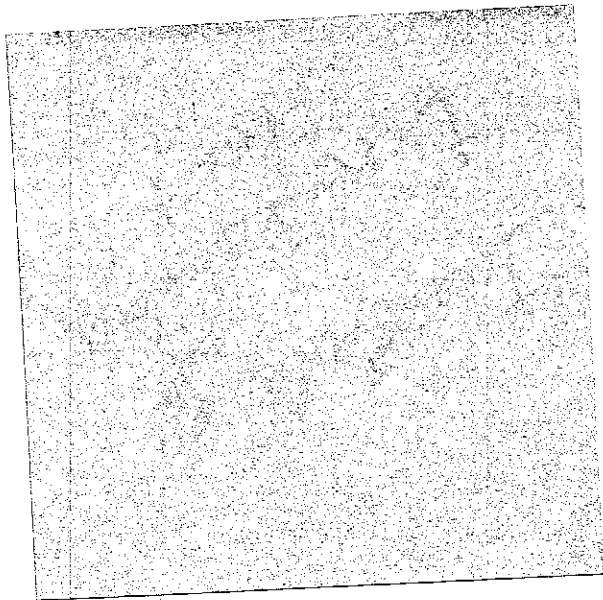


**HOSPICE GEORGINA**  
**Financial Statements**  
**Year Ended March 31, 2022**



**HOSPICE GEORGINA**  
**Index to Financial Statements**  
**Year Ended March 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Hospice Georgina

### *Qualified Opinion*

We have audited the financial statements of Hospice Georgina (the Organization), which comprise the statement of financial position as at March 31, 2022, and the statements of revenues and expenditures, 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 Organization as at March 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Qualified Opinion*

In common with many charitable organizations, the Organization derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation of 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 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 ASNPO, 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 Organization'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.

(continues)

Independent Auditor's Report to the Members of Hospice Georgina (continued)

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.

(continues)

Independent Auditor's Report to the Members of Hospice Georgina *(continued)*

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.

*Enumerate CPAs Professional Corporation*

Keswick, Ontario  
September 7, 2022

ENUMERATE CPAs PROFESSIONAL CORPORATION  
CHARTERED PROFESSIONAL ACCOUNTANTS  
Authorized to practise public accounting by  
the Chartered Professional Accountants of Ontario

**HOSPICE GEORGINA**  
**Statement of Financial Position**  
**As at March 31, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 247,365	\$ 204,651
Canada Emergency Wage Subsidy receivable (Note 12)	23,170	19,505
Term deposits (Notes 5, 9)	135,011	136,055
HST rebate receivable	4,904	1,635
Prepaid expenses	4,879	4,201
	<u>415,329</u>	<u>366,047</u>
<b>LONG TERM</b>		
Capital assets (Note 6)	88,847	102,862
	<u>\$ 504,176</u>	<u>\$ 468,909</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 13,058	\$ 11,869
Current portion of long term debt	-	1,028
Wages payable	2,269	1,746
Deferred income (Note 14)	30,795	-
South Lake Community Futures Development Corporation loan (Note 7)	-	64,650
	<u>46,122</u>	<u>79,293</u>
<b>LONG TERM</b>		
Long term debt	-	5,571
Deferred capital contributions (Note 8)	35,352	34,249
	<u>81,474</u>	<u>119,113</u>
<b>NET ASSETS</b>	<u>422,702</u>	<u>349,796</u>
	<u>\$ 504,176</u>	<u>\$ 468,909</u>

