

HEARTHOUSE HOSPICE INC.

FINANCIAL STATEMENTS

MARCH 31, 2022



CALVIN G VICKERY CPA

PROFESSIONAL CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of HeartHouse Hospice Inc.

Qualified Opinion

I have audited the financial statements of HeartHouse Hospice Inc., which comprise the statement of financial position as at March 31, 2022, and the statements of operations and changes in fund balances and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of HeartHouse Hospice Inc. as at March 31, 2022, 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 not-for profit organizations, the organization derives part of its revenue from the general public in the form of donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded by HeartHouse Hospice Inc., and I was not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses, assets and net assets. The qualification noted existed in both fiscal years ended March 31, 2022 and March 31, 2021. The effects of this qualification on the audited financial statements have not been determined. My audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this scope limitation.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified 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 these financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to a 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 to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (continued)

To the Board of Directors of HeartHouse Hospice Inc.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.



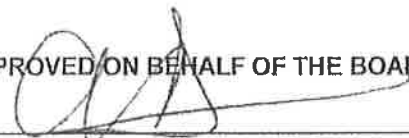
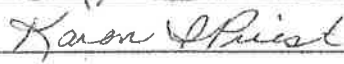
Calvin G Vickery CPA
Professional Corporation,
Authorized to practice public accounting by
the Chartered Professional Accountants of Ontario

Brampton, Ontario
June 29, 2022

HEARTHOUSE HOSPICE INC.
 (INCORPORATED UNDER THE LAWS OF ONTARIO)
STATEMENT OF FINANCIAL POSITION
 AS AT MARCH 31, 2022

	Operating Fund	Residential Hospice Fund	2022	2021
ASSETS				
CURRENT				
Cash in bank	\$ 510,299	\$ 32,670	\$ 542,969	\$ 608,333
Short-term investments (Note 2)	2,040,003	4,417,962	6,457,965	6,422,922
Other receivables (Note 3)	102,407	16,237	118,644	104,972
Receivable from Residential Hospice Fund	35,574	-	35,574	19,625
Prepaid expenses and deposits	111,903	18,190	130,093	95,500
	<u>2,800,186</u>	<u>4,485,059</u>	<u>7,285,245</u>	<u>7,251,352</u>
LONG-TERM INVESTMENTS (Note 4)	-	1	1	1
CAPITAL ASSETS (Note 5)	<u>66,384</u>	<u>128,992</u>	<u>195,376</u>	<u>124,410</u>
	<u>\$ 2,866,570</u>	<u>\$ 4,614,052</u>	<u>\$ 7,480,622</u>	<u>\$ 7,375,763</u>
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities (Note 6)	\$ 310,001	\$ 95	\$ 310,096	\$ 220,380
Payable to the Operating Fund	-	35,574	35,574	19,625
Deferred revenue (Note 7)	146,253	-	146,253	279,908
	<u>456,254</u>	<u>35,669</u>	<u>491,923</u>	<u>519,913</u>
COMMITMENTS (Note 8)				
FUND EQUITY				
Internally restricted funds (Note 9)	436,655	-	436,655	436,655
Residential Hospice Fund	-	4,578,383	4,578,383	4,665,571
Surplus: Operating Fund	1,973,661	-	1,973,661	1,753,625
	<u>2,410,316</u>	<u>4,578,383</u>	<u>6,988,699</u>	<u>6,855,851</u>
	<u>\$ 2,866,570</u>	<u>\$ 4,614,052</u>	<u>\$ 7,480,622</u>	<u>\$ 7,375,764</u>

APPROVED ON BEHALF OF THE BOARD:


 _____ DIRECTOR

 _____ DIRECTOR
 June 28, 2022
 _____ DATE

HEARTHOUSE HOSPICE INC.
(INCORPORATED UNDER THE LAWS OF ONTARIO)
STATEMENT OF OPERATIONS AND FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2022

