICE SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2025**

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2. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Financial instruments

*Measurement of financial instruments*

The Society initially measures its financial assets and liabilities at fair value, other than financial instruments arising from related party transactions, which are measured using the cost method less any reduction for impairment. The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for Pooled Bond funds, which are measured at fair value with gains and losses recognized in net income.

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable, Goods and Services Tax recoverable, Guaranteed Investment Certificates and note receivable.

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

*Impairment*

Financial assets measured at amortized cost or using the cost method are tested for impairment when there are indicators of impairment. The amount of the write-down is included in net income. The previously recognized impairment loss may be reversed to the extent of any improvement, 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 not been recognized previously. The amount of the reversal is recognized in net income in the period the reversal occurs.

*Transaction costs*

The carrying amount of a financial asset or liability carried at amortized cost is adjusted by the transaction costs, which are recognized in net income using the straight-line method.

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 amounts reported in the financial statements. Significant estimates include useful life of property and equipment, accrued liabilities, deferred contributions, and deferred contributions related to property and equipment. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

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3. CASH AND CASH EQUIVALENTS

Cash includes \$25,786 (2024 - \$98,105) in gaming proceeds which can only be used in accordance with the licensing agreement with Alberta Gaming, Liquor and Cannabis Commission.

The Society has a line of credit which provides for maximum borrowings of \$1,000,000 with National Bank. The line of credit bears interest at prime rate plus 1.00% per annum. No funds have been drawn as of December 31, 2025 (2024 - Nil).

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**PILGRIMS HOSPICE SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2025**

4. PORTFOLIO INVESTMENTS

Portfolio investments includes Guaranteed Investments Certificates recorded at cost plus accrued interest and Pooled Bond funds recorded at market value. These investments are held with an institutional investment management firm.

|                                    | <u>2025</u>                | <u>2024</u>                |
|------------------------------------|----------------------------|----------------------------|
| Guaranteed Investment Certificates | \$ 636,279                 | \$ 728,046                 |
| Pooled Bond funds                  | <b>1,322,856</b>           | 781,960                    |
|                                    | <b><u>\$ 1,959,135</u></b> | <b><u>\$ 1,510,006</u></b> |

The Guaranteed Investment Certificates carry interest rates of 3.45% to 5.09% with maturity dates of March 2026 to March 2028. Guaranteed Investment Certificates with a short-term maturity date are renewed and held on a long-term basis.

Pooled Bond funds are primarily comprised of fixed income and dividend income funds. The pooled funds are managed with the objective of providing optimal returns while maintaining security of capital. The cost of the funds is \$1,272,571 (2024 - \$751,041).

5. PROPERTY AND EQUIPMENT

|                    | Cost                        | Accumulated<br>amortization | <b>2025<br/>Net book<br/>value</b> | 2024<br>Net book<br>value  |
|--------------------|-----------------------------|-----------------------------|------------------------------------|----------------------------|
| Land               | \$ 185,000                  | \$ -                        | <b>\$ 185,000</b>                  | \$ 185,000                 |
| Building           | 8,489,619                   | 1,060,620                   | <b>7,428,999</b>                   | 7,641,239                  |
| Mechanical system  | 1,965,076                   | 491,269                     | <b>1,473,807</b>                   | 1,572,061                  |
| Roof               | 96,614                      | 24,154                      | <b>72,460</b>                      | 77,291                     |
| Facility equipment | 764,712                     | 418,666                     | <b>346,046</b>                     | 263,061                    |
| Office equipment   | 14,889                      | 14,483                      | <b>406</b>                         | 506                        |
| Furniture          | 534,054                     | 367,603                     | <b>166,451</b>                     | 208,064                    |
| Computer equipment | 109,116                     | 71,043                      | <b>38,073</b>                      | 19,304                     |
| Software           | 31,450                      | 18,592                      | <b>12,858</b>                      | 16,217                     |
| Website            | 10,483                      | 10,483                      | -                                  | -                          |
|                    | <b><u>\$ 12,201,013</u></b> | <b><u>\$ 2,476,913</u></b>  | <b><u>\$ 9,724,100</u></b>         | <b><u>\$ 9,982,743</u></b> |

**PILGRIMS HOSPICE SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2025**

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6. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources from government grants, donors and casino events that were restricted to fund operations and program delivery, or for specific expenses. These funds have been carried forward to spend on future similar expenses, at the discretion of the contributor.

|                                  | Opening<br>balance  | Contributions<br>received | Amounts<br>recognized as<br>revenue | Ending<br>balance |
|----------------------------------|---------------------|---------------------------|-------------------------------------|-------------------|
| Alberta Health                   | \$ 597,711          | \$ -                      | \$ (344,741)                        | \$ 252,970        |
| Individual donor                 | 200,000             | -                         | -                                   | 200,000           |
| Edmonton Community Foundation    | -                   | 80,000                    | -                                   | 80,000            |
| Stollery Foundation - Veranda    | 76,500              | -                         | -                                   | 76,500            |
| Stollery Foundation - MAiD Pilot | -                   | 75,000                    | -                                   | 75,000            |
| Leder Foundation                 | 50,000              | 50,000                    | (50,000)                            | 50,000            |
| Melton Foundation                | -                   | 30,000                    | -                                   | 30,000            |
| Casino                           | 98,105              | 17,300                    | (89,619)                            | 25,786            |
| New Horizons for Seniors program | -                   | 19,028                    | (16,638)                            | 2,390             |
| Donations for hospice operations | 479,842             | -                         | (479,842)                           | -                 |
|                                  | <b>\$ 1,502,158</b> | <b>\$ 271,328</b>         | <b>\$ (980,840)</b>                 | <b>\$ 792,646</b> |

