

DUNDAS COUNTY HOSPICE
Financial Statements
Year ended March 31, 2020

DUNDAS COUNTY HOSPICE

Year ended March 31, 2020

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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, 2020, 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, 2020 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, 2020 and March 31, 2019.

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 30, 2020

DURAND AND ASSOCIATES
PROFESSIONAL CORPORATION

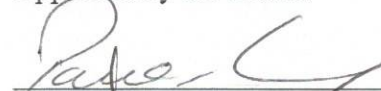
DUNDAS COUNTY HOSPICE

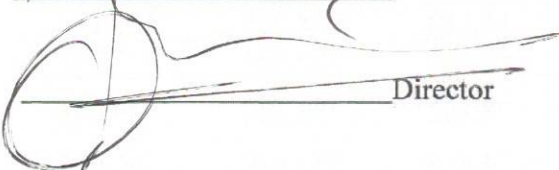
Balance Sheet

March 31, 2020, with comparative figures for March 31, 2019

	General Operating Fund	Donations & Fundraising Fund	Building Fund	2020	2019
Assets					
Current assets:					
Cash (note 2)	\$ 42,811	\$ -	\$ -	\$ 42,811	\$ 188,067
Investments (note 3)	5,307	80,246	-	85,553	5,295
Accounts receivable	373	-	-	373	10,700
HST receivable	5,357	-	-	5,357	7,397
Interfund transfers	(24,430)	24,430	-	-	-
	29,418	104,676	-	134,094	211,459
Capital assets (note 4)	15,140	-	266,140	281,280	276,941
	\$ 44,558	\$ 104,676	\$ 266,140	\$ 415,374	\$ 488,400
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	\$ 9,459	\$ -	\$ -	\$ 9,459	\$ 17,193
Source deductions payable	2,966	-	-	2,966	3,205
Deferred contributions	-	1,000	-	1,000	-
Deferred capital contributions (note 5)	10,665	-	113,159	123,824	129,824
Scheduled repayments of long term debt (note 6)	-	-	-	-	7,729
	23,090	1,000	113,159	137,249	157,951
Long term debt (note 6)	-	-	-	-	90,751
	23,090	1,000	113,159	137,249	248,702
Net assets:					
Unrestricted net assets	21,468	103,676	-	125,144	114,879
Restricted net assets	-	-	152,981	152,981	124,819
	21,468	103,676	152,981	278,125	239,698
	\$ 44,558	\$ 104,676	\$ 266,140	\$ 415,374	\$ 488,400

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, 2020, with comparative figures for 2019

	General Operating Fund	Donations & Fundraising Fund	Building Fund	2020	2019
Revenues:					
LHIN funding	\$ 61,043	\$ -	\$ -	\$ 61,043	\$ 61,043
LHIN funding - volunteer	28,050	-	-	28,050	18,700
LHIN funding - one time	998	-	-	998	704
Grants	56,355	-	-	56,355	56,355
Donations	-	89,547	-	89,547	74,463
Fundraising	-	36,946	-	36,946	48,603
Interest	446	-	-	446	843
Other	5,611	-	4,730	10,341	10,555
Transfer from donations and fundraising fund	74,851	-	36,544	111,395	85,494
	227,354	126,493	41,274	395,121	356,760
Expenses:					
Program:					
Palliative	17,276	-	-	17,276	15,484
Equipment lending	1,729	-	-	1,729	2,316
Day hospice	11,102	-	-	11,102	10,356
Salaries and benefits	90,242	-	-	90,242	74,345
Travel	1,870	-	-	1,870	863
Volunteer support	887	-	-	887	1,102
	123,106	-	-	123,106	104,466
Fundraising	-	4,833	-	4,833	15,137
Occupancy and administration:					
Advertising	1,991	-	-	1,991	2,634
Amortization	9,183	-	10,485	19,668	18,114
HST paid	2,115	-	-	2,115	3,217
Insurance	4,747	-	-	4,747	3,670
Interest on long-term debt	-	-	2,627	2,627	6,420
Membership fees	1,100	-	-	1,100	1,255
Office	13,279	-	-	13,279	8,897
One time funding	998	-	-	998	-
Professional fees	5,127	-	-	5,127	4,060
Property taxes	176	-	-	176	83
Repairs and maintenance	8,119	-	-	8,119	8,454
Salaries and benefits	53,124	-	-	53,124	52,315
Staff training	633	-	-	633	478
Utilities	3,656	-	-	3,656	3,023
Transfer to other funds	-	111,395	-	111,395	85,494
	104,248	111,395	13,112	228,755	198,114
Total expenditures	227,354	116,228	13,112	356,694	317,717
Excess of revenues over expenses	-	10,265	28,162	38,427	39,043
Net assets - beginning of the year	21,468	93,411	124,819	239,698	200,655
Net assets - end of the year	\$ 21,468	\$ 103,676	\$ 152,981	\$ 278,125	\$ 239,698