	Operating Fund (Note 13)	Internally Restricted Fund	Residential Hospice Fund	2022	2021
REVENUE					
Grants (Note 10)	\$ 1,877,506	\$ -	\$ 44,239	\$ 1,921,745	\$ 1,845,462
Donations (Note 11)	191,317	-	30,750	222,067	499,841
Fundraising (Note 11)	234,952	-	-	234,952	47,941
Interest and other investment income	8,286	-	18,910	27,196	84,599
Other income	23,001	-	-	23,001	9,112
	<u>2,335,062</u>	<u>-</u>	<u>93,899</u>	<u>2,428,961</u>	<u>2,486,955</u>
EXPENSES					
Administration (Note 12)	276,668	-	48,407	325,075	300,586
Aging at Home program	-	-	-	-	991
Amortization of capital assets	29,124	-	177	29,301	10,419
Fundraising events	53,711	-	-	53,711	3,951
Program administration	68,072	-	-	68,072	47,148
Public relations	17,739	-	-	17,739	12,970
Salaries and employee benefits	1,640,614	-	132,289	1,772,903	1,579,148
Software and data services	26,268	-	214	26,482	15,603
Other programs	2,830	-	-	2,830	2,150
	<u>2,115,026</u>	<u>-</u>	<u>181,087</u>	<u>2,296,113</u>	<u>1,972,966</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR					
	220,036	-	(87,188)	132,848	513,989
Fund balances, beginning of year	<u>1,753,625</u>	<u>436,655</u>	<u>4,665,571</u>	<u>6,855,851</u>	<u>6,341,862</u>
FUND BALANCES, END OF YEAR					
	<u>\$ 1,973,661</u>	<u>\$ 436,655</u>	<u>\$ 4,578,383</u>	<u>\$ 6,988,699</u>	<u>\$ 6,855,851</u>

See accompanying notes to the financial statements.

HEARTHUSE HOSPICE INC.
 (INCORPORATED UNDER THE LAWS OF ONTARIO)
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 132,848	\$ 513,989
Items not resulting in an outlay or receipt of cash		
Amortization of capital assets	<u>29,301</u>	<u>10,419</u>
	162,149	524,408
Changes in non-cash working capital		
Other receivables	(13,674)	(32,664)
Prepaid expenses and deposits	(34,593)	(2,616)
Accounts payable and accrued liabilities	112,877	15,410
Government remittances payable	-	(614)
Due to MHLHIN	(23,159)	28,200
Deferred revenue	<u>(133,655)</u>	<u>114,341</u>
CASH GENERATED FROM OPERATING ACTIVITIES	<u>69,945</u>	<u>646,465</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of investments	(109,160)	(370,916)
Addition of capital assets	<u>(100,266)</u>	<u>(124,098)</u>
CASH USED IN INVESTING ACTIVITIES	<u>(209,426)</u>	<u>(495,014)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR	(139,481)	151,451
Cash and cash equivalents, beginning of the year	<u>981,170</u>	<u>829,719</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 841,689</u>	<u>\$ 981,170</u>
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash in bank	\$ 542,969	\$ 608,333
CIBC High Interest Savings Account mutual funds (Note 2)	<u>298,720</u>	<u>372,837</u>
	<u>\$ 841,689</u>	<u>\$ 981,170</u>

See accompanying notes to the financial statements.

HEARTHOUSE HOSPICE INC.
(INCORPORATED UNDER THE LAWS OF ONTARIO)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

PURPOSE OF THE ORGANIZATION

HeartHouse Hospice Inc. ("HeartHouse") is a non-profit organization incorporated without share capital under the Ontario Business Corporations Act. HeartHouse is a registered charity under the Income Tax Act and is therefore exempt from income taxes and may issue official donation receipts for income tax purposes. Its principal activities include the provision of home care services and supportive care of the terminally ill.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) in Part III of the CPA Canada Handbook and include the following significant accounting policies:

(a) Fund accounting

The organization follows the restricted fund method of accounting for contributions. The specific purpose of each fund is explained below:

Operating Fund

The Operating fund reports the general revenue and expenses from HeartHouse's operations and other activities of the organization that are not included in any other fund.

Residential Hospice Fund

The Residential Hospice Fund reports revenue raised and related expenses for the development of a planned residential hospice.

Internally Restricted Funds

The Board of Directors has approved the following reserve funds:

Reserve for Operating Costs

As the funding received by HeartHouse is irregular, the Board of Directors has approved the establishment of a reserve to cover future operating costs.

Reserve for Special Expenditures

The Board of Directors has established a reserve to provide funding for certain specified future expenditures.

Inter-fund Transfers

Inter-fund transfers approved by the Board of Directors are recorded as transfers in the year in which the transfer is approved.

(b) Revenue recognition

Restricted contributions received from individuals or organizations for a specific purpose, that are not part of the Residential Hospice Fund, are recognized as revenue in the year in which the related expenses are incurred. When a restricted contribution is received for the purchase of a capital asset in the Operating Fund, the revenue is recognized at the same rate as the amortization of the related asset.

