

**THE HEART OF HASTINGS HOSPICE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

**THE HEART OF HASTINGS HOSPICE
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FOR THE YEAR ENDED MARCH 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Heart of Hastings Hospice

Qualified Opinion

We have audited the financial statements of HEART OF HASTINGS HOSPICE, which comprise the statement of financial position as at March 31, 2021, and the statements of changes in fund balances, operations 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 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 Organization as at March 31, 2021, 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.

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 charitable organizations, HEART OF HASTINGS HOSPICE derives revenue from donations and fundraising, 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 donations and fundraising revenue, excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2021 and 2020, current assets as at March 31, 2021 and 2020 and net assets as at April 1 and March 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation on scope.

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 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.

Picton, Ontario
June 21, 2021

Welch LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

THE HEART OF HASTINGS HOSPICE
(Incorporated under the laws of Ontario)
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

| ASSETS | Residential Fund \$ | Volunteer Visiting Fund \$ | Special Programs Fund \$ | 2021 \$ | 2020 \$ |
|--|---------------------------|----------------------------------|--------------------------------|------------------|------------------|
| CURRENT | | | | | |
| Cash | 118,679 | - | 19,775 | 138,454 | 84,070 |
| Term deposits | 462,937 | - | - | 462,937 | 307,121 |
| Accounts receivable | 13,107 | - | - | 13,107 | 400 |
| Sales tax rebate receivable | 7,473 | - | - | 7,473 | 3,099 |
| Prepaid event expenditures | 17,937 | - | - | 17,937 | 13,580 |
| | <u>620,133</u> | <u>-</u> | <u>19,775</u> | <u>639,908</u> | <u>408,270</u> |
| TANGIBLE CAPITAL ASSETS (note 2) | | | | | |
| Cost | 476,324 | - | - | 476,324 | 461,716 |
| Accumulated amortization | <u>(205,630)</u> | <u>-</u> | <u>-</u> | <u>(205,630)</u> | <u>(180,464)</u> |
| | <u>270,694</u> | <u>-</u> | <u>-</u> | <u>270,694</u> | <u>281,252</u> |
| | <u>890,827</u> | <u>-</u> | <u>19,775</u> | <u>910,602</u> | <u>689,522</u> |
| LIABILITIES | | | | | |
| CURRENT | | | | | |
| Accounts payable and accrued liabilities | 47,026 | - | - | 47,026 | 31,114 |
| Deferred event revenue | 30,233 | - | 19,775 | 50,008 | 17,100 |
| | <u>77,259</u> | <u>-</u> | <u>19,775</u> | <u>97,034</u> | <u>48,214</u> |
| LONG TERM | | | | | |
| Deferred revenue capital (note 3) | 199,817 | - | - | 199,817 | 217,097 |
| Deferred capital expansion fund (note 3) | 50,504 | - | - | 50,504 | 13,504 |
| Loan payable (note 4) | 40,000 | - | - | 40,000 | - |
| | <u>290,321</u> | <u>-</u> | <u>-</u> | <u>290,321</u> | <u>230,601</u> |
| FUND BALANCES | | | | | |
| Unrestricted | 523,247 | - | - | 523,247 | 410,707 |
| Restricted | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>523,247</u> | <u>-</u> | <u>-</u> | <u>523,247</u> | <u>410,707</u> |
| | <u>890,827</u> | <u>-</u> | <u>19,775</u> | <u>910,602</u> | <u>689,522</u> |

Approved by:

Director

Director

The accompanying notes form an
integral part of these financial statements

Welch LLP^o

An Independent Member of BKR International

THE HEART OF HASTINGS HOSPICE
STATEMENT OF CHANGES IN FUND BALANCES
ALL FUNDS
FOR THE YEAR ENDED MARCH 31, 2021

| <u>FUND BALANCES</u> | Residential Fund \$ | Volunteer Visiting Fund \$ | Special Programs Fund \$ | 2021 \$ | 2020 \$ |
|---|---------------------------|----------------------------------|--------------------------------|----------------|----------------|
| BEGINNING OF YEAR | 410,707 | - | - | 410,707 | 346,648 |
| Excess (deficiency) of revenue over expenditures | 98,117 | 14,423 | - | 112,540 | 64,059 |
| Interfund receipts (contributions) | 14,423 | (14,423) | - | - | - |
| END OF YEAR | <u>523,247</u> | <u>-</u> | <u>-</u> | <u>523,247</u> | <u>410,707</u> |