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

DUNDAS COUNTY HOSPICE

Statement of Cash Flows

Year ended March 31, 2020, with comparative figures for 2019

	2020	2019
Cash provided (used) by:		
Operations:		
Receipts	\$ 288,608	\$ 376,204
Expenses for suppliers and employees	(228,936)	(212,582)
Interest on long term debt	(2,627)	(6,420)
	57,045	157,202
Investing:		
Purchase of capital assets	(24,009)	(47,470)
Purchase of investments	(80,000)	-
Investment income	188	739
	(103,821)	(46,731)
Financing:		
Repayments of long term debt	(98,480)	(17,706)
Increase (decrease) in cash	(145,256)	92,765
Cash - beginning of the year	188,067	95,302
Cash - end of the year (note 2)	\$ 42,811	\$ 188,067

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

DUNDAS COUNTY HOSPICE

Notes to Financial Statements

Year ended March 31, 2020

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, 2020

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:

	2020	2019
General Operating Fund	\$ 42,811	\$ 100,253
Donations & Fundraising Fund	-	87,814
	\$ 42,811	\$ 188,067

3. Investments:

	2020	2019
BNS investment savings	\$ 5,307	\$ -
BNS GIC, 2.00%, maturing May 2019	-	5,295
Home Trust GIC, 2.15%, maturing January 2021	40,144	-
Home Bank GIC, 1.53%, maturing January 2021	40,102	-
	\$ 85,553	\$ 5,295

4. Capital assets:

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

DUNDAS COUNTY HOSPICE

Notes to Financial Statements

Year ended March 31, 2020

4. Capital assets (continued):

2019	Cost	Accumulated amortization	Net book value
Land	\$ 20,000	\$ -	\$ 20,000
Building	184,220	16,119	168,101
Building improvements	78,817	9,049	69,768
Computers	16,356	13,158	3,198
Furniture and equipment	43,046	27,172	15,874
	\$ 342,439	\$ 65,498	\$ 276,941

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.

	2020	2019
Balance - beginning of year	\$ 129,824	\$ 14,196
Deferred capital contributions received during the year	4,002	122,320
	133,826	136,516
Amortization of deferred capital contributions	10,002	6,692
Balance - end of year	\$ 123,824	\$ 129,824

6. Long term debt:

	2020	2019
Mortgage payable, 5.75%, payable in blended monthly payments of \$1,094, secured by all assets with carrying value of \$415,374, due July 8, 2020	\$ -	\$ 98,480
Less scheduled repayments of long term debt	-	7,729
	\$ -	\$ 90,751

7. Economic dependence:

Government contributions from the Ministry of Health represent 39.6% (39.8% in 2019) 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.

8. 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.

DUNDAS COUNTY HOSPICE

Notes to Financial Statements

Year ended March 31, 2020

9. Subsequent events:

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. Currently there is no interruption to the LHIN funding, however it is expected to have an impact on the donations and fundraising of the organization.