ON BEHALF OF THE BOARD

M. M. Thayer Director  
[Signature] Director

**HOSPICE GEORGINA**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2022**

	Budget 2022 <i>(Unaudited)</i>	Total 2022	Total 2021
<b>REVENUES</b>			
Other income	\$ 5,000	\$ -	\$ -
Grants <i>(Note 14)</i>	261,596	231,323	214,595
Donations and fundraising	139,002	125,947	81,009
	<u>405,598</u>	<u>357,270</u>	<u>295,604</u>
<b>EXPENSES</b>			
Administrative costs	60,340	55,607	47,115
Advertising and promotion	1,000	297	127
Amortization	-	24,302	23,084
Direct program and co-ordination costs	215,209	107,028	86,678
Fundraising costs	65,194	78,663	36,499
HST expense	8,000	3,635	1,910
Insurance	9,500	5,198	4,304
Interest and bank charges	8,162	3,569	3,330
Management salaries	14,337	11,530	28,827
Occupancy costs	16,095	14,315	14,448
Office and general	7,000	17,570	6,733
Professional fees	7,000	8,650	9,281
Program offerings	400	505	357
Repairs and maintenance	-	3,873	-
Telephone	875	879	867
Training	3,000	8,571	500
Travel and mileage	500	55	77
Volunteer support	1,000	400	587
Web development and consulting	-	1,440	-
	<u>417,612</u>	<u>346,087</u>	<u>264,724</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<u>(12,014)</u>	<u>11,183</u>	<u>30,880</u>
<b>OTHER INCOME</b>			
Covid 19 Hardest Hit Business Recovery program (HHBRP) <i>(Note 13)</i>	-	10,236	-
Canada Emergency Wage Subsidy (CEWS) <i>(Note 12)</i>	13,500	48,897	88,230
Canada Emergency Rent Subsidy	-	2,823	-
Interest income	-	(233)	1,707
	<u>13,500</u>	<u>61,723</u>	<u>89,937</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 1,486</u>	<u>\$ 72,906</u>	<u>\$ 120,817</u>

See notes to financial statements

**HOSPICE GEORGINA**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2022**

	General Fund	Restricted Fund	2022	2021
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 209,778	\$ 140,018	\$ 349,796	\$ 228,979
Excess of revenues over expenses	72,906	-	72,906	120,817
Internally restricted transfers during the year <i>(Note 9)</i>	(48,487)	48,487	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 234,197</b>	<b>\$ 188,505</b>	<b>\$ 422,702</b>	<b>\$ 349,796</b>

See notes to financial statements



**HOSPICE GEORGINA**  
**Statement of Cash Flows**  
**Year Ended March 31, 2022**

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 72,906	\$ 120,817
Item not affecting cash:		
Amortization of capital assets	24,302	23,084
	<u>97,208</u>	<u>143,901</u>
Changes in non-cash working capital:		
HST rebate receivable	(3,269)	1,296
Canada Emergency Wages Subsidy receivable	(3,665)	(19,505)
Prepaid expenses	(678)	(751)
Accounts payable and accrued liabilities	1,188	6,579
Deferred income	30,795	-
Wages payable	523	1,746
Deferred capital contributions	1,103	(7,755)
	<u>25,997</u>	<u>(18,390)</u>
Cash flow from operating activities	<u>123,205</u>	<u>125,511</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(10,286)	-
Term deposits	1,044	(101,707)
Cash - internally restricted	-	100,000
	<u>-</u>	<u>-</u>
Cash flow used by investing activities	<u>(9,242)</u>	<u>(1,707)</u>
<b>FINANCING ACTIVITIES</b>		
South Lake Community Futures Development Corporation loan	(64,650)	(3,777)
HVAC loan - Town of Georgina	(6,599)	(1,028)
	<u>(71,249)</u>	<u>(4,805)</u>
Cash flow used by financing activities	<u>(71,249)</u>	<u>(4,805)</u>
<b>INCREASE IN CASH FLOW</b>	<b>42,714</b>	<b>118,999</b>
Cash - beginning of year	<u>204,651</u>	<u>85,652</u>
<b>CASH - END OF YEAR</b>	<b>\$ 247,365</b>	<b>\$ 204,651</b>

See notes to financial statements

**HOSPICE GEORGINA**  
**Notes to Financial Statements**  
**Year Ended March 31, 2022**

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1. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

2. PURPOSE OF THE ORGANIZATION

Hospice Georgina (the "Organization") is a Not-for-Profit organization incorporated provincially by letters patent, without share capital, under the Not-for-Profit Corporations Act of Ontario on September 22, 1997. As a registered charity the Organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Organization operates to provide non-medical, physical, emotional and spiritual support to all people in Georgina with a life threatening illness, and also their families and caregivers through a base of a caring community of trained volunteers.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Hospice Georgina follows the deferral method of accounting for contributions.

Contributions that have been received by year end are recognized as revenue in the period they are received.

