

HOSPICE DUFFERIN
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

HOSPICE DUFFERIN
INDEX TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020

	Page
INDEPENDENT AUDITOR'S REPORT	3 - 4
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Changes in Net Assets	6
Statement of Revenues and Expenditures	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 11

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, 2020 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, 2020 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, deficiency of revenues over expenditures and cash flows from operations for the year ended March 31, 2020, current assets as at March 31, 2020, and net assets as at April 1, 2019 and March 31, 2020. The predecessor auditor's opinion on the financial statements for the year ended March 31, 2019 was modified because of the possible effects of a similar 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.

Predecessor auditor

The financial statements of Hospice Dufferin for the year ended March 31, 2019 were audited by the predecessor auditor who expressed a qualified opinion on those financial statements on May 15, 2019 for 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 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at RLB LLP's website at: www.rlb.ca/additional-auditor-responsibilities. This description forms part of our auditor's report.

Handwritten signature of RLB LLP in black ink.

Guelph, Ontario
June 18, 2020

Chartered Professional Accountants
Licensed Public Accountants

HOSPICE DUFFERIN
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 154,953	\$ 173,801
Short term investments	102,628	103,923
Accounts receivable	6,198	0
HST receivable	3,856	3,227
Prepaid expenses	<u>7,975</u>	<u>7,721</u>
	275,610	288,672
CAPITAL ASSETS (note 4)	<u>1,289</u>	<u>1,611</u>
	<u>\$ 276,899</u>	<u>\$ 290,283</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ <u>33,045</u>	\$ <u>22,292</u>
NET ASSETS		
GENERAL FUND	242,793	266,474
EXTERNALLY RESTRICTED (note 5)	<u>1,061</u>	<u>1,517</u>
	<u>243,854</u>	<u>267,991</u>
	<u>\$ 276,899</u>	<u>\$ 290,283</u>

HOSPICE DUFFERIN
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2020

	General Fund	Externally Restricted (note 5)	2020	2019
NET ASSETS , beginning of year	\$ 266,474	\$ 1,517	\$ 267,991	\$ 282,045
EXPENDITURES OVER REVENUES for the year	<u>(23,681)</u>	<u>(456)</u>	<u>(24,137)</u>	<u>(14,054)</u>
NET ASSETS , end of year	<u>\$ 242,793</u>	<u>\$ 1,061</u>	<u>\$ 243,854</u>	<u>\$ 267,991</u>

HOSPICE DUFFERIN
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
REVENUES		
Ministry of Health revenue	\$ 198,638	\$ 139,787
Donation revenue	39,053	68,198
Fundraising revenue	28,545	29,165
Grant revenue	9,000	7,000
Other revenue	0	20
Investment income	(1,290)	4,077
	<u>273,946</u>	<u>248,247</u>
EXPENDITURES		
Salaries	215,285	162,716
Occupancy	37,348	36,270
Fundraising	9,950	10,919
Program supplies (note 5)	8,233	9,712
Professional fees	6,631	8,419
Office	6,073	6,596
Training	5,453	6,261
Insurance	3,664	2,773
Travel	2,621	1,302
Memberships	1,111	1,148
Interest and bank charges	1,061	1,081
Amazing Kids program (note 5)	331	122
Amortization	322	403
One-time funded projects	0	14,579
	<u>298,083</u>	<u>262,301</u>
NET EXPENDITURES OVER REVENUES for the year	<u>\$ (24,137)</u>	<u>\$ (14,054)</u>

HOSPICE DUFFERIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of expenditures over revenues for the year	\$ (24,137)	\$ (14,054)
Items not requiring an outlay of cash		
Amortization	<u>322</u>	<u>403</u>
	<u>(23,815)</u>	<u>(13,651)</u>
Changes in non-cash working capital		
Accounts receivable	(6,198)	1,475
HST receivable	(629)	(461)
Prepaid expenses	(254)	(1,549)
Deferred income	0	(6,000)
Accounts payable and accrued liabilities	<u>10,753</u>	<u>5,597</u>
	<u>(20,143)</u>	<u>(14,589)</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Short term investments	<u>1,295</u>	<u>(3,573)</u>
NET DECREASE IN CASH	(18,848)	(18,162)
NET CASH, BEGINNING OF YEAR	<u>173,801</u>	<u>191,963</u>
NET CASH, END OF YEAR	<u>\$ 154,953</u>	<u>\$ 173,801</u>

HOSPICE DUFFERIN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

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) SHORT TERM INVESTMENTS

The organization accounts for its marketable securities quoted in an active market at fair value. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net surplus.

(d) 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

Amortization is recorded at 50% of the above rates in the year of addition.

HOSPICE DUFFERIN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) 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.

(f) 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.

(g) 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 investments which are measured at fair value. Changes in fair value are recognized in net surplus.

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.

(h) 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.

HOSPICE DUFFERIN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

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 2020 compared to the previous period.

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

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2020	Net 2019
Furniture and fixtures	\$ <u>5,464</u>	\$ <u>4,175</u>	\$ <u>1,289</u>	\$ <u>1,611</u>

5. EXTERNALLY RESTRICTED NET ASSETS

	2020	2019
Amazing Kids Program		
Opening balance	\$ 1,175	\$ 1,297
Expenses	<u>(331)</u>	<u>(122)</u>
Net investment	<u>844</u>	<u>1,175</u>
Carepartners Library Fund		
Opening balance	342	759
Expenses (included in program supplies)	<u>(125)</u>	<u>(417)</u>
Closing balance	<u>217</u>	<u>342</u>
	\$ <u>1,061</u>	\$ <u>1,517</u>

6. COMMITMENTS

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

2021	\$ 38,535
2022	39,699
2023	<u>40,885</u>
	\$ <u>119,119</u>