

**HOME HOSPICE NORTH LANARK**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

Independent Auditor's Report

Statement of Financial Position

Statement of Operations and Changes in Net Assets

Statement of Cash Flows

Notes to the Financial Statements



CHARTERED  
PROFESSIONAL  
ACCOUNTANTS

# KELLY HUIBERS McNEELY

PROFESSIONAL CORPORATION

## INDEPENDENT AUDITOR'S REPORT

To the Members of Home Hospice North Lanark

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### Qualified Opinion

We have audited the accompanying financial statements of Home Hospice North Lanark ("the Organization"), which comprise the statement of financial position as at September 30, 2023, and the statements of operations and 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 financial statements present fairly, in all material respects, the financial position of the Organization as at September 30, 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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### Basis for Qualified 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 Organization 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 qualified opinion.

In common with many not-for-profit organizations, the Organization derives revenue from donations and 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 revenue, net revenue, and cash flows from operations for the years ended September 30, 2023 and 2022, current assets as at September 30, 2023 and 2022, and net assets as at the beginning and the end of the years ended September 30, 2023 and 2022.

The predecessor accountant's review conclusion on the financial statements for the year ended September 30, 2022 was also qualified because of the possible effects of this limitation in scope.

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## **Other Matter**

The financial statements of the Organization as at and for the year ended September 30, 2022, were reviewed by another practitioner who expressed a qualified opinion on those financial statements on January 18, 2023, due to the matter described in the *Basis for Qualified Opinion* section of our report.

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## **Responsibilities of Management and Those Charged with Governance 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.

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.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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## **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.
- 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.

*Kelly Huibers McNeely*  
*Professional Corporation*

Stittsville, Ontario  
January 25, 2024

Authorized to practise public accounting by  
The Chartered Professional Accountants of Ontario

**HOME HOSPICE NORTH LANARK**  
**STATEMENT OF FINANCIAL POSITION**  
**As at September 30, 2023**

	<b>2023</b>	<b>2022</b> (unaudited)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 68,716	\$ 39,372
Investments (note 3)	193,396	180,985
Accounts receivable	-	50
HST receivable	4,736	2,008
Prepaid expenses	<u>2,641</u>	<u>2,998</u>
	269,489	225,413
<b>CAPITAL ASSETS (note 4)</b>	<b>1,805</b>	<b>807</b>
	<b>\$ 271,294</b>	<b>\$ 226,220</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 9,052	\$ 8,491
Government payables	1,989	854
Deferred revenue (note 5)	<u>17,750</u>	<u>2,250</u>
	28,791	11,595
<b>NET ASSETS</b>	<b>242,503</b>	<b>214,625</b>
	<b>\$ 271,294</b>	<b>\$ 226,220</b>

APPROVED ON BEHALF OF THE BOARD

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

The accompanying notes are an integral part of these financial statements.

# HOME HOSPICE NORTH LANARK

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended September 30, 2023

	2023	2022 (unaudited)
REVENUE		
Grants (note 5)	\$ 37,900	\$ 37,897
Fundraising	46,318	37,576
Individual donations	24,210	16,398
Organizational donations	28,011	19,704
Other non-receipted donations	7,078	3,670
Other	<u>2,050</u>	<u>1,000</u>
	<u>145,567</u>	<u>116,245</u>
EXPENSES		
Advertising and promotion	1,990	2,031
Amortization	563	375
Bank and other processing charges	1,260	1,254
Fundraising	13,058	16,582
Insurance	2,801	2,563
Occupancy costs	50	1,694
Office and general	9,240	6,008
Professional fees	4,823	4,436
Salaries and benefits	89,839	66,529
Telephone	577	559
Training and education	4,348	2,232
Website, internet and software	<u>1,551</u>	<u>2,172</u>
	<u>130,100</u>	<u>106,435</u>
NET REVENUE FROM OPERATIONS	15,467	9,810
OTHER ITEMS		
Investment income (loss)	12,411	(21,096)
Canada Emergency Wage Subsidy (note 6)	<u>-</u>	<u>5,164</u>
NET REVENUE (EXPENDITURES)	27,878	(6,122)
NET ASSETS - BEGINNING OF YEAR	214,625	220,747
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 242,503</u></b>	<b><u>\$ 214,625</u></b>

The accompanying notes are an integral part of these financial statements.

