

HOSPICE OF WATERLOO REGION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

HOSPICE OF WATERLOO REGION
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YEAR ENDED MARCH 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of: Hospice Of Waterloo Region

Opinion

We have audited the accompanying financial statements of Hospice Of Waterloo Region, which comprise the statement of financial position as at March 31, 2025 and the statements of changes in fund balances, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Hospice Of Waterloo Region as at March 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 of 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 report. We are independent of Hospice Of Waterloo Region 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 organization's ability to continue as a going concern, disclosing, as applicable, matters related to a 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.

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 judgement 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 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.



Guelph, Ontario
June 11, 2025

Chartered Professional Accountants
Licensed Public Accountants

HOSPICE OF WATERLOO REGION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

| | Operating Fund | Capital Fund | 2025 | 2024 |
|---|---------------------|----------------------|----------------------|----------------------|
| ASSETS | | | | |
| CURRENT | | | | |
| Cash | \$ 707,750 | \$ 99,221 | \$ 806,971 | \$ 685,229 |
| Cash - Cambridge OHT (note 6) | 358,682 | 0 | 358,682 | 343,842 |
| Accounts receivable (note 4) | 169,764 | 4,419 | 174,183 | 189,965 |
| Prepaid expenses | 93,658 | 0 | 93,658 | 102,692 |
| Due to/from funds (note 8) | <u>(80,376)</u> | <u>80,376</u> | <u>0</u> | <u>0</u> |
| | 1,249,478 | 184,016 | 1,433,494 | 1,321,728 |
| TANGIBLE CAPITAL ASSETS (note 7) | <u>0</u> | <u>15,581,712</u> | <u>15,581,712</u> | <u>16,190,386</u> |
| | <u>\$ 1,249,478</u> | <u>\$ 15,765,728</u> | <u>\$ 17,015,206</u> | <u>\$ 17,512,114</u> |
| LIABILITIES | | | | |
| CURRENT | | | | |
| Accounts payable and accrued liabilities (note 5) | \$ 366,387 | \$ 0 | \$ 366,387 | \$ 364,478 |
| Accounts payable - Cambridge OHT (note 6) | 358,682 | 0 | 358,682 | 343,842 |
| Deferred operating contributions (note 9) | <u>474,546</u> | <u>0</u> | <u>474,546</u> | <u>476,899</u> |
| | <u>1,199,615</u> | <u>0</u> | <u>1,199,615</u> | <u>1,185,219</u> |
| FUND BALANCES | | | | |
| RESTRICTED FOR TANGIBLE CAPITAL ASSETS | 0 | 15,581,712 | 15,581,712 | 16,190,386 |
| CAPITAL SUSTAINABILITY | 0 | 80,154 | 80,154 | 0 |
| EXTERNALLY RESTRICTED | 0 | 103,862 | 103,862 | 135,649 |
| OPERATING SUSTAINABILITY | <u>49,863</u> | <u>0</u> | <u>49,863</u> | <u>860</u> |
| | <u>49,863</u> | <u>15,685,574</u> | <u>15,815,591</u> | <u>16,326,895</u> |
| | <u>\$ 1,249,478</u> | <u>\$ 15,765,728</u> | <u>\$ 17,015,206</u> | <u>\$ 17,512,114</u> |

APPROVED ON BEHALF OF THE BOARD:

Paul Peit Director

Linda Brooks Director

HOSPICE OF WATERLOO REGION
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2025

| | Operating | Capital | 2025 | 2024 |
|---|------------------|----------------------|----------------------|----------------------|
| FUND BALANCES, beginning of year | \$ 860 | \$ 16,326,035 | \$ 16,326,895 | \$ 16,885,327 |
| Excess (deficiency) of revenue over expenses for the year | <u>49,003</u> | <u>(560,307)</u> | <u>(511,304)</u> | <u>(558,432)</u> |
| FUND BALANCES, end of year | <u>\$ 49,863</u> | <u>\$ 15,765,728</u> | <u>\$ 15,815,591</u> | <u>\$ 16,326,895</u> |

