

**HOSPICE DUFFERIN**

**Financial Statements**

**Year Ended March 31, 2017**



**HOSPICE DUFFERIN**  
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**Year Ended March 31, 2017**

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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, 2017 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, 2017, current assets and net assets as at March 31, 2017.

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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, 2017 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 7, 2017

*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, 2017**

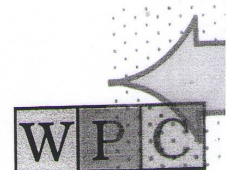
	2017	2016
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents <i>(Note 3)</i>	\$ 339,043	\$ 370,350
Harmonized sales tax recoverable	4,503	4,393
Prepaid expenses	2,659	6,289
	<u>346,205</u>	<u>381,032</u>
<b>CAPITAL ASSETS <i>(Note 4)</i></b>	<u>2,518</u>	<u>3,768</u>
	<u>\$ 348,723</u>	<u>\$ 384,800</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 6,141	\$ 5,753
Wages payable	10,885	11,591
Deferred income	6,000	10,038
	<u>23,026</u>	<u>27,382</u>
<b>NET ASSETS</b>	<u>325,697</u>	<u>357,418</u>
	<u>\$ 348,723</u>	<u>\$ 384,800</u>

ON BEHALF OF THE BOARD

Beau Hulse Director

Angela Michol Director

See notes to financial statements



**HOSPICE DUFFERIN**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2017**

	General Fund	Externally Restricted Fund (Note 5)	2017	2016
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 355,247	\$ 2,171	\$ 357,418	\$ 394,751
Deficiency of revenue over expenses	(31,721)	-	(31,721)	(37,333)
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 323,526</b>	<b>\$ 2,171</b>	<b>\$ 325,697</b>	<b>\$ 357,418</b>

See notes to financial statements



**HOSPICE DUFFERIN**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2017**

	2017	2016
<b>REVENUE</b>		
Ministry of Health	\$ 79,919	\$ 58,460
Donations	76,032	69,363
Fundraising	17,098	7,476
Grants	8,000	8,000
Interest	3,510	6,363
Memberships and course fees	150	190
	<u>184,709</u>	<u>149,852</u>
<b>EXPENSES</b>		
Salaries and wages	118,948	114,937
Occupancy	34,239	33,232
One-time funded projects	28,327	8,072
Office	8,733	6,420
Fundraising	7,352	6,612
Program supplies	5,922	4,565
Professional fees	4,777	4,680
Insurance	2,529	2,811
Travel	1,883	2,270
Amortization	1,250	942
Memberships	1,150	1,051
Bank charges	970	1,208
Training	350	337
Amazing Kids program	-	48
	<u>216,430</u>	<u>187,185</u>
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<u>\$ (31,721)</u>	<u>\$ (37,333)</u>

**HOSPICE DUFFERIN**  
**Statement of Cash Flow**  
**Year Ended March 31, 2017**

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenses	\$ (31,721)	\$ (37,333)
Item not affecting cash:		
Amortization of capital assets	1,250	942
	<u>(30,471)</u>	<u>(36,391)</u>
Changes in non-cash working capital:		
Accounts receivable	-	2,000
Accounts payable	388	1,213
Deferred income	(4,038)	10,038
Prepaid expenses	3,630	(3,738)
Harmonized sales tax payable	(110)	251
Wages payable	(706)	(1,678)
	<u>(836)</u>	<u>8,086</u>
Cash flow used by operating activities	<u>(31,307)</u>	<u>(28,305)</u>
<b>INVESTING ACTIVITY</b>		
Long term investments	-	275,200
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(31,307)</b>	<b>246,895</b>
Cash - beginning of year	<u>370,350</u>	<u>123,455</u>
<b>CASH - END OF YEAR (Note 3)</b>	<b>\$ 339,043</b>	<b>\$ 370,350</b>





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**HOSPICE DUFFERIN**  
**Notes to Financial Statements**  
**Year Ended March 31, 2017**

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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:

Furniture and fixtures	20%	declining balance method
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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.

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**HOSPICE DUFFERIN**  
**Notes to Financial Statements**  
**Year Ended March 31, 2017**

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.

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.

3. CASH AND CASH EQUIVALENTS

	<u>2017</u>	<u>2016</u>
Cash	\$ 339,043	\$ 17,447
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>\$ 339,043</u>	<u>\$ 370,350</u>

**HOSPICE DUFFERIN**  
**Notes to Financial Statements**  
**Year Ended March 31, 2017**

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Equipment	\$ -	\$ -	\$ -	\$ 621
Furniture and fixtures	5,464	2,946	2,518	3,147
	<u>\$ 5,464</u>	<u>\$ 2,946</u>	<u>\$ 2,518</u>	<u>\$ 3,768</u>

5. EXTERNALLY RESTRICTED NET ASSETS

	2017	2016
<b>AMAZING KIDS PROGRAM</b>		
Opening balance	\$ 1,297	\$ 1,345
Expenses	-	(48)
Net investment	<u>1,297</u>	<u>1,297</u>
<b>CAREPARTNERS LIBRARY FUND</b>		
Opening balance	<u>874</u>	<u>874</u>
	<u>\$ 2,171</u>	<u>\$ 2,171</u>

The organization is in compliance with externally imposed capital requirements.

6. 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:

2018	<u>\$ 33,931</u>
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