

HOSPICE OF MISSISSAUGA INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Hospice of Mississauga Inc.

Opinion

We have audited the financial statements of Hospice of Mississauga Inc. (the Organization), which comprise the statement of financial position as at March 31, 2025, and the statements of operations and net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

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 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 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.

Other Matter

The financial statements for the year ended March 31, 2024 were audited by another Chartered Professional Accountant who expressed a qualified opinion on those financial statements on June 28, 2024.

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.



INDEPENDENT AUDITOR'S REPORT - continued

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 the 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.

Brownlow Partners

Ancaster, Ontario
June 23, 2025

Chartered Professional Accountants
Licensed Public Accountants

HOSPICE OF MISSISSAUGA INC.
(Incorporated under the laws of Ontario)
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

	ASSETS			
	Operating Fund	Hospice Centre Fund	2025	2024
CURRENT ASSETS				
Cash	\$ 1,082,239	\$ 2,395,448	\$ 3,477,687	\$ 1,271,453
Short-term investments (note 3)	1,175,733	3,481,475	4,657,208	4,916,636
Accounts receivable (note 4)	143,007	68,347	211,354	383,372
Receivable from Operating Fund	-	684,842	684,842	84,227
Prepaid expenses and deposits	57,394	2,200	59,594	40,562
	2,458,373	6,632,312	9,090,685	6,696,250
LONG TERM INVESTMENTS	-	-	-	1
PROPERTY AND EQUIPMENT (note 5)	20,661	1,244,432	1,265,093	461,610
	\$ 2,479,034	\$ 7,876,744	\$ 10,355,778	\$ 7,157,861

(The accompanying notes form an integral part of these financial statements)

HOSPICE OF MISSISSAUGA INC.
(Incorporated under the laws of Ontario)
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

LIABILITIES

	Operating Fund	Hospice Centre Fund	2025	2024
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 404,457	\$ 105,461	\$ 509,918	\$ 267,641
Payable to Hospice Centre Fund	684,842	-	684,842	84,227
Deferred revenue (note 6)	-	795,261	795,261	17,196
	1,089,299	900,722	1,990,021	369,064
DEFERRED CAPITAL CONTRIBUTIONS (note 7)				
	-	2,050,000	2,050,000	5,677
	1,089,299	2,950,722	4,040,021	374,741

NET ASSETS

Internally restricted funds (note 8)	1,551,559	-	1,551,559	1,551,559
Hospice Centre fund	-	4,926,022	4,926,022	4,926,022
Operating fund (deficit)	(161,824)	-	(161,824)	305,539
	1,389,735	4,926,022	6,315,757	6,783,120
	\$ 2,479,034	\$ 7,876,744	\$ 10,355,778	\$ 7,157,861

Commitments (note 9)



Director

Approved by the Board



Director

(The accompanying notes form an integral part of these financial statements)

HOSPICE OF MISSISSAUGA INC.
STATEMENT OF OPERATIONS AND NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2025

	Operating Fund	Hospice Centre Fund	2025	2024
REVENUE				
Grants	\$ 1,237,022	\$ -	\$ 1,237,022	\$ 1,306,967
Donations	702,510	488,009	1,190,519	672,382
Fundraising	278,588	151,218	429,806	589,622
Interest and other investment income	63,849	182,774	246,623	250,177
Other income	10,838	-	10,838	3,433
	2,292,807	822,001	3,114,808	2,822,581
EXPENDITURES				
Amortization	14,584	-	14,584	29,295
Annual dues and licenses	62,771	5,141	67,912	65,590
Fundraising	83,047	21,300	104,347	70,252
HST expense	35,974	-	35,974	-
Insurance	19,797	-	19,797	17,435
Interest and bank charges	14,942	2,096	17,038	12,669
Meetings	5,882	12,700	18,582	6,138
Office	97,800	43,849	141,649	102,860
Other program expenses	7,315	41	7,356	8,666
Professional fees	149,430	205,065	354,495	288,860
Program administration	43,874	455	44,329	32,051
Public relations	24,736	58,488	83,224	28,704
Rent and utilities	132,588	-	132,588	134,532
Repairs and maintenance	3,702	-	3,702	16,957
Salaries and benefits	1,991,080	470,348	2,461,428	1,891,911
Software and data services	8,324	-	8,324	18,865
Staff development	11,152	542	11,694	16,018
Telephone	37,642	1,408	39,050	29,622
Travel	15,530	568	16,098	14,597
	2,760,170	822,001	3,582,171	2,785,022
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(467,363)	-	(467,363)	37,559
NET ASSETS, BEGINNING OF YEAR	1,857,098	4,926,022	6,783,120	6,745,561
NET ASSETS, END OF YEAR	\$ 1,389,735	\$ 4,926,022	\$ 6,315,757	\$ 6,783,120