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7. DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT

Deferred contributions related to property and equipment represent contributions received to fund the cost of property and equipment additions. The changes in deferred contributions related to the property and equipment balance for the year are as follows:

|                        | 2025                | 2024                |
|------------------------|---------------------|---------------------|
| Opening balance        | \$ 9,721,438        | \$ 10,112,147       |
| Contributions received | 17,719              | 37,500              |
| Less amounts amortized | (408,971)           | (428,209)           |
| Ending balance         | <b>\$ 9,330,186</b> | <b>\$ 9,721,438</b> |

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8. INTERNALLY RESTRICTED

The Society has established an internally restricted fund to be used for future projects and in the event of an unanticipated funding loss. During the year, the Board of Directors of the Society approved a transfer of \$799,380 from internally restricted net assets to unrestricted net assets. The balance of \$2,805,620 (2024 - \$3,605,000) has been set aside as operating reserves which are to be overseen by the Board of Directors. The Board controls the funds and all transfers require Board approval.

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**PILGRIMS HOSPICE SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2025**

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9. COMMITMENTS

The Society has a lease for a photocopier expiring September 30, 2030. The annual lease payment for the photocopier is \$7,372.

The Society has a lease for a laser printer expiring January 30, 2028. The annual lease payment for the printer is \$1,787.

An agreement for accreditation services was signed committing to payments of \$9,875 in 2026 and \$9,905 in 2027.

A service agreement was signed for mat cleaning services expiring February 2, 2029. Annual payments total \$2,450.

Total commitments are as follows:

|      |    |        |
|------|----|--------|
| 2026 | \$ | 21,215 |
| 2027 |    | 21,513 |
| 2028 |    | 9,970  |
| 2029 |    | 7,640  |
| 2030 |    | 5,529  |
|      |    | <hr/>  |
|      | \$ | 65,867 |

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10. GOVERNMENT GRANTS

On October 1, 2022, the Society entered into a one year funding agreement for \$2,500,000 with Alberta Health to support the operations of the Residential Care program and to demonstrate and gather information regarding the hospice care model to improve understanding of how a freestanding residential hospice model addresses palliative patients' needs and support work. The funding agreement was extended for an additional year on September 11, 2023, for the period October 1, 2023 to September 30, 2024.

On May 6, 2024, the Society secured a funding contract for the provision of 24/7 nursing care with Alberta Health Services. With the securement of a contract through Alberta Health Services to fund the 12-bed residential care program, the Society no longer requires the use of funding for the provision of nursing care or supplies. As a result, the funding agreement with Alberta Health has been amended to September 30, 2026 towards continued delivery of Care Navigation Support, Residential and Family Liaison and Grief Support and Spiritual Care services. A portion of this grant has been included in deferred contributions.

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11. ALBERTA HEALTH SERVICES CONTRACT

On April 1, 2011, the Society entered into a service agreement with Alberta Health Services toward the Day Support program, an adult wellness program for people living in the community who require services to help maintain or improve their physical and cognitive function. This service agreement was extended for an additional year on April 1, 2025, and expires on March 31, 2026, providing monthly payments of \$9,712. Clients attending the program are responsible for a co-payment fee not exceeding \$15 per day as of April 1, 2024.

On May 6, 2024, the Society entered into a three year service agreement, totalling \$2,546,378 (2024 - \$1,683,971) annually with Alberta Health Services for the provision of 24/7 nursing care.

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**PILGRIMS HOSPICE SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2025**

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12. ENDOWMENT FUNDS

Pilgrims Hospice Society is the beneficiary of three Edmonton Community Foundation endowments. The endowments are held and administered by the Edmonton Community Foundation. The Society is the recipient of the income earned on these funds, but has no access to the principal amount of the investments. The principal balance of the funds totalled \$42,776 and the income received was \$2,885 (2024 - \$2,622).

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13. FINANCIAL INSTRUMENTS

The Society is exposed to the following risks through its 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 or there is a concentration of transactions carried out with the same party. The Society's main credit risk relates to accounts receivable. Accounts receivable are generally amounts due from government agencies and individual donations with collection assured. It is the assessment of the Society that there is no significant credit risk as of December 31, 2025.

Liquidity risk

Liquidity risk arises from the possibility that the Society might encounter difficulty in settling its debts or in meeting its obligations related to financial liabilities. It is the assessment of the Society that there is no significant liquidity risk as of December 31, 2025.

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 Society is exposed to interest rate risk on its portfolio investments.

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14. CHARITABLE FUNDRAISING ACT (ALBERTA)

The following supplementary information is disclosed in compliance with the Charitable Fundraising Act (Alberta):

|                                                | <u>2025</u>         | <u>2024</u>         |
|------------------------------------------------|---------------------|---------------------|
| <u>Revenue</u>                                 |                     |                     |
| Donations                                      | \$ 1,846,247        | \$ 1,284,271        |
| Fundraising events                             | 717,258             | 685,803             |
|                                                | <u>\$ 2,563,505</u> | <u>\$ 1,970,074</u> |
| <u>Expenses</u>                                |                     |                     |
| Direct fundraising costs                       | 170,667             | 162,536             |
| Wages and benefits principally for fundraising | 211,706             | 201,534             |
| Contracted services                            | 146,153             | 141,500             |
|                                                | <u>\$ 528,526</u>   | <u>\$ 505,570</u>   |

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**PILGRIMS HOSPICE SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2025**

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15. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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