

HOSPICE DUFFERIN
Financial Statements
Year Ended March 31, 2015



HOSPICE DUFFERIN
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Year Ended March 31, 2015

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INDEPENDENT AUDITOR'S REPORT

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, 2015 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 donations and 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 donation revenue, fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2015, current assets and net assets as at March 31, 2015.

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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, 2015 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 8, 2015

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, 2015

	2015	2014
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 123,455	\$ 408,506
Accounts receivable	2,000	-
Harmonized sales tax recoverable	4,644	6,590
Prepaid expenses	2,551	2,320
	<u>132,650</u>	<u>417,416</u>
CAPITAL ASSETS <i>(Note 3)</i>	4,710	6,792
LONG TERM INVESTMENTS <i>(Note 4)</i>	<u>275,200</u>	<u>-</u>
	<u>\$ 412,560</u>	<u>\$ 424,208</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 4,541	\$ 4,941
Wages payable	13,269	13,322
Deferred income	-	6,000
	<u>17,810</u>	<u>24,263</u>
NET ASSETS		
Externally restricted fund <i>(Note 6)</i>	2,219	2,219
Internally restricted fund <i>(Note 7)</i>	27,851	27,851
Unrestricted fund	<u>364,680</u>	<u>369,875</u>
	<u>394,750</u>	<u>399,945</u>
	<u>\$ 412,560</u>	<u>\$ 424,208</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, 2015

	Externally Restricted Fund	Internally Restricted Fund	Unrestricted Fund	2015	2014
NET ASSETS - BEGINNING OF YEAR	\$ 2,219	\$ 27,851	\$ 369,875	\$ 399,945	\$ 179,695
Excess (Deficiency) of revenue over expenses	-	-	(5,195)	(5,195)	220,250
NET ASSETS - END OF YEAR	\$ 2,219	\$ 27,851	\$ 364,680	\$ 394,750	\$ 399,945



HOSPICE DUFFERIN
Statement of Revenues and Expenditures
Year Ended March 31, 2015

	2015	2014
REVENUE		
Grants	\$ 65,586	\$ 73,886
Donations	89,114	68,019
Land tax redemption	10,199	-
Interest	6,433	4,053
Fundraising	4,906	12,572
Membership fees	170	360
Course fees	145	-
	<u>176,553</u>	<u>158,890</u>
EXPENDITURES		
Salaries and wages	110,136	120,715
Occupancy	32,269	31,604
Fundraising	11,431	8,686
Equipment	5,689	872
Office	4,832	4,715
Professional fees	4,519	5,651
Program supplies	3,823	4,540
Insurance	3,181	3,467
Amortization	2,082	2,141
Travel	1,818	1,308
Interest and bank charges	996	1,054
Memberships	833	1,017
Training	139	35
Trillium funding expenses	-	4,950
Amazing Kids program	-	69
	<u>181,748</u>	<u>190,824</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES FROM OPERATIONS	<u>(5,195)</u>	<u>(31,934)</u>
OTHER INCOME		
Gain on disposal of assets	-	159,515
Recognition of deferred capital funds on sale of land and building (Note 5)	-	92,669
	<u>-</u>	<u>252,184</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>\$ (5,195)</u>	<u>\$ 220,250</u>



HOSPICE DUFFERIN
Statement of Cash Flow
Year Ended March 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	\$ (5,195)	\$ 220,250
Items not affecting cash:		
Amortization of capital assets	2,082	2,141
Gain on disposal of assets	-	(159,515)
	<u>(3,113)</u>	<u>62,876</u>
Changes in non-cash working capital:		
Accounts receivable	(2,000)	1,719
Accounts payable	(400)	(1,818)
Deferred income	(6,000)	(94,553)
Prepaid expenses	(231)	(180)
Harmonized sales tax payable	1,946	(3,418)
Wages payable	(53)	704
	<u>(6,738)</u>	<u>(97,546)</u>
Cash flow used by operating activities	<u>(9,851)</u>	<u>(34,670)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	-	(5,464)
Proceeds on disposal of capital assets	-	358,123
Long term Investments	(275,200)	-
Cash flow from (used by) investing activities	<u>(275,200)</u>	<u>352,659</u>
INCREASE (DECREASE) IN CASH FLOW	(285,051)	317,989
Cash - beginning of year	<u>408,506</u>	<u>90,517</u>
CASH - END OF YEAR	\$ 123,455	\$ 408,506

HOSPICE DUFFERIN
Notes to Financial Statements
Year Ended March 31, 2015

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.

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. 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, 2015

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.

The Capital Asset Fund is to be used towards the purchase of capital assets.

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.

The office furniture reserve is to be used to fund the replacement of office furniture and equipment.

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.



HOSPICE DUFFERIN
Notes to Financial Statements
Year Ended March 31, 2015

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Equipment	\$ 1,873	\$ 1,097	\$ 776	\$ 970
Furniture and fixtures	5,464	1,530	3,934	4,918
Software	6,760	6,760	-	904
	<u>\$ 14,097</u>	<u>\$ 9,387</u>	<u>\$ 4,710</u>	<u>\$ 6,792</u>

4. LONG TERM INVESTMENTS

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

5. DEFERRED CONTRIBUTIONS - CAPITAL ASSETS

	2015	2014
Balance, beginning of year	\$ -	\$ 92,669
Amount recognized on sale of land and building	-	(92,669)
Balance, end of year	<u>\$ -</u>	<u>\$ -</u>

6. EXTERNALLY RESTRICTED NET ASSETS

	2015	2014
CAPITAL ASSETS		
Capital assets, net	\$ -	\$ 6,793
Interfund transfers	-	(1,874)
Non-restricted asset purchase, net	-	(4,919)
Net investment	-	-
CAREPARTNERS LIBRARY FUND		
Cash and cash equivalents	<u>874</u>	<u>874</u>
AMAZING KIDS PROGRAM		
Cash and cash equivalents	1,345	1,414
Expenditures	-	(69)
	<u>1,345</u>	<u>1,345</u>
	<u>\$ 2,219</u>	<u>\$ 2,219</u>

The organization is in compliance with externally imposed capital requirements.



HOSPICE DUFFERIN
Notes to Financial Statements
Year Ended March 31, 2015

7. INTERNALLY RESTRICTED NET ASSETS

	<u>2015</u>	<u>2014</u>
WORKING CAPITAL		
Cash and cash equivalents	\$ 27,851	\$ 27,851
OFFICE FURNITURE		
Net investment in cash and cash equivalents	-	1,279
Interfund transfer	-	(1,279)
	<u>-</u>	<u>-</u>
	<u>\$ 27,851</u>	<u>\$ 27,851</u>

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:

2016	\$ 31,972
2017	32,941
2018	<u>33,931</u>
	<u>\$ 98,844</u>