**HOME HOSPICE NORTH LANARK**

**STATEMENT OF CASH FLOWS**

**For the year ended September 30, 2023**

	<b>2023</b>	<b>2022</b>
		(unaudited)
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Net revenue (expenditures)	\$ 27,878	\$ (6,122)
Item not affecting cash:		
Amortization	563	375
Net change in non-cash working capital items:		
Accounts receivable	50	1,553
HST receivable	(2,728)	(128)
Prepaid expenses	357	(187)
Accounts payable and accrued liabilities	561	4,046
Government payables	1,135	-
Deferred revenue	<u>15,500</u>	<u>(12,347)</u>
	<u>43,316</u>	<u>(12,810)</u>
<b>INVESTING ACTIVITIES</b>		
Net change in investments	(12,411)	21,046
Purchase of capital assets	<u>(1,561)</u>	<u>(1,142)</u>
	<u>(13,972)</u>	<u>19,904</u>
<b>NET CHANGE IN CASH</b>	<b>29,344</b>	<b>7,094</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>39,372</b>	<b>32,278</b>
<b>CASH - END OF YEAR</b>	<b>\$ 68,716</b>	<b>\$ 39,372</b>

The accompanying notes are an integral part of these financial statements.

**HOME HOSPICE NORTH LANARK**  
**NOTES TO THE FINANCIAL STATEMENTS**

**September 30, 2023**

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**1. NATURE AND PURPOSE**

Home Hospice North Lanark ("the Organization") is a not-for-profit organization incorporated under the Ontario Not-for-Profit Corporations Act. As a registered charity, the Organization is exempt from the payment of income taxes under Section 149(1) of the Income Tax Act.

The Organization's stated purpose is 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

These financial statements have been prepared 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.

Fundraising activities are recorded as revenue when such activities are held.

Grants are recorded as revenue in the period to which they relate. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

Expense Recognition

Expenses are recognized according to the accrual basis of accounting in that the expenses are recorded as incurred as a result of receipt of goods and services and the creation of a legal obligation to pay.



# HOME HOSPICE NORTH LANARK

## NOTES TO THE FINANCIAL STATEMENTS

September 30, 2023

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

#### Donated 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.

#### Investments

Investments are recorded at fair value using quoted market prices. Changes in fair value are included in the statement of operations.

#### Capital Assets

Capital assets are initially recorded at cost and are then amortized over their estimated useful service lives, using the declining-balance method, at the following annual rates:

Computer equipment	-	55%
Furniture and fixtures	-	20%

#### Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### 3. INVESTMENTS

	2023	2022 (unaudited)
Mutual funds	\$ 192,360	\$ 179,975
Guaranteed investment certificate	1,036	1,010
	<b>\$ 193,396</b>	<b>\$ 180,985</b>

The guaranteed investment certificate is held with the Royal Bank of Canada with an interest rate of 2.50% per annum and matures in September 2024.

## HOME HOSPICE NORTH LANARK

### NOTES TO THE FINANCIAL STATEMENTS

September 30, 2023

#### 4. CAPITAL ASSETS

	2023		2022 (unaudited)	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 2,449	\$ 1,791	\$ 658	\$ 359
Furniture and fixtures	1,565	418	1,147	448
	<b>\$ 4,014</b>	<b>\$ 2,209</b>	<b>\$ 1,805</b>	<b>\$ 807</b>

#### 5. DEFERRED REVENUE

Deferred revenue consists of amounts received from various grants but not spent at year-end. The revenue will be recognized when related expenditures are incurred.

	Balance, beginning of year (unaudited)	Grants Received	Grants Recognized	Balance, end of year
Ontario Seniors Community Grant	\$ -	\$ 8,400	\$ (650)	\$ 7,750
Ottawa Community Foundation	-	5,000	(5,000)	-
OutCare Foundation	2,250	-	(2,250)	-
Perth and District Community Foundation	-	10,000	-	10,000
University of British Columbia	-	30,000	(30,000)	-
	<b>\$ 2,250</b>	<b>\$ 53,400</b>	<b>\$ (37,900)</b>	<b>\$ 17,750</b>

#### 6. CANADA EMERGENCY WAGE SUBSIDY

The Organization has claimed the Canada Emergency Wage Subsidy (CEWS) based on Management's interpretation of the applicable legislation in the Income Tax Act. These claims are subject to review by Canada Revenue Agency (CRA); and any future CRA adjustments to these CEWS claims will be recorded by the Organization in the year of the adjustment.

# HOME HOSPICE NORTH LANARK

## NOTES TO THE FINANCIAL STATEMENTS

September 30, 2023

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### 7. FINANCIAL INSTRUMENTS

The Organization's financial instruments consist of cash, investments, accounts receivable, and accounts payable and accrued liabilities. It is Management's opinion that, unless otherwise stated, the fair value of these instruments is not materially different than their cost and that the Organization is not exposed to significant credit, interest rate or currency risks arising from these financial instruments.

#### 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 to other price risks given its investments in the market.

#### 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.

#### Liquidity Risk

Liquidity risk is the risk that the Organization will not be able to meet its obligations as they come due. The Organization requires working capital to meet day-to-day operating activities. Management expects that the Organization's cash flows from operating activities will be sufficient to meet these requirements.