

**HOSPICE DUFFERIN**  
**Financial Statements**  
**Year Ended March 31, 2016**



**HOSPICE DUFFERIN**  
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**Year Ended March 31, 2016**

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## INDEPENDENT AUDITOR'S REPORT

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To the Directors of Hospice Dufferin

We have audited the accompanying financial statements of Hospice Dufferin, which comprise the statement of financial position as at March 31, 2016 and the statements of revenues and expenditures, changes in net assets and cash flow 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, Hospice Dufferin derives revenue from fundraising activities 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 Hospice Dufferin. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2016, current assets and net assets as at March 31, 2016.

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Independent Auditor's Report to the Directors of Hospice Dufferin *(continued)*

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Hospice Dufferin as at March 31, 2016 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Mono, Ontario  
June 22, 2016

*Whalen Professional Corporation*

CHARTERED PROFESSIONAL ACCOUNTANTS  
Authorized to practice public accounting by the  
Chartered Professional Accountants of Ontario



**HOSPICE DUFFERIN**  
**Statement of Financial Position**  
**March 31, 2016**

	2016	2015
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents <i>(Note 3)</i>	\$ 370,350	\$ 123,455
Accounts receivable	-	2,000
Harmonized sales tax recoverable	4,393	4,644
Prepaid expenses	6,289	2,551
	<u>381,032</u>	<u>132,650</u>
<b>CAPITAL ASSETS <i>(Note 4)</i></b>	<b>3,768</b>	<b>4,710</b>
<b>LONG TERM INVESTMENTS <i>(Note 5)</i></b>	<b>-</b>	<b>275,200</b>
	<u>\$ 384,800</u>	<u>\$ 412,560</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 5,753	\$ 4,540
Wages payable	11,591	13,269
Deferred income	10,038	-
	<u>27,382</u>	<u>17,809</u>
<b>NET ASSETS</b>	<u><b>357,418</b></u>	<u><b>394,751</b></u>
	<u><b>\$ 384,800</b></u>	<u><b>\$ 412,560</b></u>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *Director*

\_\_\_\_\_ *Director*

See notes to financial statements



**HOSPICE DUFFERIN**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2016**

	General Fund	Internally Restricted Fund <i>(Note 6)</i>	Externally Restricted Fund <i>(Note 7)</i>	2016	2015
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 364,681	\$ 27,851	\$ 2,219	\$ 394,751	\$ 399,946
Deficiency of revenue over expenses	(37,285)	-	(48)	(37,333)	(5,195)
Interfund transfers	27,851	(27,851)	-	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 355,247</b>	<b>\$ -</b>	<b>\$ 2,171</b>	<b>\$ 357,418</b>	<b>\$ 394,751</b>

**HOSPICE DUFFERIN**  
**Statement of Revenues and Expenditures**  
**For the Year Ended March 31, 2016**

	2016	2015
<b>REVENUE</b>		
Donations	\$ 69,363	\$ 89,114
Ministry of Health	58,460	56,094
Grants	8,000	9,492
Fundraising	7,476	4,906
Interest	6,363	6,433
Memberships and course fees	190	315
Land tax redemption	-	10,199
	<u>149,852</u>	<u>176,553</u>
<b>EXPENSES</b>		
Salaries and wages	114,937	110,136
Occupancy	33,232	32,269
One-time funded projects	8,072	5,689
Fundraising	6,612	11,431
Office	6,420	4,832
Professional fees	4,680	4,519
Program supplies	4,565	3,823
Insurance	2,811	3,181
Travel	2,270	1,818
Bank charges	1,208	996
Memberships	1,051	833
Amortization	942	2,082
Training	337	139
Amazing Kids program	48	-
	<u>187,185</u>	<u>181,748</u>
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<u>\$ (37,333)</u>	<u>\$ (5,195)</u>





**HOSPICE DUFFERIN**  
**Statement of Cash Flow**  
**Year Ended March 31, 2016**

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenses	\$ (37,333)	\$ (5,195)
Item not affecting cash:		
Amortization of capital assets	942	2,082
	<u>(36,391)</u>	<u>(3,113)</u>
Changes in non-cash working capital:		
Accounts receivable	2,000	(2,000)
Accounts payable	1,213	(400)
Deferred income	10,038	(6,000)
Prepaid expenses	(3,738)	(231)
Harmonized sales tax payable	251	1,946
Wages payable	(1,678)	(53)
	<u>8,086</u>	<u>(6,738)</u>
Cash flow used by operating activities	<u>(28,305)</u>	<u>(9,851)</u>
<b>INVESTING ACTIVITY</b>		
Long term Investments	<u>275,200</u>	<u>(275,200)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>246,895</b>	<b>(285,051)</b>
Cash and cash equivalents - beginning of year	<u>123,455</u>	<u>408,506</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR (Note 3)</b>	<b>\$ <u>370,350</u></b>	<b>\$ <u>123,455</u></b>





**HOSPICE DUFFERIN**  
**Notes to Financial Statements**  
**Year Ended March 31, 2016**

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1. DESCRIPTION OF BUSINESS

Hospice Dufferin (the "organization") is a non-profit organization incorporated without share capital under the laws of Ontario. The organization is dedicated to supporting the quality of life for individuals and families facing life threatening illness or bereavement. The organization is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (GAAP).

