

WEST LINCOLN MEMORIAL AUXILIARY

Financial Statements (unaudited)
for the Year Ended December 31, 2022
and Independent Practitioner's Review Engagement Report

WEST LINCOLN MEMORIAL AUXILIARY
FINANCIAL STATEMENTS
DECEMBER 31, 2022
(unaudited)

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of West Lincoln Memorial Auxiliary:

We have reviewed the accompanying financial statements of West Lincoln Memorial Auxiliary that comprise the statement of financial position as at December 31, 2022 and the statements of revenue and expenses of the general, gift shop and coffee shop funds, changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many charitable organizations, the Organization derives revenue from voluntary donations, the completeness of which is not susceptible of satisfactory verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were unable to determine whether any adjustments might be necessary to donations, assets and net assets for the years ending December 31, 2022 and December 31, 2021. Our conclusion on the financial statements as at and for the year ended December 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of West Lincoln Memorial Auxiliary as at December 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.

Durward Jones Barkwell & Company LLP

Durward Jones Barkwell & Company LLP
Licensed Public Accountants

April 13, 2023

WEST LINCOLN MEMORIAL AUXILIARY
STATEMENT OF REVENUE AND EXPENSES - GENERAL FUND
YEAR ENDED DECEMBER 31, 2022
(unaudited)

	<u>2022</u>	<u>2021</u>
REVENUE		
Donations	\$ 22,408	\$ 9,980
Fundraising activities - Page 8	10,680	151
In memoriam	1,631	3,614
Interest	13,621	20,412
Memberships	220	30
Other	2,382	5,377
	50,942	39,564
EXPENSES		
Donation to West Lincoln Memorial Hospital (general)	39,232	201,555
Office and professional fees	10,896	10,919
Social	732	1,223
	50,860	213,697
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 82	\$ (174,133)

WEST LINCOLN MEMORIAL AUXILIARY
 STATEMENT OF REVENUE AND EXPENSES - GIFT SHOP
 YEAR ENDED DECEMBER 31, 2022
 (unaudited)

	<u>2022</u>	<u>2021</u>
REVENUE	\$ 26,135	\$ -
EXPENSES		
Bank charges	463	291
Office and travel	341	-
Purchases	4,696	-
	5,500	291
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 20,635	\$ (291)

WEST LINCOLN MEMORIAL AUXILIARY
STATEMENT OF REVENUE AND EXPENSES - COFFEE SHOP
YEAR ENDED DECEMBER 31, 2022
(unaudited)

	<u>2022</u>	<u>2021</u>
REVENUE		
Food sales	\$ 23,429	\$ -
Vending machine	-	565
	23,429	565
EXPENSES		
Bank charges	632	90
Purchases	15,455	-
	16,087	90
EXCESS OF REVENUE OVER EXPENSES	\$ 7,342	\$ 475

WEST LINCOLN MEMORIAL AUXILIARY

STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022
(unaudited)

	General Fund	Gift Shop	Coffee Shop	H.E.L.P.P. BOT Lottery	Total	
					<u>2022</u>	<u>2021</u>
REVENUE	\$ 55,776	\$ 26,135	\$ 23,429	\$ -	\$ 105,340	\$ 40,258
EXPENSES	55,694	5,500	16,087	-	77,281	214,207
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	82	20,635	7,342	-	28,059	(173,949)
NET ASSETS, BEGINNING OF YEAR	1,011,193	12,404	24,654	(1,103)	1,047,148	1,221,097
INTERFUND TRANSFER (Note 5)	9,000	-	(9,000)	-	-	-
NET ASSETS, END OF YEAR	\$ 1,020,275	\$ 33,039	\$ 22,996	\$ (1,103)	\$ 1,075,207	\$ 1,047,148

WEST LINCOLN MEMORIAL AUXILIARY
 STATEMENT OF FINANCIAL POSITION
 DECEMBER 31, 2022
 (unaudited)

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets		
Cash	\$ 148,456	\$ 129,733
Term deposits	909,843	-
Accrued interest receivable	4,904	3,029
Harmonized Sales Tax recoverable	-	1,184
Inventory	16,861	16,861
	1,080,064	150,807
Cash (Note 2)	10,000	10,000
Term deposits	-	899,341
	\$ 1,090,064	\$ 1,060,148
LIABILITIES		
Current liabilities		
Accrued charge	\$ 4,500	\$ 3,000
Harmonized Sales Tax payable	357	-
	4,857	3,000
Restricted contribution (Note 2)	10,000	10,000
	14,857	13,000
Commitment (Note 3)		
NET ASSETS		
General fund	1,020,275	1,011,193
Gift shop	33,039	12,404
Coffee shop	22,996	24,654
H.E.L.P.P. break open ticket lottery	(1,103)	(1,103)
	1,075,207	1,047,148
	\$ 1,090,064	\$ 1,060,148

Approved by the Board:

..... Director

..... Director

WEST LINCOLN MEMORIAL AUXILIARY

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022
(unaudited)

