

Mariposa House Hospice
Financial Statements
March 31, 2025

To the Members of Mariposa House Hospice:

Qualified Opinion

We have audited the financial statements of Mariposa 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 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 possible effects of the matters 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 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Mariposa House Hospice derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, statement of operations and cash flows from operations for the years ended March 31, 2025 and March 31, 2024, current assets as at March 31, 2025 and March 31, 2024, and net assets as at April 1 and March 31 for both the 2025 and 2024 years.

Our audit report on the financial statements for the year ended March 31, 2025 was modified accordingly because of the possible effects of this limitation of 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.

Other Matter

The financial statement for the year ended March 31, 2024 were audited by another auditor who expressed a qualified opinion on those statements on August 22, 2024 for the reasons described in the Basis for Qualified Opinion paragraph.

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.

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 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.

Oshawa, Ontario

September 4, 2025

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Mariposa House Hospice
Statement of Financial Position
As at March 31

	2025 \$	2024 \$
Assets		
Current		
Cash	96,324	93,482
Receivables (Note 3)	98,235	243,091
Short-term investments (Note 4)	1,398,065	919,333
Prepays	17,691	16,527
	1,610,315	1,272,433
Capital assets (Note 6)	4,036,180	3,991,992
Long-term investments (Note 5)	950,000	775,000
	6,596,495	6,039,425
Liabilities		
Current		
Accounts payable and accruals (Note 7)	233,336	226,324
Deferred contributions related to capital assets (Note 8)	4,313,037	3,791,410
	4,546,373	4,017,734
Net Assets		
Unrestricted	1,150,122	2,021,691
Internally restricted (Note 9)	900,000	-
	6,596,495	6,039,425

Approved on behalf of the Board

e-Signed by Debbie Trickey
 2025-09-04 15:41:57:57 GMT

 Director

e-Signed by John Mayo
 2025-09-04 17:35:16:16 GMT

 Director

The accompanying notes are an integral part of these financial statements

Mariposa House Hospice

Statement of Operations

For the year ended March 31

	2025	2024
	\$	\$
Revenue		
Ontario Health atHome	959,355	910,251
Amortization of deferred contributions	176,711	142,869
Donations	625,119	818,667
Fundraising	213,588	188,967
Solar generation	18,312	-
	1,993,085	2,060,754
Expenses		
Wages and benefits	1,523,463	1,300,902
Amortization	176,711	142,869
Utilities	71,166	63,620
Repairs and maintenance	51,808	57,709
Donation	35,000	10,000
Fundraising	30,844	47,149
Supplies	27,945	44,439
Training	21,606	11,512
Strategic planning	21,423	-
Office and general	21,125	24,714
Insurance	20,578	17,915
Professional fees	18,035	22,692
Bank charges and interest	11,164	9,448
Advertising and promotion	10,513	7,964
	2,041,381	1,760,933
(Deficiency) excess of revenue over expenses before other items	(48,296)	299,821
Other items		
Investment income	76,727	60,019
Excess of revenue over expenses	28,431	359,840

The accompanying notes are an integral part of these financial statements

Mariposa House Hospice
Statement of Changes in Net Assets
For the year ended March 31

	<i>Unrestricted</i>	<i>Internally restricted (Note 9)</i>	<i>2025 \$</i>	<i>2024 \$</i>
Net assets, beginning of year	2,021,691	-	2,021,691	1,661,851
Excess of revenue over expenses	28,431	-	28,431	359,840
Transfer to internally restricted (Note 9)	(900,000)	900,000	-	-
Net assets, end of year	1,150,122	900,000	2,050,122	2,021,691

The accompanying notes are an integral part of these financial statements

Mariposa House Hospice

Statement of Cash Flows

For the year ended March 31

	2025	2024
	\$	\$
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	28,431	359,840
Amortization	176,711	142,869
Amortization of deferred contributions	(176,711)	(142,869)
Investment income	(78,666)	(21,802)
Loss on disposal of investments	1,297	-
	(48,938)	338,038
Changes in working capital accounts		
Receivables	144,856	101,416
Prepays	(1,164)	(3,400)
Accounts payable and accruals	7,012	116,760
	101,766	552,814
Financing		
Contributions received related to capital assets	698,338	199,125
	698,338	199,125
Investing		
Purchase of capital assets	(220,899)	(148,172)
Net purchase and withdrawals of investments	(752,101)	(951,192)
Proceeds on disposal of investments	175,738	299,456
	(797,262)	(799,908)
Increase (decrease) in cash	2,842	(47,969)
Cash, beginning of year	93,482	141,451
Cash, end of year	96,324	93,482

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

Mariposa House Hospice (the "Organization") was incorporated on November 4, 2016 without share capital under the laws of the Province of Ontario and is a registered charity under section 149(1)(f) of the *Income Tax Act* ("the Act"). In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The Organization is primarily engaged in operating a residential hospice that provides end-of-life care and grief and bereavement support.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

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.

