

The Bridge Hospice

Financial Statements

March 31, 2021

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Independent Audit Report

To the Board
The Bridge Hospice

Opinion

I have audited the financial statements of The Bridge Hospice, which comprise the statement of financial position as at March 31, 2021 and the statement of operations and changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Bridge Hospice as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with the Accounting Standards for Not-for-Profit Organizations.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted accounting 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 hospice 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 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 the 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 hospice'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 hospice or to cease operations, or has no realistic alternative to do so.

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

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.

Independent Audit Report (continued)

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 hospice'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 hospice'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 hospice 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.



J Bruce Taylor Chartered Professional Accountant
Licensed Public Accountant

Warkworth, Ontario
June 18, 2021

The Bridge Hospice

Statement of Financial Position

March 31, 2021

	2021	2020
Assets		
Current Assets		
Cash	\$ 386,497	\$ 180,439
Short term deposits	243,925	309,937
Health care funding receivable	11,012	39,171
Government wage subsidy receivable	6,981	8,637
Capital grant and equipment funding receivable	-	5,000
GST/HST recoverable	5,816	9,150
Prepaid expenses	3,222	1,152
Loan receivable from the Bridge Hospice Foundation (Note: 2)	2,885	2,885
Total Current Assets	660,338	556,371
Land, building and equipment (Note: 3)	413,184	432,178
Total Assets	\$ 1,073,522	\$ 988,549
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 22,404	\$ 48,858
Payroll taxes payable	2,485	6,768
Total Current Liabilities	24,889	55,626
Deferred Grants and Funding		
Health care service funding	26,250	-
Fundraising sponsorships	-	5,500
Total Liabilities	51,139	61,126
Net Assets		
Surplus	1,022,383	927,423
Total Liabilities and Net Assets	\$ 1,073,522	\$ 988,549

Approved on Behalf of the Board:

The accompanying notes are an integral part of these financial statements.
J Bruce Taylor Chartered Professional Accountant

The Bridge Hospice

Statement of Operations and Changes in Net Assets

For the Year Ended March 31, 2021

	2021	2020
Revenue		
Health care service and operating cost funding	\$ 453,254	\$ 400,279
Donations and supporters	235,642	287,742
Fundraising	58,439	95,564
Interest income	6,172	9,203
Operating grants	-	12,239
Memberships	310	330
Wage subsidies and COVID support	59,577	8,637
	813,394	813,994
Fundraising expenses	4,845	18,352
	808,549	795,642
Operating expenses		
Accounting and legal	9,502	4,734
Advertising, promotion and publicity	3,792	12,021
Amortization	27,505	27,649
Health care wages and services (Note: 4)	399,881	399,585
Hospice and resident care expenses	4,350	7,043
Insurance	3,212	2,599
Interest and bank charges	2,756	3,128
Maintenance and utilities	15,804	23,282
Memberships and professional development	831	5,084
Office and administration	17,591	19,381
Salaries and wages	235,365	210,444
Total operating expenses	720,589	714,950
Operating surplus of revenue over expenses	87,960	80,692
Non operating revenue and expenses		
Capital restricted grants and equipment funding	7,000	31,050
Net surplus of revenue over expenditures	94,960	111,742
Net assets, beginning	927,423	815,681
Net assets, ending	\$ 1,022,383	\$ 927,423

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

J Bruce Taylor Chartered Professional Accountant

The Bridge Hospice

Statement of Cash Flows

For the Year Ended March 31, 2021

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Surplus of revenues over expenses	\$ 94,960	\$ 111,742
Amortization	27,505	27,649
Decrease (increase) in health care funding receivable	28,159	(39,171)
Decrease (increase) in government wage subsidy receivable	1,656	(8,637)
Decrease in capital grant and equipment funding receivable	5,000	9,493
Decrease (increase) in GST/HST recoverable	3,334	(706)
Decrease (increase) prepaid expenses	(2,070)	2,235
Increase in loan receivable from the Bridge Hospice Foundation	-	(2,885)
Increase (decrease) in accounts payable and accrued expenses	(26,454)	40,409
Increase (decrease) in payroll taxes and government remittances payable	(4,283)	3,211
Increase in deferred health care service funding	26,250	-
Increase (decrease) in deferred fundraising sponsorships	(5,500)	2,800
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	148,557	146,140
CASH FLOWS FROM INVESTING ACTIVITIES:		
Building and equipment additions from general account	(1,511)	(830)
Building and equipment additions from capital grants and funding received	(7,000)	(31,050)
Redemptions (purchases) of short term deposits and accrued interest	66,012	(1,832)
NET CASH USED BY INVESTING ACTIVITIES	57,501	(33,712)
Net increase in cash and cash equivalents	206,058	112,428
Cash and cash equivalents, beginning of year	180,439	68,011
Cash and cash equivalents, end of year	\$ 386,497	\$ 180,439

The accompanying notes are an integral part of these financial statements.
J Bruce Taylor Chartered Professional Accountant

The Bridge Hospice

Notes to the Financial Statements

For the Year Ended March 31, 2021

1. Significant Accounting Policies

a. Nature of organization and basis of preparation

The Bridge Hospice (the hospice) was incorporated on November 4, 2006 without share capital under the Ontario Business Corporations Act. The hospice is a Registered Charity which for Canadian income tax purposes is exempt from income tax under the Income Tax Act.

