

Financial Statements of

**HOSPICE CARE OTTAWA  
/ LA MAISON DE SOINS  
PALLIATIFS D'OTTAWA**

And Independent Auditor's Report thereon

Year ended March 31, 2024



**KPMG LLP**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Hospice Care Ottawa / La Maison de soins palliatifs d'Ottawa

### **Qualified Opinion**

We have audited the financial statements of Hospice Care Ottawa / La Maison de soins palliatifs d'Ottawa (the Organization), which comprise:

- the statement of financial position as at March 31, 2024
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the "**Basis for Qualified Opinion**" section of our auditor's report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024 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**

In common with many not-for-profit organizations, the Organization derives revenue from donations, 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 Organization.

Therefore, we were not able to determine whether, as at and for the year ended March 31, 2024 and 2023, any adjustments might be necessary to donation revenues and excess (deficiency) of revenue over expenditures reported in the statements of operations, excess (deficiency) of revenue over expenditures reported in the statements of cash flows and current assets and unrestricted net assets reported in the statements of financial position.

Our opinion on the financial statements for the year ended March 31, 2024 was qualified accordingly because of the possible effects of this limitation in scope.



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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 auditor's 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.

### ***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 the 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.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Kanata, Canada

June 27, 2024

# HOSPICE CARE OTTAWA / LA MAISON DE SOINS PALLIATIFS D'OTTAWA

Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024	2023
<b>Assets</b>		
Current assets:		
Cash	\$ 2,239,450	\$ 3,592,899
Amounts receivable	111,332	499,043
Investments (note 2)	1,506,349	-
Inventory	500	500
Prepaid expenses	49,614	42,288
	<u>3,907,245</u>	<u>4,134,730</u>
Tangible capital assets (note 3)	8,763,243	8,351,118
	<u>\$ 12,670,488</u>	<u>\$ 12,485,848</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 859,700	\$ 716,664
Deferred contributions	511,164	429,936
Current portion of mortgage payable (note 7)	85,735	82,493
	<u>1,456,599</u>	<u>1,229,093</u>
Deferred contributions related to tangible capital assets (note 5)	155,837	208,987
Deferred Hospice Ottawa West contributions (note 6)	2,891,280	3,308,429
Mortgage payable (note 7)	1,977,900	2,062,494
	<u>6,481,616</u>	<u>6,809,003</u>
Net assets:		
Invested in tangible capital assets	3,652,491	2,688,715
Unrestricted	2,246,381	2,698,130
Internally restricted (note 8)	290,000	290,000
	<u>6,188,872</u>	<u>5,676,845</u>
	<u>\$ 12,670,488</u>	<u>\$ 12,485,848</u>

See accompanying notes to financial statements.

On behalf of the Board:

Wendy Nickle Director

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Director

# HOSPICE CARE OTTAWA / LA MAISON DE SOINS PALLIATIFS D'OTTAWA

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On behalf of the Board:

  
\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# HOSPICE CARE OTTAWA / LA MAISON DE SOINS PALLIATIFS D'OTTAWA

Statement of Operations

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Provincial Bed Funding	\$ 3,492,186	\$ 3,224,220
Provincial Community Program Funding	1,261,582	1,099,130
Donations	2,367,920	2,043,399
Events	384,339	338,154
Other	146,114	71,873
	<u>7,652,141</u>	<u>6,776,776</u>
Expenditures:		
Salaries and benefits	5,207,007	5,188,746
General administration	559,822	308,567
Facility	474,956	311,683
Amortization of tangible capital assets	470,097	448,200
Program administration	291,374	246,364
Interest	82,130	90,578
Fund development - general	31,077	3,162
Education	23,651	16,256
	<u>7,140,114</u>	<u>6,613,556</u>
<u>Excess of revenue over expenditures</u>	<u>\$ 512,027</u>	<u>\$ 163,220</u>

See accompanying notes to financial statements.

# HOSPICE CARE OTTAWA / LA MAISON DE SOINS PALLIATIFS D'OTTAWA

Statement of Changes in Net Assets

Year ended March 31, 2024, with comparative information for 2023

	Invested in tangible capital assets	Unrestricted	Internally restricted	2024 Total	2023 Total
Net assets, beginning of year	\$ 2,688,715	\$ 2,698,130	\$ 290,000	\$ 5,676,845	\$ 5,513,625
Excess of revenue over expenditures	-	512,027	-	512,027	163,220
Tangible capital asset additions	882,222	(882,222)	-	-	-
Amortization of tangible capital assets	(470,097)	470,097	-	-	-
Amortization of deferred contributions related to tangible capital assets (note 5)	53,150	(53,150)	-	-	-
Amortization of Hospice Ottawa West contributions (note 6)	417,149	(417,149)	-	-	-
Repayment of Hospice Ottawa West mortgage payable	81,352	(81,352)	-	-	-
<b>Net assets, end of year</b>	<b>\$ 3,652,491</b>	<b>\$ 2,246,381</b>	<b>\$ 290,000</b>	<b>\$ 6,188,872</b>	<b>\$ 5,676,845</b>

See accompanying notes to financial statements.