(The accompanying notes form an integral part of these financial statements)

HOSPICE OF MISSISSAUGA INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2025

	2025	2024
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ (467,363)	\$ 37,559
Adjustment for:		
- amortization of property and equipment	14,584	29,295
- amortization of deferred capital contributions	(5,677)	(5,484)
	(458,456)	61,370
Net changes in working capital balances		
- accounts receivable	172,018	(195,777)
- prepaid expenses and deposits	(19,032)	31,135
- accounts payable and accrued liabilities	242,277	77,244
- deferred revenue	778,065	(74,441)
	1,173,328	(161,839)
	714,872	(100,469)
INVESTING ACTIVITIES		
Acquisition of property and equipment	(818,066)	(262,902)
Increase in deferred asset contributions	2,050,000	1,398
	1,231,934	(261,504)
INCREASE (DECREASE) IN CASH DURING THE YEAR	1,946,806	(361,973)
CASH AT BEGINNING OF THE YEAR	6,188,089	6,550,062
CASH AT END OF THE YEAR	\$ 8,134,895	\$ 6,188,089
Cash consists of:		
Cash	\$ 3,477,687	\$ 1,271,453
Short term investments	4,657,208	4,916,636
	<u>\$ 8,134,895</u>	<u>\$ 6,188,089</u>

(The accompanying notes form an integral part of these financial statements)

HOSPICE OF MISSISSAUGA INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

1. PURPOSE OF ORGANIZATION

Hospice of Mississauga Inc. operates as "Hospice Mississauga". The Organization is a non-for-profit organization incorporated without share capital under the Ontario Business Corporations Act. The Organization is a registered charity under the Income Tax Act and is therefore exempt from income taxes and may issue official donation receipts for income tax purposes. Its principal activities include the provision of home care services and supportive care of the terminally ill.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for Not-for-Profit Organizations (ASNPO).

(b) Short-term Investments

Short-term investments include guaranteed investment certificates which are recorded at cost and mutual funds which are quoted in an active market and recorded at market value.

(c) Property and Equipment

Property and equipment are recorded at cost and are being amortized over their estimated useful lives. The annual amortization rates are as follows:

Computer equipment	3 years straight-line
Equipment	5 years straight-line

Assets under construction are not amortized until construction is substantially complete.

(d) Impairment of Long-lived Assets

A long-lived asset is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

HOSPICE OF MISSISSAUGA INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Fund Accounting

(i) Operating Fund

The Operating fund reports the assets, liabilities, revenues and expenses related to the Organization's activities and operations.

(ii) Hospice Centre Fund

The Hospice Centre Fund reports the assets, liabilities, revenues and expenses related to the development of a planned residential hospice.

(iii) Internally Restricted Funds

The Board of Directors has approved the following reserve funds from the Operating Fund:

Reserve for Operating Costs

As the funding received by Hospice of Mississauga Inc. is irregular, the Board of Directors has approved the establishment of a reserve to cover future operating costs.

Reserve for Special Expenditures

The Board of Directors has established a reserve to provide funding for certain specified future expenditures.

(f) Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are deferred and recognized as revenue in the periods the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions for the purchase of property and equipment that will be amortized are deferred as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired property and equipment. Interest and other investment income is recognized when it is earned.

(g) Contributed Services

Directors and committee members volunteer their time to assist in the Organization's activities. While these services benefit the Organization considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

(h) Employee Future Benefits

In June 2022, the Organization joined the Healthcare on Ontario Pension Plan ("HOOPP"), a define benefit pension plan. HOOPP is a multi-employer pension plan. All full time employees are enrolled in the plan upon hiring, and part time employees are eligible to join the pension plan at any time during their employment. The employee contribution rate is 6.9% up to the yearly maximum pensionable earnings ("YMPE") and 9.2% of the earnings above YMPE. YMPE is set by the pension plan annually. The employers of the pension plan are required to contribute to the plan an amount of 1.26 times the employee contributions.

