Financial Statements of

HEAD INJURY REHABILITATION ONTARIO

And Independent Auditor's Report thereon

Year ended March 31, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Head Injury Rehabilitation Ontario

Opinion

We have audited the financial statements of Head Injury Rehabilitation Ontario (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, 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 for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 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 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.

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 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

June 23, 2026

HEAD INJURY REHABILITATION ONTARIO

Statement of Financial Position

March 31, 2026, with comparative information for 2025

	2026	2025
Assets		
Current assets:		
Cash	$ 1,283,457	$ 2,879,066
Marketable securities (note 3)	649,542	1,336,547
Accounts receivable	431,831	272,642
Prepaid expenses	120,451	110,183
Due from Ministry of Health (note 5)	1,292	–
	2,486,573	4,598,438
Long-term investments (note 3)	4,627,439	3,243,163
Capital assets (note 2)	427,406	537,010
	$ 7,541,418	$ 8,378,611
Liabilities and Fund Balances		
Current liabilities:		
Accounts payable and accrued liabilities (note 4)	$ 1,140,398	$ 1,399,790
Due to Ministry of Health (note 5)	–	949,498
Due to Ontario Health (note 5)	92,617	477,880
	1,233,015	2,827,168
Deferred contributions (note 6):		
Expenses of future periods	77,679	75,463
Capital assets	372,919	482,523
	450,598	557,986
Net assets:		
Net assets invested in capital assets (note 7)	54,487	54,487
Unrestricted net assets	5,803,318	4,938,970
	5,857,805	4,993,457
Commitments (note 8)		
Contingencies (note 11)		
	$ 7,541,418	$ 8,378,611

See accompanying notes to financial statements.

On behalf of the Board:

Robert Ridge Director

Director

HEAD INJURY REHABILITATION ONTARIO

Statement of Operations

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

	Reserve Fund	Fundraising and other non-government activities	Ministry of Health: Supportive Housing Fund	Ontario Health Fund	2026 Total	2025 Total
Revenue:						
Ontario Health	$ –	$ –	$ –	$ 15,714,681	$ 15,714,681	$ 15,413,286
Ministry of Health – Supportive Housing	–	–	33,592	–	33,592	–
Recoveries of costs	–	225,932	–	381,976	607,908	588,762
Donations	–	(3,733)	–	12,621	8,888	8,616
Grants	–	21,000	–	–	21,000	–
Investment income	109,729	–	–	30,145	139,874	179,778
Fees	–	–	–	788,519	788,519	1,048,601
Rental, grocery and travel	–	–	32,780	–	32,780	–
Amortization of deferred contributions related to capital assets	–	–	–	143,561	143,561	127,538
Realized gain on financial instruments	127,800	–	–	–	127,800	–
Unrealized gain on financial instruments	278,197	–	–	–	278,197	–
	$ 515,726	$ 243,199	$ 66,372	$ 17,071,503	$ 17,896,800	$ 17,366,581

See accompanying notes to financial statements.

HEAD INJURY REHABILITATION ONTARIO

Statement of Operations (continued)

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

	Reserve Fund	Fundraising and other non-government activities	Ministry of Health: Supportive Housing Fund	Ontario Health Fund	2026 Total	2025 Total
Expenses:						
Salaries and wages	$ –	$ –	$ –	$ 12,019,338	$ 12,019,338	$ 11,535,748
Benefits	–	–	–	2,542,171	2,542,171	2,476,662
Supplies	–	21,038	27,259	414,256	462,553	418,621
Development, travel & professional fees	19,473	16,610	–	437,369	473,452	814,703
Equipment	–	–	–	366,878	366,878	347,125
Contracted services	–	–	–	229,786	229,786	317,819
Buildings and grounds	–	–	39,113	834,928	874,041	907,710
Amortization	–	–	–	143,561	143,561	127,538
Unrealized loss on financial instruments	–	–	–	–	–	38,027
	19,473	37,648	66,372	16,988,287	17,111,780	16,983,953
Excess of revenue over expenses before the undernoted	496,253	222,051	–	66,716	785,020	382,628
Gift from Brain Injury Services Foundation	79,328	–	–	–	79,328	1,499,913
Excess of revenue over expenses	$ 575,581	$ 222,051	$ –	$ 66,716	$ 864,348	$ 1,882,541

See accompanying notes to financial statements.

HEAD INJURY REHABILITATION ONTARIO

Statement of Changes in Net Assets

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

2026	Invested in capital assets	Unrestricted net assets			
	Reserve Fund	Reserve Fund	Other Activities	Ontario Health Fund	2026 Total
Fund balance, beginning of year	$ 54,487	$ 4,634,478	$ 304,492	$ –	$ 4,993,457
Excess of revenue over expenses	–	575,581	222,051	66,716	864,348
Transfer	–	66,716	–	(66,716)	–
Fund balance, end of year	$ 54,487	$ 5,276,775	$ 526,543	$ –	$ 5,857,805

See accompanying notes to financial statements.