HOSPICE OF WATERLOO REGION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2025

| | Operating Fund | Capital Fund | 2025 | 2024 |
|--|-------------------|---------------------|---------------------|---------------------|
| REVENUE | | | | |
| Home & Community Care | \$ 1,709,107 | \$ 0 | \$ 1,709,107 | \$ 1,711,332 |
| Donations and fundraising (note 11) | 1,467,444 | 90,404 | 1,557,848 | 1,218,125 |
| Ontario Health | 1,163,460 | 0 | 1,163,460 | 1,061,814 |
| Interest and other (note 11) | 244,817 | 0 | 244,817 | 76,485 |
| Grants | 104,290 | 0 | 104,290 | 148,963 |
| Ministry of Health Education funding | 96,899 | 0 | 96,899 | 91,395 |
| | <u>4,786,017</u> | <u>90,404</u> | <u>4,876,421</u> | <u>4,308,114</u> |
| EXPENSES | | | | |
| Salaries and benefits | 3,439,538 | 0 | 3,439,538 | 2,933,586 |
| Program costs | 288,695 | 0 | 288,695 | 286,165 |
| Occupancy costs | 276,338 | 0 | 276,338 | 266,061 |
| Computer, software, and IT equipment | 174,930 | 0 | 174,930 | 158,826 |
| Fundraising | 156,247 | 0 | 156,247 | 127,369 |
| Insurance and professional fees | 97,457 | 0 | 97,457 | 101,455 |
| Ministry of Health Education | 96,899 | 0 | 96,899 | 91,395 |
| Flowthrough (note 12) | 50,000 | 0 | 50,000 | 25,000 |
| Office | 37,580 | 0 | 37,580 | 46,891 |
| Staff education | 29,991 | 0 | 29,991 | 56,238 |
| Postage and telephone | 28,058 | 0 | 28,058 | 26,177 |
| Bank charges and loan interest | 20,237 | 427 | 20,664 | 15,151 |
| Travel reimbursements | 14,670 | 0 | 14,670 | 11,083 |
| Advertising, promotion and printing | 13,942 | 0 | 13,942 | 19,250 |
| Memberships | 12,432 | 0 | 12,432 | 9,902 |
| | <u>4,737,014</u> | <u>427</u> | <u>4,737,441</u> | <u>4,174,549</u> |
| EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS | <u>49,003</u> | <u>89,977</u> | <u>138,980</u> | <u>133,565</u> |
| OTHER EXPENSES | | | | |
| Amortization of tangible capital assets | <u>0</u> | <u>(650,284)</u> | <u>(650,284)</u> | <u>(691,997)</u> |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES for the year | <u>\$ 49,003</u> | <u>\$ (560,307)</u> | <u>\$ (511,304)</u> | <u>\$ (558,432)</u> |

HOSPICE OF WATERLOO REGION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2025

| | 2025 | 2024 |
|--|---------------------|---------------------|
| CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | |
| Deficiency of revenue over expenses for the year | \$ (511,304) | \$ (558,432) |
| Items not requiring an outlay of cash | | |
| Amortization of tangible capital assets | <u>650,284</u> | <u>691,997</u> |
| | 138,980 | 133,565 |
| Changes in non-cash working capital | | |
| Accounts receivable | 15,782 | 185,356 |
| Prepaid expenses | 9,034 | (22,660) |
| Accounts payable and accrued liabilities | 1,909 | 25,408 |
| Accounts payable - Cambridge OHT | 14,840 | 15,122 |
| Deferred operating contributions | <u>(2,353)</u> | <u>158,865</u> |
| | 178,192 | 495,656 |
| CASH USED IN FINANCING ACTIVITIES | | |
| Long term debt repayments | 0 | (40,000) |
| CASH USED IN INVESTING ACTIVITIES | | |
| Additions to tangible capital assets | <u>(41,610)</u> | <u>(126,681)</u> |
| NET INCREASE IN CASH | 136,582 | 328,975 |
| NET CASH, BEGINNING OF YEAR | <u>1,029,071</u> | <u>700,096</u> |
| NET CASH, END OF YEAR | <u>\$ 1,165,653</u> | <u>\$ 1,029,071</u> |
| CASH CONSISTS OF: | | |
| Cash | \$ 806,971 | \$ 685,229 |
| Cash - Cambridge OHT | <u>358,682</u> | <u>343,842</u> |
| | <u>\$ 1,165,653</u> | <u>\$ 1,029,071</u> |

HOSPICE OF WATERLOO REGION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

1. NATURE OF OPERATIONS

Hospice Of Waterloo Region is a registered charity incorporated without share capital under the laws of Ontario and is exempt from income tax. It is dedicated to providing comfort, care and support to people affected by a life-threatening illness. The organization has a Palliative Care Centre that includes spaces for a medical clinic, client programming, volunteer services, education classrooms, administrative offices and residence hospice beds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) REVENUE RECOGNITION

The organization follows the restricted fund method of accounting for contributions. Contributions received related to the capital fund are recognized as revenue in the fund when received.

