

**DUNDAS COUNTY HOSPICE**  
Financial Statements  
Year ended March 31, 2021

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Year ended March 31, 2021

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## **Independent Auditor's Report**

To the Members  
Dundas County Hospice  
Williamsburg, Ontario

### **Qualified Opinion**

We have audited the financial statements of Dundas County Hospice, which comprise the balance sheet as at March 31, 2021, and the statement of operations and net assets, 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 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 Dundas County Hospice as at March 31, 2021 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 charitable and non-profit organizations, the organization derives revenue from donations and fundraising, 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 fundraising and donation revenues, excess of revenue over expenditures, assets and net assets for the years ended March 31, 2021 and March 31, 2020.

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 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 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.

#### **PROFESSIONAL CORPORATION**

**Chartered Professional Accountants • Chartered Accountants**

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## **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 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 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.

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.

*Durand and Associates*

Prescott, Ontario  
June 29, 2021

DURAND AND ASSOCIATES  
PROFESSIONAL CORPORATION

**DUNDAS COUNTY HOSPICE**

## Balance Sheet

March 31, 2021, with comparative figures for March 31, 2020

	General Operating Fund	Donations & Fundraising Fund	Building Fund	2021	2020
<b>Assets</b>					
Current assets:					
Cash (note 2)	\$ 73,756	\$ -	\$ -	\$ 73,756	\$ 42,811
Investments (note 3)	-	81,546	-	81,546	85,553
Accounts receivable	3,000	-	-	3,000	373
HST receivable	2,823	-	-	2,823	5,357
Interfund balances	(39,446)	39,446	-	-	-
	40,133	120,992	-	161,125	134,094
Capital assets (note 4)	10,366	-	255,030	265,396	281,280
	\$ 50,499	\$ 120,992	\$ 255,030	\$ 426,521	\$ 415,374
<b>Liabilities and Net Assets</b>					
Current liabilities:					
Accounts payable	\$ 15,644	\$ -	\$ -	\$ 15,644	\$ 9,460
Source deductions payable	4,552	-	-	4,552	2,966
Deferred contributions	-	-	-	-	1,000
Deferred capital contributions (note 5)	8,835	-	108,429	117,264	123,824
	29,031	-	108,429	137,460	137,250
Net assets:					
Unrestricted net assets	21,468	120,992	-	142,460	125,143
Restricted net assets	-	-	146,601	146,601	152,981
	21,468	120,992	146,601	289,061	278,124
	\$ 50,499	\$ 120,992	\$ 255,030	\$ 426,521	\$ 415,374

Approved by the Board:


 Director


 Director

The accompanying notes are an integral part of these financial statements.

**DUNDAS COUNTY HOSPICE**

## Statement of Operations and Net Assets

Year ended March 31, 2021, with comparative figures for 2020

	General Operating Fund	Donations & Fundraising Fund	Building Fund	2021	2020
<b>Revenues:</b>					
LHIN funding	\$ 89,093	\$ -	\$ -	\$ 89,093	\$ 61,043
LHIN funding - volunteer	-	-	-	-	28,050
LHIN funding - one time	-	-	-	-	998
Grants	56,355	-	-	56,355	56,355
Donations	-	67,981	-	67,981	89,547
Fundraising	-	25,290	-	25,290	36,946
Interest	1,308	-	-	1,308	446
Other	5,460	-	4,730	10,190	10,341
Interfund transfers	73,417	-	-	73,417	111,395
	225,633	93,271	4,730	323,634	395,121
<b>Expenses:</b>					
<b>Program:</b>					
Palliative	13,954	-	-	13,954	17,276
Equipment lending	2,327	-	-	2,327	1,729
Day hospice	192	-	-	192	11,102
Salaries and benefits	100,584	-	-	100,584	90,242
Travel	1,138	-	-	1,138	1,870
Volunteer support	348	-	-	348	887
	118,543	-	-	118,543	123,106
Fundraising	-	2,537	-	2,537	4,833
<b>Occupancy and administration:</b>					
Advertising	39	-	-	39	1,991
Amortization	9,554	-	11,110	20,664	19,668
HST paid	1,225	-	-	1,225	2,115
Insurance	5,836	-	-	5,836	4,747
Interest on long-term debt	-	-	-	-	2,627
Membership fees	1,400	-	-	1,400	1,100
Office	10,186	-	-	10,186	13,279
One time funding	-	-	-	-	998
Professional fees	4,450	-	-	4,450	5,127
Property taxes	-	-	-	-	176
Repairs and maintenance	7,473	-	-	7,473	8,119
Salaries and benefits	63,794	-	-	63,794	53,124
Staff training	100	-	-	100	633
Utilities	3,033	-	-	3,033	3,656
Interfund transfers	-	73,417	-	73,417	111,395
	107,090	73,417	11,110	191,617	228,755
<b>Total expenditures</b>	<b>225,633</b>	<b>75,954</b>	<b>11,110</b>	<b>312,697</b>	<b>356,694</b>
Excess (deficiency) of revenues over expenses	-	17,317	(6,380)	10,937	38,427
Net assets - beginning of the year	21,468	103,675	152,981	278,124	239,697
Net assets - end of the year	\$ 21,468	\$ 120,992	\$ 146,601	\$ 289,061	\$ 278,124

The accompanying notes are an integral part of these financial statements.