Restricted contributions are recognized as revenue in the period in which the related expenses are incurred.

Restricted investment income is recognized as revenue when earned.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	30%	declining balance method
Computer software	100%	declining balance method
Equipment	20%	declining balance method
Leasehold improvements	8 year	straight-line method

The Organization regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

The amortization of leasehold improvements commenced upon the Organization's move to the new facility. The amortization period is the term of the original lease and one renewal period of five years.

Government grants

Government grants are recorded when there is a reasonable assurance that the Organization has complied with and will continue to comply with, all the necessary conditions to obtain the grants.

*(continues)*

**HOSPICE GEORGINA**  
**Notes to Financial Statements**  
**Year Ended March 31, 2022**

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributed services

The operations of the Organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for Not-for-Profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Some of the more significant estimates include the life span of capital assets, unearned revenues, and year end accruals. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in expected cash flows, the carrying value of the financial asset is reduced to the higher of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

4. CASH

Cash is invested with a major Canadian Financial Institution. As well, amounts up to \$100,000 on deposit with this institution are insured by the Canadian Deposit Insurance Corporation (CDIC). Accordingly, the organization believes these amounts are not exposed to significant credit risk.

**HOSPICE GEORGINA**  
**Notes to Financial Statements**  
**Year Ended March 31, 2022**

**5. TERM DEPOSITS (INTERNALLY RESTRICTED)**

The Board of Directors has restricted the use of a portion of the accumulated net assets for the purpose of expanding the programs throughout the Town of Georgina, in accordance with the Organization's strategic plan. These funds are reinvested and held in cash and term deposits until they are required to be used.

Term deposits consist of three guaranteed investment certificates as follows:

\$24,408 GIC issued May 10, 2021, expiring May 10, 2024, with an interest rate of 0.50% per year.

\$10,604 GIC issued on May 10, 2021, expiring May 10, 2022, with an interest rate of 0.45% per year.

\$100,000 GIC issued on September 24, 2021, expiring September 26, 2022, with an interest rate of 0.55% per year.

As a condition for the \$25,000 credit card limit, the organization has to maintain a balance exceeding that held as collateral in the Bank of Montreal bank account.

**6. CAPITAL ASSETS**

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	\$ 18,633	\$ 11,060	\$ 7,573	\$ 1,104
Computer software	2,171	2,171	-	-
Equipment	11,742	8,587	3,155	1,371
Leasehold improvements	170,720	92,601	78,119	100,387
	<u>\$ 203,266</u>	<u>\$ 114,419</u>	<u>\$ 88,847</u>	<u>\$ 102,862</u>

The amortization of leasehold improvements commenced upon the Organization's move to the new facility. The amortization period is the term of the original lease and one renewal period of five years.

**7. SOUTH LAKE COMMUNITY FUTURES DEVELOPMENT LOAN**

During the March 31, 2018 year, a credit facility agreement was signed between Hospice Georgina (borrower) and South Lake Community Futures Development Corporation (lender), herein referred to as "South Lake" with the proceeds of the loan to assist with the leasehold improvements to the Hospice Georgina designated space located at the Link, located at 20849 Dalton Road in Sutton West, Ontario.

The signed agreement allows for a term loan in the amount of \$123,000; however, only \$103,500 was advanced with a fixed rate of 2.95% per annum, compounded monthly, with a rate term of one year. The repayment terms consist of monthly payments of interest only, due on the 15th of the month, plus any lump sum payments as cash flow permits. Hospice Georgina is able to repay the whole or part of any principal amount outstanding to South Lake from time to time, without notice, penalty or bonus interest.

A general security agreement was signed by authorized signing officers of Hospice Georgina. The loan has been secured by a signed guarantee by the Town of Georgina.

During the year, in December 2021, the loan was repaid in full.

**HOSPICE GEORGINA**  
**Notes to Financial Statements**  
**Year Ended March 31, 2022**

**8. DEFERRED CAPITAL CONTRIBUTIONS**

Grants were received to assist with the costs of the leasehold improvements for the space at the "Link". The grants are to be deferred and recognized as income on the same basis as the amortization expense related to the renovation costs.

The amortization of leasehold improvements commenced upon the Organization's move to the new facility. The amortization period is the term of the original lease and one renewal period of five years.