HEAD INJURY REHABILITATION ONTARIO

Statement of Changes in Net Assets

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

2025

	Invested in capital assets	**Unrestricted net assets**			
	Reserve Fund	Reserve Fund	Other Activities	Ontario Health Fund	2025 Total
Fund balance, beginning of year	$ 54,487	$ 2,951,526	$ 104,903	$ –	$ 3,110,916
Excess of revenue over expenses	–	1,574,117	213,692	94,732	1,882,541
Transfer	–	108,835	(14,103)	(94,732)	–
Fund balance, end of year	$ 54,487	$ 4,634,478	$ 304,492	$ –	$ 4,993,457

See accompanying notes to financial statements.

HEAD INJURY REHABILITATION ONTARIO

Statement of Cash Flows

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

	2026	2025
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	$ 864,348	$ 1,882,541
Item not involving cash:		
Amortization of capital assets	143,561	127,538
Amortization of deferred contributions related to capital assets	(143,561)	(127,538)
Unrealized (gain) loss on financial instruments	(278,197)	38,027
Change in non-cash working capital balances arising from operating activities:		
(Increase) decrease in accounts receivable	(159,189)	26,205
(Increase) decrease in prepaid expenses	(10,268)	6,227
Increase in due from Ministry of Health	(1,292)	–
Decrease in accounts payable and accrued liabilities	(259,392)	(995,768)
Decrease in due to Ministry of Health	(949,498)	(524,390)
Decrease (increase) in due to Ontario Health	(385,263)	313,688
Increase in deferred contributions related to expenses of future periods	2,216	22,189
	(1,176,535)	768,719
Financing and investing activities:		
Purchase of capital assets	33,957	107,863
Purchase of capital assets funded by deferred contributions	(33,957)	(107,863)
Net purchase of marketable securities	(419,074)	(2,184,846)
	(419,074)	(2,184,846)
Decrease in cash	(1,595,609)	(1,416,127)
Cash, beginning of year	2,879,066	4,295,193
Cash, end of year	$ 1,283,457	$ 2,879,066

See accompanying notes to financial statements.

Head Injury Rehabilitation Ontario (HIRO) (formerly operating as Brain Injury Services of Hamilton) (the “Organization") is a registered charity committed to delivering quality, community-based rehabilitation for adults living with brain injuries in Ontario through personalized rehabilitation programs in residential and outreach settings. The Organization is incorporated under the laws of Ontario and is a registered charity under the Income Tax Act (Canada).

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook. The Organization follows the deferral method of accounting for contributions.

(a) Revenue recognition:

Restricted contributions are recognized as revenue in the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collections is reasonably assured.

(b) Fund accounting:

Revenues and expenses related to the delivery of Outreach, Group and Residential Services at Transitional Living Services, the John Reesor Centre, Cathy Wever Place, Elmhurst Place, Ravenda Place, Kenny House, Campden Heights and Outreach Services for Individualized Funded Client are reported in the Ontario Health Fund.

Revenues and expenses related to the operation of the John Reesor Centre are reported in the Ministry of Health: Supportive Housing Fund.

(c) Capital assets:

Capital assets are stated at cost and amortization is provided on the straight-line method commencing in the month of acquisition, at the following annual rates:

Asset	Rate
Computer equipment	33.3%
Furniture and other equipment	20%
Building and building improvements	2.5%
Vehicles	5 year straight-line
Leasehold improvements	3 - 15 years straight-line

1. Significant accounting policies (continued):

(d) Income taxes:

The Organization is registered as a charitable organization without share capital under the Ontario Corporations Act. As such, the Organization is not liable for any federal or provincial income taxes under the provisions of the Income Tax Act (Canada).

(e) Use of estimates:

The preparation of the financial statements 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 revenue and expenses during the year. Actual results could differ from those estimates.

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other 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 carry any such financial instruments at fair value.

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.

1. Significant accounting policies (continued):

(f) Financial instruments:

The Standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 – Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

2. Capital assets:

2026	Cost	Accumulated amortization	Net book value
Land	$ 76,471	$ –	$ 76,471
Buildings	322,392	322,392	–
Building improvements	521,280	521,280	–
Furniture and equipment	408,020	311,238	96,782
Computer equipment	125,428	120,906	4,522
Leasehold improvements	2,254,615	2,004,984	249,631
Vehicles	345,213	345,213	–
	$ 4,053,419	$ 3,626,013	$ 427,406

2025	Cost	Accumulated amortization	Net book value
Land	$ 76,471	$ –	$ 76,471
Buildings	322,392	322,392	–
Building improvements	521,280	521,280	–
Furniture and equipment	402,277	296,242	106,035
Computer equipment	125,428	116,385	9,043
Leasehold improvements	2,226,401	1,880,940	345,461
Vehicles	345,213	345,213	–
	$ 4,019,462	$ 3,482,452	$ 537,010

3. Marketable securities and long-term investments:

The carrying amount of the investments held by the organization as at March 31, 2026 was $5,276,981 (2025 - $4,579,710).

