

The Hospice of Windsor and Essex County Inc.

Financial Statements

For the year ended March 31, 2024

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Independent Auditor's Report

To the Board of Directors of The Hospice of Windsor and Essex County Inc.

Qualified Opinion

We have audited the financial statements of The Hospice of Windsor and Essex County Inc., which comprise the statement of financial position as at March 31, 2024, the statements of operations, changes in 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, 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 of Windsor and Essex County Inc. as at March 31, 2024, 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 Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from 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 fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023, and net assets as at April 1 and March 31 for both the 2024 and 2023 years. 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 Hospice of Windsor and Essex County Inc. 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 Hospice of Windsor and Essex County Inc.'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 of Windsor and Essex County Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing The Hospice of Windsor and Essex County Inc.'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 of Windsor and Essex County Inc.'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 of Windsor and Essex County Inc.'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 of Windsor and Essex County Inc. 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
Windsor, Ontario
June 20, 2024

The Hospice of Windsor and Essex County Inc.

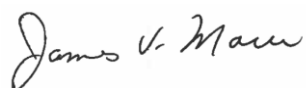
Statement of Financial Position

March 31,	2024			2023
	General	Capital	Total	Total
Assets				
Current				
Cash and bank	\$ 864,531	\$ 2,968	\$ 867,499	\$ 1,172,320
Cash and bank - restricted (Note 2)	262,185	-	262,185	253,275
Accounts receivable	423,488	9,727	433,215	173,072
Due from the Foundation (Note 8)	20,568	-	20,568	10,200
Prepaid expenses and supplies on hand	66,660	5,095	71,755	94,560
Short-term investments (Note 3)	551,900	-	551,900	200,000
Interfund receivable (Note 7)	379,228	-	379,228	154,332
	2,568,560	17,790	2,586,350	2,057,759
Investments (Note 3)	-	90,844	90,844	80,662
Capital assets (Note 4)	-	3,963,847	3,963,847	4,083,465
	\$ 2,568,560	\$ 4,072,481	\$ 6,641,041	\$ 6,221,886
Liabilities and Net Assets				
Current				
Accounts payable and accrued liabilities	\$ 766,132	\$ 14,401	\$ 780,533	\$ 568,408
Interfund payable (Note 7)	-	379,228	379,228	154,332
	766,132	393,629	1,159,761	722,740
Deferred contributions (Note 6)	1,122,618	3,568,669	4,691,287	4,622,329
	1,888,750	3,962,298	5,851,048	5,345,069
Commitments				
Net assets				
General fund	679,810	-	679,810	677,335
Capital fund	-	110,183	110,183	199,482
	679,810	110,183	789,993	876,817
	\$ 2,568,560	\$ 4,072,481	\$ 6,641,041	\$ 6,221,886

On behalf of the Board:



Director



Director

The Hospice of Windsor and Essex County Inc.

Statement of Operations

For the year ended March 31,			2024	2023
	General Fund	Capital Fund	Total	Total
Revenue				
Grants and other public funding	\$6,021,589	\$ 6,127	\$6,027,716	\$5,379,486
Donations	1,626,257	16,952	1,643,209	1,974,683
Fundraising, net (Note 5)	897,222	-	897,222	762,838
Amortization of deferrals (Note 6)	-	477,798	477,798	483,600
Interest and miscellaneous	73,862	23,318	97,180	39,748
Donation from Foundation (Note 8)	20,000	-	20,000	-
	<u>8,638,930</u>	<u>524,195</u>	<u>9,163,125</u>	<u>8,640,355</u>
Expenses				
Salaries and benefits	6,687,552	-	6,687,552	5,969,453
Occupancy	608,278	-	608,278	674,955
Amortization (Note 4)	-	450,044	450,044	434,890
Outside services	193,333	-	193,333	137,690
Systems maintenance	177,902	-	177,902	95,921
Medical, linen and program supplies	162,630	-	162,630	128,595
Small equipment and fixtures	-	156,912	156,912	139,703
Insurance	92,607	6,538	99,145	81,208
Promotion and publicity	79,097	-	79,097	61,552
Transportation	58,004	-	58,004	56,328
Photocopier supply and maintenance	54,525	-	54,525	51,992
Prepared food supplies	48,774	-	48,774	48,739
Licences, dues, and fees	40,864	-	40,864	37,829
Telephone	38,202	-	38,202	34,798
Education and conference	38,041	-	38,041	41,314
Office and sundry	23,634	-	23,634	31,927
Professional services	21,593	-	21,593	27,391
Courier and postage	10,411	-	10,411	6,665
Resource library -----				<u>1,586</u>
	<u>8,335,447</u>	<u>613,494</u>	<u>8,948,941</u>	<u>8,062,536</u>
Excess of revenue over expenses (expenses over revenue) before other expenses	303,483	(89,299)	214,184	577,819
Other expenses				
Donation to Foundation	301,008	-	301,008	697,459
Excess of revenue over expenses (expenses over revenue)	\$ 2,475	\$ (89,299)	\$ (86,824)	\$ (119,640)

