

*Matthews House Hospice Foundation*

Financial Statements  
Year Ended March 31, 2025

- audited -



M. Beckle

# *Matthews House Hospice Foundation*

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Matthews House Hospice Foundation:

### Qualified Opinion

We have audited the financial statements of Matthews House Hospice Foundation, 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 Foundation 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 Foundation derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, the verification of these revenues was limited to the amounts recorded in the records of Matthews House Hospice Foundation 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, and 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 Foundation

## Statement of Financial Position

as at March 31, 2025

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2025

2024

### ASSETS

#### Current Assets

Cash	197,844	139,558
Short term investments - Note 4	678,065	1,008,333
Public Service Bodies' rebate receivable	22,323	1,492
Prepaid expenses	2,995	2,995

901,227

1,152,378

#### Other Assets

Long term investments - Note 4	2,139,622	1,181,572
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#### Tangible capital assets - Note 5

Cost	5,658,800	5,658,800
Less accumulated amortization	603,122	370,476

5,055,678

5,288,324

#### TOTAL ASSETS

8,096,527

7,622,274

### LIABILITIES AND NET ASSETS

#### LIABILITIES

##### Current Liabilities

Accounts payable and accruals	1,054	1,224
Deferred revenue - Note 6	113,458	50,622

114,512

51,846

##### Long Term Liabilities

Due to Matthews House Hospice - Note 7	2,556,702	2,323,574
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#### TOTAL LIABILITIES

2,671,214

2,375,420

#### NET ASSETS

Internally restricted	5,055,678	5,288,324
Unrestricted	369,635	(41,470)

#### TOTAL NET ASSETS

5,425,313

5,246,854

#### TOTAL LIABILITIES AND NET ASSETS

8,096,527

7,622,274

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

in dollars

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<i>The Accompanying Notes are an Integral Part of the Financial Statements</i>			2025	2024
<b>REVENUE</b>				
Fundraising			1,237,794	-
Donations			451,844	-
			<b>1,689,638</b>	<b>-</b>
<b>Expenditures</b>				
Amortization			232,646	244,891
Bank charges and interest			50,170	2,177
Building occupancy - Note 7			59,247	-
Donations - Note 7			804,996	-
Fundraising			151,617	-
Insurance			20,216	17,231
Office			1,873	29
Outsourced services - Note 7			311,757	-
Professional fees			13,428	14,765
Repairs and maintenance			3,012	-
			<b>1,648,962</b>	<b>279,093</b>
<b>Operating income (loss)</b>			<b>40,676</b>	<b>(279,093)</b>
<b>Other income</b>				
Investment income - Note 4			137,781	14,662
<b>DEFICIENCY OF REVENUE OVER EXPENDITURES</b>			<b>178,457</b>	<b>(264,431)</b>
Net assets, beginning of year			5,246,854	5,511,285
<b>NET ASSETS, END OF YEAR</b>			<b>5,425,311</b>	<b>5,246,854</b>

# Matthews House Hospice Foundation

## Statement of Cash Flows

year ended March 31, 2025

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements			2025	2024
<b>CASH PROVIDED BY (USED IN):</b>				
<b>OPERATING ACTIVITIES</b>				
Deficiency of revenue over expenditures for the year			178,457	(264,431)
Items not affecting cash				
Amortization of tangible capital assets			232,646	244,891
Unrealized gain on investments			(26,603)	-
			384,500	(19,540)
Changes in non-cash working capital				
related to operations - Note 9			(21,001)	(2,998)
			<b>363,499</b>	<b>(22,538)</b>
<b>FINANCING ACTIVITIES</b>				
Advances from Matthews House Hospice			233,128	1,942,666
Deferred revenue received			113,458	50,622
Deferred revenue recognized			(50,622)	-
			<b>295,964</b>	<b>1,993,288</b>
<b>INVESTING ACTIVITIES</b>				
Change in cash in investment account			(6,347)	-
Purchase of investments (net)			(4,261,771)	(2,189,905)
Proceeds on sale of investments			3,666,941	250,000
			<b>(601,177)</b>	<b>(1,939,905)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>			<b>58,286</b>	<b>30,845</b>
Cash and cash equivalents, beginning of year			139,558	108,713
<b>Cash and cash equivalents, end of year</b>			<b>197,844</b>	<b>139,558</b>
<b>Represented by:</b>				
Cash			197,844	139,558
			<b>197,844</b>	<b>139,558</b>

# Matthews House Hospice Foundation

## Notes to the Financial Statements

year ended March 31, 2025

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

### 1 PURPOSE OF ORGANIZATION

Matthews House Hospice Foundation (the "Organization") was incorporated without share capital under the laws of Canada. The purpose of the Organization is to receive and maintain a fund or funds and to apply all or part of the principal and income therefrom, from time to time, to charitable organizations that are also registered charities under the Income Tax Act whose purposes and activities are restricted to addressing the needs of individuals who are experiencing a life-limiting illness, facing end of life or grieving a loss. The Organization also promotes 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 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. Long term investments consist of investments in marketable securities and other instruments with maturities in excess of one year at the date of acquisition. The Organization 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.