Basis of accounting

These financial statements were prepared using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.

Financial instruments

The organization's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency, or credit risk arising from these financial instruments. The fair values of these financial instruments approximates their carrying values, unless otherwise noted.

Cash and cash equivalents

Cash equivalents are deposits and investments which are readily convertible to cash, or which are expected to become cash within the coming year. They are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities that are short term in nature and are readily convertible to cash.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Equipment	20%	declining balance method
Furniture and fixtures	20%	declining balance method
Software	5 years	straight-line method

Deferred contributions

Capital grants and donations relating to the acquisition of capital assets are deferred and amortized over the useful life of related assets. Amortization is reported as revenue on the Statement of Revenues and Expenditures.

Grants and donations restricted for specific projects are deferred and amortized over the life of the project, or as instructed by the donor. Amortization is reported as revenue on the Statement of Revenues and Expenditures.

*(continues)*



**HOSPICE DUFFERIN**  
**Notes to Financial Statements**  
**Year Ended March 31, 2016**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Externally restricted funds

The purpose of each of the organization's externally restricted funds is as follows:

The Amazing Kids fund is to be used towards a program to support children that have a parent, grandparent or sibling with cancer, and up to one year after death.

The Caregiver Library Fund is used to purchase specialized library materials.

Internally restricted funds

Part of the organization's fund balances have been internally restricted as approved by the organization's board of directors. Transfers among funds are recorded when approved by the board of directors. The purpose of each fund is as follows:

The working capital reserve is to provide working capital during the fluctuating periods when the inflow of revenue does not keep pace with approved expenditures.

Revenue recognition

Hospice Dufferin follows the restricted fund method of accounting for contributions.

Externally and internally restricted contributions are recognized in the fund they relate to and the related expenses are recorded in the fund as they are incurred.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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**HOSPICE DUFFERIN**  
**Notes to Financial Statements**  
**Year Ended March 31, 2016**

3. CASH AND CASH EQUIVALENTS

	2016	2015
Cash	\$ 17,447	\$ 31,663
GIC at 0.95% maturing May 4, 2015	-	30,260
GIC at 1.30% maturing May 4, 2015	-	30,356
GIC at 2.00% maturing July 16, 2015	-	10,902
GIC at 1.50% maturing November 3, 2015	-	20,274
GIC at 0.80% maturing May 4, 2016	61,120	-
GIC at 1.25% maturing October 16, 2016	11,063	-
GIC at 2.00% maturing November 3, 2016	103,867	-
GIC at 2.00% maturing November 3, 2016	103,867	-
GIC at 2.00% maturing November 3, 2016	72,986	-
	<u>\$ 370,350</u>	<u>\$ 123,455</u>

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Equipment	\$ 1,873	\$ 1,252	\$ 621	\$ 776
Furniture and fixtures	5,464	2,317	3,147	3,934
Software	6,760	6,760	-	-
	<u>\$ 14,097</u>	<u>\$ 10,329</u>	<u>\$ 3,768</u>	<u>\$ 4,710</u>

5. LONG TERM INVESTMENTS

Guaranteed investment certificates bearing interest at 2%, maturing November 3, 2016.

6. INTERNALLY RESTRICTED NET ASSETS

	2016	2015
<b>WORKING CAPITAL</b>		
Opening balance	\$ 27,851	\$ 27,851
Interfund transfer	(27,851)	-
	<u>\$ -</u>	<u>\$ 27,851</u>



**HOSPICE DUFFERIN**  
**Notes to Financial Statements**  
**Year Ended March 31, 2016**

7. EXTERNALLY RESTRICTED NET ASSETS	2016	2015
<b>AMAZING KIDS PROGRAM</b>		
Opening balance	\$ 1,345	\$ 1,345
Expenses	(48)	-
Net investment	<u>1,297</u>	<u>1,345</u>
<b>CAREPARTNERS LIBRARY FUND</b>		
Opening balalnce	<u>874</u>	<u>874</u>
	<u>\$ 2,171</u>	<u>\$ 2,219</u>

The organization is in compliance with externally imposed capital requirements.

**8. LEASE COMMITMENTS**

The organization has a long term lease with respect to its premises. Future minimum lease payments as at year end are as follows:

2017	\$ 32,941
2018	<u>33,931</u>
	<u>\$ 66,872</u>

