

GREY BRUCE HOSPICE INC.

FINANCIAL STATEMENTS

MARCH 31, 2024

GREY BRUCE HOSPICE INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **Grey Bruce Hospice Inc.:**

Qualified Opinion

We have audited the financial statements of **Grey Bruce Hospice Inc.** (the Hospice), which comprise the statement of financial position as at March 31, 2024 and the statements of changes in net assets, operations, and cash flow 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 the Hospice as at March 31, 2024, and 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

Grey Bruce Hospice Inc. derives revenue from charitable donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly for both years, our verification of these revenues was limited to the amounts recorded in the records of the Hospice. Consequently, we were unable to determine whether any adjustments to revenues, excess of revenues over expenditures, and cash flow for the years ended March 31, 2024 and March 31, 2023 and assets and fund balances as at March 31, 2024 and March 31, 2023 were necessary.

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 Hospice 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 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 Hospice'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 Hospice or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Hospice's financial reporting process.

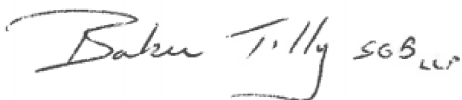
Auditor's Responsibilities for the Audit of the Financial Statements

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 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 Hospice'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 Hospice'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 Hospice 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.



Chartered Professional Accountants
Licensed Public Accountants
Owen Sound, Ontario
July 24, 2024

GREY BRUCE HOSPICE INC.
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31

	2024	2023
	\$	\$
Assets		
Current		
Cash	1,483,990	1,429,942
Accounts receivable	36,667	11,599
HST receivable	41,360	43,394
Prepaid expenses	52,121	12,712
	1,614,138	1,497,647
Property and equipment (Note 2)	4,682,119	4,794,902
	6,296,257	6,292,549
Liabilities		
Current		
Bank loan - CEBA	-	30,000
Accounts payable and accrued liabilities	213,104	147,673
Government remittances payable	116,568	33,489
Deferred revenue (Note 3)	225,301	235,301
	554,973	446,463
Deferred contribution (Note 4)	31,033	-
	586,006	446,463
Net assets		
General fund (Note 5)	1,059,165	6,432,313
Capital fund	4,651,086	(586,227)
	5,710,251	5,846,086
	6,296,257	6,292,549

Approved on behalf of the board

_____ Director
 _____ Director

GREY BRUCE HOSPICE INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31

	General Fund \$	Capital Fund \$	2024 \$	2023 \$
Balance at beginning of year	6,432,313	(586,227)	5,846,086	5,768,899
Excess of revenue over expenditures (expenditures over revenue)	31,825	(167,660)	(135,835)	77,187
Interfund transfers (Note 9)	(5,404,973)	5,404,973	-	-
Balance at end of year	1,059,165	4,651,086	5,710,251	5,846,086

See accompanying notes to the financial statements

GREY BRUCE HOSPICE INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31

	General Fund \$	Capital Fund \$	2024 \$	2023 \$
Revenue				
Donation revenue	1,157,471	-	1,157,471	1,390,059
Fundraising revenue	243,815	-	243,815	267,446
Grant revenue - LHIN (Note 7)	1,304,768	-	1,304,768	1,139,444
Grant revenue - other	15,809	-	15,809	41,253
Investment income and other	73,690	-	73,690	45,324
	<u>2,795,553</u>	-	<u>2,795,553</u>	<u>2,883,526</u>
Expenditures				
Administrative costs	70,182	-	70,182	46,727
Bank interest and charges	4,262	-	4,262	5,098
Chaplaincy expenses	45,609	-	45,609	33,841
Communications	17,889	-	17,889	18,242
Education and training	9,082	-	9,082	21,849
Fundraising expenses	103,605	-	103,605	89,587
Insurance	35,020	-	35,020	31,485
Mileage and patient transport	2,973	-	2,973	3,451
Office and postage	11,010	-	11,010	6,957
Printing and promotion	10,123	-	10,123	17,572
Professional and consulting services	54,660	-	54,660	107,200
Supplies and maintenance	140,815	-	140,815	197,924
Utilities	41,932	-	41,932	43,407
Wages and employee benefits	2,215,256	-	2,215,256	2,007,891
	<u>2,762,418</u>	-	<u>2,762,418</u>	<u>2,631,231</u>
Excess of revenue over expenditures	33,135	-	33,135	252,295
Other income (expenses)				
Amortization	(167,927)	-	(167,927)	(175,108)
Amortization of deferred contributions	267	-	267	-
Gain (loss) on disposal of property and equipment	(1,310)	-	(1,310)	-
	<u>(168,970)</u>	-	<u>(168,970)</u>	<u>(175,108)</u>
Excess of (expenditures over revenue) revenue over expenditures for the year	<u>(135,835)</u>	-	<u>(135,835)</u>	<u>77,187</u>