	2022	2021
<u>Deferred capital</u>		
Build A Brick	\$ 4,212	\$ 5,445
Georgina Health Care grant	22,283	28,804
Ontario Trillum Fundation grant	8,857	-
	\$ 35,352	\$ 34,249

**9. NET ASSETS (INTERNALLY RESTRICTED)**

	2022
<u>Internally restricted net assets</u>	
Internally restricted cash	\$ -
Internally restricted term deposits	135,011
Invested in capital assets	88,846
Less: deferred capital contributions	(35,352)
	\$ 188,505

**10. LEASE COMMITMENTS**

The Organization leases space in Georgina's Community Connection Centre, herein referred to as the "Link", located at 20849 Dalton Road in Sutton West, Ontario, under a long term lease that expires on August 31, 2020. Under the lease agreement dated September 5, 2017, the Organization is required to pay a base rent of \$1,171 plus applicable taxes for the first three-year term and subject to approval for the second five-year renewal term. Included in above base rent, the Organization pays for its proportionate share of utilities, property taxes, maintenance and other related costs for the leased premises.

The Organization has a long term lease with respect to its premises. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs.

**11. FINANCIAL INSTRUMENTS**

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2022.

Credit risk

*(continues)*

**HOSPICE GEORGINA**  
**Notes to Financial Statements**  
**Year Ended March 31, 2022**

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11. FINANCIAL INSTRUMENTS *(continued)*

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from customers. In order to reduce its credit risk, the Organization requires payment at the time of the transaction. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. At March 31, 2021, there was no allowance for doubtful accounts required. The Organization has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, accounts receivables and accounts payable.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

12. CANADA EMERGENCY WAGE SUBSIDY (CEWS)

The federal government, managed through the Canada Revenue Agency, has implemented a program called the Canada Emergency Wage Subsidy (CEWS). The program was implemented to assist with staff costs associated with the negative economic impact of the COVID-19 pandemic, in an effort to reduce the employment impact (and help prevent further job loss) of businesses and organizations who have incurred a significant drop in revenue due to the COVID-19 pandemic. On October 23, 2021, the program ceased.

During the year, the organization received \$47,167 in CEWS, with a receivable at March 31, 2022 of \$1,730. Due to also claiming the Temporary Emergency Wage Subsidy (TEWS) in 2020, a program implemented by the Federal Government in response to the COVID-19 pandemic which is a 10% reduction in source deductions payments, there was a reduction in CEWS on one of the filing amounts, and there was a payment for \$4,394. At March 31, 2022, the overpayment is still unresolved with the Canada Revenue Agency.

13. COVID-19 HARDEST HIT BUSINESS RECOVERY PROGRAM (HHBRP)

The Canada Emergency Wage Subsidy CEWS ended effective October 23, 2021 and was replaced by two new programs. On October 24, 2021, the federal government implemented the new program, for organizations (and businesses) who meet the following conditions: a) 12 month average revenue drop from March 2020 to February 2021 of at least 50%; b) claim period revenue drop of at least 50%. During the year, there were no amounts received; however, \$10,236 is included in accounts receivable at March 31, 2022.

**HOSPICE GEORGINA**  
**Notes to Financial Statements**  
**Year Ended March 31, 2022**

14. GRANTS

The Organization has received program grants in support of their services provided to the residents of Georgina.

Better Living Health and Community Services	\$ 128,147	\$ 129,244
Build A Brick	1,233	1,233
Georgina Health Care	6,522	6,522
Ontario Small Business Support grant	-	20,000
Town of Georgina Covid-19 assistance	-	3,000
United Way Seniors Response Fund	2,623	16,874
United Way of York Region	33,950	37,722
Ontario Trillium Foundation	67,705	-
Subtotal	<u>240,180</u>	214,595
Ontario Trillium Foundation deferral for capital expenditures	<u>(8,857)</u>	-
	<u>\$ 231,323</u>	<u>\$ 214,595</u>

Included in deferred revenue is \$30,795 of Ontario Trillium Foundation grant revenue as the program ended May 31, 2022.

15. BUDGET

The budget figures presented are as approved by the Board of Directors. These figures have been agreed to the budget but otherwise are not subject to audit verification.