

HOPE HOUSE COMMUNITY HOSPICE

Financial Statements

March 31, 2025

HOPE HOUSE COMMUNITY HOSPICE

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Year Ended March 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Hope House Community Hospice

Qualified Opinion

We have audited the financial statements of Hope House Community Hospice (the "Organization"), which comprise the statement of financial position as at March 31, 2025, 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 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 Organization as at March 31, 2025, and the results of its operations and 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 donations and other fundraising activities, 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, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2025, current assets and net assets as at March 31, 2025. Our audit opinion on the financial statements for the year ended March 31, 2024 was modified accordingly because of the possible effects of this limitation of scope.

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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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.

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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 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 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 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.

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.

Hogg, Shain & Scheck PC

Toronto, Ontario
September 10, 2025

Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

HOPE HOUSE COMMUNITY HOSPICE

Statement of Financial Position

As at March 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash (Note 3)	\$ 197,525	\$ 191,860
Short-term investments (Note 3)	518,121	494,391
Accounts receivable	71,991	43,410
Prepaid expenses (Note 4)	273,809	16,648
	1,061,446	746,309
PROPERTY AND EQUIPMENT (Notes 5 and 6)	16,473	22,998
	\$ 1,077,919	\$ 769,307
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 20,529	\$ 18,293
Current portion of capital lease obligation (Note 6)	2,793	2,484
Deferred contributions (Notes 3, 4 and 7)	385,920	65,500
	409,242	86,277
CAPITAL LEASE OBLIGATION (Note 6)	4,855	7,648
	414,097	93,925
NET ASSETS		
CONTINGENCY RESERVE (Note 3)	360,000	360,000
UNRESTRICTED	303,822	315,382
	663,822	675,382
	\$ 1,077,919	\$ 769,307

COMMITMENTS (Note 8)

APPROVED ON BEHALF OF THE BOARD



Director

Bryna Rabishaw, Treasurer



Director

Michael White, Board Chair

See the accompanying notes to these financial statements

HOPE HOUSE COMMUNITY HOSPICE
Statement of Operations and Changes in Net Assets
Year Ended March 31, 2025

	2025	2024
REVENUES		
Government funding <i>(Note 9)</i>	\$ 461,392	\$ 283,842
Donations and other fundraising <i>(Note 10)</i>	151,666	275,936
Charity gaming <i>(Note 11)</i>	79,028	88,558
Investment and other income	23,605	20,895
	<u>715,691</u>	<u>669,231</u>
EXPENSES		
Personnel	513,941	413,189
Administration	60,669	38,686
Rental	60,389	73,439
Program related	50,691	34,965
Special events and other fundraising	12,683	23,405
Professional fees	11,337	21,376
Amortization of property and equipment	9,010	8,807
Promotion and outreach	8,531	3,862
	<u>727,251</u>	<u>617,729</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ (11,560)</u>	<u>\$ 51,502</u>

See the accompanying notes to these financial statements

HOPE HOUSE COMMUNITY HOSPICE

Statement of Changes in Net Assets

Year Ended March 31, 2025

	Unrestricted	Contingency Reserve	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 315,382	\$ 360,000	\$ 675,382	\$ 623,880
Excess (deficiency) of revenues over expenses	(11,560)	-	(11,560)	51,502
Transfers	-	-	-	-
NET ASSETS - END OF YEAR	\$ 303,822	\$ 360,000	\$ 663,822	\$ 675,382

See the accompanying notes to these financial statements

HOPE HOUSE COMMUNITY HOSPICE**Statement of Cash Flows****Year Ended March 31, 2025**

	2025	2024
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (11,560)	\$ 51,502
Item not affecting cash:		
Amortization of property and equipment	9,010	8,807
	<u>(2,550)</u>	<u>60,309</u>
Changes in non-cash working capital:		
Accounts receivable	(28,581)	(17,006)
Prepaid expenses	(257,161)	(275)
Accounts payable and accrued liabilities	2,236	4,534
Deferred contributions	320,420	(23,465)
	<u>36,914</u>	<u>(36,212)</u>
Cash flows from operating activities	<u>34,364</u>	<u>24,097</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(2,485)	(11,472)
Purchase of short-term investment (net)	<u>(23,730)</u>	<u>(19,587)</u>
Cash flows used by investing activities	<u>(26,215)</u>	<u>(31,059)</u>
FINANCING ACTIVITY		
Repayment of obligations under capital lease; and cash flows used by financing activities	<u>(2,484)</u>	<u>(2,209)</u>
INCREASE (DECREASE) IN CASH FLOW	5,665	(9,171)
CASH - BEGINNING OF YEAR	<u>191,860</u>	<u>201,031</u>
CASH - END OF YEAR	<u>\$ 197,525</u>	<u>\$ 191,860</u>