At the end of the year, the Organization held the following marketable securities classified as current:

	Interest rate	Maturity date	Fair value at March 31, 2026
RBC prime-linked cashable GIC	2.68%	February 9, 2027	$ 56,105
RBC prime-linked cashable GIC	3.93%	December 3, 2026	93,169
RBC prime-linked cashable GIC	3.92%	December 3, 2026	93,166
RBC prime-linked cashable GIC	3.91%	December 3, 2026	93,163
RBC prime-linked cashable GIC	3.91%	December 3, 2026	93,163
RBC prime-linked cashable GIC	3.92%	December 3, 2026	93,166
RBC prime-linked cashable GIC	3.44%	March 5, 2027	66,162
Current account regular			53,102
Cash			8,346
Total marketable securities			$ 649,542

At March 31, 2025, marketable securities was comprised of $1,336,547 held in four GIC's bearing interest at annual rates between 3.44% and 3.96%.

At the end of the year, the Organization held the following long-term investments, including mutual funds, common shares, guaranteed investment certificates with maturities greater than one year, and foreign securities where the intention is to hold the financial instrument for longer than one year:

	Interest rate	Fair value at March 31, 2026	Fair value at March 31, 2025
RBC prime-linked cashable GIC, maturing June 21, 2027	3.51%	$ 21,574	$ 532,001
Mutual funds		4,120,183	2,322,659
Common shares		370,102	271,630
Foreign securities		115,580	116,873
Total long-term investments		$ 4,627,439	$ 3,243,163

At March 31, 2025, there were 6 RBC prime-linked cashable GIC's, maturing December 2026, bearing interest at annual rates between 3.44% and 3.96%.

4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $Nil (2025 - $133,900), which includes amounts payable for payroll related taxes.

5. Due to/from Ministry of Health and Ontario Health:

Amounts due to the Ministry of Health and Ontario Health represent undistributed restricted Ministry of Health and Ontario Health funds.

6. Deferred contributions:

(a) Expenses of future periods:

As required by the Ministry of Health Non-Profit Housing, the Organization has a replacement reserve fund to cover the cost of worn-out capital equipment, chattels or other items at the John Reesor Centre. Deferred contributions related to expenses of future periods represent the balance in the replacement reserve fund.

	2026	2025
Balance, beginning of year	$ 75,463	$ 53,274
Add: amount received related to future periods	2,216	22,189
Balance, end of year	$ 77,679	$ 75,463

(b) Capital assets:

Deferred contributions related to capital assets represent the unamortized amount of Ministry of Health and Ontario Health funding and fees received for the purchase of capital assets.

	2026	2025
Balance, beginning of year	$ 482,523	$ 502,198
Add: amount received related to future periods - Ministry of Health and Ontario Health	33,957	107,863
Less: amounts amortized to revenue	(143,561)	(127,538)
Balance, end of year	$ 372,919	$ 482,523

7. Net assets invested in capital assets:

Net assets invested in capital assets is calculated as follows:

	2026	2025
Capital assets	$ 427,406	$ 537,010
Amounts financed by deferred contributions	(372,919)	(482,523)
	$ 54,487	$ 54,487

Change in net assets invested in capital assets is calculated as follows:

	2026	2025
Deficiency of revenues over expenses:		
Amortization of deferred contributions related to capital assets	$ 143,561	$ 127,538
Amortization of capital assets	(143,561)	(127,538)
	–	–
Net change in invested in capital assets:		
Purchase of capital assets	33,957	107,863
Amounts funded by deferred contributions	(33,957)	(107,863)
	–	–
	$ –	$ –

8. Commitments:

Future minimum payments under operating leases for the Organization's premises and other equipment with remaining non-cancellable terms in excess of one year are as follows:

2027	$ 599,279
2028	600,439
2029	601,184
2030	424,554
Thereafter	98,896
	$ 2,324,352

9. Related entities:

Brain Injury Services of Hamilton Foundation Inc. (the "Foundation") is a related entity without share capital incorporated under the laws of Ontario. The Foundation is independent but supports the Organization through volunteer groups involved in fund-raising through ancillary operations.

During the year, the Foundation was dissolved and provided a restricted gift totaling $79,328 (2025 - $1,499,913). This gift was recognized in the statement of operations during the year and subsequently used to invest in marketable securities and long-term investments.

As the Organization does not control the Foundation, their results were not included in these financial statements.

10. Financial instruments:

(a) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

As all of the Organization’s financial instruments are carried at fair value with fair value changes recognized in the statement of financial position, all changes in market conditions will directly affect the financial position of the Organization.

Market price risk is managed by the Organization through construction of a diverse portfolio of instruments consisting of GIC's, mutual funds, common shares, and foreign securities, the majority of which are in low risk instruments. The Organization has a policy over the type, risk profile and duration of financial instruments.

The Organization’s investments consist of mutual funds, common shares and foreign securities classified within Level 1 and guaranteed investment certificates classified within Level 2 of the fair value hierarchy; no instruments are classified within Level 3.

(b) 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 manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There has been no change in this risk from 2025.

11. Contingencies:

During the normal course of operations, certain employment related claims exist against the Organization. Management does not expect the claims to have a material impact on the financial position or operating results of the Organization.