Contributions of the operating fund that are restricted for activities or fundraising events taking place in the following year are deferred until the activity or event is completed and the related expenses are incurred.

Unrestricted contributions of the operating fund are recognized as revenue when received or receivable and grants are recognized when collection is reasonably assured and conditions of the grant are met.

The majority of funding is received from Ontario Health and Home & Community Care Support Services Waterloo Wellington. Annual Reconciliation Reports are submitted to Ontario Health by the organization for final approval. Assessments of prior funding may occur based on Ontario Health decisions. The effect of these adjustments, which cannot be quantified at the time of preparing the financial statements, will be recorded in the year of assessment. Ontario Health atHome reconciles the funding annually for the organization.

Capital campaign pledges will be recorded as revenue when received.

All other revenue is recognized when received or receivable.

(b) FUND ACCOUNTING

Operating fund

The operating fund reports the assets, liabilities, revenues and expenses related to the services provided to people and families affected by a life-threatening illness. Included within the operating fund is the internally restricted operating sustainability fund which was established to offset any unexpected fluctuations in regular operating funding and to fund new operational priorities and opportunities.

HOSPICE OF WATERLOO REGION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) FUND ACCOUNTING (continued)

Capital fund

The capital fund reports the assets, liabilities, revenues and expenses related to the purchase and use of tangible capital assets. Amounts related to existing tangible capital assets are reported in the internally restricted for tangible capital assets fund. Externally restricted funds represent the amounts raised towards future tangible capital asset purchases that have been restricted by the funder. Included in the capital fund is the internally restricted capital sustainability fund which was established to provide for capital repairs, replacements and upgrades of the physical property held by the Hospice of Waterloo Region.

(c) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost and amortized on the basis of their estimated useful life using the following methods and rates:

| | |
|------------------------|--------------------------------|
| Building and roads | - 4 % declining balance basis |
| Office equipment | - 25 % declining balance basis |
| Furniture and fixtures | - 20 % declining balance basis |
| Signage | - 20 % declining balance basis |
| Computer equipment | - 55 % declining balance basis |
| Leasehold improvements | - 5 years straight line basis |

One half of the amortization is provided in the year of acquisition and no amortization is provided in the year of disposal.

When a tangible capital asset no longer has any long term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Any unamortized deferred contribution amount related to the tangible capital asset is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

(d) 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring management's estimates include the useful life of tangible capital assets and valuation of accrued liabilities. Actual results could differ from those estimates.

(e) FINANCIAL INSTRUMENTS

Financial instruments are recorded at fair value at initial recognition. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

HOSPICE OF WATERLOO REGION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) FINANCIAL INSTRUMENTS (continued)

At the end of each reporting period, the organization assesses whether there are any indications that a financial asset measured at cost or amortized cost may be impaired. If there are indicators of impairment, and the organization determines there has been a significant adverse change in the expected amount or timing of future cash flows, an impairment is recognized. If circumstances change, a previously recognized impairment may be reversed.

(f) CONTRIBUTED MATERIALS AND SERVICES

Volunteers contribute many hours per year to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements. Contributed materials are not recognized in the financial statements unless they would normally be purchased by the organization and their fair market value can be ascertained.

3. FINANCIAL INSTRUMENTS

Unless otherwise disclosed, management is of the opinion there are no significant financial instrument risks, except as follows.

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments which potentially subject the organization to concentrations of credit risk consist of cash and accounts receivable. The organization has deposited the cash with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities, debt and its commitments.

The organization's exposure to financial instrument risks remains unchanged from the prior year.

