

Saugeen Hospice Incorporated
Financial Statements
For the year ended March 31, 2024

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For the year ended March 31, 2024

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Independent Auditor's Report

To the Board of Directors
of Saugeen Hospice Incorporated

Qualified Opinion

We have audited the accompanying financial statements of Saugeen Hospice Incorporated (the organization) which comprise the statement of financial position as at March 31, 2024 and the statements of fund balances, operations and 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 Saugeen Hospice Incorporated as at March 31, 2024 and the 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

In common with many not-for-profit organizations, the organization derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, 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 donation revenue or fundraising revenue, excess of revenues over expenses and cash flows from operations for the year ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023 and fund balances as at March 31, 2024 and 2023 due to this limitation in scope. Our audit opinion on the financial statements for the period 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 audit 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 organizations'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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Hanover, Ontario
September 18, 2024

**Saugeen Hospice Incorporated
Statement of Financial Position**

March 31	2024	2023
Assets		
Current		
Cash and cash equivalents	\$ 558,298	\$ 169,875
Short term investments (Note 2)	443,875	425,000
Accounts receivable	30,282	12,753
Prepaid expenses	2,493	2,728
	1,034,948	610,356
Long term investments (Note 2)	869,125	450,000
Capital assets (Note 3)	1,296	1,620
	\$ 1,905,369	\$ 1,061,976
Liabilities and Fund Balances		
Current		
Accounts payable and accrued liabilities	\$ 8,072	\$ 6,937
Deferred revenue	4,600	3,100
	12,672	10,037
Fund Balances		
General fund	1,892,697	1,051,939
	\$ 1,905,369	\$ 1,061,976

Approved by the Board:

_____ Director

_____ Director

Saugeen Hospice Incorporated
Statement of General Fund Balance

<u>For the year ended March 31</u>	<u>2024</u>	<u>2023</u>
Balance, beginning of the year	\$ 1,051,939	\$ 74,930
Excess of revenue over expenses (expenses over revenue)	<u>840,758</u>	<u>977,009</u>
Balance, end of the year	<u>\$ 1,892,697</u>	<u>\$ 1,051,939</u>

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

Saugeen Hospice Incorporated Statement of Operations

For the year ended March 31	2024	2023
Revenue		
Donation revenue	\$ 624,603	\$ 452,510
Contribution from Grey Bruce Hospice	-	568,732
Interest revenue	57,393	13,137
Ministry of Health Funding	225,000	-
Miscellaneous Revenue	734	-
	907,730	1,034,379
Expenses		
Advertising & promotions	2,715	5,899
Amortization	324	180
Professional & consulting services	32,792	8,758
Utilities	712	459
Rent	780	-
Insurance	1,808	1,660
Contract work	10,000	27,177
Subscriptions	1,512	1,589
Travel	-	939
Bank charges	4,439	3,403
Office supplies & miscellaneous	11,890	7,306
	66,972	57,370
Excess of revenue over expenses for the year	\$ 840,758	\$ 977,009

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

Saugeen Hospice Incorporated Statement of Cash Flows

For the year ended March 31	2024	2023
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	\$ 840,758	\$ 977,009
Items not involving cash		
Amortization	324	180
Changes in non-cash working capital balances		
Short term investments	(18,875)	(425,000)
Accounts receivable	(17,529)	(12,753)
Prepaid expenses	235	(417)
Accounts payable and accrued liabilities	1,135	(5,761)
Deferred revenue	1,500	3,100
	807,548	536,358
Investing activities		
Purchase of investments	(419,125)	(450,000)
Purchase of capital assets	-	(1,800)
	(419,125)	(451,800)
Increase (decrease) in cash during the year	388,423	84,558
Cash, beginning of the year	169,875	85,317
Cash, end of the year	\$ 558,298	\$ 169,875

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

Saugeen Hospice Incorporated

Notes to Financial Statements

March 31, 2024

1. Nature of Operations and Summary of Significant Accounting Policies

Nature and Purpose of Organization

Saugeen Hospice Incorporated was incorporated in the Province of Ontario without share capital on June 4, 2021. The goal of the organization is to provide compassionate and professional end-of-life services in a residential hospice facility serving southern Bruce and Grey counties. Saugeen Hospice Incorporated is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Fund Accounting

The organization uses fund accounting to report transactions.

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

Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization is based on the estimated useful life of the asset and is calculated as follows:

	Method	Rate
Furniture & fixtures	Declining balance	20%

Cash and Cash Equivalents

Cash and cash equivalents consists of unrestricted cash on hand, bank balances and guaranteed investment certificates with a duration of less than ninety days from the date of acquisition.

Contributions Receivable

Contributions receivable are recognized as an asset when the amounts to be received can be reasonably estimated and ultimate collection is reasonably assured.

Saugeen Hospice Incorporated

Notes to Financial Statements

March 31, 2024

1. Nature of Operations and Summary of Significant Accounting Policies - (continued)

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Contributed Materials and Services

Contributed materials and services which are used in the normal course of the organization'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. Due to the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

Revenue Recognition

Restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions 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.

Investment income is recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Saugeen Hospice Incorporated Notes to Financial Statements

March 31, 2024

2. Investments

Investments include short-term investments of \$443,875 (2023 - \$425,000) and long-term investments of \$869,125 (2023 - \$450,000) held in guaranteed investment certificates with Meridian Credit Union and Royal Bank of Canada with interest rates ranging from 4.25% to 5.75% (2023 - 4.20% to 5.25%).

3. Capital Assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture, fixtures and equipment	\$ 1,800	\$ 504	\$ 1,800	\$ 180
Net book value		<u>\$ 1,296</u>		<u>\$ 1,620</u>

4. Financial Instrument Risk

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 exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments.

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 exposed to credit risk arising from its accounts and contributions receivable.

Liquidity risk

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the company will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable.
