

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

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Tel: 705 726 6331  
Fax: 705 722 6588  
www.bdo.ca

BDO Canada LLP  
300 Lakeshore Drive, Suite 300  
Barrie, ON L4N 0B4  
Canada

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## Independent Auditor's Report

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To the Board of Directors of The Hospice Georgian Triangle Foundation

### Qualified Opinion

We have audited the accompanying financial statements of The Hospice Georgian Triangle Foundation (the "Foundation"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations and changes in fund balances, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Foundation 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 Qualified Opinion

In common with many charitable organizations, the Foundation derives revenues 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 Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenues, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023, and net assets as at April 1 and March 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

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 Foundation 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 audit 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 Foundation'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 Foundation'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 Foundation 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 27, 2024

## The Hospice Georgian Triangle Foundation Statement of Financial Position

March 31	2024	2023
<b>Assets</b>		
<b>Current</b>		
Cash (note 2)	\$ 375,991	\$ 340,554
HST receivable	56,747	30,853
Prepaid expenses	24,357	22,765
Due from Hospice Georgian Triangle (note 5)	50,921	396,506
	508,016	790,678
Investments (note 3)	11,743,024	5,879,642
Life Insurance Policies (note 4)	95,128	95,128
	\$ 12,346,168	\$ 6,765,448
<b>Liabilities and Fund Balances</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 22,947	\$ 31,508
<b>Fund Balances</b>		
General fund		
Unrestricted	7,550,689	2,678,186
Internally restricted reserve funds (note 6)	4,772,532	3,830,354
Capital fund	-	225,400
	12,323,221	6,733,940
	\$ 12,346,168	\$ 6,765,448

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

## The Hospice Georgian Triangle Foundation Statement of Operations and Changes in Fund Balances

For the year ended March 31	2024		2023	
	General Fund	Capital Fund	Total	Total
<b>Revenues</b>				
Donations	\$ 6,094,682	\$ -	\$ 6,094,682	\$ 2,739,033
Fundraising events	681,757	-	681,757	795,637
Grants	106,262	-	106,262	29,951
Investment income	337,313	-	337,313	195,145
Loss on disposal of investments	(115,719)	-	(115,719)	(53,031)
Unrealized gain (loss) on investments (note 3)	486,946	-	486,946	(293,232)
	<u>7,591,241</u>	<u>-</u>	<u>7,591,241</u>	<u>3,413,503</u>
<b>Expenses</b>				
Bank administration fees	30,201	-	30,201	29,463
Event and fundraising expenses	281,920	-	281,920	304,473
Investment fees	51,645	-	51,645	37,267
Memberships and licences	1,500	-	1,500	2,424
Office expenses	54,266	-	54,266	58,904
Payroll expenses (note 5)	421,466	-	421,466	329,238
Professional development	7,167	-	7,167	1,567
Professional fees	24,638	-	24,638	14,569
	<u>872,803</u>	<u>-</u>	<u>872,803</u>	<u>777,905</u>
Distribution to Hospice Georgian Triangle (note 5)	1,117,316	11,841	1,129,157	833,739
	<u>1,990,119</u>	<u>11,841</u>	<u>2,001,960</u>	<u>1,611,644</u>
<b>Excess of revenues over expenses (expenses over revenues) for the year</b>	<b>5,601,122</b>	<b>(11,841)</b>	<b>5,589,281</b>	<b>1,801,859</b>
Fund balances, beginning of the year	6,508,540	225,400	6,733,940	4,932,081
Interfund transfers	213,559	(213,559)	-	-
<b>Fund balances, end of the year</b>	<b>\$ 12,109,662</b>	<b>\$ -</b>	<b>\$ 12,323,221</b>	<b>\$ 6,733,940</b>

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

## The Hospice Georgian Triangle Foundation Statement of Cash Flows

For the year ended March 31	2024	2023
<b>Cash flows from operating activities</b>		
Excess of revenues over expenses for the year	\$ 5,589,281	\$ 1,801,859
Charges (credits) to operations not involving cash		
Unrealized loss (gain) on portfolio investments	(486,946)	293,232
	<u>5,102,335</u>	<u>2,095,091</u>
Changes in non-cash working capital balances related to operations		
HST receivable	(25,894)	(3,222)
Prepaid expenses	(1,592)	6,895
Due from Hospice Georgian Triangle	345,585	(354,869)
Accounts payable and accrued liabilities	(8,561)	6,079
	<u>5,411,873</u>	<u>1,749,974</u>
<b>Cash flows from investing activities</b>		
Change in investments	<u>(5,376,436)</u>	<u>(1,551,758)</u>
<b>Net increase in cash during the year</b>	<b>35,437</b>	<b>198,216</b>
<b>Cash, beginning of the year</b>	<u><b>340,554</b></u>	<u><b>142,338</b></u>
<b>Cash, end of the year</b>	<u><b>\$ 375,991</b></u>	<u><b>\$ 340,554</b></u>