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 28,059	\$ (173,949)
Changes in non-cash operating assets and liabilities		
Accrued interest receivable	(1,875)	5,385
Harmonized Sales Tax recoverable	1,541	637
Accrued charge	1,500	-
	29,225	(167,927)
INVESTING ACTIVITIES		
Purchase of term deposits	(370,493)	(532,692)
Proceeds from redemption of term deposits	359,991	507,779
	(10,502)	(24,913)
INCREASE (DECREASE) IN CASH	18,723	(192,840)
CASH, BEGINNING OF YEAR	129,733	322,573
CASH, END OF YEAR	\$ 148,456	\$ 129,733

WEST LINCOLN MEMORIAL AUXILIARY
 SCHEDULE OF FUNDRAISING ACTIVITIES
 YEAR ENDED DECEMBER 31, 2022
 (unaudited)

	<u>2022</u>	<u>2021</u>
FUNDRAISING ACTIVITIES		
Breakfast Santa	\$ 1,238	\$ -
Craft sale	4,697	-
Mask sale	-	280
Poinsettia	3,970	-
Raffle	2,650	-
Strawberry festival	2,859	-
Vendor table rental	100	-
	15,514	280
Fundraising expenses	4,834	129
NET REVENUE - FUNDRAISING ACTIVITIES	\$ 10,680	\$ 151

WEST LINCOLN MEMORIAL AUXILIARY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022
(unaudited)

1. SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Basis of accounting

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

Nature of organization

West Lincoln Memorial Auxiliary was established to raise money to assist the West Lincoln Memorial Hospital with the acquisition of medical equipment and assist in various hospital programs. It is incorporated by Letters Patent as a corporation without share capital under the laws of Ontario, and is a registered charity and exempt from income tax under the Income Tax Act.

Capital assets

Capital assets are expensed in the year of acquisition.

Revenue recognition

The Organization follows the restricted fund method of accounting for contributions. Revenue from contributions and fundraising are recognized when received. Restricted contributions where an appropriate restricted fund does not exist follow the deferral method. All other revenue are recorded at the point of sale. Interest income is recognized as revenue as earned.

Fund accounting

The Organization uses fund accounting whereby financial statement elements are reported by fund. The revenue and expenses related to general fundraising and administration are reported in the general fund. The revenue and expenses related to the operations of the gift shop, coffee shop and H.E.L.P.P. break open ticket lottery are reported in their respective funds.

Inventory

Inventory is measured at the lower of cost and net realizable value, with cost being determined on a first-in, first-out basis. The cost of inventory comprises all cost of purchase and other costs incurred in bringing the inventory to its present location and condition.

Donated materials and services

The Organization generally does not record the value of donated materials and relies on the services of volunteers, the value of which is not recorded in the financial statements, as the amounts are not readily determinable.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates, as additional information becomes available in the future. Significant estimates and assumptions are used when accounting for items such as accrued charges.

Income taxes

The Organization is exempt from corporate income taxes by virtue of section 149(1)(l) of the Income Tax Act as a not-for-profit organization.

WEST LINCOLN MEMORIAL AUXILIARY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

(unaudited)

Financial instruments

(a) Measurement of financial instruments

Initial measurement

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the organization is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the organization in the transaction.

Subsequent measurement

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income in the period incurred.

Financial assets measured at amortized cost include cash and accrued interest receivable.

Financial assets measured at fair value include term deposits.

Financial liabilities measured at amortized cost include accrued charge, Harmonized Sales Tax payable and deferred contribution.

(b) Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

(c) Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there are, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

WEST LINCOLN MEMORIAL AUXILIARY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

(unaudited)

2. RESTRICTED CONTRIBUTION

In a previous year, the Organization received a donation for the purchase of specific equipment which has not yet been completed as at December 31, 2022.

3. COMMITMENT

On September 15, 2021 the Board of Directors approved a pledge to purchase several pieces of equipment, including pediatric code cart for the emergency department as well as a slim colonoscope for the Peri Op department in the amount of approximately \$33,000. As at December 31, 2022, the pledge remains fully outstanding.

4. FINANCIAL RISK MANAGEMENT

The Organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include interest rate risk, market (other price) risk, currency risk, credit risk, and liquidity risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices.

It is management's opinion that the Organization is not exposed to significant interest rate, market, currency, credit or liquidity risks arising from its financial instruments.

5. INTERFUND TRANSFER

During the year, the Organization's Board of Directors approved a transfer from Coffee Shop fund to the General fund totaling \$9,000 (2021 - transfer from Gift Shop fund to the General fund totaling \$5,000).

6. IMPACT OF COVID-19 PANDEMIC

As the pandemic continues to evolve with the emergence of new variants, entities may experience conditions often associated with general economic downturn, including but not limited to, financial market volatility, declining credit, potential return of government intervention, changes in labour markets, and other restructuring activities. The continuation of these circumstances could have a negative impact on an entity's financial conditions and results. Further, inflation, supply-chain disruptions, and labour shortages are affecting companies and organizations in different industries to varying degrees.

The ongoing impact of the COVID-19 pandemic and the uncertain economic conditions affecting major markets and economies still remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods.