# HOSPICE CARE OTTAWA / LA MAISON DE SOINS PALLIATIFS D'OTTAWA

## Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenditures	\$ 512,027	\$ 163,220
Items not involving cash:		
Amortization of tangible capital assets	470,097	448,200
Amortization of deferred contributions related to tangible capital assets	(53,150)	(63,959)
Amortization of deferred Hospice Ottawa West contributions	(417,149)	(421,565)
Changes in non-cash operating working capital:		
Decrease (increase) in amounts receivable	387,711	(275,271)
Decrease in inventory	-	62
Decrease (increase) in prepaid expenses	(7,326)	2,610
Increase in accounts payable and accrued liabilities	143,036	266,335
Increase in deferred contributions	81,228	321,908
	1,116,474	441,540
Financing activities:		
Repayment of mortgage payable	(81,352)	(189,951)
Investing activities:		
Purchase of tangible capital assets	(882,222)	(33,241)
Purchase of investments	(1,506,349)	-
	(2,388,571)	(33,241)
Increase (decrease) in cash	(1,353,449)	218,348
Cash, beginning of year	3,592,899	3,374,551
Cash, end of year	\$ 2,239,450	\$ 3,592,899

See accompanying notes to financial statements.

# HOSPICE CARE OTTAWA / LA MAISON DE SOINS PALLIATIFS D'OTTAWA

Notes to Financial Statements

Year ended March 31, 2024

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Hospice Care Ottawa / La Maison de soins palliatifs d'Ottawa (the "Organization") is a not-for-profit organization incorporated without share capital under the Ontario Business Corporations Act. The Organization provides care and support for all persons diagnosed with a life threatening illness, and for their families. The Organization is a registered charity under the Income Tax Act (Canada) and, as such, is exempt from income taxes and may issue income tax receipts to donors.

## 1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting and include the following significant accounting policies.

### (a) Revenue recognition:

The Organization follows the deferral method of accounting for contributions for not-for-profit organizations.

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

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Events revenue is recognized as revenue in the year in which the related event occurs.

Unrestricted investment income is recognized as revenue when earned. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred.

Contributions received for tangible capital assets are deferred and amortized into revenue over the same term and on the same basis as the related tangible capital asset. Contributions for land are recognized as direct increases in invested in tangible capital assets in the period incurred.

### (b) Inventory:

Inventory is valued at the lower of cost and net realizable value. The cost is determined on a first-in, first-out basis.

# HOSPICE CARE OTTAWA / LA MAISON DE SOINS PALLIATIFS D'OTTAWA

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 1. Significant accounting policies (continued):

### (c) Tangible capital assets:

Tangible capital assets are stated at cost less accumulated amortization. Amortization is provided on the basis of their useful lives using the straight-line method and following annual rates:

Asset	Rate
Buildings	4%
Furniture and equipment	20%
Computer equipment	30%
Leasehold improvements	10%

Donated tangible capital assets are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

The carrying amount of an item of tangible capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

### (d) Expense allocations:

In the statement of operations, the Organization presents its expenses by function. Expenses are recognized in the year incurred and are recorded in the function to which they directly relate.

The Organization does not allocate expenses between function after initial recognition.

### (e) Government assistance:

Government assistance related to current expenses and revenue is included in the determination of the excess of revenue over expenditures for the period. Government assistance related to capital expenditures is recorded as reduction of the cost of the related item of tangible capital assets (or, is deferred and amortized to income on the same basis as the related item of tangible capital asset is depreciated).

# HOSPICE CARE OTTAWA / LA MAISON DE SOINS PALLIATIFS D'OTTAWA

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 1. Significant accounting policies (continued):

### (f) Contributed material and services:

Contributed materials and services which are used in the normal course of the Organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

Volunteers contributed 40,827 hours in the current period to assist the Organization in carrying out its service delivery activities. Because of the difficulty of determining fair value, volunteer hours are not recognized in the financial statements.

### (g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has not elected to carry any such financial instruments at fair value.

Financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

### (h) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. These estimates are reviewed annually and, as adjustments become necessary, they are recognized in the financial statements in the period they become known.

