

EVERGREEN HOSPICE
FINANCIAL STATEMENTS
MARCH 31, 2025



Independent Auditor's Report

To the directors of
Evergreen Hospice

Qualified Opinion

I have audited the financial statements of Evergreen Hospice, which comprise the statement of financial position as at March 31, 2025, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Evergreen Hospice 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 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, I was 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 years ended March 31, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets as at April 1 and March 31 for both the 2025 and 2024 years. My 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.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified 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 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.

AUTHORIZED TO PRACTICE PUBLIC ACCOUNTING BY CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

315 Renfrew Drive, Suite 201, Markham, ON L3R 9S7
Tel: (905) 943-7425 Fax: (905) 946-7632 Email: paul@paulstainton.ca

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.



Markham, Ontario
September 2, 2025

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315 Renfrew Drive, Suite 201, Markham, ON L3R 9S7
Tel: (905) 943-7425 Fax: (905) 946-7632 Email: paul@paulstainton.ca

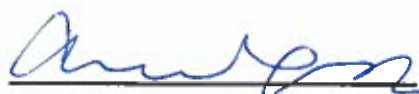
Evergreen Hospice

Statement of Financial Position

As at March 31, 2025

	2025	2024
Assets		
Current		
Cash and cash equivalents (note 3)	\$ 123,727	\$ 54,389
Short-term investments (note 4)	549,425	532,776
Prepaid expenses	22,983	8,722
Government taxes receivable	6,784	6,833
Current portion of mortgage receivable (note 5)	14,812	13,813
Total current	717,731	616,533
Long term portion of mortgage receivable (note 5)	138,415	153,227
Total assets	\$ 856,146	\$ 769,760
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 34,403	\$ 24,203
Unearned revenue (note 6)	35,500	43,170
Total liabilities	69,903	67,373
Commitment (note 8)		
Net Assets		
Net assets	786,243	702,387
Total liabilities and net assets	\$ 856,146	\$ 769,760

Approved on behalf of the Board

 Member Member

See accompanying notes

Evergreen Hospice**Statement of Operations and Changes in Net Assets**

For the year ended March 31, 2025

	2025	%	2024	%
Revenue				
Grants	\$ 342,403	51.5	\$ 270,905	46.3
Fundraising	147,164	22.1	117,306	20.1
Donations	164,671	24.7	184,588	31.6
Interest on mortgage receivable	11,187	1.7	12,118	2.1
Total revenue	665,425	100.0	584,917	100.0
Expenditures				
Office and general	49,438	7.4	50,590	8.6
Administration	113,827	17.1	155,324	26.6
Fundraising and community awareness	131,019	19.7	101,850	17.4
HST expense	6,512	1.0	6,451	1.1
Occupancy	59,372	8.9	62,443	10.7
Delivery and postage	1,722	0.3	1,834	0.3
Client services	270,835	40.7	307,690	52.6
Supplies	15,575	2.3	-	
Total expenditures	648,300	97.4	686,182	117.3
Excess (deficiency) of revenue over expenditures before undernoted items	17,125	2.6	(101,265)	(17.3)
Other income (expenses)				
Loss on sale of investments	(5,654)	(0.8)	(5,889)	(1.0)
Unrealized gain (loss) on investments	48,289	7.3	(3,966)	(0.7)
Investment and other income	24,096	3.6	24,999	4.3
	66,731	10.0	15,144	2.6
Excess (deficiency) of revenue over expenditures	83,856	12.6	(86,121)	(14.7)
Net assets, beginning of year	702,387		788,508	
Net assets, end of year	\$ 786,243		\$ 702,387	

See accompanying notes

Evergreen Hospice

Statement of Cash Flows

For the year ended March 31, 2025

	2025	2024
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ 83,856	\$ (86,121)
Adjustments for		
Loss on sale of investments	5,654	5,889
Unrealized loss (gain) on sale of investments	(48,289)	3,966
	41,221	(76,266)
Change in non-cash working capital items		
Prepaid expenses	(14,261)	4,489
Government taxes receivable	49	3,220
Accounts payable and accrued liabilities	10,200	144
Unearned revenue	(7,670)	11,130
CEBA loan	-	(30,000)
	29,539	(87,283)
Investing activities		
Short-term investments	25,986	(41,193)
Long term portion of mortgage receivable	13,813	12,882
	39,799	(28,311)
Increase (decrease) in cash and cash equivalents	69,338	(115,594)
Cash and cash equivalents, beginning of year	54,389	169,983
Cash and cash equivalents, end of year	\$ 123,727	\$ 54,389

See accompanying notes

Evergreen Hospice

Notes to the Financial Statements

March 31, 2025

1. Organization

Evergreen Hospice of Markham-Stouffville ("the organization") was incorporated under The Laws of Ontario in February, 1989 as a corporation without Share Capital and merged with Hospice of Thornhill on April 1, 2014, forming Evergreen Hospice.

The organization's purpose is to provide supportive and bereavement care to people in Markham, Thornhill and Whitchurch-Stouffville who are experiencing the impact of life-threatening illness and death.

The organization is classified as a registered charity under the Income Tax Act and as such is not subject to income tax provided certain disbursement requirements are met.

2. Significant accounting policies

The organization applies the Canadian accounting standards for not-for-profit organizations.

(a) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Externally restricted contributions for the purchase of property, plant and equipment that will be amortized are recorded as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired property, plant and equipment. Externally restricted contributions for the purchase of property, plant and equipment that will not be amortized are recognized as direct increases in net assets to the Investment in Capital Assets balance.

Revenue from fundraising events are recognized when the related event occurs. Ticket sales and sponsorship revenue received in advance of the event are deferred and recorded as unearned revenue.

