

North Perth Community Hospice

Financial Statements
Year Ended March 31, 2023

- audited -

North Perth Community Hospice

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of North Perth Community Hospice:

Qualified Opinion

We have audited the financial statements of North Perth Community Hospice, which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in fund balances and statement of 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 section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of North Perth Community Hospice as at March 31, 2023, and its results of its operations and its cash flows for the year then ended March 31, 2023 in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, North Perth Community Hospice derives revenue from donations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of North Perth Community Hospice and we were not able to determine whether any adjustments might have been found necessary with respect to donations, the excess of revenues over expenses, cash flows from operating activities for the years ended March 31, 2023 and March 31, 2022, current assets as at March 31, 2023 and March 31, 2022, and fund balances as at April 1 and March 31 for both the 2023 and 2022 year ends. Our conclusion on the financial statements as at and for the year ended March 31, 2023 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 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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

Independent Auditor's Report continued on next page...

Independent Auditor's Report continued...

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.



Listowel, Ontario

May 30, 2023

**Ward & Uptigrove
Chartered Professional Accountants
Licensed Public Accountants**

North Perth Community Hospice

Statement of Financial Position

as at March 31, 2023

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements	2023	2022
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ASSETS

Current Assets

Cash and cash equivalents	102,596	128,708
Investments - Note 4	32,084	33,381
Guaranteed investment certificate - Note 4	16,528	16,248
Accounts receivable	-	5,506
HST receivable	3,292	763
Prepaid expenses	4,783	3,064

TOTAL ASSETS	159,283	187,670
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LIABILITIES & FUND BALANCES

Current Liabilities

Accounts payable	7,207	6,339
Government remittances payable	321	300
Deferred revenue - Note 5	5,871	10,597

13,399	17,236
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Fund Balances

General Fund - Schedule 1	161,424	185,974
Long Term Care Fund - Schedule 2	(15,540)	(15,540)

145,884	170,434
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TOTAL LIABILITIES AND FUND BALANCES	159,283	187,670
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Approved on Behalf of the Board of Directors by _____

North Perth Community Hospice
Statement of Revenues, Expenditures & Fund Balances
year ended March 31, 2023

in dollars

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<i>The Accompanying Notes are an Integral Part of the Financial Statements</i>			2023	2022
REVENUES				
General Fund - Schedule 1			94,369	44,112
Long Term Care Fund - Schedule 2			51,504	69,339
			145,873	113,451
EXPENDITURES				
General Fund - Schedule 1			32,406	19,022
Long Term Care Fund - Schedule 2			136,139	114,711
			168,545	133,733
OTHER INCOME				
General Fund - Schedule 1			(1,878)	708
Deficiency of Revenues over Expenditures			(24,550)	(19,574)
Fund Balances, Beginning of Year			170,434	190,008
Fund Balances, End of Year			145,884	170,434

North Perth Community Hospice

Statement of Cash Flows

year ended March 31, 2023

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements	2023	2022
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CASH PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Deficiency of Revenues over Expenditures	(24,550)	(19,574)
Items not affecting cash		
Decrease (increase) in market value of securities	1,878	(708)
Change in accrued interest on guaranteed investment certificates - Note 4	(147)	(89)
	(22,819)	(20,371)
Changes in non-cash working capital related to operations - Note 6	(2,579)	(2,154)
	(25,398)	(22,525)

INVESTING ACTIVITIES

Reinvested investment distributions	(581)	(521)
Purchase of guaranteed investment certificates	(16,290)	-
Maturity of guaranteed investment certificates	16,157	-
	(714)	(521)

CHANGE IN CASH AND CASH EQUIVALENTS

	(26,112)	(23,046)
Cash and cash equivalents, beginning of year	128,708	151,754
Cash and cash equivalents, end of year	102,596	128,708

Represented by:

Cash	102,596	128,708
	102,596	128,708

North Perth Community Hospice

Notes to the Financial Statements

year ended March 31, 2023

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

1 ORGANIZATION

North Perth Community Hospice ("the organization") is a charitable organization incorporated without share capital under the laws of the Province of Ontario. The organization is a registered charity under the Income Tax Act and accordingly is exempt from income taxes. The purpose of the Hospice is to support those faced with life threatening illness, death or bereavement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Fund Accounting

The organization follows the restricted fund method of accounting. The following funds have been established:

General Fund: Records revenue and expenses for programs not covered by Ministry funding, including all donations.