# HOSPICE CARE OTTAWA / LA MAISON DE SOINS PALLIATIFS D'OTTAWA

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 2. Investments:

The Organization's investments consist of guaranteed investment certificates, bearing interest at rates ranging from 5.00% to 5.65%.

## 3. Tangible capital assets:

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 1,683,937	\$ -	\$ 1,683,937	\$ 1,683,937
Buildings	8,732,315	2,226,593	6,505,722	6,319,830
Furniture and equipment	978,786	755,429	223,357	84,748
Computer equipment	219,603	174,401	45,202	41,540
Leasehold improvements	969,371	805,145	164,226	221,063
Assets not in use	140,799	-	140,799	-
	<b>\$ 12,724,811</b>	<b>\$ 3,961,568</b>	<b>\$ 8,763,243</b>	<b>\$ 8,351,118</b>

Cost and accumulated amortization at March 31, 2023 amounted to \$11,842,589 and \$3,491,471, respectively.

## 4. Accounts payable and accrued liabilities:

	2024	2023
Trade payables	\$ 783,865	\$ 600,069
Payroll remittances payable	2,853	44,823
WSIB payable	5,844	4,634
Canada emergency wage subsidy payable	67,138	67,138
	<b>\$ 859,700</b>	<b>\$ 716,664</b>

# HOSPICE CARE OTTAWA / LA MAISON DE SOINS PALLIATIFS D'OTTAWA

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 5. Deferred contributions related to tangible capital assets:

	2024	2023
Balance, beginning of year	\$ 208,987	\$ 272,946
Amortization of deferred tangible capital asset contributions	(53,150)	(63,959)
	\$ 155,837	\$ 208,987

## 6. Deferred Hospice Ottawa West contributions:

In 2013, the Organization launched a building campaign, known as Hospice Ottawa West, to raise funds for the purchase and construction of the Ruddy-Shenkman Hospice, a permanent hospice home. The campaign was facilitated by the Bruyère Foundation. The purchase of the land occurred in 2014 and the construction of the Hospice commenced in 2014. Total contributions received to March 31, 2024 amount to \$5,592,764 (2023 - \$5,592,764). The contributions received for the Ruddy-Shenkman Hospice are being recorded in a separate account.

The changes to the deferred Hospice Ottawa West contributions balance are as follows:

	2024	2023
Balance, beginning of year	\$ 3,308,429	\$ 3,729,994
Less: Amortization of Hospice Ottawa West contributions	(417,149)	(421,565)
Balance, end of year	\$ 2,891,280	\$ 3,308,429

# HOSPICE CARE OTTAWA / LA MAISON DE SOINS PALLIATIFS D'OTTAWA

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 7. Mortgage payable:

	2024	2023
3.93% mortgage, payable \$13,623 monthly including principal and interest due March 2028	\$ 2,063,635	\$ 2,144,987

The credit facility agreement is secured by a general security agreement and a first ranking mortgage of land registered against a property owned by the Organization in the amount of \$6,915,000. The carrying value of the building is \$6,505,722 (2023 - \$6,319,830).

The principal repayments due in the next four years are as follows:

2025	\$ 85,735
2026	89,104
2027	92,606
2028	1,796,190
	\$ 2,063,635

## 8. Internally restricted net assets:

	Balance, beginning of year	Restricted in the year	Used in the year	Balance, end of year
Other reserve	\$ 290,000	\$ -	\$ -	\$ 290,000

Internally restricted net assets are funds committed for specific purposes, which reflect the application of the Organization's reserve policy as follows:

- i. The other reserve was established as a source of funds to cover the cost of future capital projects.

The internally restricted amounts are not available for other purposes without Board approval.

# HOSPICE CARE OTTAWA / LA MAISON DE SOINS PALLIATIFS D'OTTAWA

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 9. Financial risks and concentration of risk:

### (a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Organization is exposed to credit risk with respect to accounts receivable. The Organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Organization at March 31, 2024 is the carrying value of those assets.

### (b) Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budgets and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

### (c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

#### (i) Interest rate risk:

Interest rate risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization's credit facility has a variable interest rate based on bank prime rate plus a margin. As a result, the Organization is exposed to interest rate risk due to fluctuations in the bank prime rate.

#### (ii) Currency rate 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 Organization is not exposed to currency rate risk as it does not deal in foreign currency.

# HOSPICE CARE OTTAWA / LA MAISON DE SOINS PALLIATIFS D'OTTAWA

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 9. Financial risks and concentration of risk (continued):

### (iii) 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 Organization is not exposed to other price risk.

There have been no significant changes in the Organization's exposure to financial risks and concentration of risks from March 31, 2023.