

Hospice for Life Foundation
Financial Statements

For the year ended March 31, 2024

Hospice for Life Foundation

Financial Statements

For the year ended March 31, 2024

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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, 2024, 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, 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 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Windsor, Ontario
June 19, 2024

Hospice for Life Foundation

Statement of Financial Position

| March 31, | 2024 | 2023 |
|----------------------|------------------|------------------|
| Assets | | |
| Current | | |
| Cash and bank | \$ 27,533 | \$ 11,480 |
| Accounts receivable | <u>8,635</u> | <u>7,638</u> |
| | 36,168 | 19,118 |
| Investments (Note 2) | <u>6,422,944</u> | <u>5,627,426</u> |
| | \$ 6,459,112 | \$ 5,646,544 |

Liabilities and Net Assets

| | | |
|--|------------------|------------------|
| Current | | |
| Accounts payable and accrued liabilities | \$ 22,159 | \$ 21,386 |
| Deferred contributions (Note 4) | <u>127,697</u> | <u>207,118</u> |
| | 149,856 | 228,504 |
| Due to Hospice of Windsor and Essex County Inc. (Note 5) | <u>20,568</u> | <u>10,200</u> |
| | <u>170,424</u> | <u>238,704</u> |
| Net assets | | |
| Endowments (Note 3) | 2,000,000 | 2,000,000 |
| Unrestricted net assets | <u>4,288,688</u> | <u>3,407,840</u> |
| | <u>6,288,688</u> | <u>5,407,840</u> |
| | \$ 6,459,112 | \$ 5,646,544 |

On behalf of the Board:

V. Rignone Mandel

Director

James V. Mauri

Director

Hospice for Life Foundation
Statement of Operations and Net Assets

| For the year ended March 31, | 2024 | 2023 |
|---|---------------------|---------------------|
| Revenue | | |
| Investment income (Note 6) | \$ 509,675 | \$ 146,221 |
| Donations (Note 5) | 449,519 | 840,711 |
| Interest earned | 20 | 13 |
| | <u>959,214</u> | <u>986,945</u> |
| Expenses | | |
| Investment management fees | 47,868 | 43,091 |
| Donations | 20,000 | - |
| Professional fees | 8,000 | 6,672 |
| Marketing and promotion | 1,797 | 13,342 |
| Office expense | 524 | 494 |
| Meetings expense | 175 | - |
| | <u>78,364</u> | <u>63,599</u> |
| Excess of revenue over expenses | 880,850 | 923,346 |
| Net assets, beginning of year | 5,407,840 | 4,484,494 |
| Income recognized from deferred contributions | 200,000 | - |
| Donation to The Hospice of Windsor and Essex County Inc. | (200,000) | - |
| Net assets, end of year | \$ 6,288,690 | \$ 5,407,840 |

Hospice for Life Foundation

Statement of Cash Flows

| <u>For the year ended March 31,</u> | <u>2024</u> | <u>2023</u> |
|---|------------------|------------------|
| Cash provided by operating activities | | |
| Excess of revenues over expenses | \$ 880,850 | \$ 923,346 |
| Items not requiring an outlay of cash | | |
| Unrealized gain on investments - unrestricted | <u>(468,126)</u> | <u>(110,618)</u> |
| | 412,724 | 812,728 |
| Changes in non-cash working capital | | |
| Accounts receivable | (997) | (5,647) |
| Accounts payable and accrued liabilities | 773 | 2,999 |
| Deferred contributions | <u>(79,421)</u> | <u>(10,822)</u> |
| | <u>333,079</u> | <u>799,258</u> |
| Cash provided by investing activities | | |
| Net increase of investments | (327,394) | (790,392) |
| Increase (decrease) in due to Hospice of Windsor and Essex County Inc. | <u>10,368</u> | <u>(368)</u> |
| | <u>(317,026)</u> | <u>(790,760)</u> |
| Increase in cash during the year | 16,053 | 8,498 |
| Cash, beginning of year | <u>11,480</u> | <u>2,982</u> |
| Cash, end of year | <u>\$ 27,533</u> | <u>\$ 11,480</u> |

Hospice for Life Foundation

Notes to Financial Statements

March 31, 2024

1. Significant accounting policies

| | |
|------------------------------|--|
| Nature of Foundation | The Hospice for Life Foundation ("the Foundation") holds investments, mainly endowments. The entity is incorporated as a not-for-profit organization 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 | Arm's length financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost. Financial assets are tested for impairment when indicators of impairment exist. 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. |
| 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, 2024

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>2024</u> | <u>2023</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 \$127,697 (2023 - \$207,118) represents the accrued income earned on the restricted endowments. These amounts are deferred until the related expense is realized in the organization.

| | <u>2024</u> | <u>2023</u> |
|--|-------------------|-------------------|
| Beginning balance | \$ 207,118 | \$ 217,940 |
| Withdrawals | (200,000) | - |
| Change in accrued income and fair market value | <u>120,579</u> | <u>(10,822)</u> |
| Ending balance | <u>\$ 127,697</u> | <u>\$ 207,118</u> |

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>2024</u> | <u>2023</u> |
|---|-------------|-------------|
| Due to The Hospice of Windsor and Essex County Inc. | \$ 20,568 | \$ 10,200 |

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.

During the year, the Foundation received a donation of \$301,008 (2023 - \$697,459) from the The Hospice of Windsor and Essex County Inc.

Hospice for Life Foundation

Notes to Financial Statements

March 31, 2024

6. Schedule of investment income

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

| | <u>2024</u> | <u>2023</u> |
|---|-------------------|-------------------|
| Unrealized gain on investments - unrestricted | \$ 468,126 | \$ 110,618 |
| Realized investment income - unrestricted | <u>41,549</u> | <u>35,603</u> |
| | <u>\$ 509,675</u> | <u>\$ 146,221</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. The organization manages these risks by monitoring the investments on a regular basis.

There has not been any changes to the risks from prior year.
