

HOSPICE DUFFERIN
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

HOSPICE DUFFERIN

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YEAR ENDED MARCH 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of: Hospice Dufferin

Qualified Opinion

We have audited the accompanying financial statements of Hospice Dufferin, which comprise the statement of financial position as at March 31, 2021 and the statements of changes in net assets, revenues and expenditures 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 effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Hospice Dufferin as at March 31, 2021 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 charitable organizations, the organization derives some of its revenues 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 the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, net revenues over expenditures and cash flows from operations for the years ended March 31, 2021 and 2020, current assets as at March 31, 2021 and 2020, and net assets as at April 1 and March 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 30, 2020 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 Hospice Dufferin 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 audit 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 a 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 judgement 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 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.



Guelph, Ontario
June 24, 2021

Chartered Professional Accountants
Licensed Public Accountants

HOSPICE DUFFERIN**STATEMENT OF FINANCIAL POSITION****AS AT MARCH 31, 2021**

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 182,687	\$ 154,953
Short term investments	115,008	102,628
Accounts receivable	25,839	6,198
HST receivable	3,462	3,856
Prepaid expenses	<u>9,506</u>	<u>7,975</u>
	336,502	275,610
CAPITAL ASSETS (note 4)	<u>1,031</u>	<u>1,289</u>
	<u><u>\$ 337,533</u></u>	<u><u>\$ 276,899</u></u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	<u>\$ 32,589</u>	<u>\$ 33,045</u>
NET ASSETS		
GENERAL FUND	304,024	242,793
EXTERNALLY RESTRICTED (note 5)	<u>920</u>	<u>1,061</u>
	<u>304,944</u>	<u>243,854</u>
	<u><u>\$ 337,533</u></u>	<u><u>\$ 276,899</u></u>

HOSPICE DUFFERIN**STATEMENT OF CHANGES IN NET ASSETS****FOR THE YEAR ENDED MARCH 31, 2021**

	General Fund	Externally Restricted (note 5)	2021	2020
NET ASSETS , beginning of year	\$ 242,793	\$ 1,061	\$ 243,854	\$ 267,991
REVENUES OVER EXPENDITURES (EXPENDITURES OVER REVENUES) for the year	<u>61,231</u>	<u>(141)</u>	<u>61,090</u>	<u>(24,137)</u>
NET ASSETS , end of year	<u><u>\$ 304,024</u></u>	<u><u>\$ 920</u></u>	<u><u>\$ 304,944</u></u>	<u><u>\$ 243,854</u></u>

HOSPICE DUFFERIN**STATEMENT OF REVENUES AND EXPENDITURES****FOR THE YEAR ENDED MARCH 31, 2021**

	2021	2020
REVENUES		
Ministry of Health revenue	\$ 193,350	\$ 198,638
Government subsidy (note 8)	96,856	0
Donation revenue	31,448	39,053
Investment income	12,380	(1,290)
Fundraising revenue	11,803	28,545
Grant revenue	9,040	9,000
	<u>354,877</u>	<u>273,946</u>
EXPENDITURES		
Salaries	210,031	215,285
Occupancy	38,536	37,348
Program supplies (note 5)	17,394	8,233
Office	6,318	6,073
Training	6,270	5,453
Professional fees	6,236	6,631
Insurance	3,491	3,664
Memberships	2,132	1,111
Fundraising	1,677	9,950
Interest and bank charges	1,160	1,061
Travel	284	2,621
Amortization	258	322
Amazing Kids program (note 5)	0	331
	<u>293,787</u>	<u>298,083</u>
NET REVENUES OVER EXPENDITURES		
(EXPENDITURES OVER REVENUES) for the year	<u>\$ 61,090</u>	<u>\$ (24,137)</u>

HOSPICE DUFFERIN**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED MARCH 31, 2021**

	2021	2020
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net revenues over expenditures (expenditures over revenues) for the year	\$ 61,090	\$ (24,137)
Items not requiring an outlay of cash		
Amortization	<u>258</u>	<u>322</u>
	61,348	(23,815)
Changes in non-cash working capital		
Accounts receivable	(19,641)	(6,198)
HST receivable	394	(629)
Prepaid expenses	(1,531)	(254)
Accounts payable and accrued liabilities	<u>(456)</u>	<u>10,753</u>
	40,114	(20,143)
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Short term investments	<u>(12,380)</u>	<u>1,295</u>
NET INCREASE (DECREASE) IN CASH	27,734	(18,848)
NET CASH, BEGINNING OF YEAR	<u>154,953</u>	<u>173,801</u>
NET CASH, END OF YEAR	<u><u>\$ 182,687</u></u>	<u><u>\$ 154,953</u></u>