The accompanying notes form an
integral part of these financial statements

THE HEART OF HASTINGS HOSPICE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDING MARCH 31, 2021

| | Residential Fund \$ | Volunteer Visiting Fund \$ | Special Programs Fund \$ | 2021 \$ | 2020 \$ |
|--|---------------------------|----------------------------------|--------------------------------|----------------|----------------|
| REVENUES | | | | | |
| Government of Canada (note 10) | 67,619 | 53,535 | - | 121,154 | 5,631 |
| South East Local Health Integration Network -Contracted visiting hospice services | - | 109,288 | - | 109,288 | 148,044 |
| Ontario Trillium Foundation | - | - | 18,325 | 18,325 | - |
| Other private foundation support | 1,155 | 300 | - | 1,455 | 16,109 |
| Donations | 42,574 | - | - | 42,574 | 75,081 |
| Deferred capital donations | 21,291 | 1,470 | - | 22,761 | 19,228 |
| Rent | 10,200 | - | - | 10,200 | 8,400 |
| Municipal grants (note 11) | 15,000 | - | - | 15,000 | - |
| Fundraising and interest | 131,269 | - | - | 131,269 | 194,986 |
| | <u>289,108</u> | <u>164,593</u> | <u>18,325</u> | <u>472,026</u> | <u>467,479</u> |
| EXPENDITURES | | | | | |
| Advertising and recruitment | 526 | - | - | 526 | 2,563 |
| Amortization | 24,804 | 1,491 | - | 26,295 | 24,455 |
| Bookkeeping and host fees | - | - | - | - | 78 |
| Fundraising expenses | 12,524 | - | - | 12,524 | 48,804 |
| House repair and maintenance | 14,730 | - | - | 14,730 | 15,315 |
| Insurance | 3,160 | 1,628 | - | 4,788 | 4,701 |
| Interest and bank charges | 106 | - | - | 106 | 5 |
| Memberships | - | 2,674 | - | 2,674 | 1,483 |
| Office | 2,724 | 9,887 | - | 12,611 | 21,474 |
| Professional fees | 3,419 | 7,015 | - | 10,434 | 10,724 |
| Rent | - | 10,200 | - | 10,200 | 8,400 |
| Staff expenses | 15,867 | 6,819 | 7,067 | 29,753 | 20,891 |
| Telephone | - | 1,845 | - | 1,845 | 3,606 |
| Volunteer expenses | - | 464 | - | 464 | 8,573 |
| Wages and benefits | 113,131 | 108,147 | 11,258 | 232,536 | 232,348 |
| | <u>190,991</u> | <u>150,170</u> | <u>18,325</u> | <u>359,486</u> | <u>403,420</u> |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | <u>98,117</u> | <u>14,423</u> | <u>-</u> | <u>112,540</u> | <u>64,059</u> |

The accompanying notes form an
integral part of these financial statements

Welch LLP[†]

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THE HEART OF HASTINGS HOSPICE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021

| | 2021 \$ | 2020 \$ |
|---|-----------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Excess revenues over expenditures | 112,540 | 64,059 |
| Adjustment for: | | |
| Amortization of tangible capital assets | 26,295 | 24,455 |
| Amortization of deferred revenue capital | <u>(22,761)</u> | <u>(19,228)</u> |
| | 3,534 | 5,227 |
| Changes in non-cash working capital components: | | |
| Accounts receivable | (12,707) | 1,800 |
| Funding receivable | - | - |
| Sales tax rebate receivable | (4,374) | 10,520 |
| Prepaid expenditures | (4,357) | 4,509 |
| Accounts payable and accrued liabilities | 15,912 | 579 |
| Deferred revenue | 32,908 | 2,015 |
| Deferred revenue - caregiver program | 42,346 | 18,951 |
| Debt forgiveness recognized | <u>(20,000)</u> | <u>-</u> |
| Net cash from operating activities | <u>165,802</u> | <u>107,660</u> |
| CASH FLOWS FOR INVESTING ACTIVITIES | | |
| Purchase of tangible capital assets | (18,714) | (5,602) |
| Disposal of asset, net of amortization and loss on disposal | 3,112 | - |
| Net cash used by investing activities | <u>(15,602)</u> | <u>(5,602)</u> |
| CASH FLOWS FOR FINANCING ACTIVITIES | | |
| Term deposits | (155,816) | (202,130) |
| Loan payable | 60,000 | - |
| Net cash used by financing activities | <u>(95,816)</u> | <u>(202,130)</u> |
| NET INCREASE (DECREASE) IN CASH FOR THE YEAR | 54,384 | (100,072) |
| CASH - BEGINNING OF YEAR | <u>84,070</u> | <u>184,142</u> |
| CASH - END OF YEAR | <u>138,454</u> | <u>84,070</u> |
| Cash consists of: | | |
| Unrestricted - Cash | 138,454 | 84,070 |