HEARTHOUSE HOSPICE INC.
(INCORPORATED UNDER THE LAWS OF ONTARIO)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - continued

(c) Donated materials and services

Donations of materials are recognized as revenue and as an expense when:

- a fair value can be reasonably estimated;
- the materials are used in the normal course of operations; and
- the organization would have purchased the materials if they had not been contributed.

Donated services are not recognized in the financial statements because of the difficulty in determining their fair value.

(d) Capital assets

Purchased capital assets are recorded at cost, for acquisitions in excess of \$2,500. Contributed capital assets are recorded at fair value at the date of contribution. Asset repairs and maintenance are charged to expense. Betterments which extend the useful life of an asset are capitalized. When a capital asset no longer contributes to HeartHouse's ability to provide services, its carrying value is written down to its residual value.

Amortization is provided on a straight-line basis over the assets' estimated useful lives:

Computer equipment	3 years
Equipment	5 years

(e) Financial instruments

The following policies and assumptions were used to determine the fair value of each class of financial assets and financial liabilities.

Cash, accounts receivable, accounts payable and accrued liabilities:

These financial assets and liabilities are initially measured at fair value. Subsequently, the financial assets and liabilities, with the exception of investments as noted below, are measured at amortized cost.

Investments:

Investments are measured at fair value, determined using quoted values in an active market. Changes in the fair value are recognized in the statement of operations.

HEARTHOUSE HOSPICE INC.
 (INCORPORATED UNDER THE LAWS OF ONTARIO)
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2022

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - continued

(f) Cash and cash equivalents

HeartHouse's policy is to present bank balances under cash and cash equivalents, including short-term investments with a maturity period of three months or less from the date of acquisition.

(g) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have an impact on future periods.

NOTE 2: SHORT-TERM INVESTMENTS

Short-term investments consist of the following:

	2022		2021	
	Market Value	Cost	Market Value	Cost
Operating Fund				
CIBC High Interest Savings Account mutual funds	\$ 296,848	\$ 296,848	\$ 296,095	\$ 296,095
Non-redeemable GICs with various maturity dates between April 27, 2022 and May 3, 2022 (2021 - April 26, 2021 and September 20, 2021) with interest rates of 0.55% (2021 - 0.30% to 0.40%)	153,036	153,036	1,532,760	1,532,760
Redeemable GICs with various maturity dates between June 23, 2022 and September 21, 2022 (2021 - nil) with interest rates ranging from 0.40% to 0.55% (2021 - nil)	1,582,026	1,582,026	-	-
GIC, redeemable, maturing April 26, 2022 (2021 - April 26, 2021) with interest of 0.30% 1.15% (2021 - 1.15%); held as security for the credit cards issued by CIBC	8,093	8,093	8,000	8,000
	<u>\$ 2,040,003</u>	<u>\$ 2,040,003</u>	<u>\$ 1,836,855</u>	<u>\$ 1,836,855</u>

HEARTHOUSE HOSPICE INC.
 (INCORPORATED UNDER THE LAWS OF ONTARIO)
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2022

NOTE 2: SHORT-TERM INVESTMENTS (continued)

	2022		2021	
	Market Value	Cost	Market Value	Cost
Residential Hospice Fund				
CIBC High Interest Savings Account mutual funds	1,872	1,872	76,742	76,742
Non-redeemable GIC with a maturity date of May 3, 2022 (2021 - dates between May 3, 2021 and August 16, 2021) with an interest rate of 0.55% (2021 - rates between 0.30% to 0.40%)	705,613	705,613	4,509,325	4,509,325
Redeemable GICs with various maturity dates between May 11, 2022 and August 16, 2022 (2021 - nil) with interest rates ranging from 0.40% and 0.55% (2021 - nil)	3,710,477	3,710,477	-	-
	<u>\$ 4,417,962</u>	<u>\$ 4,417,962</u>	<u>\$ 4,586,067</u>	<u>\$ 4,586,067</u>
Total short-term investments	<u>\$ 6,457,965</u>	<u>\$ 6,457,965</u>	<u>\$ 6,422,922</u>	<u>\$ 6,422,922</u>

HEARTHOUSE HOSPICE INC.
 (INCORPORATED UNDER THE LAWS OF ONTARIO)
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2022