HOSPICE DUFFERIN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

1. NATURE OF ORGANIZATION

Hospice Dufferin is a not for profit organization incorporated under the laws of Ontario without share capital and is a registered charity under the Income Tax Act. Hospice Dufferin is exempt from income tax. Its purpose is to support the quality of life for individuals and families facing life threatening illness or bereavement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) FUND ACCOUNTING

General operating fund

The general operating fund reports resources available for the organization's general operating activities.

Amazing Kids restricted fund

The amazing kids restricted fund reports resources that are to be used towards a program to support children that have a parent, grandparent or sibling with cancer, and up to one year after death. This fund is externally restricted.

Carepartners Library restricted fund

The carepartners library restricted fund is used to purchase specialized library materials. This fund is externally restricted.

(b) REVENUE RECOGNITION

The organization follows the restricted fund method of accounting for contributions in which externally restricted contributions are recognized upon receipt in the appropriate fund corresponding to the purpose for which they were contributed. Externally restricted contributions of the general operating fund are recognized as revenue when the related expenditure occurs. Unrestricted contributions are recognized in the general operating fund when received or receivable and collection is reasonably assured.

(c) CAPITAL ASSETS

Capital assets are recorded at cost and amortized on the basis of their estimated useful life using the following methods and rates:

Furniture and fixtures	- 20 % declining balance basis
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Amortization is recorded at 50% of the above rates in the year of addition.

(d) IMPAIRMENT OF LONG LIVED ASSETS

Long lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

HOSPICE DUFFERIN
NOTES TO THE FINANCIAL STATEMENTS
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring management's estimates include accrued liabilities and amortization of capital assets. Actual results could differ from those estimates.

(f) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for short term investments which are measured at fair value. Changes in fair value are recognized in net revenues over expenditures.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, 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 not been recognized previously. The amount of the reversal is recognized in net surplus.

Transaction costs

The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(g) CONTRIBUTED MATERIALS AND SERVICES

During the year, a number of volunteers contribute a significant amount of their time. Because of the difficulty in determining the fair value, contributed materials and services are not recorded in the financial statements.

3. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the organization's exposure to these risks did not change in 2021 compared to the previous period.

The organization does not have a significant exposure to any individual customer or counterpart.

HOSPICE DUFFERIN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2021	Net 2020
Furniture and fixtures	\$ <u>5,464</u>	\$ <u>4,433</u>	\$ <u>1,031</u>	\$ <u>1,289</u>

5. EXTERNALLY RESTRICTED NET ASSETS

	2021	2020
Amazing Kids Program		
Opening balance	\$ 844	\$ 1,175
Expenses	<u>0</u>	<u>(331)</u>
Net investment	<u>844</u>	<u>844</u>
Carepartners Library Fund		
Opening balance	217	342
Expenses (included in program supplies)	<u>(141)</u>	<u>(125)</u>
Closing balance	<u>76</u>	<u>217</u>
	<u>\$ 920</u>	<u>\$ 1,061</u>

6. COMMITMENTS

The organization has a long term lease for the premises. Future minimum lease payments are as follows:

2022	\$ 39,699
2023	<u>40,885</u>
	<u>\$ 80,584</u>

7. ECONOMIC DEPENDENCE

The organization is economically dependent on the Ontario Ministry of Health and Long-Term Care as the organization receives the majority of funding from this ministry.

8. MATERIAL UNCERTAINTY DUE TO COVID-19

During the year and subsequent to year end, the Novel Coronavirus (COVID-19) significantly impacted the economy in Canada and globally. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. This may impact the timing and amounts realized on the organization's assets and its future ability to deliver all programs.

As a result of the pandemic, the organization received the Canada Emergency Wage Subsidy (CEWS), the Temporary Wage Subsidy (TWS) and the Canada Emergency Rent Subsidy (CERS) for a total of \$96,856, which were recognized as government subsidy revenue.