The accompanying notes form an
integral part of these financial statements

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THE HEART OF HASTINGS HOSPICE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

PURPOSE OF THE ORGANIZATION

The Heart of Hastings Hospice (Hospice) was incorporated on January 31, 1991 without share capital under the laws of Ontario, its activities to be carried out without the purpose of gain for its members. Hospice is a non-profit, volunteer based organization, and registered as a charity under section 149(1) of the Canada Income Tax Act. Accordingly, Hospice is exempt from income taxes, and is eligible to issue official income tax receipts for charitable activities.

The Hospice's mandate is to provide palliative and bereavement support to families and individuals of all ages in Hastings County who are facing life-limiting illness.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The following policies are significant to Hospice:

a) FUND ACCOUNTING

Fund accounting involves accounting segregation, although not necessarily a physical segregation of resources.

The organization uses fund accounting under the restricted method to record and report its transactions whereby:

- i. The Residential Hospice Fund accounts for contributions, donations, bequests and fundraising revenues to be used at the discretion of the organization for expenses to support the ongoing operations of the Hospice. This fund may include internally and externally restricted resources. Unrestricted resources are often utilized to meet the unfunded requirements of the Volunteer Visiting Fund.
- ii. The Volunteer Visiting Fund is used to provide core agency services to assist individuals and their families facing life-limiting illness. The cost of this service is funded in part by the South East Local Health Integration Network (SE LHIN) and received by Hospice via the terms of a memorandum of understanding (MOU) agreement with Quinte Healthcare Corporation (QHC) (note 8).
- iii. Special Programs Fund is comprised of specific program funding and is provided through agreements not associated with the MOU between Hospice and QHC. Expenditures are externally restricted as specified by funding agreements.

Net assets may be internally or externally restricted. External restrictions are imposed from outside the organization. Internal restrictions are imposed in a formal manner by the Hospice, usually by resolution of the board of directors.

**THE HEART OF HASTINGS HOSPICE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) REVENUE RECOGNITION

- i. Contributions are recognized as revenue in the related fund when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.
- ii. Deferred revenue is program funding received which relates to future years' operations and which will be recognized as revenues in the year in which the related program expenditures are incurred.

c) PLEDGES AND BEQUESTS

Pledges and bequests are not recognized as revenue until received.

d) MINISTRY TRANSFERS

Approved Ministry transfers for the over or under payment of grants are recorded upon completion or maturity of the funding contract and presented separately from other liabilities within these statements as amounts Due to Ministry.

e) DONATED SUPPLIES

Contributions of materials are recorded only when such materials have a fair value that can be reasonably estimated and when those materials would have otherwise been purchased in the support of normal operating activities of Hospice.

f) DONATED SERVICES

Hospice receives services donated by citizens interested in the organization's program. The kinds of services provided generally involve the contribution of time. Because of the difficulty in assigning values for such services, these items are not reflected in the financial statements.

g) EXPENDITURE ALLOCATIONS

Expenditures are allocated entirely to specific programs and funds when circumstances are such that the expense is fully attributable to the approved expenditure within that funding budget. In all other circumstances, management applies a ratio to the expense based on the nature of the expenses and a rationale that considers the value of the expense to a specific fund.

h) GOVERNMENT ASSISTANCE

Due to Covid-19 the Government of Canada has implemented the Covid-19 Economic Response Plan.

Under the plan, the organization is eligible for the Canada Emergency Wage Subsidy ("CEWS") in which Canadian businesses impacted by Covid-19 may be eligible for wage subsidies for up to 75% of eligible employees' remuneration from March 15 to December 19, 2020, subject to the business demonstrating eligible revenue reductions. On October 14, 2020 the Government of Canada announced that it would be extending the CEWS program until June 2021. The organization will continue to monitor its eligibility for the subsidy.