NOTE 3: OTHER RECEIVABLES

Other receivables consist of the following:

	2022	2021
Operating Fund		
Canada Emergency Rent Subsidy recoverable	\$ 8,559	\$ 2,339
Canada Emergency Wage Subsidy recoverable	72,439	71,669
Harmonized sales tax (HST) recoverable	16,288	21,627
Interest receivable	5,121	787
	<u>\$ 102,407</u>	<u>\$ 96,422</u>
Residential Hospice Fund		
Canada Emergency Wage Subsidy recoverable	\$ -	\$ 3,993
Harmonized sales tax (HST) recoverable	1,533	1,868
Interest receivable	14,704	2,689
	<u>\$ 16,237</u>	<u>\$ 8,550</u>
Total other receivables	<u>\$ 118,644</u>	<u>\$ 104,972</u>

The Government of Canada has given Canadian organizations access to various grant funding in the year to assist with costs related to the COVID-19 pandemic. HeartHouse has received funding under the Canada Emergency Rent Subsidy and Canada Emergency Wage Subsidy during the year (Note 10).

NOTE 4: LONG-TERM INVESTMENTS

Long-term investments consist of the following:

	<u>2022</u>		<u>2021</u>	
	Market Value	Cost	Market Value	Cost
Residential Hospice Fund				
345.6578 Class D Special Shares of Johwel Investments Inc., a private company *	\$ 1	\$ 1	\$ 1	\$ 1
Total long-term investments	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>

* During 2019, HeartHouse received a donation of shares of a private company. The shares may be redeemed over a 3 year period, starting January 2020. As the redemption value of the shares is not determinable until the redemption date, the shares have been valued at \$1.

As of March 31, 2022, HeartHouse has redeemed nil Class D Special Shares (2021 - nil).

HEARTHOUSE HOSPICE INC.
(INCORPORATED UNDER THE LAWS OF ONTARIO)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NOTE 5: CAPITAL ASSETS

Capital assets consist of the following:

	Cost	Accumulated Amortization	Net Book Value 2022	Net Book Value 2021
Operating Fund				
Computer equipment	\$ 96,467	\$ 40,930	\$ 55,537	\$ 67,847
Equipment	43,199	32,352	10,847	12,266
Total capital assets	<u>\$ 139,666</u>	<u>\$ 73,282</u>	<u>\$ 66,384</u>	<u>\$ 80,113</u>
Residential Hospice Fund				
Construction in progress	\$ 128,992	\$ -	\$ 128,992	\$ 44,297
Total capital assets	<u>\$ 268,658</u>	<u>\$ 73,282</u>	<u>\$ 195,376</u>	<u>\$ 124,410</u>

Funding for the purchase of certain capital assets has been provided by various grants and donations to the organization (Note 7).

Construction in progress

During the year, costs have been incurred towards the construction of a residential hospice facility. These costs will be amortized when the facility is complete and in use.

NOTE 6: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	Operating Fund	Residential Hospice Fund	2022	2021
Accounts payable and accrued liabilities	\$ 261,221	\$ 95	\$ 261,316	\$ 148,441
Due to MHLHIN	48,780	-	48,780	71,939
Total accounts payable and accrued liabilities	<u>\$ 310,001</u>	<u>\$ 95</u>	<u>\$ 310,096</u>	<u>\$ 220,380</u>

Under the terms of its funding agreements with the Mississauga Halton Local Health Integration Network ("MHLHIN"), HeartHouse may be required to repay a portion of the grants received if actual expenditures are less than the budgeted expenditures. During 2022, \$48,780 (2021 - \$71,939) was determined to be due to the MHLHIN at year end.

HEARTHOUSE HOSPICE INC.
(INCORPORATED UNDER THE LAWS OF ONTARIO)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NOTE 7: DEFERRED REVENUE

The changes in deferred revenue during the year are as follows:

