

**OAK RIDGES HOSPICE OF DURHAM LTD.**

**FINANCIAL STATEMENTS**

**MARCH 31, 2023**

**OAK RIDGES HOSPICE OF DURHAM LTD.**

**MARCH 31, 2023**

**INDEX**

Independent Auditors' Report	1 - 2
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 9

## 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, 2023, 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, 2023, 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  
August 8, 2023


OAK RIDGES HOSPICE OF DURHAM LTD.

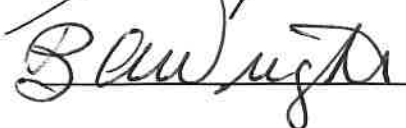
STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 791,048	\$ 1,099,462
Marketable securities (note 3)	62,516	4,972
Accounts receivable	215,913	27,732
Public Service Bodies Rebate receivable	18,777	14,405
Prepaid expenses	<u>23,285</u>	<u>31,324</u>
	1,111,539	1,177,895
<b>PROPERTY AND EQUIPMENT</b> (note 4)	<u>7,962,240</u>	<u>8,307,338</u>
	<u>\$ 9,073,779</u>	<u>\$ 9,485,233</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 90,990	\$ 101,930
Deferred revenue (note 5)	<u>24,200</u>	<u>70,363</u>
	115,190	172,293
<b>DEFERRED CAPITAL CONTRIBUTIONS</b> (note 6)	<u>5,747,424</u>	<u>6,050,456</u>
	<u>5,862,614</u>	<u>6,222,749</u>
<b>NET ASSETS</b>		
Per statement attached	<u>3,211,165</u>	<u>3,262,484</u>
	<u>\$ 9,073,779</u>	<u>\$ 9,485,233</u>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**OAK RIDGES HOSPICE OF DURHAM LTD.**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

<b>NET ASSETS</b>	2023	2022
Balance, beginning of the year	\$ 3,262,484	\$ 1,657,958
Recognition of deferred building contributions on land purchase	-	1,637,300
Add: Deficiency of revenues over expenses	<u>(51,319)</u>	<u>(32,774)</u>
Balance, end of the year	<u>\$ 3,211,165</u>	<u>\$ 3,262,484</u>

OAK RIDGES HOSPICE OF DURHAM LTD.

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
<b>REVENUES</b>		
Government funding	\$ 1,153,503	\$ 856,845
Donations	631,061	431,908
Deferred building fund donations recognized (note 6)	303,032	342,875
Grants	295,363	304,637
Fundraising	101,109	59,408
Interest and other investment income	15,841	1,625
Decrease in fair value of marketable securities	(615)	-
Other income	-	4,359
	<u>2,499,294</u>	<u>2,001,657</u>
<b>EXPENSES</b>		
Salaries and benefits	1,835,206	1,350,607
Utilities and maintenance	105,027	96,547
Purchased services	65,286	43,020
Office expense	53,381	52,547
Supplies expense	36,194	33,090
Training and education	24,636	4,999
Legal fees	18,064	17,627
Membership fee	14,959	2,241
Bank charges	14,575	10,430
Insurance	14,203	15,313
Audit and accounting	11,120	21,326
Travel	9,514	6,251
Advertising and promotion	9,763	4,784
Fundraising	4,425	-
Amortization of property and equipment	334,260	375,649
<b>TOTAL EXPENSES</b>	<u>2,550,613</u>	<u>2,034,431</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<u>\$ (51,319)</u>	<u>\$ (32,774)</u>

**OAK RIDGES HOSPICE OF DURHAM LTD.**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED MARCH 31, 2023**

	2023	2022
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenses	\$ (51,319)	\$ (32,774)
Add back of non-cash components:		
- Amortization of property and equipment	334,260	375,649
- Amortization of deferred building contributions	(303,032)	(342,875)
- Donated marketable securities	(58,160)	(4,972)
- Decrease in fair value of marketable securities	<u>615</u>	<u>-</u>
	(77,636)	(4,972)
Changes in non-cash working capital components:		
- Accounts receivable	(188,181)	(26,001)
- Public Service Bodies Rebate receivable	(4,372)	259,172
- Prepaid expenses	8,039	180,978
- Accounts payable and accrued liabilities	(10,940)	29,984
- Deferred revenue	(46,163)	(349,637)
- Deferred capital contributions	<u>-</u>	<u>(57,229)</u>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>(319,253)</u>	<u>32,295</u>
<b>INVESTMENT ACTIVITIES</b>		
Public Service Bodies Rebate received related to property and equipment	40,628	148,213
Purchases of property and equipment	<u>(29,789)</u>	<u>(63,968)</u>
<b>CASH PROVIDED BY INVESTMENT ACTIVITIES</b>	<u>10,839</u>	<u>84,245</u>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>	(308,414)	116,540
Cash and cash equivalents at beginning of the year	<u>1,099,462</u>	<u>982,922</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<u>\$ 791,048</u>	<u>\$ 1,099,462</u>



# OAK RIDGES HOSPICE OF DURHAM LTD.

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

### 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, 2023

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>2023</u>	<u>2022</u>
Land	\$ 1,645,407	\$ -	\$ 1,645,407	\$ 1,659,180
Building	6,629,669	521,070	6,108,599	6,391,099
Furniture and equipment	381,929	178,561	203,368	250,623
Computer equipment	14,511	9,955	4,556	5,993
Website	<u>3,102</u>	<u>2,792</u>	<u>310</u>	<u>443</u>
	<u>\$ 8,674,618</u>	<u>\$ 712,378</u>	<u>\$ 7,962,240</u>	<u>\$ 8,307,338</u>

OAK RIDGES HOSPICE OF DURHAM LTD.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

5. **DEFERRED REVENUE**

Included in the balance are grants received from the Saint Elizabeth Community Enterprise and contributions that relate to a special event to be held next year.

	2023	2022
Opening balance	\$ 70,363	\$ 420,000
Amount received	24,200	-
Funding disbursed and revenue recognized	<u>(70,363)</u>	<u>(349,637)</u>
Closing balance	<u>\$ 24,200</u>	<u>\$ 70,363</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.

	2023	2022
Opening balance	\$ 6,050,456	\$ 8,030,631
Funds invested in capital	-	(1,637,300)
Current year amortization	<u>(303,032)</u>	<u>(342,875)</u>
Closing balance	<u>\$ 5,747,424</u>	<u>\$ 6,050,456</u>

During the year ended March 31, 2022 the facility commenced operations and the portion of the deferred capital contributions attributable to the cost of land were recognized as a direct increase to net assets.

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.

8. **COMPARATIVE FIGURES**

Certain figures for the year ended March 31, 2022 have been reclassified to conform to the presentation adopted in 2023.