(b) Allocated payroll expenses

The organization engages in patient care and fundraising programs. The costs of each program include the costs of personnel that are directly related to providing the program. Accordingly, the organization allocates payroll expenses by identifying the appropriate basis of allocating each component expense and applies that basis consistently each year.

(c) Contributed services

Volunteers contribute significant hours per year 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.

(d) Cash and cash equivalents

Cash and cash equivalents consists of money held in banks.

Evergreen Hospice

Notes to the Financial Statements

March 31, 2025

2. Significant accounting policies, continued

(e) Investments

The organization has elected to classify all of its investments as held-for-trading, and accordingly they are recorded at fair value. Changes in fair values during the year are included in revenue or expenditures on the statement of operations.

Quoted market prices were used to determine the fair value of the investments as at the year end date.

Earnings on investments include interest, dividends, realized and unrealized gains and losses, less portfolio management fees. Investment transactions are recorded as of the trade date. Net realized gains and losses on the sale of investments and unrealized gains and losses in the fair values of investments are recognized in the statement of operations as changes in the fair value of the investments. Interest earned on investments is recorded on an accrual basis. Distributions from mutual funds are recorded when declared by the fund administrator. Transaction costs are expensed as incurred.

(f) Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Organization's financial instruments are comprised of cash and cash equivalents, short term investments, accounts receivable, mortgage receivable, and accounts payable.

Financial assets or liabilities obtained in arms-length transactions are initially measured at their exchange amount. The Organization subsequently measures all financial instruments at amortized cost except for investments which are recorded at fair value. Unrealized gains or losses are reflected in the statement of operations as investment income.

Financial assets measured at cost or amortized cost are tested for impairment if there are indications of possible impairment. The amount of the write-down is recognized in income. A previously recognized impairment loss may be reversed to the extent of the improvement, either 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 loss not been recognized previously. The amount of the reversal is recognized in income.

(g) 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include impairment of financial assets and accruals, and are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant.

Evergreen Hospice

Notes to the Financial Statements

March 31, 2025

3. Financial Instruments

a) Credit risk - Credit risk is the risk that a counterparty will fail to perform its obligations when they come due. The organization is exposed to credit risk on its cash, investments and mortgage receivable. The organization does not have significant accounts receivable exposure to any individual and investments are held with well known, reputable companies. The organization manages its risk from cash balances by maintaining its accounts with credit worthy financial institutions. The organization manages its risk from the mortgage receivable by closely monitoring scheduled payments. There has been no change to this risk exposure from 2024.

b) Interest rate risk - Interest rate risk is the risk that the value of the organization's financial instruments will vary due to fluctuations in interest rates and the degree of volatility of these rates. The organization is exposed to interest rate risk on a portion of its investments. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. There has been no change to this risk exposure from 2024.

c) Liquidity risk - Liquidity risk is the risk that the organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The organization's objective is to have sufficient liquidity to meet its liabilities when they come due. The organization monitors its cash balances and cash flows generated from operations to meet its requirements. As at March 31, 2025, the most significant financial liabilities are accounts payable and accrued liabilities. There has been no change to this risk exposure from 2024.

d) Market price risk - Market 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 whether those changes are caused by factors specific to the individual financial instrument issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to market price risk on its investments in equities quoted in an active market since changes in market prices would result in changes in the fair value of these financial instruments.

4. Short-term investments

The organization invests excess funds in marketable securities in compliance with its investment policy.

	2025	2024
Various dividend paying common and preferred shares, measured at fair value	\$ 365,126	\$ 366,909
Mutual funds, measured at fair value	184,299	165,867
	<u>\$ 549,425</u>	<u>\$ 532,776</u>

5. Mortgage receivable

The mortgage receivable is secured by real property, repayable in annual installments of \$ 25,000, is non interest bearing and has been discounted to fair market value at the annualised rate of 7%, with a maturity date of November, 2032.

	2025	2024
Mortgage receivable	\$ 153,227	\$ 167,040
Less current portion	14,812	13,813
Due beyond one year	<u>\$ 138,415</u>	<u>\$ 153,227</u>

Evergreen Hospice

Notes to the Financial Statements

March 31, 2025

6. Unearned revenue

Unearned revenue represents unspent resources externally restricted for expenses related to the subsequent period. Changes in the unearned revenue balance are as follows:

	2025	2024
Received during the year		
Afternoon Tea	\$ 14,500	\$ 38,170
Gala	-	2,500
Memorial Walk	2,500	2,500
Grant for Elder Abuse training	18,500	-
	35,500	43,170
Transferred to revenue		
Memorial Walk	2,500	5,000
Trillium Grant	-	21,640
Afternoon Tea	38,170	5,400
Gala	2,500	-
	43,170	32,040
Increase (decrease) during the year	(7,670)	11,130
Unearned revenue, beginning of year	43,170	32,040
Unearned revenue, end of year	\$ 35,500	\$ 43,170

Evergreen Hospice

Notes to the Financial Statements

March 31, 2025

7. Allocation of expenses by function

	Administration	Client services	Fund-raising and community awareness
Allocation of expenses in percentage			
Personnel costs	24	55	21

Personnel costs were allocated as follows:

	2025	2024
Administration	\$ 113,827	\$ 146,567
Client services	263,800	289,215
Fund-raising and community awareness	101,451	64,910
	\$ 479,078	\$ 500,692

8. Commitment

The organization's property lease agreement expires on July 31, 2026. The organization's total commitment, under the property lease agreement, exclusive of occupancy costs, is as follows:

2026	\$ 39,083
2027	13,288
	\$ 52,371

