

*Matthews House Hospice*

Financial Statements  
Year Ended March 31, 2025

- audited -

G. J. McCormack Sept 24, 2025  
Margaret Bachle Sept 24, 2025

# *Matthews House Hospice*

## INDEX

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 12

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Matthews House Hospice:

### Qualified Opinion

We have audited the financial statements of Matthews House Hospice (the "Organization"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net assets and statement of 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 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 Matthews House Hospice as at March 31, 2025, and its 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 for Qualified Opinion

In common with many charitable organizations, Matthews House Hospice derives revenue from donations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of Matthews House Hospice and we were not able to determine whether any adjustments might have been found necessary with respect to donations and fundraising, the excess of revenues over expenditures, cash flows from operating activities for the years ended March 31, 2025 and March 31, 2024, current assets and net assets as at March 31, 2025 and March 31, 2024. 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 in 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 opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

### 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

*Independent Auditor's Report continued on next page...*

*Independent Auditor's Report continued...*

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.

*Ward & Uptigrove*

Listowel, Ontario

August 19, 2025

**Ward & Uptigrove**  
**Chartered Professional Accountants**  
**Licensed Public Accountants**

# Matthews House Hospice

## Statement of Financial Position

as at March 31, 2025

in dollars

Page 3

The Accompanying Notes are an Integral Part of the Financial Statements

2025

2024

### ASSETS

#### Current Assets

Cash	360,147	347,600
Short-term investments - Note 4	100,000	-
Accounts receivable - Note 5	84,328	99,954
Public Service Bodies' rebate receivable	26,265	39,576
Prepaid expenses	6,618	6,441

577,358

493,571

#### Other Assets

Due from Matthews House Hospice Foundation - Note 6	2,556,702	2,323,574
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#### Tangible Capital Assets - Note 7

Cost	1,212,062	1,049,029
Less accumulated amortization	677,563	536,475

534,499

512,554

#### TOTAL ASSETS

3,668,559

3,329,699

### LIABILITIES AND NET ASSETS

#### LIABILITIES

##### Current Liabilities

Accounts payable and accruals	214,735	336,858
Deferred capital contributions - Note 8	78,373	62,131

293,108

398,989

##### Long Term Liabilities

Deferred capital contributions - Note 8	237,872	219,254
Less current portion	(78,373)	(62,131)

159,499

157,123

#### TOTAL LIABILITIES

452,607

556,112

#### NET ASSETS

Internally restricted - tangible capital assets	296,627	293,300
Internally restricted - capital improvements - Note 9	130,000	-
Unrestricted	2,789,325	2,480,287

#### TOTAL NET ASSETS

3,215,952

2,773,587

#### TOTAL LIABILITIES AND NET ASSETS

3,668,559

3,329,699

Approved on Behalf of the Board of Directors by \_\_\_\_\_

**Matthews House Hospice**  
**Statement of Operations and Changes in Net Assets**  
**year ended March 31, 2025**

in dollars

Page 4

<i>The Accompanying Notes are an Integral Part of the Financial Statements</i>			2025	2024
<b>REVENUE</b>				
Ontario Health at Home funding - Note 12			1,269,528	1,228,497
Ontario Health at Home - residence funding - Note 12			1,139,957	1,144,702
Ontario Health at Home - one time funding - Note 12			473,002	473,037
Donations - Note 6			1,124,234	821,529
Fundraising and events			3,380	527,465
Amortization of deferred capital contributions - Note 8			71,103	61,890
Other grants			11,486	100,248
Other income			49,658	91,471
			<b>4,142,348</b>	<b>4,448,839</b>
<b>Expenditures</b>				
Advertising			25,895	37,101
Amortization			141,088	117,619
Bank charges and interest			4,075	32,219
Building occupancy - Note 6			142,887	261,982
Fundraising and events expenditures			2,314	84,860
Insurance			23,986	20,683
Office			153,802	151,845
Professional fees			40,838	75,142
Program expenditures			51,117	52,220
Residence - operating expenditures			51,181	71,416
Staff training and recruitment			21,670	62,931
Travel			992	318
Volunteer training and recognition			977	1,051
Wages and benefits - Note 6			3,039,161	3,377,689
			<b>3,699,983</b>	<b>4,347,076</b>
<b>Operating income</b>			<b>442,365</b>	<b>101,763</b>
<b>Other income</b>				
Interest earned			-	82,293
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>			<b>442,365</b>	<b>184,056</b>
Net assets, beginning of year			2,773,587	2,589,531
<b>NET ASSETS, END OF YEAR</b>			<b>3,215,952</b>	<b>2,773,587</b>