Purpose of contributions or Contributor	Balance, beginning of year	Additional contributions received	Amortization of deferred contributions	Net change in the year	Balance, end of year
Grants (Note 10)					
The Community Foundation of Mississauga	\$ 20,610	\$ -	\$ 20,610	\$ (20,610)	\$ -
MHLHIN	-	253,815	253,815	-	-
MHLHIN - capital asset purchases	49,279	-	17,274	(17,274)	32,005
Region of Peel	19,571	30,000	36,620	(6,620)	12,951
Region of Peel - capital asset purchases	24,272	-	8,105	(8,105)	16,167
William Pink Family Fund	45,050	8,000	53,050	(45,050)	-
	<u>158,782</u>	<u>291,815</u>	<u>389,474</u>	<u>(97,659)</u>	<u>61,123</u>
Donations (Note 11)					
Capital asset purchases	6,125	-	3,871	(3,871)	2,254
Enersource	4,629	-	1,929	(1,929)	2,700
Miscellaneous donors	2,862	-	384	(384)	2,478
The Baxter International Foundation	19,298	-	19,298	(19,298)	-
	<u>32,914</u>	<u>-</u>	<u>25,482</u>	<u>(25,482)</u>	<u>7,432</u>
Fundraising (Note 11)					
Camp Erin	-	43,876	-	43,876	43,876
Fundraiser events and other	88,212	85,300	139,690	(54,390)	33,822
	<u>88,212</u>	<u>129,176</u>	<u>139,690</u>	<u>(10,514)</u>	<u>77,698</u>
	<u>\$ 279,908</u>	<u>\$ 420,991</u>	<u>\$ 554,646</u>	<u>\$ (133,655)</u>	<u>\$ 146,253</u>

HEARTHOUSE HOSPICE INC.
(INCORPORATED UNDER THE LAWS OF ONTARIO)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NOTE 7: DEFERRED REVENUE - continued

Summary of grants and restricted donations

The Community Foundation of Mississauga (the "Community Foundation")

In July 2020, the Community Foundation approved one-time funding of \$75,000 for the 2020/2021 fiscal year, to support the business case Diverse Communities Initiative: South Asian Community Outreach. The program was completed in the year.

MHLHIN

During the 2020/2021 fiscal year, MHLHIN provided funding to assist with the costs related to the purchase of laptops, monitors, keyboards, and related accessories. The grant is being amortized in the same manner as the underlying capital assets recorded.

Region of Peel (the "Region")

In December 2019, the Region provided additional funding of \$25,000 for Organizational Effectiveness, and \$27,446 for Small Capital Expenses. In December 2020, the Region provided additional funding of \$9,596 for small capital expenses. A portion of these grants was utilized to purchase various computer supplies for the organization. The portion of the grant used for capital asset purchases is being amortized in the same manner as the underlying capital assets recorded. These programs were completed in the fiscal year.

In January 2020, the Region approved a 2 year Core grant for Coordinator of Data Management amounting to \$76,477 receivable in four instalments. This program was completed in the year.

In July 2021, the Region approved a grant to develop an organizational communications plan amounting to \$30,000 received in one instalment. The program will be completed in the 2022/2023 year.

William Pink Family Fund

During 2021, the William Pink Family Fund provided \$45,050 in funding to support the HUUG counselling program. Additional funding of \$8,000 was received in the year. The program was completed in the year.

Capital asset purchases

During 2019, funding was received from the Trillium Foundation to assist with the purchase of audio-visual equipment costs. The grant is being amortized straight-line over 5 years in the same manner as the capital asset is amortized.

During 2018, funding was received from the MHLHIN to assist with the costs related to the renovation of the front entranceway of the office. The grant is being amortized straight-line over 5 years in the same manner as the capital asset is amortized.

Enersource

Enersource provided funding in 2014 to assist in the update of HeartHouse's website, translation of materials and preparation of an outreach package for physicians.

HEARTHOUSE HOSPICE INC.
(INCORPORATED UNDER THE LAWS OF ONTARIO)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NOTE 7: DEFERRED REVENUE - continued

Summary of grants and restricted donations - continued

The Baxter International Foundation

The Baxter International Foundation ("Baxter") provided a two year grant to help defray the costs associated with the Community Education and Wellness program. The term of the grant ran from November 2013 to October 2015. In collaboration with Baxter, the funds remaining from the grant were reallocated to another program and utilized in the year.

Camp Erin

In 2021, HeartHouse agreed to host the annual Camp Erin event to provide bereaved youth campers with:

- (i) a transformational weekend camp experience that combines traditional, fun camp activities with grief education and emotional support, free of charge for all families;
- (ii) a safe method, place and environment where such bereaved youth campers can grieve with peers who have similar life experiences; and
- (iii) coping skills that such bereaved youth campers can use when returning to their regular surroundings.

