Crossroads Hospice Society
Financial Statements
For the year ended March 31, 2025

Page

Independent Auditor's Report

To the Directors of Crossroads Hospice Society:

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Crossroads Hospice Society (the "Society"), 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 our opinion, except for the possible 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 Society 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 accuracy and completeness of the Society's revenue received from donations are not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenues over expenses, assets and net assets as at and for the years ended March 31, 2025 and March 31, 2024.

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 Society 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 opinion.

Responsibilities of Management 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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 Society’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 Society’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 Society 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.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Port Moody, British Columbia

MNP LLP

June 17, 2025

Chartered Professional Accountants

MNP

Crossroads Hospice Society
Statement of Financial Position
As at March 31, 2025

	General Fund	*Capital Asset Fund*	***2025***	*2024*
Assets				
Current				
Cash	**283,330**	**-**	**283,330**	333,799
Restricted cash	**60,375**	**-**	**60,375**	60,375
Term deposits *(Note 3)*	**400,000**	**-**	**400,000**	-
Accounts receivable	**20,084**	**-**	**20,084**	239,792
Goods and Services Tax receivable	**6,874**	**-**	**6,874**	5,885
Prepaid expenses	**19,586**	**-**	**19,586**	32,113
	790,249	**-**	**790,249**	671,964
Capital assets *(Note 4)*	**-**	**405,005**	**405,005**	420,405
Long-term deposits	**14,690**	**-**	**14,690**	16,579
	804,939	**405,005**	**1,209,944**	1,108,948
Liabilities				
Current				
Accounts payable and accrued liabilities	**116,110**	**-**	**116,110**	105,575
Deferred revenue	**53,220**	**-**	**53,220**	38,795
Deferred grants - operating *(Note 5)*	**60,375**	**-**	**60,375**	60,375
Deferred grants - capital *(Note 6)*	**-**	**5,418**	**5,418**	6,027
	229,705	**5,418**	**235,123**	210,772
Deferred grants - capital *(Note 6)*	**-**	**49,302**	**49,302**	54,717
	229,705	**54,720**	**284,425**	265,489
Commitments *(Note 7)*				
Net Assets				
Unrestricted	**575,234**	**-**	**575,234**	483,797
Invested in capital assets	**-**	**350,285**	**350,285**	359,662
	575,234	**350,285**	**925,519**	843,459
	804,939	**405,005**	**1,209,944**	1,108,948

Approved on behalf of the Board of Directors

e-Signed by Joanne Spooner
2025-07-30 14:55:22:22 PDT

Director

The accompanying notes are an integral part of these financial statements

	General Fund	*Capital Asset Fund*	*2025*	*2024*
Revenues				
Donations and fundraising:				
General *(Note 8)*	**477,323**	**-**	**477,323**	506,628
Estates, bequests and memoriam	**85,340**	**-**	**85,340**	44,844
Fraser Health *(Note 9)*	**380,162**	**-**	**380,162**	516,495
Gaming revenue	**80,500**	**-**	**80,500**	80,500
Grants	**-**	**6,022**	**6,022**	6,888
Interest	**9,416**	**-**	**9,416**	10,203
Per diem fees	**105,298**	**-**	**105,298**	95,378
Thrift store	**1,033,720**	**-**	**1,033,720**	925,741
	2,171,759	**6,022**	**2,177,781**	2,186,677
Expenses				
Advertising and promotion	**9,510**	**-**	**9,510**	3,733
Amortization	**-**	**49,224**	**49,224**	53,710
Bad debts	**-**	**-**	**-**	9,249
Bank charges, merchant fees and commissions	**22,000**	**-**	**22,000**	18,190
Equipment and supplies	**99,153**	**-**	**99,153**	115,519
Food	**42,464**	**-**	**42,464**	34,609
Insurance	**14,650**	**-**	**14,650**	11,155
Office, printing and sundry	**89,801**	**-**	**89,801**	95,190
Professional development	**2,681**	**-**	**2,681**	2,795
Professional fees	**20,004**	**-**	**20,004**	80,850
Program expenses	**62,751**	**-**	**62,751**	41,798
Rent	**288,978**	**-**	**288,978**	249,081
Salaries and benefits	**1,325,531**	**-**	**1,325,531**	1,283,799
Telephone and utilities	**51,004**	**-**	**51,004**	47,651
Volunteer costs	**17,970**	**-**	**17,970**	8,438
	2,046,497	**49,224**	**2,095,721**	2,055,767
Excess (deficiency) of revenues over expenses	**125,262**	**(43,202)**	**82,060**	130,910
Net assets, beginning of year	**483,797**	**359,662**	**843,459**	712,549
Interfund transfers *(Note 10)*	**(33,825)**	**33,825**	**-**	-
Net assets, end of year	**575,234**	**350,285**	**925,519**	843,459