# Matthews House Hospice

## Statement of Cash Flows

year ended March 31, 2025

in dollars

Page 5

<i>The Accompanying Notes are an Integral Part of the Financial Statements</i>	2025	2024
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures for the year	442,365	184,056
Items not affecting cash		
Amortization of tangible capital assets	141,088	117,619
Amortization of deferred capital contributions	(71,103)	(61,890)
	512,350	239,785
Changes in non-cash working capital		
related to operations - Note 11	(93,363)	415,628
	<b>418,987</b>	<b>655,413</b>
<b>FINANCING ACTIVITIES</b>		
Deferred capital contributions received	89,721	41,843
Advances to Matthews House Hospice Foundation	(233,128)	(1,942,666)
	<b>(143,407)</b>	<b>(1,900,823)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(163,033)	(150,929)
Maturity of term deposits	-	1,500,000
Acquisition of short-term investments	(100,000)	-
	<b>(263,033)</b>	<b>1,349,071</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>12,547</b>	<b>103,661</b>
Cash and cash equivalents, beginning of year	347,600	243,939
<b>Cash and cash equivalents, end of year</b>	<b>360,147</b>	<b>347,600</b>
<b>Represented by:</b>		
Cash	360,147	347,600
	<b>360,147</b>	<b>347,600</b>



# Matthews House Hospice

## Notes to the Financial Statements year ended March 31, 2025

in dollars

Page 6

*The Accompanying Notes are an Integral Part of the Financial Statements*

### 1 PURPOSE OF ORGANIZATION

Matthews House Hospice was incorporated without share capital under the laws of Canada. The purpose of the Organization is to provide caring and compassionate community, in-home and residential support for people affected by life threatening illnesses and end of life.

The Organization is a registered charitable organization. As a registered charity it must comply with certain requirements to maintain its status under the Income Tax Act and, while registered, is exempt from income taxes under Section 149(1) and may issue income tax receipts.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 2.1 Portfolio Investments

Short term investments consist of investments with maturities of between three months and one year at the date of acquisition. The corporation does not exercise significant influence with respect to any of these investments.

#### 2.2 Tangible capital assets

Tangible capital assets are stated at cost and are amortized on a diminishing-balance basis utilizing annual rates, as indicated below, which will fully amortize the assets over their estimated useful lives. Leasehold improvements are being amortized on a straight line basis over a five year term.

Furniture and equipment	20%
Computer hardware	45%

In the year of acquisition, only one half of the above rates are applied. When a tangible 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 expenditure in the statement of operations.

#### 2.3 Revenue recognition

The Organization follows the deferral method of accounting for contributions. Unrestricted donations and fundraising are recognized as revenue when received, or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted donations and fundraising are recognized as revenue in the year in which the related expenses are incurred.

Funding and other grant revenue are recorded when the funding agency has approved the funding and the related expenditures have been incurred. Government assistance revenue is recorded when received, or receivable if the amount can be reasonably estimated and collection is reasonably assured. Unspent funds may be subject to clawback by Ontario Health at Home.

Contributions restricted for the purchase of tangible capital assets are deferred and amortized into revenue at a rate similar to the amortization of the related tangible capital assets.

Donated goods and services are not recorded in the financial statements, except when they are used in the normal course of business and when a value for such goods and services can be readily determined.