THE HEART OF HASTINGS HOSPICE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

1. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

i) **TANGIBLE CAPITAL ASSETS AND AMORTIZATION**

Hospice records capital expenditures with externally restricted funds initially at cost and records amortization in accordance with ASNFPPO and based on Appendix J of the Ministry of Health and Long-term Care amortization schedules.

Amortization is taken from the date the tangible capital assets are put into use, in accordance with the prescribed estimated life of the asset and is distributed as an expense to the Hospice fund that accounts for the functional centre that benefitted from the use of the asset.

As of March 31, 2021, Hospice has used the following tangible capital asset categories to record assets acquired and are amortized at the following rates:

| | <u>Useful life</u> | <u>Amortization method</u> |
|-------------------------|--------------------|----------------------------|
| Building & improvements | 20 years | Straight line method |
| Furniture & equipment | 5 years | Straight line method |

j) **USE OF ESTIMATES**

The preparation of financial statements requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statement in future periods could be significant.

These estimates are based on management's best knowledge of current events and actions that Hospice may undertake in the future.

Significant items subject to such estimates and assumptions include valuation of accounts receivable, prepaid expenditures, useful life of tangible capital assets, accounts payable and accrued liabilities. Actual results could differ from those estimates.

Differences in actual results from prior estimates are taken into account at the time the differences are determined.

k) **FINANCIAL INSTRUMENTS**

Hospice initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost, with the exception of cash which is measured at fair value.

The financial assets subsequently measured at amortized cost include accounts receivable.

The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

THE HEART OF HASTINGS HOSPICE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

2. TANGIBLE CAPITAL ASSETS

Tangible capital asset balances are comprised of the following:

| | 2021 | | 2020 | |
|-------------------------|----------------|-----------------------------------|----------------|-----------------------------------|
| | Cost \$ | Accumulated amortization \$ | Cost \$ | Accumulated amortization \$ |
| Land | 45,000 | - | 45,000 | - |
| Building & improvements | 365,246 | 165,228 | 365,246 | 146,966 |
| Furniture & equipment | 66,078 | 40,402 | 51,470 | 33,498 |
| | <u>476,324</u> | <u>205,630</u> | <u>461,716</u> | <u>180,464</u> |
| Net book value | | <u>270,694</u> | | <u>281,252</u> |

Assets currently in use have been acquired with funds generated by the Residential Hospice Fund.

3. DEFERRED REVENUE CAPITAL and DEFERRED CAPITAL EXPANSION FUND

Grants received for the purpose of acquiring or improving tangible capital assets are recorded as deferred revenue capital. These contributions are recognized over the useful lives of the assets purchased. The amortization of deferred revenue capital is recorded as revenue in the statement of operations in the year to which it applies.

Deferred capital contributions consist of the following:

| | <u>2021</u> | <u>2020</u> |
|--|-----------------|-----------------|
| | \$ | \$ |
| Balance, beginning of year | 217,097 | 230,878 |
| Contributions during the year | 5,346 | 5,447 |
| Less: deferred capital reversed due to disposal of asset | (2,865) | - |
| Less: amortization of deferred capital contributions | <u>(19,761)</u> | <u>(19,228)</u> |
| Balance, end of year | <u>199,817</u> | <u>217,097</u> |

During the year, the Hospice received a grant in the amount of \$15,000 to be used towards increasing the capacity of the Hospice.

Deferred capital expansion fund consist of the following:

| | <u>2021</u> | <u>2020</u> |
|--|----------------|----------------|
| | \$ | \$ |
| Balance, beginning of year | 13,504 | - |
| Contributions during the year | 40,000 | 15,000 |
| Less: amortization of deferred capital contributions | <u>(3,000)</u> | <u>(1,496)</u> |
| Balance, end of year | <u>50,504</u> | <u>13,504</u> |

**THE HEART OF HASTINGS HOSPICE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

4. LOAN PAYABLE

During the year, the Company received \$60,000 loan under the provisions of the Canada Emergency Business Account ("CEBA"). The program was launched by the Government of Canada to provide financing to qualifying small businesses and not-for-profit organizations to ease the financial strain experienced as a result of the COVID-19 pandemic.