The purpose of the hospice is to offer the people of Northumberland County and region a home where practical care, guidance and compassion are provided for those dying, and those who support them.

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

b. Short term deposits

Short term deposits are held to maturity and valued at cost, which is calculated as original cost plus accrued interest.

c. Land, building and equipment

Land, building and equipment is stated at cost. Amortization is provided over the estimated useful life of the assets using the methods below for financial reporting purposes. Maintenance, repairs and minor renewals and betterments are expensed; major improvements are capitalized.

Amortization is calculated using the declining balance method as follows for the major classes of assets:

Land	NIL
Building	4%
Furniture, fixtures and equipment	20%
Technological equipment	55%

d. Revenue recognition

All unrestricted revenue is recognized in accordance with industry practice in the period received and pledges are not recognized until received.

Restricted donations and giving are segregated from general revenue and recorded in revenue in the period the related expense is incurred. Undisbursed restricted donations and giving are deferred and are recorded in the statement of financial position as deferred revenue until such time as the related expense is made.

The mission of the hospice is dependent upon and thankful for many hours contributed by its volunteers and members. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

The Bridge Hospice

Notes to the Financial Statements

For the Year Ended March 31, 2021

1. Significant Accounting Policies

e. Grants, government assistance and other funding

The hospice records grants and other funding received as revenue in the statement of operations and changes in net assets, in the period of the qualifying expenditures. The hospice differentiates between operating and capital as designated under the grant conditions. Grants and other funding received for which the qualifying expenditures have not been made are accordingly deferred, and reported as deferred grants or other funding in the statement of financial position.

f. Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. The reported amounts and note disclosures are determined using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results could differ from those estimates and would impact future results of operations and cash flows. Areas requiring the use of estimates include amortization rates of capital assets and accrued liabilities.

2. Loan receivable the Bridge Hospice Foundation

The Bridge Hospice Foundation was incorporated without share capital and is currently applying for status as a Registered Charity with the goal of managing fundraising and investing activities on behalf of the hospice.

The loan receivable relates to start-up expenses incurred by the Foundation that were paid by the hospice. The loan is non-interest bearing with no fixed terms of repayment.

3. Land, building and equipment

	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	\$ 36,712	\$ -	\$ 36,712	\$ 36,712
Building	434,482	(113,838)	320,644	334,004
Furniture, fixtures and equipment	119,342	(64,801)	54,541	58,602
Technological equipment	7,687	(6,400)	1,287	2,860
Total	\$ 598,223	\$ (185,039)	\$ 413,184	\$ 432,178

4. Health care service and operating cost funding

Revenue - Health care service and operating cost funding

In November 2016, the hospice entered into an agreement with the Ministry of Health and Long Term Care to provide funding through the Central East Local Health Integration Network toward those costs directly related to the care of the hospice residents.

The Bridge Hospice

Notes to the Financial Statements

For the Year Ended March 31, 2021

4. Health care service and operating cost funding

The hospice also has an agreement with the Saint Elizabeth Community Enterprise to provide financial support to the hospice to fund direct care services in the hospice not covered by the Ministry of Health and Long Term Care.

Operating expense - Health care services

In January 2016, the hospice entered into a five-year agreement with a sister organization, Saint Elizabeth Health Care, to provide direct resident care PSW (Personal Support Worker) and nursing services, to support those services currently provided by the hospice.

The agreements terminated August 31, 2020.

5. Financial instruments

The hospice's financial instruments consist of cash, short term deposits, and accounts payable. It is management's opinion that the hospice is not exposed to significant risk arising from these financial instruments.

Carrying value

The carrying values of the hospice's monetary assets and liabilities approximate their fair values due to their short-term and fixed nature.

Credit risk

The hospice does not extend credit to earn revenue and accordingly is not exposed to credit risk.

Interest rate risk

The hospice is not exposed to interest rate risk as the capitalization and working capital of the hospice does not rely on financing.

Currency risk

The hospice in the normal course of operations does not engage in foreign currency denominated transactions and is not exposed to currency risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. To manage this operating risk, the hospice monitors its budgets and forecasts and maintains an adequate working capital to cover operations. The hospice does not embark on other expenditures without already having adequate funding in place.