

OAK RIDGES HOSPICE OF DURHAM LTD.

FINANCIAL STATEMENTS

MARCH 31, 2024

OAK RIDGES HOSPICE OF DURHAM LTD.

MARCH 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Oak Ridges Hospice of Durham Ltd.

Opinion

We have audited the accompanying financial statements of **Oak Ridges Hospice of Durham Ltd.**, which comprise the statement of financial position as at March 31, 2024, and the statement of operations, statement of changes in net assets and statement of 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 **Oak Ridges Hospice of Durham Ltd.** as at March 31, 2024, and the results of its operations and its 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of **Oak Ridges Hospice of Durham Ltd.** 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 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 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 **Oak Ridges Hospice of Durham Ltd.**'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 **Oak Ridges Hospice of Durham Ltd.** or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing **Oak Ridges Hospice of Durham Ltd.**'s financial reporting process.

Auditors' 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 auditors' 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:

INDEPENDENT AUDITORS' REPORT (continued)

- 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 **Oak Ridges Hospice of Durham Ltd.'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 **Oak Ridges Hospice of Durham Ltd.'s** ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause **Oak Ridges Hospice of Durham Ltd.** 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.

Yale PGC LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
June 27, 2024

OAK RIDGES HOSPICE OF DURHAM LTD.

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2024

	2024	2023
A S S E T S		
CURRENT		
Cash and cash equivalents	\$ 668,664	\$ 791,048
Marketable securities (note 3)	118,840	62,516
Accounts receivable	44,996	215,913
Public Service Bodies Rebate receivable	21,438	18,777
Prepaid expenses	<u>28,969</u>	<u>23,285</u>
	882,907	1,111,539
PROPERTY AND EQUIPMENT (note 4)	<u>7,675,787</u>	<u>7,962,240</u>
	<u>\$ 8,558,694</u>	<u>\$ 9,073,779</u>
L I A B I L I T I E S		
CURRENT		
Accounts payable and accrued liabilities	\$ 178,104	\$ 90,990
Deferred revenue (note 5)	<u>150,917</u>	<u>24,200</u>
	329,021	115,190
DEFERRED CAPITAL CONTRIBUTIONS (note 6)	<u>5,474,827</u>	<u>5,747,424</u>
	<u>5,803,848</u>	<u>5,862,614</u>
N E T A S S E T S		
Per statement attached	<u>2,754,846</u>	<u>3,211,165</u>
	<u>\$ 8,558,694</u>	<u>\$ 9,073,779</u>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

B. Anne Wright

Director

[Signature]

Director

OAK RIDGES HOSPICE OF DURHAM LTD.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2024

NET ASSETS	2024	2023
Balance, beginning of the year	\$ 3,211,165	\$ 3,262,484
Add: Deficiency of revenues over expenses	<u>(456,319)</u>	<u>(51,319)</u>
Balance, end of the year	<u>\$ 2,754,846</u>	<u>\$ 3,211,165</u>

OAK RIDGES HOSPICE OF DURHAM LTD.

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2024

	2024	2023
REVENUES		
Government funding	\$ 1,562,639	\$ 1,153,503
Donations	402,210	631,061
Deferred building fund donations recognized (note 6)	272,597	303,032
Fundraising	157,950	101,109
Grants	73,081	295,363
Interest and other investment income	48,590	15,841
Increase (Decrease) in fair value of marketable securities	<u>2,029</u>	<u>(615)</u>
	<u>2,519,096</u>	<u>2,499,294</u>
EXPENSES		
Salaries and benefits	2,255,478	1,835,206
Utilities and maintenance	106,113	105,027
Office expense	57,408	53,381
Supplies expense	48,499	36,194
Purchased services	43,234	65,286
Training and education	37,227	24,636
Professional fees	25,573	-
Membership fee	22,853	14,959
Bank charges	15,522	14,575
Fundraising	14,954	4,425
Insurance	12,588	14,203
Audit and accounting	10,762	11,120
Advertising and promotion	8,775	9,763
Travel	4,431	9,514
Legal fees	4,045	18,064
Amortization of property and equipment	<u>307,953</u>	<u>334,260</u>
	<u>2,975,415</u>	<u>2,550,613</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (456,319)</u>	<u>\$ (51,319)</u>

OAK RIDGES HOSPICE OF DURHAM LTD.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024