**DUNDAS COUNTY HOSPICE**

## Statement of Cash Flows

Year ended March 31, 2021, with comparative figures for 2020

	2021	2020
Cash provided (used) by:		
Operations:		
Receipts	\$ 238,722	\$ 288,608
Expenses for suppliers and employees	(208,312)	(228,936)
Interest on long term debt	-	(2,627)
	30,410	57,045
Investing:		
Purchase of capital assets	(4,780)	(24,009)
Investments cashed (purchased)	5,307	(80,000)
Investment income	8	188
	535	(103,821)
Financing:		
Repayments of long term debt	-	(98,480)
Increase (decrease) in cash	30,945	(145,256)
Cash - beginning of the year	42,811	188,067
Cash - end of the year (note 2)	\$ 73,756	\$ 42,811

The accompanying notes are an integral part of these financial statements.

**DUNDAS COUNTY HOSPICE**

Notes to Financial Statements

Year ended March 31, 2021

**Purpose of the organization:**

The organization was incorporated on November 26, 1992 under the laws of Ontario as a not-for-profit corporation and it is a registered charity under the Income Tax Act. Its purpose is to provide services to individuals experiencing a life-threatening disease and their families and to provide compassionate care directed at improving their lives physically, emotionally and spiritually.

**1. Significant accounting policies:****(a) Basis of presentation:**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

**(b) Cash and cash equivalents:**

Cash is defined as cash on hand, cash on deposit, and short-term deposits with maturity dates of less than 90 days, net of cheques issued and outstanding at the reporting date.

**(c) Fund accounting:**

The organization follows the deferral method of accounting for contributions within the following funds:

The General Operating Fund accounts for the organization's program delivery and administrative activities.

The Donations and Fundraising Fund accounts for charitable donations and fundraising activities. The Fund provides resources to the General Operating fund required to carry out its programs and community support activities.

The Building Fund accounts for the land, building, building improvements and the mortgage.

**(d) Capital assets:**

Amortization is provided using the following methods and annual rates:

Asset		Rate
Building	Straight line	40 years
Building improvements	Straight line	15 years
Computers	Straight line	3 years
Furniture and equipment	Straight line	5 years

**(e) Revenue recognition:**

Government funding contributions related to general operations are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount can be reasonably estimated and collections reasonably assured.

**(f) Contributed services:**

The work of the organization benefits from the services of volunteers. Since these services are not normally purchased by the organization and because of the difficulty of determining their fair value, volunteer services are not recognized in these financial statements.



**DUNDAS COUNTY HOSPICE**

Notes to Financial Statements

Year ended March 31, 2021

**1. Significant accounting policies (continued):****(g) Accrual method of accounting:**

Revenue and expenses are recorded on the accrual basis whereby they are reflected in the accounts in the period in which they have been earned and incurred respectively, whether or not such transactions have been finally settled by the receipt or payment of money.

**(h) Use of estimates:**

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

**2. Cash:**

	2021	2020
General Operating Fund	\$ 73,756	\$ 42,811

**3. Investments:**

	2021	2020
BNS investment savings	\$ -	\$ 5,307
Home Trust GIC, 2.15%, maturing January 2021	-	40,144
Home Bank GIC, 1.53%, maturing January 2021	-	40,102
DUCA Credit Union GIC, 0.80%, maturing January 2022	40,915	-
Home Trust GIC, 0.25%, maturing January 2022	40,631	-
	\$ 81,546	\$ 85,553

**4. Capital assets:**

2021	Cost	Accumulated amortization	Net book value
Land	\$ 20,000	\$ -	\$ 20,000
Building	184,220	25,330	158,890
Building improvements	97,574	21,434	76,140
Computers	22,643	17,623	5,020
Furniture and equipment	46,791	41,445	5,346
	\$ 371,228	\$ 105,832	\$ 265,396

**DUNDAS COUNTY HOSPICE**

Notes to Financial Statements

Year ended March 31, 2021

**4. Capital assets (continued):**

2020	Cost	Accumulated amortization	Net book value
Land	\$ 20,000	\$ -	\$ 20,000
Building	184,220	20,725	163,495
Building improvements	97,574	14,929	82,645
Computers	17,863	15,244	2,619
Furniture and equipment	46,791	34,270	12,521
	\$ 366,448	\$ 85,168	\$ 281,280

**5. Deferred capital contributions:**

Deferred contributions related to capital assets represent externally restricted capital contributions and grants received for the purchase of capital assets together with contributed capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2021	2020
Balance - beginning of year	\$ 123,824	\$ 129,824
Deferred capital contributions received during the year	3,500	4,002
	127,324	133,826
Amortization of deferred capital contributions	10,060	10,002
Balance - end of year	\$ 117,264	\$ 123,824

**6. Economic dependence:**

Government contributions from the Ministry of Health represent 39.5% (39.6% in 2020) of total general operating fund revenues. These contributions are renewable on an annual basis. The loss of these contributions could significantly effect the future operations of the organization.

**7. Financial instruments:**

The organization has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. Unless otherwise noted, it is the board's opinion that the organization is not exposed to significant risks arising from its financial instruments.

**8. COVID-19:**

On March 11, 2020, the World Health Organization announced an outbreak of a virus called COVID-19 as a pandemic. The duration and impact of COVID-19 are unknown at this time and it is not possible to reliably estimate the impact it will have on the financial results of the organization in future periods.