The accompanying notes are an integral part of these financial statements

Crossroads Hospice Society
Statement of Cash Flows
For the year ended March 31, 2025

	2025	*2024*
Cash provided by (used for) the following activities		
Operating		
Excess of revenues over expenses	**82,059**	130,910
Amortization of capital assets	**49,224**	53,710
Amortization of deferred grants - capital	**(6,022)**	(6,888)
	125,261	177,732
Changes in working capital accounts		
Accounts receivable	**219,708**	(228,597)
Goods and Services Tax receivable	**(990)**	1,740
Prepaid expenses	**14,415**	27,258
Accounts payable and accrued liabilities	**10,536**	(1,695)
Deferred revenue	**14,425**	3,708
	383,355	(19,854)
Investing		
Purchase of capital assets	**(33,824)**	(61,865)
Proceeds on redemption of term deposits	**-**	217,152
Purchase of term deposits	**(400,000)**	-
	(433,824)	155,287
Increase (decrease) in cash	**(50,469)**	135,433
Cash, beginning of year	**394,174**	258,741
Cash, end of year	**343,705**	394,174
Cash is composed of:		
Cash	**283,330**	333,799
Restricted cash	**60,375**	60,375
	343,705	394,174

The accompanying notes are an integral part of these financial statements

1. Purpose of the Society

Crossroad Hospice Society (the "Society") was incorporated under the Societies Act of British Columbia as a not-for-profit organization on December 6, 1988. The Society offers compassionate support to those affected by end-of-life experiences while honoring their dignity and provides support for youth and adults who are grieving the loss of a loved one.

The Society is a registered charitable organization as defined in the Income Tax Act (the "Act") and as such, is exempt from income taxes. In order to maintain its status as a registered charity under the Act, the Society must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

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, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Fund accounting

The Society follows the deferral method of accounting for contributions and reports using fund accounting, and maintains two funds: General Fund and Capital Asset Fund.

The General Fund accounts for the Society’s general and administrative activities and reports unrestricted funds.

The Capital Asset Fund accounts for the Society’s ownership in capital assets.

Revenue recognition

The Society 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.

Revenue from donations and fundraising, per diem fees, and gaming, are recognized when the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from Fraser Health and the operation of the volunteer coordinators and the Inlet Centre is recognized in accordance with contractual agreements.

Revenue from the thrift store is recognized at the point of sale.

Interest revenue is recognized in the year the income is earned.

Deferred capital contributions represent restricted funding for the purchase of capital assets. These contributions will be amortized and recognized as revenue on the same basis as the amortization expenses related to the acquired capital assets.

The Society recognizes other types of revenue when services are provided in accordance with the terms of the applicable agreements and when the ultimate collection is reasonably assured.

Donated services and material

The Society benefits greatly from donated services in the form of volunteer time, the value of which is not determinable. Donated services are consequently not recognized in these financial statements. The Society has not recorded any contributed materials in these financial statements.

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

Financial instruments

The Society recognizes financial instruments when the Society becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm’s length transaction (“arm’s length financial instruments”) are initially recorded at their fair value.

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

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 excess (deficiency) of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Society initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction (“related party financial instruments”) at cost on initial recognition.

When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the Society may elect to subsequently measure related party debt instruments that are quoted in active markets, or that have observable inputs significant to the determination of fair value, at fair value.

Financial asset impairment

The Society assesses impairment of all its financial assets measured at cost or amortized cost. The Society groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Society determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Society reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenues over expenses.

The Society reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenues over expenses in the year the reversal occurs.

Term deposits

The Society's term deposits are non-redeemable. Term deposits with a maturity date of one year or less are classified as current assets, and are recorded at cost with interest recorded on an accrual basis.

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

Restricted balances

Fund balances include amounts which are subject to external restrictions. External restrictions are grants received from B.C. Community Gaming Grant program to be used for the Society's Adult Grief Support program and Youth and Young Adult Grief program.

Restricted balances are recognized to unrestricted general net assets on a monthly basis, as the programs are administered.

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 following methods at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Computer equipment	declining balance	30 %
Computer software	declining balance	30 %
Furniture and fixtures	declining balance	30 %
Leasehold improvements	straight-line	5 to 35 years

Leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized using the declining balance method, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

The Society has an operating lease with an unrelated party for use of its operating premises (see Note 7).

