

Hospice for Life Foundation
Financial Statements

For the year ended March 31, 2020

Hospice for Life Foundation

Financial Statements

For the year ended March 31, 2020

Contents

Auditor's Report

Financial Statements

Statement of Financial Position 2

Statement of Operations and Net Assets 3

Statement of Cash Flows 4

Notes to the Financial Statements 5 - 8



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Independent Auditor's Report

To the Board of Directors of Hospice for Life Foundation

Opinion

We have audited the financial statements of Hospice for Life Foundation (the Foundation), which comprise the balance sheet as at March 31, 2020, the statement of operations and net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2020, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

Those charged with governance are responsible for overseeing the Foundation'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 Foundation'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 Foundation'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 Foundation 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.

A handwritten signature in black ink that reads "BDO Canada LLP". The signature is written in a cursive, flowing style.

Hospice for Life Foundation

Statement of Financial Position

March 31,	2020	2019
Assets		
Current		
Cash and bank	\$ 2,502	\$ 23,689
Accounts receivable	<u>2,232</u>	<u>2,530</u>
	4,734	26,219
Investments (Note 2)	<u>3,715,606</u>	<u>5,117,005</u>
	<u>\$ 3,720,340</u>	<u>\$ 5,143,224</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 18,383	\$ 16,154
Deferred contributions (Note 4)	<u>-</u>	<u>237,192</u>
	18,383	253,346
Due to Hospice of Windsor and Essex County Inc. (Note 5)	<u>43,119</u>	<u>30,283</u>
	<u>61,502</u>	<u>283,629</u>
Net assets		
Endowments (Note 3)	2,000,000	2,944,751
Unrestricted net assets	<u>1,658,838</u>	<u>1,914,844</u>
	<u>3,658,838</u>	<u>4,859,595</u>
	<u>\$ 3,720,340</u>	<u>\$ 5,143,224</u>

Hospice for Life Foundation
Statement of Operations and Net Assets

For the year ended March 31,	2020	2019
Revenue		
Investment income (Note 6)	\$ 146,032	\$ 172,137
Donations	7,441	515,911
Other income	343	-
Interest earned	32	15
	<u>153,848</u>	<u>688,063</u>
Expenses		
Donation to The Hospice of Windsor and Essex County Inc.	450,000	225,000
Investment management fees	38,648	55,875
Legal fees	22,609	13,498
Professional fees	16,192	8,356
Marketing and promotion	8,428	1,775
Office expense	154	-
	<u>536,031</u>	<u>304,504</u>
Excess of (expenses over revenue) revenue over expenses	(382,183)	383,559
Net assets, beginning of year	4,859,592	4,476,033
Endowment net asset transfer (Note 3)	(944,751)	-
Income recognized from deferred contributions	126,178	85,000
Donation to The Hospice of Windsor and Essex County Inc.	-	<u>(85,000)</u>
Net assets, end of year	<u>\$ 3,658,836</u>	<u>\$ 4,859,592</u>

Hospice for Life Foundation

Statement of Cash Flows

For the year ended March 31,	2020	2019
Cash provided by operating activities		
Excess of revenues over expenses	\$ (382,183)	\$ 383,559
Items not requiring an outlay of cash		
Unrealized gain on investments - unrestricted	<u>88,190</u>	<u>119,709</u>
	(293,993)	503,268
Changes in non-cash working capital		
Accounts receivable	298	72
Accounts payable and accrued liabilities	2,229	779
Deferred contributions	<u>(237,192)</u>	<u>(8,307)</u>
	<u>(528,658)</u>	<u>495,812</u>
Cash provided by investing activities		
Net increase of investments	368,457	(497,794)
Increase in revenue from restricted funds	126,178	-
Increase (decrease) in due to Hospice of Windsor and Essex County Inc.	<u>12,836</u>	<u>17,029</u>
	<u>507,471</u>	<u>(480,765)</u>
(Decrease) increase in cash during the year	(21,187)	15,047
Cash, beginning of year	<u>23,689</u>	<u>8,642</u>
Cash, end of year	<u>\$ 2,502</u>	<u>\$ 23,689</u>

Hospice for Life Foundation

Notes to Financial Statements

March 31, 2020

1. Significant accounting policies

Nature of Foundation	The Foundation holds investments, mainly endowments. The entity is incorporated as a not-for-profit corporation without share capital under the corporate laws of the Province of Ontario and is a registered charitable organization under the Income Tax Act.
Basis of accounting	The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.
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.
Financial instruments	Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments have been designated to be in the fair value category, with 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.
Long-term investments	Long-term marketable securities are recorded at fair market.
Revenue recognition	The Foundation follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue as received. Endowment contributions are recognized as direct increases to the fund balance. Income earned from endowments are deferred and recognized as revenue in the year in which the related restricted expenses are incurred.

Hospice for Life Foundation

Notes to Financial Statements

March 31, 2020

2. Investments

The investments are held with Connor, Clark & Lunn Private Capital Ltd. and consist of various pooled funds with varying rates of return. Investments are recorded at the fair market value.

3. Endowments

The endowment fund consists of the following:

	2020	2019
Anthony and Josephine Toldo Hospice Endowment Fund	\$ 1,000,000	\$ 1,000,000
Dr. Murray and Judith O'Neil Endowment Fund	1,000,000	1,000,000
Basilian Fathers Endowment Fund	-	944,751
	<u>\$ 2,000,000</u>	<u>\$ 2,944,751</u>

During the year, discussions between the Foundation and the Basilian Fathers reached an agreement regarding the nature and intent of the endowment, and the funds were returned.

4. Deferred contributions

The balance of nil (2019 - \$237,192) represents the accrued income earned on the restricted endowments. These amounts are deferred until the related expense is realized in the organization.

Hospice for Life Foundation
Notes to Financial Statements

March 31, 2020

5. Due to Hospice of Windsor and Essex County Inc.

At the end of the year, the amounts due to related parties are as follows:

	<u>2020</u>	<u>2019</u>
Due to The Hospice of Windsor and Essex County Inc.	\$ 43,119	\$ 30,283

All of the amounts due to Hospice are non-interest bearing, has no fixed terms of repayment and have arisen from transactions occurring in the normal course of business.

6. Schedule of investment income

During the year, the Foundation earned the following investment income:

	<u>2020</u>	<u>2019</u>
Unrealized gain on investments - unrestricted	\$ 88,190	\$ 119,709
Realized investment income - unrestricted	<u>57,842</u>	<u>52,428</u>
	<u>\$ 146,032</u>	<u>\$ 172,137</u>

7. Financial instruments

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. Fixed rate instruments subject the organization to a fair value risk while variable rate instruments subject it to a cash flow risk. The organization is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income investments. The organization manages these risks by monitoring the investments on a regular basis.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Foundation is mainly exposed to market rate risk as the investments are exposed to market fluctuations. At year end, the some of the investments declined in value due to the on going global pandemic (Note 8).

Hospice for Life Foundation

Notes to Financial Statements

March 31, 2020

8. Subsequent event

Subsequent to year end, COVID-19 has had a significant effect on the financial markets. The Foundation's investments (see Note 2) include various pooled funds with varying rates of return held in a fund administered by Connor, Clark & Lunn Private Capital Ltd. These investments are reported in these financial statements at their fair values on March 31, 2020. The support the Foundation is able to provide to the Agency in the future will depend on the market recovery. The extent of any future impact on the Foundation's investments or operations as a result of COVID-19 is unknown.