# Matthews House Hospice

## Notes to the Financial Statements

year ended March 31, 2025

in dollars

Page 7

*The Accompanying Notes are an Integral Part of the Financial Statements*

### **2.4 Cloud computing arrangements**

At the inception of the cloud computing arrangement with a supplier, the company allocates the consideration of the arrangement to all of the significant separable elements based on their specific sales price. Development costs and costs on the rights to use a tangible asset are recognized according to the accounting methods applicable to such elements. To account for expenditures in a cloud computing arrangement that fall within the scope of AcG-20, Customer's Accounting for Cloud Computing Arrangements, the company has opted for the simplification approach. Such expenditures shall be treated as the supply of services and recognized as an expenditure when the company receives such services. These expenditures are shown under office expenses on the statement of income. The company recognizes a prepayment as an asset when payment for services has been made in advance of the entity receiving those services. Expenditures related to implementation activities are expensed as incurred.

### **2.5 Use of estimates**

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

### **2.6 Financial instruments**

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The entity subsequently measures all its financial assets and financial liabilities at amortized cost, except for any investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess (deficiency) of revenue over expenditures. Financial assets measured at amortized cost include cash and accounts receivable.

### **2.7 Contributed services**

The Organization is dependent upon the many hours contributed by volunteers during the year. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

# Matthews House Hospice

## Notes to the Financial Statements

year ended March 31, 2025

in dollars

Page 8

The Accompanying Notes are an Integral Part of the Financial Statements

### 3 FINANCIAL INSTRUMENTS

The significant risks arising from financial instruments to which the Organization is exposed as at year end are detailed below.

- a) **Credit risk**  
The Organization's credit risk is mainly related to accounts receivable. The Organization provides credit to its residents in the normal course of operations. The Organization is not exposed to any significant credit risk.
- b) **Currency risk**  
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization is not exposed to any significant currency risk.
- c) **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 financial instruments. Fixed rate instruments subject the Organization to a fair value risk, since fair value fluctuates inversely to changes in market interest rates.
- d) **Liquidity risk**  
Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is not exposed to any significant liquidity risk.
- e) **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. The Organization is not exposed to any significant other price risk.

### 4 SHORT-TERM INVESTMENTS

	2025	2024
Government of Canada treasury bill - face value of \$102,000, matures October 2025, acquired at a discount of \$2,987 from face value	100,000	-
	100,000	-

# Matthews House Hospice

## Notes to the Financial Statements

year ended March 31, 2025

in dollars

Page 9

The Accompanying Notes are an Integral Part of the Financial Statements

### 5 ACCOUNTS RECEIVABLE

	2025	2024
Simcoe County	75,446	94,993
Ontario Health at Home	8,882	4,961
	84,328	99,954

### 6 RELATED PARTIES

During the year, the Organization leased one property during the year from a company controlled by a member of the board of directors of the related controlled Matthews House Hospice Foundation. The total rent payments were \$20,340 (2024 - \$40,680). These transactions are in the normal course of operations and are measured at the exchange amount.

During the year, the Organization provided human resources, equipment, supplies and maintenance to the related controlled Matthews House Hospice Foundation. The total funds for services received was \$371,004 (2024 - \$nil). Of these funds, \$311,757 (2024 - \$nil) are received for wages and benefits and \$59,247 (2024 - \$nil) are for building occupancy. These transactions are not in the normal course of operations and are measured at the carrying amount.

During the year, the Organization received funding by the related controlled Matthews House Hospice Foundation. The total funding received was \$804,996 (2024 - \$nil). These transactions are in the normal course of operations and are measured at the exchange amount.

Balances owing from related parties at year end are as follows:

	2025	2024
Due from Matthews House Hospice Foundation	2,556,702	2,323,574

Related party loan is non interest bearing with no fixed terms of repayment.