Long Term Care Fund: Records Ministry funding and program expenses for programs sponsored by the Ministry of Health.

In 2023, a transfer of \$84,635 (2022 - \$45,372) from the General Fund to the Long Term Care Fund was made to cover the operating deficiency of the fund.

2.2 Cash and cash equivalents

Cash and cash equivalents consist of cash and temporary investments with a maturity period of three months or less from the date of acquisition.

2.3 Capital assets

Capital assets are expensed in the year of acquisition. The categories of assets not recorded within the statement of financial position includes office furniture and equipment and computer equipment. Office furniture and equipment includes items of desks, chairs, kitchen appliances, and cabinets. Computer equipment includes telecommunication equipment, computers and laptops. During the current year, there was office furniture and equipment purchased that totalled \$1,580 and computer equipment purchased that totalled \$812 for a total of \$2,392 of assets expensed in the year.

2.4 Revenue recognition

Revenue recognition is reported using the deferral method. Under the deferral method, revenue for which externally imposed restrictions remain unfulfilled is accumulated as deferred revenue. Unrestricted contributions are recognized as revenue when received.

2.5 Donated materials and services

Volunteers contribute time during the year to assist the organization in carrying out its charitable activities. Because of the difficulty of determining their fair value, volunteer contributed services are not recognized in the financial statements.

North Perth Community Hospice

Notes to the Financial Statements

year ended March 31, 2023

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2.6 Use of estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

2.7 Allocation of expenses

Various expenses incurred throughout the year are for both the General Fund and the Long Term Care Fund. The organization allocates these shared expenses on the following basis:

	General Fund	Long Term Care Fund
Advertising and promotion	20%	80%
Bank charges	100%	0%
Cell phone	0%	100%
Covid-19 supplies	0%	100%
Fundraising	100%	0%
Insurance	20%	80%
Newsletter printing/postage	100%	0%
Occupancy costs	0%	100%
Office supplies	45%	55%
Professional fees	0%	100%
Software license, website	20%	80%
Telephone/internet and postage	20%	80%
Utilities	0%	100%
<u>Wages until June 29th, 2022:</u>		
Coordinator of Hospice Services - Admin	30%	70%
Co-ordinator's counselling hours	0%	100%
Coordinator of Visiting Volunteers	0%	100%
Director of Hospice Services	8.7%	91.3%
Manager of Hospice Services	10.4%	89.6%
Office Manager	30%	70%
<u>Wages from June 29th, 2022 forward:</u>		
Grief and Bereavement Coordinator	0%	100%
Office Administrator	30%	70%
Executive Director	6.36%	93.64%

2.8 Financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The entity subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income. Financial instruments measured at amortized cost include cash and accounts receivable.

2.9 Investments

Investments consist of investments in marketable securities with maturities not exceeding one year at the date of acquisition. The organization does not exercise significant influence with respect to any of these investments.

North Perth Community Hospice

Notes to the Financial Statements

year ended March 31, 2023

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2.10 Government programs

The company recognizes government assistance and repayments under federal and provincial programs when determinable.

3 FINANCIAL INSTRUMENTS

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is not exposed to significant credit risk.

(b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization is not exposed to currency risk.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is not exposed to interest rate risk.

(d) Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is not exposed to significant liquidity risk.

(e) Market risk

The organization's investments in publicly traded securities expose the organization to market risk as these investments are subject to price changes in the open market.