The Hospice of Windsor and Essex County Inc.

Statement of Changes in Net Assets

For the year ended March 31,

	General Fund	Capital Fund	2024 Total	2023 Total
Balance, beginning of year	\$ 677,335	\$ 199,482	\$ 876,817	\$ 996,456
Excess of (expenses over revenue) revenue over expenses	2,475	(89,299)	(86,824)	(119,640)
Balance, end of year	\$ 679,810	\$ 110,183	\$ 789,993	\$ 876,816

The Hospice of Windsor and Essex County Inc.

Statement of Cash Flows

For the year ended March 31,	2024	2023
Cash from operations		
Excess expenses over revenue	\$ (86,824)	\$ (119,640)
Items not requiring an outlay of cash		
Amortization - capital assets	450,044	434,890
Amortization - deferred capital contributions	<u>(477,798)</u>	<u>(483,600)</u>
	(114,578)	(168,350)
Changes in non-cash working capital		
Accounts receivable	(260,143)	(37,059)
Prepaid expenses	22,805	(40,885)
Accounts payable and accrued liabilities	<u>212,125</u>	<u>(116,402)</u>
	<u>(139,791)</u>	<u>(362,696)</u>
Cash from investing		
Net change from investments	<u>(362,082)</u>	<u>(196,797)</u>
Cash from financing		
Purchase of capital assets	(256,599)	(119,220)
Deferred contributions received (used)	472,929	362,316
Advances from (to) The Foundation	<u>(10,368)</u>	<u>368</u>
	<u>205,962</u>	<u>243,464</u>
Decrease in cash during the year	(295,911)	(316,029)
Cash and cash equivalents, beginning of year	<u>1,425,595</u>	<u>1,741,624</u>
Cash and cash equivalents, end of year	\$ 1,129,684	\$ 1,425,595
Represented by:		
Cash and bank	\$ 867,499	\$ 1,172,320
Cash and bank - restricted	<u>262,185</u>	<u>253,275</u>
	\$ 1,129,684	\$ 1,425,595

The Hospice of Windsor and Essex County Inc.

Notes to Financial Statements

March 31, 2024

1. Significant accounting policies

Nature of organization The Hospice of Windsor and Essex County Inc. is a charitable organization (as defined in The Income Tax Act) to receive and administer gifts, bequests and grants for charitable purposes. It provides services to individuals who are affected by or are caring for a person with a life-altering diagnosis in order to achieve their desired quality of life.

Basis of accounting The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Fund accounting The agency follows the restricted fund method of accounting for contributions.

The General Fund accounts for the agency's program delivery and administrative activities. The General fund has both restricted and unrestricted contributions.

The Capital fund reports the assets, liabilities, revenues and expenses related to the agency's capital assets.