Pledges and bequests are recognized when collected if the Organization cannot make a reasonable estimate of the amount that will be collected and collection is not reasonably assured. If the estimate is reasonably assured, the full amount of the pledges and bequests will be recorded at the time it becomes known.

Grant revenue is deferred and recognized as revenue throughout the time frame for which the funding is provided on a month-by-month basis.

Deferred contributions for capital assets are amortized on a straight line basis over the useful life of the asset to which the contributions relate.

Fundraising revenue and expenses from fundraising activities are recorded in the year in which the event occurs.

Cash

Cash consists of cash on hand and held in Canadian financial institutions.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Building	straight-line	40 years
Equipment	straight-line	5 years
Solar panels	straight-line	30 years

Long-lived assets and discontinued operations

The Organization reviews, when circumstances indicate it is necessary, the carrying values of its long-lived assets by comparing the carrying amount of the asset or group of assets to the expected future undiscounted cash flows to be generated by the asset or group of assets. An impairment loss is recognized when the carrying amount of an asset or group of assets held for use exceeds the sum of the undiscounted cash flows expected from its use and eventual disposition. The impairment loss is measured as the amount by which the asset's carrying amount exceeds its fair value, based on quoted market prices, when available, or on the estimated current value of future cash flows.

2. Significant accounting policies *(Continued from previous page)*

Portfolio investments

Portfolio investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment.

Contributed materials and services

A number of volunteers provide significant amounts of time to the activities of the Organization. Due to the difficulty in assigning values for such services, the value of donated time is not reflected in the financial statements.

The Organization has decided not to recognize contributed goods in the financial statements.

Measurement uncertainty (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 and 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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Mariposa House Hospice
Notes to the Financial Statements
For the year ended March 31, 2025

3. Receivables

	2025 \$	2024 \$
Grant receivables	77,371	173,569
HST rebate	17,721	55,835
Other receivables	3,143	13,687
	98,235	243,091

4. Short-term investments

	2025 \$	2024 \$
High interest savings account	573,065	444,333
Guaranteed investment certificates bearing interest rates from 3.45% to 4.95% maturing between August 2025 and January 2026	825,000	475,000
	1,398,065	919,333

5. Long-term Investments

	2025 \$	2024 \$
Guaranteed investment certificates bearing interest rates from 3.50% to 5.37% maturing between July 2026 and January 2028	950,000	775,000

The Organization has earmarked \$900,000 of these funds for the reserve designated for future expansion.

6. Capital assets

	Cost \$	Accumulated amortization \$	2025 Net book value \$	2024 Net book value \$
Land	471,407	-	471,407	454,864
Building	3,559,235	364,609	3,194,626	3,243,438
Equipment	404,248	226,778	177,470	94,132
Solar panels	206,439	13,762	192,677	199,558
	4,641,329	605,149	4,036,180	3,991,992

Mariposa House Hospice
Notes to the Financial Statements
For the year ended March 31, 2025

7. Accounts payable and accruals

	2025 \$	2024 \$
Trade accounts payable	100,320	90,524
Payroll payable	110,249	110,761
Other payables and accruals	22,767	25,039
	233,336	226,324

8. Deferred contributions related to capital assets

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	2025 \$	2024 \$
Balance, beginning of year	3,791,410	3,735,154
Amount received during the year - donations	472,089	32,086
Amount received during the year - fundraising	148,878	-
Amount received during the year - County of Simcoe	77,371	167,039
Less: Amounts recognized as revenue during the year	(176,711)	(142,869)
Balance, end of year	4,313,037	3,791,410

There is \$748,263 of unspent capital contributions which the Organization has earmarked for future expansion costs.

9. Restricted funds and inter-fund transfers

Internally restricted

The Reserve for Future Expansion was established by the Board of Directors and is intended to help fund the anticipated expansion of the hospice to a ten-bed facility within the next five years.

During the year, the Board of Directors approved net transfers of \$900,000 from unrestricted net assets to the Reserve for Future Expansion.

10. Employee future benefits

Multi-employer plans

All full-time employees of the Organization, and any part-time employees of the Organization who opt to participate are members of the Healthcare of Ontario Pension Plan (the "Plan"), which is a multi-employer, jointly sponsored defined benefit plan for eligible employees of Ontario healthcare and other employers. The Organization makes contributions to the Plan at least equal to those of the employees. The Organization does not recognize any share of the Plan's pension surplus or deficit.

Every year, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of the plan funding. The most recent valuation as at December 31, 2024 indicated a surplus of \$112,579 million. The Organization made contributions to the Plan of \$99,658 (2024 - \$14,538) which has been included in wages and benefits in the statement of operations.

11. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and long-term debt and in providing continued, uninterrupted services to its large client base. The Organization is largely dependent on Ontario Health atHome, for annual funds. The Organization prepares budgets to ensure that it has sufficient funds to fulfil its obligations.

During the year, the Organization's liquidity risk remained similar.

Interest rate risk

Interest rate risk is the risk that the fair value of 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-interest rate financial instruments. Fixed-interest instruments subject the Organization to a fair value risk.

Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices of food, 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.