

Hospice Georgian Triangle
Financial Statements
For the year ended March 31, 2024

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Independent Auditor's Report

To the Board of Directors of Hospice Georgian Triangle

Opinion

We have audited the accompanying financial statements of Hospice Georgian Triangle (the "organization"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations and changes in net assets and cash flows for the year then ended, and the 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 the organization as at March 31, 2024, and its result of 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 *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 opinion.

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.



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.

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.

BDO Canada LLP

Chartered Professional Accountants Licensed Public Accountants

Barrie, Ontario
June 24, 2024

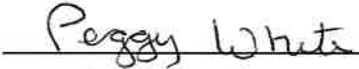
Hospice Georgian Triangle Statement of Financial Position


March 31	2024	2023
Assets		
Current		
Cash (note 2)	\$ 223,071	\$ 199,163
Accounts receivable	61,144	147,076
HST receivable	26,672	23,619
Due from Ministry of Health	-	236,500
Prepaid expenses	29,870	37,236
	340,757	643,594
Capital Assets , at cost less accumulated amortization (note 3)	3,291,800	3,435,212
	\$ 3,632,557	\$ 4,078,806

Liabilities and Net Assets

Current Liabilities		
Accounts payable and accrued liabilities	\$ 206,624	\$ 169,791
Government remittances payable	50,127	54,213
Due to Hospice Georgian Triangle Foundation (note 5)	50,921	396,506
	307,672	620,510
Deferred Contributions Related to Capital Assets (note 4)	2,724,554	2,857,965
Commitments (note 8)		
Net Assets		
Unrestricted	600,331	600,331
	\$ 3,632,557	\$ 4,078,806

Approved on behalf of the Board:


 _____ Director


 _____ Director

Hospice Georgian Triangle Statement of Operations and Changes in Net Assets

For the year ended March 31	2024	2023
Revenues		
Ministry of Health	\$ 1,713,052	\$ 1,425,235
Donations (note 5)	1,117,316	1,059,139
Amortization of deferred contributions related to capital assets (note 4)	209,890	207,427
Ontario Trillium Foundation grant	61,009	-
Other income	6,854	77,508
	3,108,121	2,769,309
Expenses		
Salaries and wages	1,931,815	1,695,610
Employee benefits	405,994	372,150
Amortization of capital assets	209,890	207,427
Repairs and maintenance	136,765	117,815
Professional fees	93,862	79,658
Supplies	81,770	94,438
Rent	68,736	66,738
Utilities	63,586	59,711
Office	41,436	13,421
Insurance	21,238	15,858
Training and development	19,697	9,879
Membership dues and subscriptions	13,054	9,538
Telephone	11,673	11,303
Travel	4,152	10,088
Volunteer recognition	2,224	3,019
Bank charges	1,205	1,205
Meeting expenses	781	1,451
Advertising	243	-
	3,108,121	2,769,309
Excess of revenues over expenses for the year	-	-
Net assets, beginning of the year	600,331	600,331
Net assets, end of the year	\$ 600,331	\$ 600,331

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

Hospice Georgian Triangle Statement of Cash Flows

For the year ended March 31	2024	2023
Cash provided by (used in)		
Cash flows from operating activities		
Excess of revenues over expenses for the year	\$ -	\$ -
Adjustments for		
Amortization of capital assets	209,890	207,427
Amortization of deferred contributions related to capital assets	<u>(209,890)</u>	<u>(207,427)</u>
Change in non-cash working capital balances related to operations		
Accounts receivable	85,932	(147,076)
HST receivable	(3,053)	(3,129)
Due from Ministry of Health	236,500	(207,172)
Prepaid expenses	7,366	(13,773)
Accounts payable and accrued liabilities	36,833	6,955
Government remittances payable	<u>(4,086)</u>	<u>4,708</u>
	<u>359,492</u>	<u>(359,487)</u>
Cash flows from investing activities		
Purchase of capital assets	<u>(66,478)</u>	<u>(92,421)</u>
Cash flows from financing activities		
Increase in deferred contributions related to capital assets	76,479	92,422
Net change in amount due to related party	<u>(345,585)</u>	<u>353,874</u>
	<u>(269,106)</u>	<u>446,296</u>
Increase (decrease) in cash during the year	23,908	(5,612)
Cash, beginning of year	<u>199,163</u>	<u>204,775</u>
Cash, end of year	<u>\$ 223,071</u>	<u>\$ 199,163</u>

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

Hospice Georgian Triangle Notes to the Financial Statements

March 31, 2024

1. Significant Accounting Policies

Nature of Organization	Hospice Georgian Triangle, the ("organization"), is an incorporated not-for-profit organization without share capital under the Corporations Act (Ontario). The organization operates a residential hospice providing accommodation and end of life care for individuals with terminal illnesses. The organization also offers in-home support to individuals and their families who are facing a life threatening illness or grieving the loss of a loved one.
Basis of Accounting	These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.
Use of Estimates	The preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The significant estimates made in the preparation of these financial statements include the estimated useful life of capital assets and the fair value of financial instruments. Actual results could differ from management's best estimates as additional information becomes available in the future.
Financial Instruments	Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in operations. In addition, all bonds and guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Hospice Georgian Triangle Notes to the Financial Statements

March 31, 2024

1. Significant Accounting Policies (continued)

Revenue Recognition

The organization follows the deferral method of accounting for contributions which includes donations and government subsidies. Operating revenue, including grants and subsidies are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. When a portion of a grant relates to a future period, it is deferred and recognized in that future period.

Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at a rate corresponding with the amortization rate for the related capital assets. Contributions restricted for the purchase of capital assets that will not be amortized are recognized as direct increases in net assets.

Interest revenues are recorded when earned.

Capital Assets

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Where fair value cannot be reasonably determined, contributed assets are recorded at a nominal amount.

Amortization, based on the estimated useful life of the asset, is calculated as follows:

Building	-	40 years straight line basis
Computer equipment	-	5 years straight line basis
Furniture and fixtures	-	5 years straight line basis
Landscaping	-	10 years straight line basis
Leasehold improvements	-	5 years straight line basis
Parking lot	-	10 years straight line basis

Hospice Georgian Triangle Notes to the Financial Statements

March 31, 2024

1. Significant Accounting Policies (continued)

Impairment of Long Lived Assets

In the event that facts and circumstances indicate that the organization's long lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow value is required. The organization considers that no circumstances exist that would require such an evaluation.

Pension Plan

The organization applies defined contribution plan accounting to its multi-employer defined benefit plan for which the organization has insufficient information to apply defined benefit plan accounting (see note 9).

Income Taxes

The organization is not subject to federal or provincial income taxes pursuant to exemptions accorded to registered charities in the income tax legislation.

In-Kind Contributions

Contributions of assets are recognized in the period they are donated at their fair market value when a fair value can be reasonably estimated and when the assets are used in the normal course of the organization's operations and would otherwise been purchased.

Contributed services are not recognized in the financial statements due to the inherent difficulty in valuing the time of volunteers.

2. Cash

The organization's bank accounts are held at a chartered bank. The bank accounts earn interest at a variable rate dependent on the monthly minimum balances.

Hospice Georgian Triangle Notes to the Financial Statements

March 31, 2024

3. Capital Assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Building	\$ 3,078,497	\$ 631,754	\$ 3,044,158	\$ 555,098
Computer equipment	101,228	60,227	90,678	41,802
Furniture and fixtures	482,035	438,132	475,091	411,272
Land	577,246	-	577,246	-
Landscaping	336,142	229,937	321,497	196,323
Leasehold improvements	135,407	104,846	135,407	77,764
Parking lot	272,524	226,383	272,524	199,130
	\$ 4,983,079	\$ 1,691,279	\$ 4,916,601	\$ 1,481,389
Net book value		\$ 3,291,800		\$ 3,435,212

Hospice Georgian Triangle Notes to the Financial Statements

March 31, 2024

4. Deferred Contributions Related to Capital Assets

Deferred contributions represent the unamortized amount of grants and restricted donations received to be used in the purchase of certain assets or in the settlement of certain obligations. The amortization of these contributions is recorded as revenue in the statement of operations.

	2024	2023
Balance, beginning of year	\$ 2,857,965	\$ 2,972,970
Transfer of restricted funds from the Hospice Georgian Triangle Foundation (note 5)	11,841	-
Contribution received from Georgian Bay Family Health Team for the purchase of capital assets	10,000	-
Contribution received from the County of Simcoe for the purchase of capital assets	54,638	301,140
Contribution received from the PVH for the purchase of capital assets	-	16,682
Transfer of portion of County capital funding to Hospice Georgian Triangle Foundation for previously funded capital purchases (note 5)	-	(225,400)
Amounts amortized to revenue	(209,890)	(207,427)
	\$ 2,724,554	\$ 2,857,965

Hospice Georgian Triangle Notes to the Financial Statements

March 31, 2024

5. Related Party

The Hospice Georgian Triangle Foundation (the "Foundation") was established through Ontario Letters Patent on January 6, 2012. The objective of the Foundation is to use the gifts, benefits, and endowments, including income derived, therefrom, for the benefit of, or as requested by Hospice Georgian Triangle. The affairs of the Foundation are managed by a Board of seven members. The financial statements of the Foundation have not been consolidated in these financial statements.