### 7 TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	2025 Net book value	2024 Net book value
Furniture and equipment	817,573	498,319	319,254	258,799
Computer hardware	14,377	3,235	11,142	-
Leasehold improvements	380,112	176,009	204,103	253,755
	1,212,062	677,563	534,499	512,554

# Matthews House Hospice

## Notes to the Financial Statements

year ended March 31, 2025

in dollars

Page 10

*The Accompanying Notes are an Integral Part of the Financial Statements*

### 8 DEFERRED CAPITAL CONTRIBUTIONS

The changes for the year in the deferred capital contributions balance reported are as follows:

	2025	2024
Balance, beginning of year	219,254	239,301
Plus: Contributed capital funding improvements	89,721	41,843
Less: Amounts amortized to income	(71,103)	(61,890)
Balance, end of year	237,872	219,254
<b>Represented by:</b>		
Current portion of deferred capital contributions	78,373	62,131
Long term portion of deferred capital contributions	159,499	157,123
	237,872	219,254

### 9 INTERNALLY RESTRICTED NET ASSETS

In March 2025, the board of directors of Matthews House Hospice resolved to restrict \$130,000 for capital improvements. The organization may not use these internally restricted amounts for any other purpose without approval of the board of directors.

# Matthews House Hospice

## Notes to the Financial Statements

year ended March 31, 2025

in dollars

Page 11

The Accompanying Notes are an Integral Part of the Financial Statements

### 10 CONTROLLED FOUNDATION

The Organization is related to Matthews House Hospice Foundation (the "Foundation") as the board of directors for the Organization appoint the board of directors for the Foundation. The Foundation is incorporated under the Canada Corporations Act and is a registered charity under the Income Tax Act and is exempt from income taxes under Section 149(1) of the Income Tax Act. The purpose of the Foundation is to promote health by providing individuals who are experiencing life limiting illness, facing end of life or grieving a loss with access to related counselling, information and/or group support programs. The Foundation has not been consolidated in the Organization's financial statements. The summary of the financial statements of the Foundation as at March 31, 2025 and for the year then ended are as follows:

	2025	2024
<b>Statement of financial position</b>		
Assets	8,096,527	7,622,274
Liabilities	2,671,214	2,375,420
Unrestricted net assets	5,055,678	(41,470)
Internally restricted net assets	369,635	5,288,324
<b>Statement of operations</b>		
Revenue	1,689,638	-
Expenditures	1,648,962	279,093
Other income	137,781	14,662
Deficiency of revenue over expenditures	178,457	(264,431)
<b>Statement of cash flows</b>		
Cash flows from operating activities	363,499	(22,538)
Cash flows from financing activities	295,964	1,993,288
Cash flows from investing activities	(601,177)	(1,939,905)

### 11 STATEMENT OF CASH FLOWS

The net change in non-cash working capital consists of:

	2025	2024
Accounts receivable	15,626	318,383
Public Service Bodies' rebate receivable	13,311	56,154
Prepaid expenses	(177)	18,243
Accounts payable and accruals	(122,123)	22,848
	(93,363)	415,628

# Matthews House Hospice

## Notes to the Financial Statements

year ended March 31, 2025

in dollars

Page 12

*The Accompanying Notes are an Integral Part of the Financial Statements*

### 12 ECONOMIC DEPENDENCE

The Organization is dependent on the funding provided by the Ontario Health at Home, which consisted of approximately 70% (2024 - 64%) of revenue.

### 13 COMMITMENTS

In November 2023, the Organization entered into a three year licensing and support contract for their donation software program, ending November 2026, requiring quarterly payments of \$7,827.

Lease payments required in the next two years are as follows:

2026	31,306
2027	20,871
	<hr/>
	52,177

### 14 SUBSEQUENT EVENTS

Subsequent to year end, the Organization entered into a capital funding agreement with Ontario Trillium Foundation to receive total funding of \$107,000 in three installments consisting of \$96,300 in the 2026 fiscal year and \$10,700 in the 2027 fiscal year for the community enhanced accessibility and safety needs.