The loan, which was provided by TD Bank, is non-interest bearing, unsecured and guaranteed by the Government of Canada. Repayment of principal is not required before December 31, 2022 and loan payments can be made at any time without fees or penalties. If Hospice has paid 75% of the loan amount prior to December 31, 2022, the lender will forgive the remaining \$20,000 balance of the loan.

Any outstanding balance remaining at January 1, 2023 will be converted into a 3-year term loan bearing interest at a rate of 5% per annum, payable monthly. Any remaining balance on the loan will be repayable in full on December 31, 2025.

5. PRIOR YEAR RECOVERIES

Contractual agreements with other funding sources may include spending restrictions and completion deadlines occurring at various points in time during the year. Each contract's spending requirements are considered on its own merit with any resulting recoveries to be recorded at the time the amounts are requested by the respective funding source. Unspent funds from funding sources other than the SE LHIN are recorded as deferred revenue until requested by the funder or permission to reallocate the funds for another purpose is obtained.

6. ECONOMIC DEPENDENCE

The Volunteer Visiting Program Fund (see page 6) is dependent on the SE LHIN and fundraising revenues contributed by the Residential Fund for its income, and accordingly may be economically dependent for the continuation of its operations on funding from these sources.

SE LHIN (through MOU with QHC) (note 8) does not contract with Hospice with the intent to fully fund the Volunteer Visiting Program Fund activities. Any unfunded portion of this program's expenditures are expected to be paid with fundraising efforts and other support provided by the Hospice.

For the fiscal year ending March 31, 2021, the Volunteer Visiting Program Fund received 77% of its funding from the SE LHIN (through QHC) and 23% of its funding from fundraising efforts accounted for by the Residential Fund. In the previous year 68% of its revenues was provided by SE LHIN and 32% of its revenue was provided by the Residential Fund.

THE HEART OF HASTINGS HOSPICE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

7. FINANCIAL INSTRUMENTS

Hospice is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's significant risk exposures and concentrations at March 31, 2021.

Liquidity risk

Liquidity risk is the risk that Hospice will not have sufficient cash resources to meet its financial obligations as they come due in the normal course of business. Hospice manages its liquidity risk by monitoring its operating cash flow requirements to ensure financial resources are available.

Other risks

Due to the nature of the operations, the organization is not exposed to significant credit, currency, interest rate or market risks.

Changes in risk

There have been no changes in the Hospice's risk exposures from the prior year for any of the above risks.

8. FUNDING AGREEMENTS

Under a Memorandum of Understanding dated March 25, 2014, QHC contracted with Hospice to provide Visiting Hospice Services. The agreement establishes each parties responsibilities and shall be reviewed every 24 months, and may be extended or amended upon written request of either of the organizations and the subsequent written concurrence of the other. The agreement was extended for another two years effective March 2016.

Effective March 2018 the agreement was extended on a continuous basis while the current funding is under review.

9. UNCERTAINTY DUE TO THE ECONOMIC CONSEQUENCES OF THE CORONAVIRUS DISEASE (COVID-19) OUTBREAK

In Mid-March of 2020, the province of Ontario declared a state of emergency in response to public health concerns originating from the spread of the coronavirus disease. Those measures included travel restrictions and social distancing requirements which included a call to avoid crowded places and non-essential gatherings. On December 26, 2020 was the start of another stay at home order for Ontario related to COVID 19. This order lasted until February 10, 2021. At the time of issuing these financial statements the financial impact of these actions on the future operations of The Heart of Hastings Hospice is not yet known.

**THE HEART OF HASTINGS HOSPICE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

10. GOVERNMENT ASSISTANCE

As at March 31, 2021, the organization was entitled to \$85,238 under the Canada Emergency Wage Subsidy (CEWS). The organization received \$79,214 from the CEWS program and recorded the additional \$6,024 under accounts receivable. There are no unfulfilled conditions attached to the CEWS, and as such the organization has recorded the full amount of this subsidy as income.