During the year, the Foundation allocated \$11,841 (2023 - \$NIL) to the organization for the purchase of capital items (see note 4). These funds have been included in deferred contributions related to capital assets and amortization of these contributions have been included as revenue in the statement of operations and changes in net assets. In the prior year, the organization received funding from the County of Simcoe for the previous years capital asset purchases (see note 4). When these capital assets were originally purchased, they were funded by the Foundation. As a result, a portion of these funds in the amount of \$NIL (2023 - \$225,400) were transferred back to the Foundation.

During the year, the Foundation allocated \$1,117,316 (2023 - \$1,059,139) to Hospice Georgian Triangle to be used to cover operating costs for the year. These funds have been included in donations revenues in the statement of operations and changes in net assets. In addition, the Foundation transferred \$421,466 (2023 - \$329,238) to the organization to cover payroll expenses incurred by Hospice Georgian Triangle on the Foundation's behalf.

As at March 31, 2024 there is a net balance due to the Foundation of \$50,921 (2023 - \$396,506) which has been recorded in the statement of financial position.

The amounts due from/to the Foundation are non-interest bearing, unsecured and have no specific terms of repayment.

The amounts due to (from) the Foundation consist of:

	2024	2023
Hospice Georgian Triangle operating surplus	\$ 3,165	\$ 205,861
Unfunded capital asset additions	(11,841)	-
March payroll expenses paid by Hospice Georgian Triangle on behalf of the Foundation	(40,403)	(34,755)
Working capital loan, payable upon the termination of County of Simcoe funding	100,000	100,000
Retroactive County of Simcoe funding for capital purchases previously funded by the Foundation	-	125,400
	\$ 50,921	\$ 396,506
Net amount due to the Foundation	\$ 50,921	\$ 396,506

Hospice Georgian Triangle Notes to the Financial Statements

March 31, 2024

6. Contingency

The organization receives funding from the Ministry of Health. The amount of funding provided to the organization is subject to final review and approval by the Ministry. As at the date of these financial statements, funding for the period April 1, 2023 to March 31, 2024 had not been subject to this review process. Any future adjustments required as a result of this review will be accounted for in the year the adjustment is determined.

7. Economic Dependence

The organization received 91% (2023 - 91%) of its revenue from Ministry of Health and The Hospice Georgian Triangle Foundation (see note 5).

8. Commitments

Effective April 1, 2024, the organization entered into a one year agreement with Collingwood General and Marine Hospital to provide financial accounting and payroll, human resources, and information technology services. The fees are \$65,000 for financial and human resource services, and \$28,302 for information technology services for the year.

The organization has entered into an operating lease for landscaping and grounds maintenance which extends to October 31, 2024 at an annual fee of \$8,118 plus HST.

Effective September 1, 2020, the organization has entered into a lease for premises at 186 Hurontario Street at a monthly fee of \$3,628 plus HST, expiring August 31, 2025. In addition, the organization is responsible for a portion of the common area fees at a monthly fee of \$1,752 plus HST.

Hospice Georgian Triangle Notes to the Financial Statements

March 31, 2024

9. Pension Plan

Healthcare of Ontario Pension Plan (the "Plan") is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the Ontario Hospital Association. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the five consecutive years prior to retirement, termination or death, that provide the highest earnings.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by the Healthcare of Ontario Pension Plan by placing plan assets in trust and through the Plan investment policy.

Pension expense is based on the best estimates of management of the Plan, in consultation with its actuaries, of the amount, together with the percentage of salary contributed by employees, required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by the Plan. The funding objective is for employer contributions to the Plan to remain a constant percentage of employees' contributions.

The Plan provides pension services to more than 460,381 active and retired members and approximately 677 employers. Substantially all of the full-time employees and some of the part-time employees are members of the Plan. The Plan is a multi-employer plan and therefore the organization's contributions are accounted for as if the Plan were a defined contribution plan with the organization's contributions being expensed in the period they come due. Each year, an independent actuary determines the funding status of the Plan by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The results of the most recent valuation as at December 31, 2023 disclosed a surplus of \$10,181 million. The results of this valuation disclosed total actuarial liabilities and pension obligations of \$193,575 million in respect of benefits accrued for service with actuarial assets at that date of \$203,756 million. Because the Plan is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario member organizations and their employees. As a result, the organization does not recognize any share of the Plan surplus or deficit.

Employer contributions made to the Plan during the year by the organization amount to \$117,852 (2023 - \$103,583) and is included in compensation expense.

Hospice Georgian Triangle Notes to the Financial Statements

March 31, 2024

10. Financial Instrument Risk

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk arising from its accounts receivable. Credit risk is the risk that the counterparty to the transaction will not pay. The majority of the organization's receivables are from government sources and the organization works to ensure they meet all eligibility criteria in order to qualify to receive the funding. The organization is also exposed to credit risk arising from all of its bank accounts being held at one financial institution and deposits are only insured up to \$100,000.

Liquidity Risk

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities and government remittances payable.

There have been no changes to the organization's financial instrument exposure from the prior year.