The camp is to be hosted in June 2022. HeartHouse has entered into funding agreements with various donors in order to raise the necessary funding for the event. The revenue and expenditure budget for the event is set at \$60,000. During the fiscal year, HeartHouse raised \$43,875 for the event and spent \$6,710 in prepaid expenses. After completing the 2022 Camp Erin, HeartHouse intends to relinquish the role of hosting Camp Erin and pass on any available surplus funds to the organization selected to host the camp going forward.

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NOTE 8: LEASE OBLIGATIONS AND OTHER COMMITMENTS

Lease obligations

The organization entered into a lease agreement for the rental of office space for a period of three years, commencing April 1, 2022 continuing to March 31, 2025. The minimum monthly rent under the terms of this lease is \$6,568 plus a proportionate share of the operating costs (estimated at \$1,515 per month) plus taxes.

On January 27, 2019, the organization entered into a lease agreement for office equipment for a term of sixty six months. The quarterly payment for this lease is \$1,281 plus taxes.

The minimum obligations under operating leases for the next three fiscal years are as follows:

	Premises	Office equipment
2023	\$ 96,996	\$ 5,792
2024	\$ 100,560	\$ 5,792
2025	\$ 104,268	\$ 1,930

NOTE 9: INTERNALLY RESTRICTED FUNDS

Internally restricted funds consist of the following:

	2022	2021
Reserve for special expenditures		
- day program	\$ 7,300	\$ 7,300
- translation of hospice materials	5,000	5,000
	<u>12,300</u>	<u>12,300</u>
Reserve for operating expenses	<u>424,355</u>	<u>424,355</u>
Total Internally restricted funds	<u>\$ 436,655</u>	<u>\$ 436,655</u>

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NOTE 10: GRANTS

Grants consist of the following:

	2022	2021
MHLHIN		
Operating	\$ 921,758	\$ 903,073
One-time funding	<u>253,815</u>	<u>254,052</u>
	<u>1,175,573</u>	<u>1,157,125</u>
Other sources		
Canada Emergency Rent Subsidy (Note 3)	35,982	15,194
Canada Emergency Wage Subsidy (Note 3)	479,973	500,020
Community Foundation of Mississauga	19,947	75,000
Government of Canada - summer student Region of Peel	7,527	4,266
William Pink Family Fund	31,619	118,887
RBC Foundation	8,000	45,050
	<u>21,227</u>	<u>-</u>
	<u>1,779,848</u>	<u>1,915,542</u>
 Change in deferred revenue for year (Note 7)		
MHLHIN	17,274	(49,279)
Community Foundation of Mississauga	20,610	(20,610)
Region of Peel	14,724	15,771
William Pink Family Fund	<u>45,050</u>	<u>(45,050)</u>
	<u>97,658</u>	<u>(99,168)</u>
 Total grants revenue - operating	 <u>\$ 1,877,506</u>	 <u>\$ 1,816,374</u>
 Other sources		
Canada Emergency Wage Subsidy (Note 3)	\$ 26,739	\$ 28,985
Region of Peel	<u>17,500</u>	<u>103</u>
 Total grants revenue - residential	 <u>\$ 44,239</u>	 <u>\$ 29,088</u>

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NOTE 11: FUNDRAISING AND DONATIONS

In the Operating Fund, fundraising and donations consist of the following:

	2022	2021
Donations		
Gross donation revenues	\$ 165,835	\$ 465,111
Change in deferred revenue for year (Note 7)	<u>25,482</u>	<u>3,347</u>
	<u>\$ 191,317</u>	<u>\$ 468,458</u>
Fundraising		
Gross fundraising revenues	\$ 224,438	\$ 66,461
Change in deferred revenue for year (Note 7)	<u>10,514</u>	<u>(18,520)</u>
	<u>\$ 234,952</u>	<u>\$ 47,941</u>

NOTE 12: ADMINISTRATION COSTS

Administration costs consist of the following:

	Operating Fund	Residential Hospice Fund	2022	2021
Annual dues and licences	\$ 17,249	\$ -	\$ 17,249	\$ 14,212
Bank charges and fees	5,699	73	5,772	3,675
Building maintenance	3,782	-	3,782	3,561
Insurance	13,559	-	13,559	11,032
Meetings	7,718	8	7,726	3,677
Office supplies and miscellaneous	88,828	2,072	90,900	82,921
Professional fees	14,280	44,910	59,190	52,566
Rent and utilities	88,038	-	88,038	88,243
Staff development	6,166	-	6,166	9,480
Telephone	27,668	1,213	28,881	28,929
Travel	<u>3,681</u>	<u>131</u>	<u>3,812</u>	<u>2,290</u>
Total administration costs	<u>\$ 276,668</u>	<u>\$ 48,407</u>	<u>\$ 325,075</u>	<u>\$ 300,586</u>