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

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# The Hospice Georgian Triangle Foundation

## Notes to Financial Statements

March 31, 2024

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### 1 . Significant Accounting Policies

**Nature and Purpose of Organization** The Hospice Georgian Triangle Foundation (the "Foundation") is incorporated without share capital under the Ontario Not-for-Profit Corporations Act (ONCA) as a charitable organization and is a registered charity under the Income Tax Act (Canada).

The objective of the Foundation is to use the gifts, and benefits, including income derived, therefrom, for the benefit of, or as requested by Hospice Georgian Triangle. These financial statements have not been consolidated with those of Hospice Georgian Triangle.

**Basis of Accounting** The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

**Use of Estimates** 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 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 estimate made in the preparation of the financial statements include the fair value of financial instruments. Actual results could differ from management's best estimates as additional information becomes available in the future.

**Fund Accounting** The Foundation follows the restricted fund method of accounting for contributions.

The General Fund accounts for the Foundation's fundraising and administrative activities. This fund reports unrestricted contributions and other unrestricted revenues and expenses. In addition, this fund reports funds internally restricted by the Board of Directors for specific purposes (note 6).

The Capital Fund reports restricted resources to be used for capital expenses as specified by the respective donors.

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# The Hospice Georgian Triangle Foundation

## Notes to Financial Statements

March 31, 2024

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### 1. Significant Accounting Policies (continued)

#### Foreign Currency Translation

Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year end date, monetary assets and liabilities in foreign currency are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in the statement of operations in the current period. Investments denominated in foreign currency are recorded at the foreign exchange rate in effect at the time the investment was purchased.

#### Revenue Recognition

Restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. However, if no appropriate restricted fund is presented, then the restricted contribution is recognized as revenue of the General Fund in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Net investment income earned on externally restricted Capital Fund resources are recognized as revenue of the Capital Fund. Other net investment income is recognized as revenue of the General Fund when earned.

Donations of life insurance policies are recorded as revenue when the funds are received by the Foundation. The cash surrender value of the life insurance policies and changes in the cash surrender value are recorded for those policies in which the Foundation is the beneficiary. The annual change in the aggregate cash value is recorded in the statement of operations.

#### In-Kind Contributions

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

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



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# The Hospice Georgian Triangle Foundation

## Notes to Financial Statements

March 31, 2024

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### 1. Significant Accounting Policies (continued)

**Financial Instruments** Financial instruments are recorded at fair value at initial recognition.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

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

**Pledges** Pledges, which represent promises to donate cash, are not recorded as revenue until collected.

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## The Hospice Georgian Triangle Foundation Notes to Financial Statements

March 31, 2024

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### 2. Cash

The Foundation's bank account is held at a chartered bank. The bank account earns interest at a variable rate dependent on the monthly minimum balances.

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### 3. Investments

	2024		2023	
	Market	Cost	Market	Cost
Cash held with investment company	\$ 26,635	\$ 26,635	\$ 12,921	\$ 12,921
Guaranteed investment certificates	2,499,383	2,436,510	1,060,944	1,045,610
Common shares of various public companies	6,848,123	6,433,972	3,645,143	3,616,996
Mutual funds	2,171,516	2,170,154	1,042,433	1,091,839
Foreign investments	197,367	159,660	118,201	84,423
	<b>\$ 11,743,024</b>	<b>\$ 11,226,931</b>	<b>\$ 5,879,642</b>	<b>\$ 5,851,789</b>

Guaranteed investment certificates have fixed interest rates ranging from 2.45% to 6.00% (2023 - 1.42% to 5.30%), and maturity dates ranging from May 2024 through December 2033 (2023 - November 2023 through March 2026).

Investments in securities with an active market have been recorded at market value based on quoted market prices at March 31, 2024. Guaranteed investment certificates are recorded at carrying value plus accrued interest, which approximates market value at March 31, 2024. The Foundation has recognized an unrealized gain in the amount of \$479,688 (2023 - unrealized loss \$293,232) related to the change in the fair value of the investments during the year. This gain/(loss) has been recorded in the statement of operations and changes in fund balances.

