Hazel Burns Hospice

Financial Statements

March 31, 2024

Clarkson Rouble LLP
Chartered Professional Accountants

Independent Auditors' Report

To the Board of Directors of
Hazel Burns Hospice

Qualified Opinion

We have audited the financial statements of **Hazel Burns Hospice** (the Organization), which comprise the statement of financial position as at **March 31, 2024**, the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 the Organization as at **March 31, 2024**, 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 not-for-profit organizations, the Organization derives revenue from donations, 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. Therefore, we were not able to determine whether any adjustments might be necessary to the donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2024, current assets as at March 31, 2024, and net assets as at April 1 and March 31 for the 2024 fiscal year. Our audit opinion on the financial statements for the year ended March 31, 2024 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 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.

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 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.

Clarkson Rouble LLP

Mississauga, Ontario
July 10, 2024

Clarkson Rouble LLP
Chartered Professional Accountants
Licensed Public Accountants

Hazel Burns Hospice

Statement of Financial Position
As at March 31

	2024	2023
Assets		
Current		
Cash	$ 36,250	$ 41,292
Short-term investments (Note 2)	33,644	32,962
Accounts receivable	12,500	-
HST recoverable	4,482	2,815
	$ 86,876	**$ 77,069**
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 11,755	$ 10,498
Deferred revenue (Note 3)	26,198	26,198
	37,953	36,696
Net Assets		
Designated net assets (Note 4)	5,000	5,000
Unrestricted	43,923	35,373
	48,923	40,373
	$ 86,876	**$ 77,069**

On behalf of the Board:

Sean Molloy
President

Treasurer

Hazel Burns Hospice

Statement of Operations and Changes in Net Assets
Year Ended March 31, 2024

	2024	2023
Revenues		
Grants (Note 5)	$ 291,304	$ 265,527
Interest	682	288
Donations, fundraising and other	29,675	20,814
	321,661	286,629
Expenses		
Administration	95,002	84,349
Case management	103,737	92,764
Volunteer program	66,006	56,620
Office and general	14,693	15,886
Professional fees	13,740	14,842
Support and recognition	1,404	1,618
Rent	14,646	12,000
Insurance	3,883	3,618
	313,111	281,697
Excess of revenues over expenses	**8,550**	**4,932**
Net assets, beginning of year	40,373	35,441
Net assets, end of year	**$ 48,923**	**$ 40,373**

Hazel Burns Hospice

Statement of Cash Flows
Year Ended March 31, 2024

	2024	2023
Operating activities		
Excess of revenues over expenses	$ 8,550	$ 4,932
Cash used for		
Changes in non-cash working capital items		
Accounts receivable	(12,500)	-
HST recoverable	(1,667)	(1,271)
Accounts payable and accrued liabilities	1,257	2,491
(Decrease) increase from operating activities	(4,360)	6,152
(Decrease) increase in cash	**(4,360)**	**6,152**
Cash and short-term investments, beginning of year	74,254	68,102
Cash and short-term investments, end of year	**$ 69,894**	**$ 74,254**

Purpose of organization

Hazel Burns Hospice (the "Hospice") is a charitable organization incorporated in the province of Ontario without share capital.

The Hospice is dedicated to the compassionate care of people living with life threatening illnesses and support of their families.

1. Significant accounting policies

The accounting policies of the Hospice are in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are the policies considered to be particularly significant.

(a) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held with banks that are readily convertible into a known amount of cash and which are subject to an insignificant risk of change in value.

(b) Capital assets

Capital assets in excess of $2,000 per item are capitalized in the year of purchase and amortized to operations over their estimated useful lives.

(c) Revenue recognition

Government grants related to current expenditures is reflected in the accounts as a revenue item in the year in which it is received. Grants related to the purchase of capital assets is recorded as revenue in the same period the related capital assets are charged to operations.

The Hospice follows the deferral method of recognition for grant revenue. Grants received in the current year for expenses to be incurred in the following fiscal year are recorded as deferred revenue.

Interest income is recognized as revenue when earned.

Unrestricted donations and fundraising are recognized as revenue when received.