HOSPICE OF MISSISSAUGA INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) 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 reporting period. Such estimates include the useful lives of property and equipment, amount of uncollectible debts, and accruals. Actual results may vary from the current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

(j) Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income in the period incurred.

Financial assets measured at amortized cost include cash, guaranteed investment certificates and accounts receivable.

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

The Organization has designated mutual funds to be measured at fair value.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the 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.

3. SHORT-TERM INVESTMENTS

	2025	2024
Bonds	\$ -	\$ 730,780
Guaranteed investment certificates	4,472,913	4,008,214
Mutual funds	184,295	177,642
	<u>\$ 4,657,208</u>	<u>\$ 4,916,636</u>

HOSPICE OF MISSISSAUGA INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

4. ACCOUNTS RECEIVABLE

	2025	2024
City of Mississauga receivable	\$ -	\$ 146,900
Government remittances receivable	74,428	53,041
Interest receivable	86,413	143,431
Ontario Health Central receivable	40,235	40,000
Other receivables	10,278	-
	<u>\$ 211,354</u>	<u>\$ 383,372</u>

5. PROPERTY AND EQUIPMENT

		2025		2024
		Accumulated Amortization	Net	Net
Operating Fund				
Computer equipment	\$ 123,362	\$ 109,374	\$ 13,988	\$ 9,226
Equipment	50,110	43,437	6,673	3,501
Hospice Centre Fund				
Construction in progress	1,244,432	-	1,244,432	448,883
	<u>\$ 1,417,904</u>	<u>\$ 152,811</u>	<u>\$ 1,265,093</u>	<u>\$ 461,610</u>

6. DEFERRED REVENUE

	2025	2024
Donations	\$ 795,261	\$ 4,293
Fundraising	-	1,662
Grants	-	11,241
	<u>\$ 795,261</u>	<u>\$ 17,196</u>

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions include donations received for the construction of the new Hospice building. These contributions will be amortized and recognized as revenue on the same basis as the amortization expense related to the building, upon completion.

	2025	2024
Balance, beginning of the year	\$ 5,677	\$ 9,763
Capital contributions received during the year	2,050,000	1,398
Amortization of deferred capital contributions	(5,677)	(5,484)
Balance, end of the year	<u>\$ 2,050,000</u>	<u>\$ 5,677</u>

HOSPICE OF MISSISSAUGA INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

8. INTERNALLY RESTRICTED FUNDS

	2025	2024
Reserve for special expenditures		
Day program	\$ 7,300	\$ 7,300
Future hospice centre operations	1,000,000	1,000,000
Translation of hospice materials	5,000	5,000
	1,012,300	1,012,300
Reserve for operating expenses	539,259	539,259
	\$ 1,551,559	\$ 1,551,559

9. COMMITMENTS

The Organization has the following annual commitment for the lease of its operating facility

2026	\$ 88,988
2027	92,547
2028	96,249
	<u>\$ 277,784</u>

10. LETTER OF CREDIT

The Organization has an operating letter of credit which is authorized up to \$472,913 as a hold for potential damages for the new Hospice building, and bears at 1.6% per annum, payable quarterly. As at March 31, 2025, the credit was not drawn on.

11. ECONOMIC DEPENDENCE

The Organization is dependent on government funding agreements from Ontario Health. It would be difficult for the current operations of the Organization to continue without this annual funding. Management believes this funding will continue into the foreseeable future.

HOSPICE OF MISSISSAUGA INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

12. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at March 31, 2025.

(a) 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 risk, interest rate risk and other price risk. The Organization is mainly exposed to interest and other price risk

(i) 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 exposed to interest rate risk on its fixed-rate short term investments and fixed-rate letter of credit which subjects the Organization to a fair value risk.

(ii) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk through its investments in mutual funds, which are quoted in an active market.

13. COMPARATIVE FIGURES

Certain 2024 comparative amounts were reclassified to conform to the current year's financial statement presentation.