See accompanying notes to the financial statements

GREY BRUCE HOSPICE INC.
CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31

	2024 \$	2023 \$
Cash provided by (used for)		
Operating activities		
Excess of (expenditures over revenue) revenue over expenditures	(135,835)	77,187
Items not involving cash		
Amortization of property and equipment	167,927	175,108
Amortization of deferred contributions	(267)	-
Gain (loss) on disposal of property and equipment	1,310	-
	<u>33,135</u>	<u>252,295</u>
Change in		
Accounts receivable	(25,068)	(10,602)
HST receivable	2,034	9,452
Prepaid expenses	(39,409)	(3,124)
Accounts payable and accrued liabilities	65,431	32,623
Government remittances payable	83,079	16,749
Deferred revenue	(10,000)	(558,732)
	<u>109,202</u>	<u>(261,339)</u>
Financing activities		
Repayment of bank loan - CEBA	(30,000)	-
Capital contributions	31,300	-
	<u>1,300</u>	<u>-</u>
Investing activities		
Acquisition of property and equipment	(57,804)	(35,944)
Proceeds on disposal of property and equipment	1,350	-
	<u>(56,454)</u>	<u>(35,944)</u>
Change in cash	54,048	(297,283)
Cash at beginning of year	<u>1,429,942</u>	<u>1,727,225</u>
Cash at end of year	<u>1,483,990</u>	<u>1,429,942</u>

See accompanying notes to the financial statements

GREY BRUCE HOSPICE INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2024

Purpose of the organization

Grey Bruce Hospice (operating as Grey Bruce Hospice Inc.) was incorporated in the Province of Ontario without share capital on February 3, 2012 and is considered a charitable organization under the Income Tax Act and, therefore exempt from income taxes. The goal of the Hospice is to help patients live their last days with the highest quality of life, dignity, and to be as comfortable and pain-free as possible, all the while surrounded by their loved ones.

1. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies applied in accordance with these standards are as follows:

(a) Fund accounting

Grey Bruce Hospice Inc. follows the restricted fund method of accounting for contributions. The Hospice ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

The General Fund reports the assets, liabilities, revenues and expenses related to services provided to people and family affected by a life-threatening illness.

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Hospice's capital asset acquisitions including contributions restricted for the purchase of capital assets.

(b) Revenue recognition

Unrestricted contributions, restricted donations and operating grant revenue are recognized as revenue in the year received or receivable in the general fund if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions for the purchase of capital assets are recognized as deferred contributions in the year received.

Investment income is recognized as revenue of the appropriate fund in the year in which the income is earned.

Repayment of government subsidies is accounted for as a liability in the period in which conditions arise that have caused the subsidy to be repayable.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and cash deposited in Canadian bank accounts.

GREY BRUCE HOSPICE INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2024

1. Summary of significant accounting policies (continued)

(d) Property and equipment

Purchased property and equipment are recorded at cost. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which are as follows:

Building	40 years
Furniture, fixtures and equipment	10 years
Computers	5 years
Software	3 years

(e) Pledges

Pledges, which represent promises to donate cash, are not recorded as revenue until collected.