Capital assets Purchased capital assets are recorded at cost. Amortization expense is reported in the Capital Asset Fund provided as follows:

Building	20 years straight-line basis
Greenhouse	10 years straight-line basis
Land improvements	10 years straight-line basis
Furniture and equipment	5 years straight-line basis
Computers and software	3 years straight-line basis
Automobiles	3 years straight-line basis
Contributed automobiles	3 years straight-line basis
Parking lots	10 years straight-line basis

Contributed property and equipment are recorded at fair value at the date of contribution.

Contributed building 20 years straight-line basis

The Hospice of Windsor and Essex County Inc.

Notes to Financial Statements

March 31, 2024

1. Significant accounting policies (continued)

Financial instruments	Financial instruments are recorded at fair value when acquired or issued. 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. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.
Use of estimates	The preparation of financial statements in accordance with Canadian 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.
Revenue recognition	<p>The agency follows the deferral method of accounting for contributions, which include donations and Ministry of Health funding.</p> <p>Unrestricted contributions are recognized as revenue as received.</p> <p>Externally restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on the same basis as the related capital assets that are amortized.</p>
Contributed services	Over 545 (2023 - 534) individuals provided over 94,330 (2023 - 70,411) volunteer hours; because of the difficulty of determining their fair value, contributed volunteer services are not recognized in the financial statements.
Government assistance	The Hospice of Windsor and Essex County Inc. makes periodic applications for financial assistance under government incentive programs including investment tax credits. Government assistance received during the year for current expenses is included in the determination of net income for the year. Government assistance related to capital expenditures is shown as a reduction of the cost of such assets.

The Hospice of Windsor and Essex County Inc.

Notes to Financial Statements

March 31, 2024

1. Significant accounting policies (continued)

Allocation of expenses

The agency engages in services to individuals who are affected by or are caring for a person with a life-altering diagnosis through funding provided by the Ministry of Health and Long-Term Care. The costs of these programs and services include the costs of personnel, premises, supplies and other expenses that are directly related to the provision of these programs and services. The agency also incurs a number of the general support expenses that are common to the administration of the organization and its programs and services.

Personnel costs (salaries and benefits) are allocated across the programs and services based on a percentage of the total salary for each staff position. The percentage is determined based on the estimated time spent on the various programs and services.

The General Fund includes an allocation of salaries and benefits related to administration and to programs and services funded by the Ministry of Health and Long-Term Care.

2. Cash and bank

The use of funds in the bingo, Nevada and lottery bank accounts are externally restricted by the regulatory bodies. The cash balances for these funds are \$262,185 (2023 - \$253,275).

At year end, the organization had available \$150,000 (2023 - \$150,000) operating line of credit that bears interest at prime rate plus 1%. The line of credit has not been drawn upon.

3. Investments

	<u>2024</u>	<u>2023</u>
WFCU GIC maturing February 21, 2025 at 5.4%	\$ 350,000	\$ -
WFCU GIC maturing May 22, 2024 at 4.65%	150,000	150,000
WFCU GIC maturing September 22, 2024 at 5.2%	51,900	-
WFCU GIC matured September 22, 2023 at 3.8%	-	50,000
Total Short-term investments	<u>\$ 551,900</u>	<u>\$ 200,000</u>
Capital		
Cash surrender value of life insurance	<u>\$ 90,844</u>	<u>\$ 80,662</u>

Investments are recorded at original cost plus accrued interest.

The Hospice of Windsor and Essex County Inc.

Notes to Financial Statements

March 31, 2024

4. Capital assets

	Cost	Accumulated Amortization	2024	2023
Land	\$ 250,000	\$ -	\$ 250,000	\$ 250,000
Land improvements	308,507	283,395	25,112	31,860
Buildings	10,875,861	7,322,863	3,552,998	3,690,282
Greenhouse	41,072	4,107	36,965	-
Contributed buildings	342,507	332,207	10,300	20,600
Parking lot	10,904	10,904	-	533
Furniture and equipment	851,223	798,195	53,028	90,190
Automobiles	32,754	10,918	21,836	-
Contributed automobiles	63,706	63,706	-	-
Computers and software	369,974	356,366	13,608	-
	\$13,146,508	\$9,182,661	\$3,963,847	\$ 4,083,465

The value of the contributed buildings and vehicles have been recorded in the financial statements and a deferred contribution has been set up as a liability. The balance at the year end for buildings is \$10,300 (2023 - \$20,600). The contribution will be taken into income over time and the amount taken into income will equal the amortization of the contributed buildings. The amortization recognized for the current year is \$10,300 (2023 - \$13,940).