Building

5%

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.

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 Foundation

## Notes to the Financial Statements

year ended March 31, 2025

in dollars

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

### 2.4 Use of estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles 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.

### 2.5 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.

## 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 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.

# Matthews House Hospice Foundation

## Notes to the Financial Statements

year ended March 31, 2025

In dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

### 4 INVESTMENTS

	2025	2024
Cash (overdraft)	5,367	(980)
Government of Canada treasury bill - face value of \$100,000, matures May 2025, acquired at a discount of \$477 from face value	99,740	-
Government of Canada treasury bill - face value of \$560,000, matures May 2025, acquired at a discount of \$6,098 from face value	557,958	-
Non redeemable guaranteed investment certificate - bearing interest at 3.25%, matures December 2025	15,000	-
Province of Alberta bond - bearing interest at 2.9%, matures December 2028	543,616	397,809
Province of Alberta bond - bearing interest at 2.9%, matures June 2029	1,596,006	-
Government of Canada treasury bill	-	657,172
Government of Canada treasury bill	-	352,141
Canada Housing Trust bond	-	783,763
	2,817,687	2,189,905

#### Represented by:

Short term investments	678,065	1,008,333
Long term investments	2,139,622	1,181,572
	2,817,687	2,189,905

#### Investment income consists of the following:

	2025	2024
Interest	91,240	14,662
Brokerage fees	(6,200)	-
Realized gain	26,138	-
Unrealized gain	26,603	-
	137,781	14,662

# Matthews House Hospice Foundation

## Notes to the Financial Statements

year ended March 31, 2025

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

### 5 TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	2025 Net book value	2024 Net book value
Land	635,404	-	635,404	635,404
Building	5,023,396	603,122	4,420,274	4,652,920
	5,658,800	603,122	5,055,678	5,288,324

### 6 DEFERRED REVENUE

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

	2025	2024
Balance, beginning of year	50,622	-
Less: Amount recognized as revenue in the year	(50,622)	-
Plus: Amount received related to the following year	113,458	50,622
Balance, end of year	113,458	50,622

### 7 RELATED PARTIES

During the year, the Organization received human resources, equipment, supplies and maintenance from the controlling related party, Matthews House Hospice ("Hospice"). The total paid for services was \$371,004 (2024 - \$nil). Of these funds, \$311,757 (2024 - \$nil) were for outsourced services and \$59,247 (2024 - \$nil) were for building occupancy. These transactions are in the normal course of operations and are measured at the exchange amount.

During the year, the Organization donated funds to the related controlling Hospice. The total amount donated was \$804,996 (2024 - \$nil). These transactions are in the normal course of operations and are measured at the exchange amount.

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

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

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

# Matthews House Hospice Foundation

## Notes to the Financial Statements

year ended March 31, 2025

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

### 8 CONTROLLING ORGANIZATION

The Organization is related to Matthews House Hospice (the "Hospice") as the board of directors for the Organization is appointed by the board of directors for the Hospice. The Hospice 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 Hospice is to provide caring and compassionate community, in-home and residential support for people affected by life threatening illnesses and end of life. The Hospice has not been consolidated in the Organization's financial statements. The summary of financial statements of the Hospice as at March 31, 2025 and for the year then ended are as follows:

	2025	2024
<b>Statement of financial position</b>		
Assets	3,668,559	3,329,699
Liabilities	452,607	556,112
Unrestricted net assets	2,789,325	2,480,287
Internally restricted net assets	426,627	293,300
<b>Statement of operations</b>		
Revenue	4,142,348	4,448,839
Expenditures	3,699,983	4,347,076
Other income	-	82,293
Excess of revenue over expenditures	442,365	184,056
<b>Statement of cash flows</b>		
Cash flows from operating activities	418,987	655,413
Cash flows from financing activities	(143,407)	(1,900,823)
Cash flows from investing activities	(263,033)	1,349,071

### 9 STATEMENT OF CASH FLOWS

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

	2025	2024
Public Service Bodies' rebate receivable	(20,831)	(1,227)
Prepaid expenses	-	(2,995)
Accounts payable and accruals	(170)	1,224
	(21,001)	(2,998)

### 10 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.