

HOME HOSPICE NORTH LANARK

FINANCIAL STATEMENTS

Year ended September 30, 2022

HOME HOSPICE NORTH LANARK

TABLE OF CONTENTS

September 30, 2022

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1 - 2
STATEMENT OF OPERATIONS	3
STATEMENT OF CHANGES IN NET ASSETS	4
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 11

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of
Home Hospice North Lanark

We have reviewed the accompanying financial statements of Home Hospice North Lanark (the "Organization") that comprise the statement of financial position as at September 30, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities and donations and our review of this revenue was limited to the amounts recorded in the records of the Organization. The effects of this departure from Canadian accounting standards for not-for-profit organizations on these financial statements has not been determined.

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT, continued

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Home Hospice North Lanark as at September 30, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink that reads "Ascend". The letter "A" is large and stylized, with a long horizontal stroke that extends to the right and then curves upwards. The word "Ascend" is written in a cursive, handwritten style.

Ascend LLP, Chartered Professional Accountants, LPA
Independent Member Firm of
PORTER HÉTU INTERNATIONAL
Almonte, Ontario
January 18, 2023

HOME HOSPICE NORTH LANARK
STATEMENT OF OPERATIONS
Year ended September 30, 2022

	2022	2021
Revenues		
Fundraising	\$ 37,576	\$ 27,201
Organizational donations	19,704	12,907
Individual donations	16,398	20,714
Recognized reserved funds - note 8	37,897	9,800
Other non-receiptable donations	3,670	495
	115,245	71,117
Expenditures		
Wages and benefits	66,529	44,969
Fundraising expenses	16,582	12,562
Office and general	5,909	3,167
Professional fees	4,436	7,995
Insurance	2,563	2,769
Training expense	2,376	1,453
Website, internet and software	2,172	1,089
Advertising and promotion	2,031	987
Donations	1,021	686
Telephone	559	683
Occupancy costs	550	-
Amortization	375	12
Interest and bank charges	332	129
	105,435	76,501
Excess (deficiency) of revenues over expenditures from operations	9,810	(5,384)
Investment (loss) income	(21,096)	18,961
Canada Emergency Wage Subsidy - note 10	5,164	-
(Deficiency) excess of revenues over expenditures	\$ (6,122)	\$ 13,577

The accompanying notes are an integral part of this financial information

HOME HOSPICE NORTH LANARK
STATEMENT OF CHANGES IN NET ASSETS
Year ended September 30, 2022

	2022	2021
Balance, beginning of year	\$ 220,747	\$ 207,170
(Deficiency) excess of revenues over expenditures	(6,122)	13,577
Balance, end of year	\$ 214,625	\$ 220,747

HOME HOSPICE NORTH LANARK
STATEMENT OF FINANCIAL POSITION
September 30, 2022

	2022	2021
ASSETS		
Current		
Cash	\$ 39,372	\$ 32,278
Accounts receivable - note 4	50	1,603
Prepaid expenses	2,998	2,811
Harmonized sales tax receivable	2,008	1,880
	44,428	38,572
Investments - note 5	180,985	202,032
Tangible capital assets - note 6	807	39
	\$ 226,220	\$ 240,643
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities - note 7	\$ 9,345	\$ 5,299
Reserved funds - note 8	2,250	14,597
	11,595	19,896
Net assets	214,625	220,747
	\$ 226,220	\$ 240,643

On behalf of the board

_____ Director

_____ Director

HOME HOSPICE NORTH LANARK
STATEMENT OF CASH FLOWS
Year ended September 30, 2022

	2022	2021
Operating activities		
(Deficiency) excess of revenues over expenditures	\$ (6,122)	\$ 13,577
Adjustments for items which do not affect cash		
Amortization	375	12
Recognized portion of reserved funds	(12,347)	-
Unrealized loss (gain) on investments	21,046	(18,910)
	2,952	(5,321)
Change in non-cash working capital items		
Accounts receivable	1,553	6,420
Prepaid expenses	(187)	(317)
Harmonized sales tax receivable	(128)	(1,967)
Accounts payable and accrued liabilities	4,046	(6,637)
	8,236	(7,822)
Investing activity		
Purchase of tangible capital assets	(1,142)	-
Increase (decrease) in cash	7,094	(7,822)
Cash, beginning of year	32,278	40,100
Cash, end of year	\$ 39,372	\$ 32,278

The accompanying notes are an integral part of this financial information

HOME HOSPICE NORTH LANARK

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2022

1. NATURE OF OPERATIONS

Home Hospice North Lanark (the "Organization") (formerly Hub Hospice Palliative Care) was incorporated in Ontario on March 22, 2013, as a not-for-profit organization and is a registered charity under the *Income Tax Act*. The stated purposes of the Organization are to provide respite to persons caring for those receiving palliative support; coordinating health care, social services, education, counselling and support groups for both the ill and caregivers. The Organization's name change was effected through articles of amendment on March 5, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

The significant accounting policies used are as follows:

Revenue recognition

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

Investment income includes dividend and interest income, realized investment gains and losses on sales of investments, and unrealized gains and losses on investments measured at fair value.

The Organization recognizes revenue from fundraising activities when such activities are held.