5. Fundraising

The net amounts for fundraising activities in the general fund are comprised of the following:

	2024	2023
Revenue	\$1,182,390	\$ 1,018,767
Expenses	285,168	252,182
	\$ 897,222	\$ 766,585

The Hospice of Windsor and Essex County Inc.

Notes to Financial Statements

March 31, 2024

6. Deferred contributions

General deferred revenue

Deferred contributions reported in the general fund relate to operating funding received in the current period relating to the subsequent period. Changes in the deferred contributions balance reported in the operating fund are as follows:

	2024	2023
Balance, beginning of year	\$ 200,141	\$ 53,723
Add: amount received related to the following year	308,268	200,141
Less: amount recognized as revenue in the year	(200,141)	(53,723)
Balance, end of year	<u>\$ 308,268</u>	<u>\$ 200,141</u>

Capital contributions

Deferred capital contributions represent externally restricted contributions received for the purchase and betterment of the capital assets. The amortization of deferred capital contributions is recorded as revenue in the combined statement of operations. Changes in the deferred contributions balance reported in the Capital fund are as follows:

	2024	2023
Balance, beginning of year	\$3,824,364	\$ 4,272,848
Add: capital contributions	222,103	35,116
Less: amortization for the year	(477,798)	(483,600)
Balance, end of year	<u>\$3,568,669</u>	<u>\$ 3,824,364</u>

Restricted contributions

Deferred contributions reported in the restricted fund relate to unspent restricted contributions and interest earned thereon. Changes in the deferred contributions balance reported in the restricted fund are as follows:

	2024	2023
Balance, beginning of year	\$ 597,824	\$ 417,041
Add: amounts related to the following year	319,680	433,630
Less: amounts recognized as revenue in the year	(81,051)	(217,731)
Less: transfers to capital fund during the year	(22,103)	(35,116)
Balance, end of year	<u>\$ 814,350</u>	<u>\$ 597,824</u>

The Hospice of Windsor and Essex County Inc.

Notes to Financial Statements

March 31, 2024

7. Interfund receivables/payables

Interfund balances are non-interest bearing and have no specific terms of repayment.

8. Hospice for Life Foundation

The Foundation is a separate organization that is overseen by an independent Board of Directors. The Foundation raises money to assist Hospice upon Board approval. During the year, the Foundation donated \$220,000 (2023 - nil) to be used on programming, capital purchases and day to day operations. Of the total donation, \$20,000 (2023 - nil) is for general operations, and \$200,000 (2023 - nil) is for capital purchases, \$190,000 of which is in deferred capital contributions.

9. Financial instrument risk

Operational risk

An operational risk occurs when one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Agency is exposed to an operational risk resulting from the possibility that funding from the Minister of Health to a financial instrument defaults on their financial obligations. For the March 31, 2024 year end 41% (2023 - 45%) of the Agency's funding came from the Ministry of Health.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that as a result of an operational liquidity requirements, the organization 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. The organization is exposed to this risk mainly in respect of its accounts payable and commitments.

The organization's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The organization also maintains certain credit facilities, which can be drawn upon as needed.

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 this risk through its fixed interest rate financial instruments. Fixed-interest instruments subject the organization to a fair value risk.

The organization is exposed to changes in interest rates related to its investments.

The organization mitigates interest rate risk of investments by diversifying the durations of the fixed-income investments that are held at a given time.

The Hospice of Windsor and Essex County Inc.

Notes to Financial Statements

March 31, 2024

10. Comparative figures

The comparative figures have been reclassified to conform to the current year's presentation.