See the accompanying notes to these financial statements

HOPE HOUSE COMMUNITY HOSPICE

Notes to Financial Statements

Year Ended March 31, 2025

1. NATURE AND PURPOSE OF THE ORGANIZATION

In June 2017, the Board of Directors approved changing the name of the Organization to Hope House Community Hospice (the "Organization") and changed the letters of patent accordingly (formerly known as Hospice King-Aurora). The Organization was incorporated on May 20, 1983 without share capital under the laws of Ontario. The Organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

The Organization is a volunteer-based organization that provides specialized support to those diagnosed with a life threatening illness, their family, caregivers, and those who are bereaved. The Organization serves the communities of south Aurora, King Township, and Richmond Hill, Ontario.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements are the representation of management. They have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the CPA Canada Handbook and include the following accounting policies.

Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions, which includes government funding and other contributions, plus charity gaming, are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions, including donations and other fundraising plus special events, are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment and other income is recognized as revenue when earned.

Contributed services

Being a volunteer-based organization, volunteers assist in the delivery of its programs and administrative functions. Because of the difficulty in determining the fair value of these services, they are not recognized in the financial statements.

Financial instruments

The Organization's financial instruments consist of cash, short-term investments, accounts receivable, accounts payable and obligations under capital lease.

All financial instruments are initially measured at fair value, and subsequently, at amortized cost.

Impairment of financial instruments

Financial assets measured at cost or amortized cost are tested for impairment if there are indications of possible impairment. 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 any write down or reversal is recognized in excess of revenues over expenses.

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HOPE HOUSE COMMUNITY HOSPICE

Notes to Financial Statements

Year Ended March 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property and equipment

Property and equipment is recorded at cost less accumulated amortization. They are amortized on a straight-line basis over their estimated useful lives as follows:

Equipment and furniture	3 years
Equipment under capital lease	Over the lease term
Leasehold improvements	Over the lease term

Impairment of long-lived assets

Long-lived assets, comprising property and equipment subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset to be held and used with the total of the undiscounted cash flows expected from its use and disposition. If the asset is impaired, the impairment loss to be recognized is measured as the amount by which the carrying amount of the asset exceeds its fair value, generally determined on a discounted cash flow basis. Any impairment results in a write-down of the asset and a charge to excess of revenues over expenses during the year. An impairment loss is not reversed if the fair value of the related long-lived asset subsequently increases.

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 year. Such estimates are periodically reviewed and any adjustments necessary are reported in the year in which they become known. Estimates include the useful life of property and equipment. Actual results could differ from these estimates.

3. CASH AND SHORT-TERM INVESTMENTS

A portion of cash and short-term investments is subject to external restrictions imposed by funding agencies and reserve funds set aside by the Board of Directors for future contingencies.

	2025	2024
Deferred contributions	\$ 385,920	\$ 65,500
Contingency reserve	360,000	360,000
Unrestricted cash and short-term investments	(30,274)	260,751
	<u>\$ 715,646</u>	<u>\$ 686,251</u>

Deferred contributions - Restrictions require cash to be used for the purposes specified by the contributor that are unspent at the end of the fiscal year.

Contingency reserve - The Board of Directors increased the contingency reserve to \$360,000 in the prior year, to be used in the event of unforeseen expenses and/or reductions of funding.

Short-term investments consist of two Guaranteed Investment Certificates held at a major Canadian chartered bank that earn interest of 2.50% and 3.70% per annum (2024 - 4.00% and 5.20%), and mature within one year.

HOPE HOUSE COMMUNITY HOSPICE

Notes to Financial Statements

Year Ended March 31, 2025

4. PREPAID EXPENSES

In May 2025, the Organization held a fundraising golf tournament. Prepaid expenses include a rental deposit for the facility of \$254,250 (2024 - \$nil). Deferred revenue includes a donation received for the golf tournament of \$275,000.

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Equipment and furniture	\$ 46,279	\$ 36,309	\$ 9,970	\$ 13,894
Equipment under capital lease	14,306	7,803	6,503	9,104
Leasehold improvements	46,480	46,480	-	-
	<u>\$ 107,065</u>	<u>\$ 90,592</u>	<u>\$ 16,473</u>	<u>\$ 22,998</u>

Equipment under capital lease is a photocopier leased until fiscal 2028 (Note 6).