4. ACCOUNTS RECEIVABLE

| | 2025 | 2024 |
|----------------|-------------------|-------------------|
| HST receivable | \$ 104,420 | \$ 104,252 |
| Other | 58,179 | 19,500 |
| Government | <u>11,584</u> | <u>66,213</u> |
| | <u>\$ 174,183</u> | <u>\$ 189,965</u> |

HOSPICE OF WATERLOO REGION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | 2025 | 2024 |
|------------------------|-------------------|-------------------|
| Accounts payable | \$ 129,087 | \$ 183,847 |
| Accrued liabilities | 197,508 | 144,891 |
| Government remittances | <u>39,792</u> | <u>35,740</u> |
| | <u>\$ 366,387</u> | <u>\$ 364,478</u> |

6. CASH - CAMBRIDGE OHT

At year end, the organization held cash of \$358,682 (2024 - \$343,842) on behalf of the Cambridge North Dumfries Ontario Health Team (CNDOHT). The Hospice of Waterloo Region has agreed to collect contributions from members and disburse funds on behalf of CNDOHT. This amount is also in accounts payable as owing to CNDOHT. The collection and distribution of funds has no impact on the results of operations of the Hospice of Waterloo Region.

7. TANGIBLE CAPITAL ASSETS

| | Cost | Accumulated Amortization | Net 2025 | Net 2024 |
|---------------------------|----------------------|-------------------------------------|----------------------|----------------------|
| Land | \$ 2,266,691 | \$ 0 | \$ 2,266,691 | \$ 2,266,691 |
| Building and roads | 15,562,322 | 2,656,182 | 12,906,140 | 13,443,896 |
| Office equipment | 50,502 | 47,867 | 2,635 | 3,514 |
| Furniture and fixtures | 1,036,304 | 687,695 | 348,609 | 399,793 |
| Signage | 90,668 | 51,414 | 39,254 | 38,225 |
| Computer equipment | 237,010 | 221,284 | 15,726 | 34,946 |
| Leasehold improvements | <u>12,974</u> | <u>10,317</u> | <u>2,657</u> | <u>3,321</u> |
| | <u>\$ 19,256,471</u> | <u>\$ 3,674,759</u> | <u>\$ 15,581,712</u> | <u>\$ 16,190,386</u> |

8. DUE TO/FROM FUNDS

The balances due from (to) funds are unsecured, interest free, with no fixed terms of repayment.

9. DEFERRED OPERATING CONTRIBUTIONS

Deferred operating contributions consist of funds received for specific use and the related expenditures have not yet occurred. The change in these amounts during the year are as follows:

| | 2025 | 2024 |
|---|--------------------|--------------------|
| Balance, beginning of the year | \$ 476,899 | \$ 318,034 |
| Funding received during the year | 1,926,085 | 1,596,070 |
| Amounts recognized as revenue during the year | <u>(1,928,438)</u> | <u>(1,437,205)</u> |
| Balance, end of year | <u>\$ 474,546</u> | <u>\$ 476,899</u> |

10. ECONOMIC DEPENDENCE

The organization is economically dependent upon grants from the Government of Ontario. This source represents 62% (2024 - 69%) of operating fund revenue for the year ended March 31, 2025.

HOSPICE OF WATERLOO REGION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

11. NON-MONETARY TRANSACTIONS

During the year, the organization received donations of \$279,710 (2024 - \$88,271) in marketable securities measured at the fair value of the securities received on the date of exchange. The organization later sold these and a realized loss of \$1,023 (2024 - gain of \$357).

12. FLOWTHROUGH

Bereavement funding from Ontario Health West was paid to Lisaard and Innisfree Hospice.

13. WATERLOO REGION COMMUNITY FOUNDATION

Certain endowment funds owned by Waterloo Region Community Foundation (WRCF) are held in perpetuity for the benefit of Hospice of Waterloo Region and are excluded from these financial statements. The statement of operations is comprised of interest and dividends earned on the capital investment and is available for distribution in the form of grants.

The organization has access to any income and growth on the investments but the original capital contribution is restricted and held at WRCF.

Should WRCF cease to exist, the organization would be entitled to receive the appropriate proportionate share of the market value of the investments of WRCF represented by the fund.

The value of the endowment funds at December 31 is as follows:

| | 2024 | 2023 |
|--|------------------|------------------|
| Restricted endowment fund | \$ <u>31,782</u> | \$ <u>29,644</u> |
| Net income (loss) earned during the year | \$ <u>2,137</u> | \$ <u>1,056</u> |