	2024	2023
CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (456,319)	\$ (51,319)
Add back of non-cash components:		
- Amortization of property and equipment	307,953	334,260
- Amortization of deferred building contributions	(272,597)	(303,032)
- Donated marketable securities	(54,296)	(58,160)
- (Increase) decrease in fair value of marketable securities	<u>(2,029)</u>	<u>615</u>
	(477,288)	(77,636)
Changes in non-cash working capital components:		
- Accounts receivable	170,917	(188,181)
- Public Service Bodies Rebate receivable	(2,661)	(4,372)
- Prepaid expenses	(5,684)	8,039
- Accounts payable and accrued liabilities	87,114	(10,940)
- Deferred revenue	<u>126,717</u>	<u>(46,163)</u>
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(100,885)</u>	<u>(319,253)</u>
INVESTMENT ACTIVITIES		
Public Service Bodies Rebate received related to equipment	-	40,628
Purchases of property and equipment	<u>(21,499)</u>	<u>(29,789)</u>
CASH PROVIDED BY INVESTMENT ACTIVITIES	<u>(21,499)</u>	<u>10,839</u>
DECREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(122,384)	(308,414)
Cash and cash equivalents at beginning of the year	<u>791,048</u>	<u>1,099,462</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>\$ 668,664</u>	<u>\$ 791,048</u>

OAK RIDGES HOSPICE OF DURHAM LTD.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

1. PURPOSE OF THE ORGANIZATION

The purpose of Oak Ridges Hospice of Durham Ltd. (the "Organization") is to bring compassionate care to the community through a tranquil, home-like setting where people with a terminal illness can live their final days with dignity and comfort. The Organization was founded in 2015 and is a registered charity under the *Income Tax Act*. As such, the Organization is exempt from income taxes and is able to issue donation receipts for income tax purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants are recognized when the requirements for receipt of funds have been met.

Interest and other investment income includes interest accrued on a daily basis, dividends recognized on the date declared, and changes in the fair market value of equities.

(b) Donated services

The work of the Organization is dependent on the voluntary services of the members of the Organization. Since these services are not normally purchased by the Organization and because of the difficulty of determining their fair value, donated services have not been recognized in these statements.

(c) Cash and cash equivalents

Cash and cash equivalents consist of bank balances and investments in money market instruments.

(d) Financial instrument measurement

The Organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost, except for marketable securities, which it chose to measure at fair value. Changes in fair value are recognized in the statement of operations. Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

OAK RIDGES HOSPICE OF DURHAM LTD.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

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

(e) Use of estimates

The preparation of financial statements requires management to make estimates that affect the amounts recorded. The primary estimates in these statements are the useful lives of the property and equipment and their residual values. These estimates affect the net book value recorded and the amount of the amortization expense. Actual results may vary from these estimates.

(f) Property and equipment

Property and equipment are recorded at cost and amortized over their estimated lives using the declining balance method at the rates listed. When the Organization observes conditions that indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost. The write-downs of tangible capital assets are accounted for as expenses in the statement of operations.

Building	4%
Furniture and equipment	30%
Computer equipment	55%
Website	30%

3. **MARKETABLE SECURITIES**

Marketable securities represent investments in equity instruments quoted in an active market and measured at fair value.

4. **PROPERTY AND EQUIPMENT**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2024</u>	<u>2023</u>
Land	\$ 1,645,407	\$ -	\$ 1,645,407	\$ 1,645,407
Building	6,651,168	765,414	5,885,754	6,108,599
Furniture and equipment	381,929	239,571	142,358	203,368
Computer equipment	14,511	12,460	2,051	4,556
Website	<u>3,102</u>	<u>2,885</u>	<u>217</u>	<u>310</u>
	<u>\$ 8,696,117</u>	<u>\$ 1,020,330</u>	<u>\$ 7,675,787</u>	<u>\$ 7,962,240</u>

OAK RIDGES HOSPICE OF DURHAM LTD.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

5. **DEFERRED REVENUE**

Included in the balance are funding received from the Central East Local Health Integration Network and contributions that relate to a special event to be held next year.

	2024	2023
Opening balance	\$ 24,200	\$ 70,363
Amount received	150,917	24,200
Funding disbursed and revenue recognized	<u>(24,200)</u>	<u>(70,363)</u>
Closing balance	<u>\$ 150,917</u>	<u>\$ 24,200</u>

6. **DEFERRED CAPITAL CONTRIBUTIONS**

Deferred contributions related to capital assets include the unamortized portions of contributed capital assets and restricted contributions that will be used for future capital improvements of the Oak Ridges Hospice facility at 1722 Scugog Street in Port Perry, Ontario.

	2024	2023
Opening balance	\$ 5,747,424	\$ 6,050,456
Funds invested in capital	-	-
Current year amortization	<u>(272,597)</u>	<u>(303,032)</u>
Closing balance	<u>\$ 5,474,827</u>	<u>\$ 5,747,424</u>

7. **FINANCIAL INSTRUMENTS - RISKS AND UNCERTAINTIES**

It is management's opinion that the organization is not exposed to significant risks with respect to its financial instruments.