1. Significant accounting policies (continued)

(d) Volunteer time

The value of volunteer time of members is not reflected in these financial statements since no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donated significant amounts of their time to the Hospice's palliative care activities.

Contributed materials and services

Due to the difficulty of determining their fair value, contributed materials and services are not recognized in the financial statements.

(e) Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make certain estimates and assumptions. These estimates and assumptions 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 reported periods. Actual results may differ from estimates. Significant estimates and assumptions are used when accounting for items such as impairment of capital assets and the determination of their useful lives, revenue recognition, contingent liabilities and allowances for amounts receivable.

1. Significant accounting policies (continued)

(f) Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Organization 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 assets measured at amortized cost include cash, short-term investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued charges.

The Organization has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the excess of revenues over expenses. 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 the excess of revenue over expenses.

There are no indicators of any financial asset being impaired.

2. Short-term investments

	2024	2023
Short-term investments	33,644	32,962
	$ 33,644	**$ 32,962**

The short-term investments consist of three Guaranteed Investment Certificates which bear interest of 2.75% per annum in the next fiscal year and 5.0% per annum in the 2025-26 fiscal year, and mature on March 23, 2026.

3. Deferred revenue

Deferred contributions result from significant donations and Astrid H. Flaska estate grant. The year-end balance of deferred contributions represents the unrecognized portion of these donations and funding. The changes in the deferred contributions balance for the year are as follows:

	2024	2023
Deferred revenue, beginning of year	$ 26,198	$ 26,198
Recognition of deferred revenue in year	-	-
Deferred revenue received during the year	-	-
Deferred revenue, end of year	**$ 26,198**	**$ 26,198**

Deferred revenue is comprised of the following:

	2024	2023
Astrid H. Flaska estate grant	$ 26,198	$ 26,198
	$ 26,198	**$ 26,198**

4. Designated net assets

The board of directors of the Hospice has designated net assets for the purpose of providing a contingency in the event of unexpected financial requirements.

Designated fund balances at March 31, 2024 were as follows:

	2024	2023
Contingency fund	$ 5,000	$ 5,000
	$ 5,000	**$ 5,000**

5. Grants

Government funding received from the Ministry of Health ("MOH") recognized in the year were as follows:

	2024	2023
Current year government funding:		
MOH - Core operating grant	$ 277,579	$ 265,527
MOH - One-time funding	13,725	-
	$ 291,304	**$ 265,527**

6. Income tax status

The Hospice is registered as a charitable organization under section 149 (l)(f) of the Income Tax Act (Canada) and, as such, is exempt from income taxes, and may issue receipts that are eligible for a non-refundable tax credit by an individual donor and a tax deduction by a corporate donor.

7. Financial instruments

The Organization's activities expose it to a variety of financial risks: credit risk, interest rate risk and liquidity risk. The Organization's risk management approach is to minimize the potential adverse effects from these risks on its financial performance.

Credit risk

Credit risk arises from the financial assets of the Hospice, which are exposed to potential counterparty default, with a maximum exposure equal to the carrying amount of the asset.

In the normal course of business, the Hospice incurs credit risk from accounts receivable from third parties. The Hospice performs ongoing credit evaluations of new and existing customers' financial conditions and reviews the collectibility of amounts receivable. No single party accounts for a significant balance of accounts receivable. In the last three years the allowance for doubtful accounts has been $NIL (2023 - $NIL, 2022 - $NIL) and bad debt expense has been $NIL (2023 - $NIL, 2022 - $NIL).

The Hospice's credit risk with respect to cash and cash equivalents is minimized substantially by seeking to ensure that these financial instruments are secured with a well capitalized financial institution.

7. Financial instruments (continued)

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Hospice's investments bear interest at fixed rates and therefore, Hospice does not currently have a significant exposure to interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Hospice will not be able to meet its obligations associated with financial liabilities. The Hospice manages liquidity risk by maintaining cash balances, adequate borrowing facilities and monitoring forecasts and actual cash flows. Cash flows from operations provide a substantial portion of the Hospice's cash requirements.

The Hospice expects future cash flows from operations, cash and cash equivalents on hand and fundraising to be sufficient to satisfy obligations as they come due.