HOSPICE HUNTSVILLE (A CORPORATION WITHOUT SHARE CAPITAL)

Financial Statements

Year Ended March 31, 2025

pahapill cpa

75 Main St W, Suite 2
Huntsville ON
P1H 1W9
(705) 788-0500 **office**
(705) 788-2503 **fax**
pahapill.ca

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Hospice Huntsville (A Corporation Without Share Capital)

Qualified Opinion

We have audited the financial statements of Hospice Huntsville (A Corporation Without Share Capital) (the Organization), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in fund balances and cash flows for the year then ended March 31, 2025, 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 March 31, 2025 in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from 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 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 ASNPO, 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.

(continues)

HOSPICE HUNTSVILLE (A CORPORATION WITHOUT SHARE CAPITAL)

Statement of Financial Position

March 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	$ 665,676	$ 499,664
Short term investments *(Note 3)*	1,750,871	2,639,355
Accounts receivable	12,969	-
Harmonized sales tax receivable	104,002	12,440
Prepaid expenses	22,808	25,106
	2,556,326	3,176,565
CAPITAL ASSETS *(Note 4)*	2,550,744	869,080
	$ 5,107,070	$ 4,045,645
LIABILITIES AND FUND BALANCES		
CURRENT		
Accounts payable and accrued liabilities *(Note 6)*	$ 318,505	$ 71,047
Deferred contributions *(Note 7)*	211,295	108,414
	529,800	179,461
FUND BALANCES		
Operations	4,577,270	3,866,184
	$ 5,107,070	$ 4,045,645

ON BEHALF OF THE BOARD

_________________ *Director*

_________________ *Director*

HOSPICE HUNTSVILLE (A CORPORATION WITHOUT SHARE CAPITAL)

Statement of Changes in Fund Balances

Year Ended March 31, 2025

	Total 2025	Total 2024
FUND BALANCES - BEGINNING OF YEAR	**$ 3,866,184**	$ 3,384,218
EXCESS OF REVENUES OVER EXPENSES	**711,086**	481,966
FUND BALANCES - END OF YEAR	**$ 4,577,270**	$ 3,866,184

The accompanying notes are an integral part of these financial statements

1. NATURE AND PURPOSE OF ORGANIZATION

Hospice Huntsville (the "Organization") has been organized under the Corporations Act by Letters Patent as a corporation without share capital and is dedicated to the provision of assistance to palliative care patients and their families accessing health care services in Huntsville and the surrounding area. Registration has been granted by the Department of National Revenue, Taxation for designation as a charitable organization and as such is exempt from income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis of Accounting

i) Sources of income and expenditures are reported on the accrual basis of accounting.

ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.

Investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

Capital Assets

Purchased capital assets are stated at cost less accumulated amortization. Cost is net of related investment tax credits and government grants. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Buildings - cost	4%	declining balance method
Equipment	20%	declining balance method

Assets under construction are not amortized until the asset is available for productive use.

The Company regularly reviews its property, plant and equipment to eliminate obsolete items.

Impairment of Long Lived Assets

The Organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

(continues)

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Work in progress	$ 1,759,738	$ -	$ 1,759,738	$ 41,117
Buildings	1,335,120	564,726	770,394	802,539
Equipment	122,788	102,176	20,612	25,424
	$ 3,217,646	$ 666,902	$ 2,550,744	$ 869,080

5. BANK OPERATING LINE OF CREDIT

The bank operating line of credit is a revolving credit facility with a limit of $100,000. The line of credit is due on demand and bears interest at prime plus 1.50% per annum and is secured by a general security agreement covering all assets with a specific charge on accounts receivable and capital assets. At March 31, 2025, the line of credit was not in use.

6. GOVERNMENT REMITTANCES PAYABLE OTHER THAN INCOME TAX

Government remittances (other than income taxes) included in accounts payable and accrued liabilities are as follows (2024 - $2,251):

Workers' safety insurance	$ 175

7. DEFERRED CONTRIBUTIONS

	2025	2024
Balance, beginning of year	$ 108,414	$ 10,865
Less amounts recognized as revenue in the current year	(22,020)	(10,865)
Add amounts received related to the next year	41,901	12,414
Add amounts received related to capital projects	83,000	96,000
Balance, end of year	$ 211,295	$ 108,414

8. COMMITMENTS

The Organization has entered into a lease agreement with Muskoka Algonquin Healthcare for the land where a building resides. The agreement has a twenty year term calling for rent of $12 per annum.

During the year, the organization entered into a capital expansion project to add onto the existing building. The project is budgeted to cost approximately $2,115,701 of which $1,759,738 is included in work in progress as of March 31, 2025.

9. ECONOMIC DEPENDENCE

Approximately 45% (2024 - 50%) of the Organization's revenue is received from the North Simcoe Muskoka Local Health Integration Network. The continuation of this Organization is dependent on this funding.

10. FINANCIAL INSTRUMENTS

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

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk primarily on accounts receivable and investments. The Organization mitigates this risk by dealing with reputable counterparties, actively monitoring receivable balances, and maintaining a diversified investment portfolio managed by a professional investment manager. Management has assessed that credit risk is not significant.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its accounts payable and accrued liabilities and deferred contribution. The Organization manages its liquidity risk through careful monitoring of cash flows, maintaining adequate cash and short-term investments, and deferring recognition of restricted contributions until related expenditures are incurred.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Organization is mainly exposed to currency risk.