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NOTE 13: REVENUE AND EXPENSES BY PROGRAM - Operating Fund

	2022	2021
Revenue		
MHLHIN		
Operations	\$ 921,758	\$ 903,073
One-time funding	253,815	202,230
Aging at Home	17,274	2,543
Fundraising		
Donations	265,594	468,458
Fundraising events	187,478	31,816
Bingo (Note 15)	25,695	16,125
Lottery (Note 16)	21,780	-
Children and Youth Grief Network	2,000	3,187
Other programs	40,554	54,390
Investment income	8,286	17,125
Other government funding	569,825	654,138
Miscellaneous income	21,003	5,769
Total revenue	<u>2,335,062</u>	<u>2,358,854</u>
Expenses		
Program costs		
Caregiver Support	105,394	380,769
Case Management	288,953	275,471
Direct Service	1,422	184
HUUG	182,137	156,178
Volunteer training and outreach	145,288	148,793
Health and Wellness	3,363	4,349
Visiting Hospice	178,608	146,496
South Asian counsellor	70,069	67,016
Children and Youth Grief Network	49,018	8,841
Aging at Home	-	991
	<u>1,024,252</u>	<u>1,189,088</u>
Unallocated costs		
Fundraising	537,498	110,594
Administration	445,303	360,959
Facilities	105,017	101,994
Other	2,956	32,010
	<u>1,090,774</u>	<u>605,557</u>
Total expenses	<u>2,115,026</u>	<u>1,794,645</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 220,036</u>	<u>\$ 564,209</u>

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NOTE 14: HEARTHOUSE HOSPICE FUND

The Community Foundation of Mississauga ("the Foundation") holds and manages funds in a pooled fund on behalf of HeartHouse. In accordance with the agreement with the Foundation the net income earned on these funds is paid to HeartHouse and used to fund programs operated by HeartHouse. Fund balance information is provided on a calendar basis. As at December 31, 2021 the balance held by the Foundation is \$14,971 (December 31, 2020 - \$13,840).

NOTE 15: BINGO STATEMENT OF REVENUE AND EXPENSES

In December 2018, HeartHouse was licensed by the Ontario Lottery and Gaming Corporation to engage in bingo lotteries. The following is a summary of financial information with respect to the receipt and use of proceeds related to bingo activities during the year:

	2022	2021
Revenue	\$ 33,195	\$ 20,125
Expenses		
Administration	-	-
Hospice, Bereavement and HUUG counsellor salaries	37,500	29,000
Program supplies	-	-
Travel	414	1,053
	<u>37,914</u>	<u>30,053</u>
Excess (deficiency) of revenue over expenses	<u>\$ (4,719)</u>	<u>\$ (9,928)</u>

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NOTE 16: LOTTERY STATEMENT OF REVENUE AND EXPENSES

In November 2021, HeartHouse was licensed for a Raffle under licence RAF1226099. The licence permits a series of raffles to be held between November 30, 2021 and November 28, 2022. The following is a summary of financial information with respect to the receipt and use of proceeds during the year:

	2022	2021
Revenue	\$ 19,780	\$ 3,000
Raffle prize	<u>12,640</u>	<u>-</u>
Net lottery proceeds	<u>7,140</u>	<u>3,000</u>
Expenses		
Administration	435	6
HUUG salaries	-	4,000
Program supplies	2,628	2,119
Travel	<u>-</u>	<u>54</u>
	<u>3,063</u>	<u>6,179</u>
Excess (deficiency) of revenue over expenses	<u>\$ 4,077</u>	<u>\$ (3,179)</u>

NOTE 17: FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

HeartHouse carries various forms of financial instruments. It is management's opinion that HeartHouse is not exposed to significant currency, interest rate or credit risks arising from these financial instruments.

NOTE 18: ECONOMIC DEPENDENCE

In the 2022 fiscal year, approximately 51% (2021 - 47%) of the organization's revenues within the operating fund were from grants by the MHLHIN and 18% (2021 - 22%) were from donations and fundraising. Should the funding cease, management is of the opinion that it would be questionable that the organization could continue operating in its present form.

NOTE 19: COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with the current year's financial statement presentation.