4 INVESTMENTS

Investments are presented at fair value and consist of TD mutual funds recorded at market value of \$32,084 (2022 - \$33,381).

The organization also holds a TD Canada Trust Guaranteed Investment Certificate recorded at market value of \$16,528 (2022 - \$16,248) which includes accrued interest at March 31, 2023 of \$238 (2022 - \$91). This GIC bears interest at 4.1% and matures March 18, 2024.

North Perth Community Hospice

Notes to the Financial Statements

year ended March 31, 2023

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

5 DEFERRED REVENUE

	2023	2022
Music therapy	3,400	3,650
Veteran support	1,500	1,500
Counselling services and fees	971	2,183
Education	-	3,164
Telephone	-	100
	5,871	10,597

- Music therapy deferred revenue was received for the purpose of providing music therapy to Hospice clients.
- Veteran support deferred revenue was received for the purpose of providing hospice support to veterans.
- Counselling services and fees deferred revenue was received for the purpose of providing counselling services and paying for counselling fees. Notably, the tear soup program.
- Education deferred revenue was for use towards education of employees.
- Telephone deferred revenue was for credits received to reduce telephone expenses.

6 STATEMENT OF CASH FLOWS

The net change in non-cash working capital consists of:

	2023	2022
Accounts receivable	5,506	(5,506)
Government assistance receivable	-	4,280
Prepaid expenses	(1,719)	662
HST receivable	(2,529)	948
Accounts payable	868	(1,221)
Deferred revenue	(4,726)	(739)
Government remittances payable	21	(578)
	(2,579)	(2,154)

7 COMPARATIVE FIGURES

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

North Perth Community Hospice
Schedule 1
Schedule of General Fund Revenues & Expenditures
year ended March 31, 2023

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

	2023	2022
REVENUES		
Donations	14,124	10,080
Fundraising and other	74,738	30,367
Amortization of deferred revenue	4,646	2,079
Government assistance	-	976
Investment income	861	610
	94,369	44,112
EXPENDITURES		
Advertising and promotion	515	308
Fundraising	8,592	1,398
Insurance	738	591
Office supplies	3,345	1,353
Program supplies	4,175	1,789
Repairs and maintenance	92	-
Salaries and benefits	9,814	11,521
Staff training	3,486	322
Telephone and postage	1,649	1,740
	32,406	19,022
OTHER INCOME		
Gains (losses) on investments	(1,878)	708
Excess of Revenues over Expenditures	60,085	25,798
Transfer to Long Term Care Fund	(84,635)	(45,372)
Net Decrease General Fund	(24,550)	(19,574)
General Fund Balance, Beginning of Year	185,974	205,548
General Fund Balance, End of Year	161,424	185,974

North Perth Community Hospice
Schedule 2
Schedule of Long Term Care Fund Revenues & Expenditures
year ended March 31, 2023

in dollars

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<i>The Accompanying Notes are an Integral Part of the Financial Statements</i>		
	2023	2022
REVENUES		
Grants	49,238	48,998
Government assistance	-	14,849
OHT grant – support & counselling pilot project	2,186	5,332
Amortization of deferred revenue	80	160
	51,504	69,339
EXPENDITURES		
Advertising and promotion	303	35
Insurance	2,954	2,363
Occupancy costs	11,368	11,118
Office supplies	4,007	1,385
Professional fees	5,810	5,041
Program supplies	966	1,468
Repairs and maintenance	639	-
Salaries and benefits	97,802	84,713
Software licensing	2,465	2,415
Staff training	3,865	1,277
Telephone and postage	1,578	1,717
Utilities	4,382	3,179
	136,139	114,711
Deficiency of Revenues over Expenditures	(84,635)	(45,372)
Transfer from General Fund	84,635	45,372
Net Increase (Decrease) Long Term Care Fund	-	-
Long Term Care Fund Balance, Beginning of Year	(15,540)	(15,540)
Long Term Care Fund Balance, End of Year	(15,540)	(15,540)