Currency risk is the risk to the Organization's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. Foreign currency risk arises on cash and investments denominated in U.S. dollars. Management monitors balances and considers this exposure to be limited.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

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

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in operations. In addition, all guaranteed investment certificates (if any) have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable, and tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

It is of management's opinion that the Organization is not exposed to significant currency risk, credit risk, liquidity risk, interest rate risk, market risk or other price risk arising from these financial instruments.

Revenue Recognition

The Organization follows the restricted fund method of accounting for contributions.

The Operations Fund reports the revenue and expenses related to the operations and administration of the Residential Hospice.

Grants, donations and fundraising income are recognized as revenue in the year received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured. Interest and other income is recognized when earned. Contributions received in advance of meeting the revenue recognition criteria is recorded as deferred contributions.

Deferred Contributions

Donations and fundraising revenues received for future events are classified as deferred contributions and are recognized into revenue when the event takes place.

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 amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimates used in the preparation of these financial statements are the determination of the estimated useful life of capital assets and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

Contributed Materials and Services

Contributed materials and services which are used in the normal course of the Organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

3. INVESTMENTS

Investments are held by a fund manager and include cash, publicly traded common shares and mutual funds.

The original cost of investments is $1,680,672 (2024 - $2,388,496).

HOSPICE HUNTSVILLE (A CORPORATION WITHOUT SHARE CAPITAL)

Statement of Cash Flows

Year Ended March 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenues over expenses	$ 711,086	$ 481,966
Item not affecting cash:		
Amortization of capital assets	36,957	38,833
	748,043	520,799
Changes in non-cash working capital:		
Accounts receivable	(12,969)	175,300
Harmonized sales tax receivable	(91,562)	(4,947)
Accounts payable and accrued liabilities	247,458	20,639
Deferred contributions	102,881	97,549
Prepaid expenses	2,298	(7,982)
	248,106	280,559
Cash flow from operating activities	996,149	801,358
INVESTING ACTIVITIES		
Purchase of capital assets	(1,718,621)	(41,118)
Change in investment	888,484	(420,255)
Cash flow used by investing activities	(830,137)	(461,373)
INCREASE IN CASH FLOW	166,012	339,985
Cash - beginning of year	499,664	159,679
CASH - END OF YEAR	$ 665,676	$ 499,664

The accompanying notes are an integral part of these financial statements

HOSPICE HUNTSVILLE (A CORPORATION WITHOUT SHARE CAPITAL)
Statement of Operations
Year Ended March 31, 2025

	Actual 2025	Actual 2024
REVENUES		
NSM LHIN - residential	$ 883,957	$ 929,814
NSMPCN volunteer hospice funding	140,275	54,462
Fundraising	482,258	551,113
Donations	544,626	201,596
Unrealized gain (loss) on investments	247,276	194,996
	2,298,392	1,931,981
EXPENSES		
Wages and benefits	1,283,007	1,181,047
Supplies	82,831	71,404
Professional fees	45,476	40,235
Amortization of capital assets	36,957	38,833
General and office	35,922	21,227
Utilities	28,782	21,231
Insurance	23,115	18,033
Fundraising	22,776	26,137
Repairs and maintenance	21,001	23,933
Travel	4,373	4,567
Bank charges and interest	1,683	1,634
Volunteer training and recognition	1,211	1,082
Advertising	172	652
	1,587,306	1,450,015
EXCESS OF REVENUES OVER EXPENSES	$ 711,086	$ 481,966

pahapill cpa

75 Main St W, Suite 2
Huntsville ON
P1H 1W9
(705) 788-0500 **office**
(705) 788-2503 **fax**
pahapill.ca

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.

Pahapill and Associates

Huntsville, Ontario
September 10, 2025

Pahapill and Associates Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

HOSPICE HUNTSVILLE (A CORPORATION WITHOUT SHARE CAPITAL)
Index to Financial Statements
Year Ended March 31, 2025

Public information: Last name	First name	Initial	Term ▶ Start date (Y/M/D)	End date (Y/M/D)	Position	At arm's length with other Directors?	Confidential data: Residential address – Street number and name	City	Prov/Terr	Postal code	Phone number	Date of birth (Y/M/D)
Doughty	Claire		2019-05-22		Director	[X] Yes [ ] No	2 Caroline St East	Huntsville	ON		(705) 789-1332	1986-09-22
Buckerfield	Russ		2020-05-27		Secretary	[X] Yes [ ] No	240 Echo Bay Road	Huntsville	ON	P1H 1R4	(705) 787-5354	1957-10-17
Jestin	Warren		2020-10-01		Director	[X] Yes [ ] No	179 Ridge Way	Alliston	ON	L9R 0H3	(416) 454-1637	1949-02-28
Van den Heuval	Janine		2022-05-25		Director	[X] Yes [ ] No	18 Old Hemlock Trail	Huntsville	ON	P1H 0A7	(705) 787-0846	1978-05-24
McNiece	Barbara		2024-08-28		Director	[X] Yes [ ] No	1432 Reay Road East	Gravenhurst	ON	P1P 1R3	(705) 394-8929	1963-04-19
						[ ] Yes [ ] No						