Long-lived assets

Long-lived assets consist of capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Society performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the assets' carrying amount. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in excess (deficiency) of revenue over expenses for the year. Prices for similar items are used to measure fair value of long-lived assets.

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 year.

Accounts receivable and Goods and Services Tax 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.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess (deficiency) of revenues over expenses in the years in which they become known.

3. Term deposits

Term deposits include two term deposits held with Prospera Credit Union bearing interest at rates ranging from 3.75% to 4.50% and maturity dates from May 2025 to December 2025.

4. Capital assets

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Computer equipment	**74,167**	**58,771**	**15,396**	4,666
Computer software	**23,190**	**22,061**	**1,129**	1,613
Furniture and fixtures	**694,508**	**648,317**	**46,191**	43,594
Leasehold improvements	**942,135**	**599,846**	**342,289**	370,532
	1,734,000	**1,328,995**	**405,005**	420,405

5. Deferred grants - operating

Deferred grants - operating represent unspent funds received for hospice staff and the hospice grief support program. Management expects to use the funding in the following fiscal year and therefore are shown as current.

6. Deferred grants - capital

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:

	Capital Grant	Accumulated amortization	2025	2024
Grants:				
Furniture and fixtures	**120,310**	**(115,590)**	**4,720**	6,744
Leasehold improvements	**236,878**	**(186,878)**	**50,000**	54,000
Total	**357,188**	**(302,471)**	**54,717**	60,744
Current portion			**5,418**	6,027
Long-term portion			**49,302**	54,717

7. Commitments

The Society has entered into various operating leases with arm's length parties for use of its operating premises such as the hospice facility, the thrift store, and the Society's offices, as well as operating leases for computer equipment. These leases expire between 2026 and 2029.

The Society's minimum obligations under the current lease agreements are as follows:

2026	221,411
2027	222,150
2028	221,475
2029	47,365
	712,401

In addition to the minimum lease payments, the Society is obligated to pay additional rent for the office's public utilities and taxes, and the thrift store's proportionate share of property taxes, insurance and maintenance costs.

8. Related party transactions

The Society exercises influence over Crossroads Hospice (2009) Foundation (the "Foundation"). The Foundation was incorporated on March 23, 2009 under the Society Act (British Columbia) and is a registered charitable organization under the Act.

Included in revenue are contributions of $2,000 (2024 - $150,000) and administrative revenue of $2,500 (2024 - $Nil) from the Foundation, which share common objectives and management towards the operation of the hospice, as the Foundation's principal activity is to accept and manage donations and gifts to facilitate projects of the Society. In management's opinion, related party transactions are in the normal course of business and are recorded at exchange amounts established and agreed to between the related parties.

The net assets and results of operations of the Foundation are not included in the statements of the Society. Separate financial statements of the Foundation are available upon request.

9. Fraser Health funding

During the prior year ended March 31, 2024, the Society received retroactive funding from Fraser Health for amounts covering the periods ended March 31, 2021 through March 31, 2024. The total additional retroactive funding received from Fraser Health during the prior year and included on the 2024 statement of operations and changes in net assets is $220,504.

10. Interfund transfers

During the year ended March 31, 2025, a total of $33,825 (2024 - $61,865) was transferred from the General Fund to the Capital Asset Fund for the purchase of capital assets.

11. Director and employee compensation

During the year ended March 31, 2025, there were two employees (2024 - $Nil) with remuneration in excess of $75,000, earning total wages of $218,598 (2024 - $Nil). In addition, the Society paid $3,680 (2024 - $41,773) of severance pay.

12. Financial instruments

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

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Society is exposed to interest rate risk primarily through its term deposits.

Credit risk

The Society is exposed to financial risk that arises from the credit quality of the entities to which it provides services. Credit risk arises from the possibility that the entities to which the Society provides services may experience financial difficulty and be unable to fulfil their contractual obligations. The Society's main credit risk relates to its accounts receivable. As of March 31, 2025, the majority of the Society's accounts receivable relates to hospice patient per diem fees and its Goods and Services Tax receivable.

The Society believes there is minimal risk associated with the collection of these amounts. The Society performs regular credit assessments of its patients and provides allowances for potentially uncollectible accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Society will not be able to meet its obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receivables and other related sources in order to meet its obligations associated with its accounts payable and accrued liabilities. The Society mitigates its exposure to liquidity risk by ensuring that it documents when authorized payments become due and monitors its cash balances and cash flows generated from operations against its anticipated, committed and contemplated outflows. There has been no change in the risk exposure from the prior year.

13. Comparative figures

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