(f) Contributed materials and services

Contributed materials and services which are used in the normal course of the Hospice's operations and would otherwise have been purchased, are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

Volunteers contribute many hours per year to assist the Hospice in carrying out its service delivery activities. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

(g) Financial instruments

The Hospice measures its financial assets and financial liabilities initially at fair value. Subsequently, financial assets and financial liabilities are measured at amortized cost. Financial instruments measured at amortized cost are tested for impairment annually.

Financial assets measured at amortized cost include cash, accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and loan payable.

(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 amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they become known. Actual results could differ from those estimates.

GREY BRUCE HOSPICE INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2024

2. Property and equipment

	2024	2023
	\$	\$
Cost		
Land	268,166	268,166
Building	5,117,982	5,117,982
Furniture, fixtures and equipment	401,489	346,485
Computers and software	126,264	126,264
	<u>5,913,901</u>	<u>5,858,897</u>
Accumulated amortization		
Building	895,642	767,692
Furniture, fixtures and equipment	223,575	194,223
Computers and software	112,565	102,080
	<u>1,231,782</u>	<u>1,063,995</u>
	<u>4,682,119</u>	<u>4,794,902</u>

3. Deferred revenue

	2024	2023
	\$	\$
Donations - satellite site		
Opening balance	103,616	662,348
Received in year	-	10,000
Transferred to Saugeen Hospice Inc.	(10,000)	(568,732)
Ending balance	93,616	103,616
MOHLTC project funding	131,685	131,685
	<u>225,301</u>	<u>235,301</u>

The MOHLTC project funding of \$180,000 was received in 2018 to cover the cost of planning the establishment of a site in South Bruce. To date \$48,315 has been spent. Subsequent to year end, the balances were transferred out.

4. Deferred contributions

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of property and equipment. Provision is made for the amortization of deferred contributions in accordance with the depreciation rate on the property and equipment the contribution purchased. The amortization of capital contributions is recorded as income in the statement of operations. The changes for the year in the deferred capital contributions balance are as follows:

	2024	2023
	\$	\$
Ontario Trillium foundation grant		
Funding received for updating Hospice kitchen	31,300	-
Amounts amortized to revenue	(267)	-
	<u>31,033</u>	<u>-</u>

5. External and internal restrictions on net assets

The General Fund balance includes \$50,000 that was internally restricted by the Board in 2014. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

GREY BRUCE HOSPICE INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2024

6. Endowment fund

	2024	2023
	\$	\$
Held by The Community Foundation Grey Bruce	5,220	5,220

Grey Bruce Hospice Inc. established a designated agency endowment fund called the Chapman House Endowment Fund with the Community Foundation Grey Bruce to be maintained in perpetuity by the Foundation. The income earned will be used to support the charitable activities of the Grey Bruce Hospice Inc.

7. Economic dependence

The Hospice is approved by the Ontario Ministry of Health and Long-Term Care to operate eight residential care beds. The Hospice relies on this funding to support their total operating costs.

The amount of funding provided to the Hospice is subject to final review and approval by the South West Local Health Integration Network (LHIN), any future adjustments required as a result of this review will be accounted for in the year the adjustment is determined.

8. Related party

There is a commitment to transfer \$119,952 to the Grey Bruce Hospice Foundation (Foundation), whose primary objective is the sustainability of Chapman House.

9. Interfund Transfer

The funding (net of amortization) for property and equipment, held in the general fund, is the amount of the interfund transfer in fiscal 2024.

10. Financial instruments

The Hospice's exposure to risks from financial instruments is described as follows:

(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 Hospice is exposed to credit risk in connection with the collection of its accounts receivable. The Hospice mitigates this risk by maintaining credit approval and payment policies and does not anticipate significant loss for non-collection. The allowance for doubtful accounts is \$nil (2023 - \$nil).

(b) 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 Hospice is exposed to interest rate risk on their savings account.

(c) Liquidity risk

Liquidity risk is the risk that the Hospice will encounter difficulty in meeting obligations associated with financial liabilities. The Hospice is exposed to this risk mainly in respect of its various payables. The Hospice expects to meet these obligations as they come due by cash flow from government subsidies and from the accumulated funds on hand.

Management of the Hospice does not believe they are exposed to other financial risks.