

Hospice for Life Foundation
Financial Statements

For the year ended March 31, 2021

Hospice for Life Foundation

Financial Statements

For the year ended March 31, 2021

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Tel: 519-944-6993
Fax: 519-944-6116
www.bdo.ca

BDO Canada LLP
3630 Rhodes Drive, Building 100
Windsor, Ontario
N8W 5A4

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, 2021, 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, 2021, 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,	2021	2020
Assets		
Current		
Cash and bank	\$ 764	\$ 2,502
Accounts receivable	<u>2,056</u>	<u>2,232</u>
	2,820	4,734
Investments (Note 2)	<u>4,339,100</u>	<u>3,715,606</u>
	<u>\$ 4,341,920</u>	<u>\$ 3,720,340</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 18,385	\$ 18,383
Deferred contributions (Note 4)	<u>146,503</u>	<u>-</u>
	164,888	18,383
Due to Hospice of Windsor and Essex County Inc. (Note 5)	<u>2,427</u>	<u>43,119</u>
	<u>167,315</u>	<u>61,502</u>
Net assets		
Endowments (Note 3)	2,000,000	2,000,000
Unrestricted net assets	<u>2,174,605</u>	<u>1,658,838</u>
	<u>4,174,605</u>	<u>3,658,838</u>
	<u>\$ 4,341,920</u>	<u>\$ 3,720,340</u>

Hospice for Life Foundation
Statement of Operations and Net Assets

For the year ended March 31,	2021	2020
Revenue		
Investment income (Note 6)	\$ 625,931	\$ 146,032
Donations	2,557	7,441
Interest Earned	6	32
Other Income	-	343
	<u>628,494</u>	<u>153,848</u>
Expenses		
Donation to The Hospice of Windsor and Essex County Inc.	150,000	450,000
Investment Management Fees	38,117	38,648
Professional Fees	7,596	16,192
Marketing and Promotion	1,388	8,428
Legal Fees	982	22,609
Meetings Expense	259	-
Office Expense	4	154
	<u>198,346</u>	<u>536,031</u>
Excess of revenue over expenses (expenses over revenue)	430,148	(382,183)
Net assets, beginning of year	3,658,838	4,859,594
Endowment net asset transfer	-	(944,751)
Income recognized from deferred contributions	125,619	126,178
Donation to The Hospice of Windsor and Essex County Inc.	(40,000)	-
Net assets, end of year	\$ 4,174,605	\$ 3,658,838

Hospice for Life Foundation

Statement of Cash Flows

<u>For the year ended March 31,</u>	<u>2021</u>	<u>2020</u>
Cash provided by operating activities		
Excess of revenues over expenses	\$ 430,148	\$ (382,183)
Items not requiring an outlay of cash		
Unrealized gain on investments - unrestricted	<u>(489,037)</u>	<u>(88,190)</u>
	(58,889)	(470,373)
Changes in non-cash working capital		
Accounts receivable	176	298
Accounts payable and accrued liabilities	2	2,229
Deferred contributions	<u>146,503</u>	<u>(237,192)</u>
	87,792	(705,038)
Cash provided by investing activities		
Net (increase) decrease of investments	(134,456)	544,837
Increase in revenue from restricted funds	85,618	126,178
(Decrease) increase in due to Hospice of Windsor and Essex County Inc.	<u>(40,692)</u>	<u>12,836</u>
	(89,530)	683,851
Decrease in cash during the year	(1,738)	(21,187)
Cash, beginning of year	<u>2,502</u>	<u>23,689</u>
Cash, end of year	\$ 764	\$ 2,502

Hospice for Life Foundation

Notes to Financial Statements

March 31, 2021

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.

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Notes to Financial Statements

March 31, 2021

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:

	<u>2021</u>	<u>2020</u>
Anthony and Josephine Toldo Hospice Endowment Fund	\$ 1,000,000	\$ 1,000,000
Dr. Murray and Judith O'Neil Endowment Fund	<u>1,000,000</u>	<u>1,000,000</u>
	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>

4. Deferred contributions

The balance of \$146,503 (2020 - Nil) represents the accrued income earned on the restricted endowments. These amounts are deferred until the related expense is realized in the organization.

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Notes to Financial Statements

March 31, 2021

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>2021</u>	<u>2020</u>
Due to The Hospice of Windsor and Essex County Inc.	\$ 2,427	\$ 43,119

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>2021</u>	<u>2020</u>
Unrealized gain on investments - unrestricted	\$ 489,037	\$ 88,190
Realized investment income - unrestricted	<u>136,894</u>	<u>57,842</u>
	<u>\$ 625,931</u>	<u>\$ 146,032</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.