Because of the uncertainty surrounding the collectability of grants, the Organization recognizes them when they are received.

Tangible capital assets

Tangible capital assets are recorded at cost. The Organization provides for amortization using the declining balance method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

Furniture and fixtures	20%
Computer equipment	55%

The Organization regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not available for use are not amortized until they are placed into use.

Amortization is recognized beginning in the month the tangible capital asset is available for use until the asset is disposed of or use is discontinued.

Cash and cash equivalents

Cash and cash equivalents includes balances with the banks and short-term investments with maturities less than one year. Cash subject to restrictions, whether internally or externally restricted, would be reported as restricted cash.

HOME HOSPICE NORTH LANARK
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Contributed assets and services

Directors and committee members volunteer their time to assist in the Organization's activities. While these services benefit the Organization considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

Financial instruments

Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Organization subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess (deficiency) of revenues over expenditures in the period incurred.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include the accounts payable and accrued liabilities, and reserved funds.

Financial assets measured at fair value include investments.

Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indicators of possible impairment. When there is an indication of impairment, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. A previously recognized impairment loss may be reversed. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. 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. Significant items subject to estimates and assumptions include:

- Amortization of tangible capital assets; and
- Estimated useful lives of tangible assets.

HOME HOSPICE NORTH LANARK
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. FINANCIAL INSTRUMENTS RISKS

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 at September 30, 2022:

(a) Liquidity risk

Liquidity risk is the risk that the Organization may not have cash available to satisfy financial liabilities as they come due. Management oversees liquidity risk to ensure the Organization has access to enough readily available funds to cover its financial obligations as they become due. The Organization manages liquidity risk by continuously monitoring actual daily cash flows and longer term forecasted cash flows and monitoring the maturity profiles of financial assets and liabilities. The Organization is exposed to this risk mainly in respect of its receipt of donation from its donors and other related sources, accounts payable and accrued liabilities.

(b) 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. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. The Organization is exposed other price risks given its investments in the market.

(c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk through its investments.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant credit, currency and interest rate risks arising from these financial instruments.

4. ACCOUNTS RECEIVABLE

	2022	2021
Trade receivable	\$ 50	\$ 1,553
Interest receivable	-	50
	\$ 50	\$ 1,603

5. INVESTMENTS

	2022	2021
Carried forward	-	-

HOME HOSPICE NORTH LANARK
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

5. INVESTMENTS, continued

	2022		2021	
	Cost	Market	Cost	Market
Carried forward	-	-	-	-
	Cost	Market	Cost	Market
Mutual funds	\$ 187,761	\$ 179,975	\$ 182,870	\$ 201,032
Guaranteed investment certificate	1,010	1,010	1,000	1,000
	\$ 188,771	\$ 180,985	\$ 183,870	\$ 202,032

The guaranteed investment certificate is with Royal bank of Canada. The interest rate is 2.50% and matures in September 2024.

6. TANGIBLE CAPITAL ASSETS

	2022		2021	
	Cost	Accumulated amortization	Net Book Value	Net Book Value
Furniture and fixtures	\$ 688	\$ 240	\$ 448	\$ 38
Computer equipment	1,764	1,405	359	1
	\$ 2,452	\$ 1,645	\$ 807	\$ 39

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Trade payable	\$ 500	\$ 776
Accrued liabilities	6,913	3,713
Vacation payable	558	250
Payroll remittance payable	853	560
RBC visa payable	521	-
	\$ 9,345	\$ 5,299

The Organization has one authorized credit card with total approved limit of \$2,000, of which \$1,479 (2021 - \$2,000) is available for use.

8. RESERVED FUNDS

Reserved funds are amounts from various grants received but not spent during the year. The revenue will be recognized when expenditures are incurred.

HOME HOSPICE NORTH LANARK
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

8. RESERVED FUNDS, continued

	2022			
	Balance, beginning of year	Received	Recognized	Balance, end of year
Commonwealth Foundation	\$ 11,797	\$ -	\$ (11,797)	\$ -
OutCare Foundation	2,800	5,000	(5,550)	2,250
Library Foundation	-	500	(500)	-
Ottawa Community Foundation	-	5,000	(5,000)	-
The University of British Columbia	-	15,000	(15,000)	-
Champlain Hospice Palliative Care Program	-	50	(50)	-
	\$ 14,597	\$ 25,550	\$ (37,897)	\$ 2,250

9. CONTINGENT LIABILITIES

For the purpose of the accompanying financial statements, contingent liabilities have been evaluated by management.

There were no contingent liabilities that would have a material impact on these financial statements.

10. SIGNIFICANT EVENT

In March 2020, a world-wide pandemic was announced and both the federal and provincial governments have implemented emergency measures that will negatively impact the national and global economy for an undetermined period. The effect of the pandemic and emergency measures cannot be quantified, and no additional allowances or accruals have been recognized in these financial statements other than the government assistance disclosed.

The Organization qualified and obtained assistance under the government programs for Canada Emergency Wage subsidy.

11. SUBSEQUENT EVENTS

For the purpose of the accompanying financial statements, subsequent events have been evaluated by management.

There were no subsequent events that would have a material impact on these financial statements.

12. CORRESPONDING FIGURES

The financial statements has been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect the prior year revenue over expenditures.