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### 4. Life Insurance Policies

The Foundation has been designated as the irrevocable beneficiary of two life insurance policies with death benefits totaling \$159,347. The cash surrender value of these policies as at March 31, 2024 total \$95,128 (2023 - \$95,128).

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## The Hospice Georgian Triangle Foundation Notes to Financial Statements

March 31, 2024

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### 5. Related Party Balances and Transactions

The objective of the Foundation is to use the gifts, benefits, including income derived, therefrom, for the benefit of, or as requested by Hospice Georgian Triangle. The financial statements of Hospice Georgian Triangle have not been consolidated in these financial statements.

During the year, the Foundation transferred \$11,841 (2023 - \$NIL) to Hospice Georgian Triangle for the purchase of capital assets. These funds have been included in the Capital Fund as a distribution to Hospice Georgian Triangle in the statement of operations and changes in fund balances. In the prior year, Hospice Georgian Triangle received capital funding from the County of Simcoe for capital purchases that were previously funded by the Foundation. As a result, \$225,400 was transferred back to the Foundation in the prior year and shown as a recovery in the capital fund in the statement of operations and changes in fund balances.

During the year, the Foundation transferred \$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 the General Fund as a distribution to Hospice Georgian Triangle in the statement of operations and changes in fund balances. 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 from Hospice Georgian Triangle of \$50,921 (2023 - \$396,506) which has been recorded in the statement of financial position. The amounts due from Hospice Georgian Triangle are non-interest bearing, unsecured and have no specific terms of repayment.

The amounts due from (to) Hospice Georgian Triangle 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
	<b>\$ 50,921</b>	<b>\$ 396,506</b>
Net amount due from Hospice Georgian Triangle	<b>\$ 50,921</b>	<b>\$ 396,506</b>

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## The Hospice Georgian Triangle Foundation Notes to Financial Statements

March 31, 2024

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### 6. Internally Restricted Reserve Funds

#### Operating Reserve Fund

The board of directors have established an operating reserve fund for the purpose of having sufficient cash to enable it to fund Hospice Georgian Triangle and the Foundation's costs in the event that insufficient funding is raised by the Foundation in any given year. The amount of the reserve fund will be determined annually based on both the Foundation's and Hospice Georgian Triangle's approved annual budgets. The operating reserve fund must be approved annually by the Foundation's board of directors.

	2024	2023
Balance, beginning of the year and end of the year	\$ 2,057,822	\$ 2,057,822
Transfer from the general fund - unrestricted	942,178	-
Balance, end of the year	\$ 3,000,000	\$ 2,057,822

#### Capital Reserve Fund

The board of directors have established a capital reserve fund for the purpose of funding the repair and/or replacement of Hospice Georgian Triangle's capital assets. The amount of the capital reserve fund has been initially set at \$1,000,000. This fund shall be increased by the annual rate of inflation as at March 31st, providing funds are available subsequent to funding the Foundation's annual costs and funding the operating reserve fund. All payments from this fund must be approved by the board of directors.

	2024	2023
Balance, beginning of the year and end of the year	\$ 1,000,000	\$ 1,000,000

#### General Reserve Fund

The board of directors have established a general reserve fund for the purpose of funding Hospice Georgian Triangle's future growth, expansion or new programs. All payments from this fund must be approved by the board of directors.

	2024	2023
Balance, beginning of the year and end of the year	\$ 772,532	\$ 772,532
<b>Total Internally Restricted Reserve Funds</b>	<b>\$ 4,772,532</b>	<b>\$ 3,830,354</b>

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# The Hospice Georgian Triangle Foundation

## Notes to Financial Statements

March 31, 2024

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### 7. 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 Foundation is 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.

#### Market risk

Market risk is the risk that 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: currency risk, interest rate risk and other price risk.

#### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation carries investments in Canadian and United States ("U.S.") dollars. Fluctuations in the value of the currency will impact the return on investments. As at March 31, 2024, the Foundation held portfolio investments in U.S. dollars for \$200,813 (2023 - \$153,214). These assets have been translated to Canadian dollars for financial statement purposes at the year end exchange rate.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation invests in a diversified portfolio including several fixed income guaranteed investment certificates and therefore their exposure to interest rate risk is considered to be minimal. The Foundation mitigates interest rate risk on investments by diversifying the durations of the fixed-income investments that are held at a given time.

#### 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 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 Foundation is exposed to other price risk through its investments in quoted shares. The Foundation manages other price risk through asset allocation and maintaining a portfolio that is well diversified on both a geographic and industry sector basis.

There have not been any changes in the Foundation's financial instrument exposure from the prior year.