6. CAPITAL LEASE OBLIGATION

The Organization has a photocopier lease with quarterly payments of \$895. The following is a schedule of future minimum lease payments expiring in fiscal 2028:

2026	\$ 3,582
2027	3,582
2028	<u>1,790</u>
	8,954
Less: interest expense (calculated at 11.9% per annum)	<u>(1,306)</u>
	<u>\$ 7,648</u>

The lease obligation is secured by specific equipment under capital lease (Note 5).

7. DEFERRED CONTRIBUTIONS

Deferred contributions are for special events or programmes in a future period. The balance as at March 31 is comprised of the following:

	2025	2024
Deferred donations	\$ 275,000	\$ -
Deferred grants	57,137	56,651
Deferred registrations	30,843	-
Unspent proceeds from charity gaming	<u>22,940</u>	<u>8,849</u>
	<u>\$ 385,920</u>	<u>\$ 65,500</u>

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HOPE HOUSE COMMUNITY HOSPICE**Notes to Financial Statements****Year Ended March 31, 2025****7. DEFERRED CONTRIBUTIONS (continued)**

The continuity of deferred contributions is as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of the fiscal year	\$ 65,500	\$ 88,965
Add: amounts received during the fiscal year	820,841	419,130
Less: amounts recognized in revenue during the fiscal year	<u>(500,421)</u>	<u>(442,595)</u>
Balance, end of the fiscal year	<u>\$ 385,920</u>	<u>\$ 65,500</u>

8. COMMITMENTS

The Organization leases commercial office space in Richmond Hill and Aurora, Ontario. The lease agreement expires for Richmond Hill in June 2025 and for Aurora in August 2025. A new lease agreement has been signed and expires in June 2035.

Minimum lease payments for the premises are as follows:

2026	\$ 53,925
2027	60,000
2028	62,250
2029	65,250
2030	68,250
Thereafter	395,250

9. GOVERNMENT FUNDING

Government funding recognized in the fiscal year is as follows:

	<u>2025</u>	<u>2024</u>
Ministry of Health - Better Living Health and Community Services	\$ 337,269	\$ 253,165
Ontario Trillium - Resilient Communities Fund	82,663	21,600
Minister of Employment and Social Development - New Horizons	24,640	-
Other	12,351	4,649
Government of Canada - Employment and Social Development Canada	<u>4,469</u>	<u>4,428</u>
	<u>\$ 461,392</u>	<u>\$ 283,842</u>

HOPE HOUSE COMMUNITY HOSPICE

Notes to Financial Statements

Year Ended March 31, 2025

10. DONATIONS AND OTHER FUNDRAISING

Donations and other fundraising revenue is from the following sources:

	2025	2024
Donations		
Individuals	\$ 34,009	\$ 35,746
Foundations	25,900	30,000
Other	7,010	14,567
Corporations	1,500	477
Butter Ball	24,175	17,253
Joint fundraising events	21,708	-
Third-party fundraising events	21,063	20,299
Auction	16,301	9,718
40 Years of Hope	-	147,876
	<u>\$ 151,666</u>	<u>\$ 275,936</u>

11. CHARITY GAMING

	2025	2024
Revenue	\$ 79,028	\$ 88,558

Charity gaming restrictions require cash to be used for pre-approved program related costs, salary recoveries for bereavement staff, and a portion of salary recoveries for the wellness coordinator and coordinator of volunteers. These funds are regulated by the Ontario Lottery and Gaming Commission and subject to regular review and approval.

12. FINANCIAL RISKS

The Organization is exposed to various risks arising from its financial instruments. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2025.

Credit risk

The Organization is exposed to credit risk on its accounts receivable, which is the risk that arises from the potential that a counter-party will fail to perform its obligations. Management regularly monitors its accounts receivable to minimize its exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization's objective, with respect to its capital, is to preserve net assets and deliver services to the community at no less than a break-even basis over two years. As at March 31, 2025, the Organization had met its objective of having sufficient liquid resources to meet its current obligations.

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HOPE HOUSE COMMUNITY HOSPICE

Notes to Financial Statements

Year Ended March 31, 2025

12. FINANCIAL RISKS (continued)

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 Organization is subject to interest rate risk on its guaranteed investment certificates. Fluctuations in market interest rates are not expected to significantly affect the Organization's cash flows.

It is management's opinion that the Organization is not exposed to significant currency or other price risks arising from its financial instruments.