Revenues from the Government of Canada consist of the following:

| | <u>2021</u> | <u>2020</u> |
|---|----------------|--------------|
| | \$ | \$ |
| Summer student | 916 | 5,631 |
| Canada Emergency Wage Subsidy | 85,238 | - |
| New Horizons Grant - Dining About Dying | 15,000 | - |
| CEBA - debt forgiveness | 20,000 | - |
| | <u>121,154</u> | <u>5,631</u> |

11. MUNICIPAL GRANTS

Provincial and municipal grants consist of the following:

| | <u>2021</u> | <u>2020</u> |
|---------------------------------|---------------|--------------|
| | \$ | \$ |
| Township of Madoc | 5,000 | 5,631 |
| Municipality of Tweed | 5,000 | - |
| Municipality of Centre Hastings | 5,000 | - |
| | <u>15,000</u> | <u>5,631</u> |

THE HEART OF HASTINGS HOSPICE
SCHEDULE OF FUND OPERATIONS
RESIDENTIAL HOSPICE FUND
FOR THE YEAR ENDING MARCH 31, 2021

| | 2021 | 2020 |
|--|----------------|----------------|
| | \$ | \$ |
| REVENUES | | |
| Government of Canada | 67,619 | 5,631 |
| Private Foundation support | 1,155 | 16,109 |
| Rent | 10,200 | 8,400 |
| Donations | 42,574 | 75,081 |
| Deferred capital donations | 21,291 | 18,142 |
| Municipal grants | 15,000 | - |
| Fundraising and interest | 131,269 | 194,986 |
| | <u>289,108</u> | <u>318,349</u> |
| EXPENDITURES | | |
| Advertising and recruitment | 526 | 2,563 |
| Amortization | 24,804 | 23,326 |
| Fundraising expenses | 12,524 | 48,804 |
| House repair and maintenance | 14,730 | 15,315 |
| Insurance | 3,160 | 3,103 |
| Interest and bank charges | 106 | - |
| Office | 2,724 | 3,222 |
| Professional fees | 3,419 | 3,577 |
| Staff expenses | 15,867 | 3,218 |
| Wages and benefits | 113,131 | 87,972 |
| | <u>190,991</u> | <u>191,100</u> |
| EXCESS OF REVENUE OVER EXPENDITURES | <u>98,117</u> | <u>127,249</u> |

The accompanying notes form an
integral part of these financial statements

THE HEART OF HASTINGS HOSPICE
SCHEDULE OF FUND OPERATIONS
VOLUNTEER VISITING PROGRAM FUND
FOR THE YEAR ENDING MARCH 31, 2021

| | 2021 | 2020 |
|--|----------------|-----------------|
| | \$ | \$ |
| REVENUE | | |
| Government of Canada | 53,535 | - |
| Contracted Visiting Hospice services | | |
| - Annual contract | 109,288 | 148,044 |
| Private Foundation support | 300 | 1,086 |
| Deferred capital donations | 1,470 | - |
| | <u>164,593</u> | <u>149,130</u> |
| EXPENDITURES | | |
| Amortization | 1,491 | 1,129 |
| Bookkeeping and hosting fees | - | 78 |
| Insurance | 1,628 | 1,598 |
| Interest and bank charges | - | 5 |
| Memberships | 2,674 | 1,483 |
| Office, printing and postage | 9,887 | 18,252 |
| Professional fees | 7,015 | 7,147 |
| Rent | 10,200 | 8,400 |
| Staff expenditures: | | |
| Training and recognition | 6,819 | 17,673 |
| Telephone | 1,845 | 3,606 |
| Volunteer expenditures: | | |
| Travel, training and recognition | 464 | 8,573 |
| Wages and benefits | 108,147 | 144,376 |
| | <u>150,170</u> | <u>212,320</u> |
| DEFICIENCY OF REVENUE OVER EXPENDITURES | <u>14,423</u> | <u>(63,190)</u> |

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integral part of these financial statements

Welch LLP

An Independent Member of BKR International

THE HEART OF HASTINGS HOSPICE
SCHEDULE OF FUND OPERATIONS
SPECIAL PROGRAMS FUND
FOR THE YEAR ENDED MARCH 31, 2021

| | 2021 \$ | 2020 \$ |
|---|---------------|------------|
| REVENUE | | |
| Ontario Trillium Foundation | 18,325 | - |
| | <u>18,325</u> | <u>-</u> |
| EXPENDITURES | | |
| Ontario Trillium Foundation | | |
| Staff expenditures | 7,067 | - |
| Wages and benefits | 11,258 | - |
| | <u>18,325</u> | <u>-</u> |
| EXCESS REVENUE OVER EXPENDITURES | <u>-</u> | <u>-</u> |

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integral part of these financial statements