

# North Perth Community Hospice

Financial Statements  
Year Ended March 31, 2016

*- audited -*

# North Perth Community Hospice

## INDEX

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Revenues, Expenditures and Fund Balances	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 8
Schedule of General Fund Revenues & Expenditures	9
Schedule of Long Term Care Fund Revenues & Expenditures	10

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of North Perth Community Hospice:

### Report on the Financial Statements

We have audited the accompanying financial statements of North Perth Community Hospice, which comprise the statement of financial position as at March 31, 2016 and the statements of revenue, expenditures and fund balances, and cash flows 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

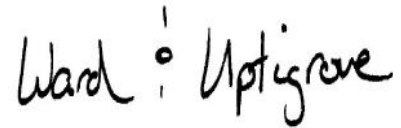
In common with many charitable organizations, the organization derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we are not able to determine whether any adjustments might be necessary to donation revenues, excess of revenue over expenditures, assets and fund balances.

*Independent Auditor's Report continued on next page...*

*Independent Auditor's Report 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 North Perth Community Hospice as at March 31, 2016, 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.

A handwritten signature in black ink that reads "Ward & Uptigrove". The signature is written in a cursive, flowing style.

**Listowel, Ontario**

**May 24, 2016**

**Ward & Uptigrove  
Chartered Accountants  
Licensed Public Accountants**

# North Perth Community Hospice

## Statement of Financial Position

as at March 31, 2016

*in dollars*

*Page 3*

*The Accompanying Notes are an Integral Part of the Financial Statements*

2016

2015

### ASSETS

#### Current Assets

Cash and cash equivalents	46,657	44,742
Investment - <i>Note 4</i>	14,593	14,223
HST receivable	3,142	3,186
Prepaid expenses	3,460	3,459

#### **TOTAL ASSETS**

**67,852**

**65,610**

### LIABILITIES & FUND BALANCES

#### Current Liabilities

Accounts payable	7,459	4,379
Deferred revenue - <i>Note 5</i>	1,666	1,314

**9,125**

**5,693**

#### Fund Balances

General Fund - <i>Schedule 1</i>	74,267	75,457
Long Term Care Fund - <i>Schedule 2</i>	(15,540)	(15,540)

**58,727**

**59,917**

#### **TOTAL LIABILITIES AND FUNDBALANCES**

**67,852**

**65,610**

Approved on Behalf of the Board of Directors by \_\_\_\_\_

North Perth Community Hospice  
Statement of Revenues, Expenditures and Fund Balances  
year ended March 31, 2016

*in dollars*

Page 4

<i>The Accompanying Notes are an Integral Part of the Financial Statements</i>	2016	2015
<b>REVENUES</b>		
General Fund - <i>Schedule 1</i>	63,121	58,457
Long Term Care Fund - <i>Schedule 2</i>	49,425	46,868
	<b>112,546</b>	<b>105,325</b>
<b>EXPENDITURES</b>		
General Fund - <i>Schedule 1</i>	21,027	22,866
Long Term Care Fund - <i>Schedule 2</i>	92,709	87,830
	<b>113,736</b>	<b>110,696</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(1,190)</b>	<b>(5,371)</b>
Fund Balances, Beginning of Year	59,917	65,288
Fund Balances, End of Year	58,727	59,917

# North Perth Community Hospice

## Statement of Cash Flows

year ended March 31, 2016

*in dollars*

Page 5

<i>The Accompanying Notes are an Integral Part of the Financial Statements</i>	2016	2015
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Excess (Deficiency) of Revenue over Expenditures	(1,190)	(5,371)
	(1,190)	(5,371)
Changes in non-cash working capital related to operations - Note 6	3,475	(2,520)
	<b>2,285</b>	<b>(7,891)</b>
<b>INVESTING ACTIVITIES</b>		
Change in investment	(370)	(231)
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>1,915</b>	<b>(8,122)</b>
Cash and cash equivalents, beginning of year	44,742	52,864
<b>Cash and cash equivalents, end of year</b>	<b>46,657</b>	<b>44,742</b>
<b>Represented by:</b>		
Cash	19,554	17,555
Cash equivalents	27,103	27,187
	<b>46,657</b>	<b>44,742</b>

# North Perth Community Hospice

## Notes to the Financial Statements

year ended March 31, 2016

*in dollars*

Page 6

*The Accompanying Notes are an Integral Part of the Financial Statements*

### 1 ORGANIZATION

North Perth Community Hospice ("the organization") is a charitable organization incorporated without share capital under the laws of the Province of Ontario. The organization is a registered charity under the Income Tax Act and accordingly is exempt from income taxes. The purpose of the Hospice is to support those faced with life threatening illness, death or bereavement.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### 2.1 Fund Accounting

The organization follows the restricted fund method of accounting. The following funds have been established:

**General fund:** Records revenue and expenses for programs not covered by Ministry funding, including all donations.

**Long Term Care Fund:** Records Ministry funding and program expenses for programs sponsored by the Ministry of Health.

#### 2.2 Cash and cash equivalents

Cash and cash equivalents consist of cash and temporary investments with a maturity period of three months or less from the date of acquisition.

#### 2.3 Capital assets

Capital assets are expensed in the year of acquisition.

#### 2.4 Revenue recognition

Revenue recognition is reported using the deferral method. Under the deferral method, revenue for which externally imposed restrictions remain unfulfilled is accumulated as deferred revenue. Unrestricted contributions are recognized as revenue when received.

#### 2.5 Donated Materials and Services

Donated materials and services are recorded at their fair market value as revenue and included as expenses in the statement of revenue and expenses. Volunteers contribute time during the year to assist the organization in carrying out its charitable activities. Because of the difficulty of determining their fair value, volunteer contributed services are not recognized in the financial statements.

#### 2.6 Use of estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.



# North Perth Community Hospice

## Notes to the Financial Statements

year ended March 31, 2016

in dollars

Page 7

The Accompanying Notes are an Integral Part of the Financial Statements

### 2.7 Allocation of expenses

Various expenses incurred throughout the year are for both the General Fund and the Long Term Care Fund. The organization allocates these expenses on the following basis:

	General Fund	Long Term Care Fund
Bank charges	100%	0%
Fundraising	100%	0%
Insurance	20%	80%
Occupancy costs	0%	100%
Office supplies	45%	55%
Professional fees	0%	100%
Co-ordinator of Hospice Services - Admin	30%	70%
Co-ordinator's counselling hours	0%	100%
Office Manager	30%	70%
Coordinator of Visiting Volunteers	0%	100%
Telephone and postage	20%	80%

### 2.8 Financial instruments

The organization measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. Changes in fair value are recognized in net income.

### 2.9 Portfolio Investments

Short term investments consist of investments with maturities of between three months and one year at the date of acquisition. Long term investments consist of investments with maturities in excess of one year at the date of acquisition. The organization does not exercise significant influence with respect to any of these investments.

## 3 FINANCIAL INSTRUMENTS

### (a) Credit risk

The organization is not exposed to credit risk.

### (b) Currency risk

The organization is not exposed to currency risk.

### (c) Interest rate risk

The organization is not exposed to interest rate risk.

### (d) Liquidity risk

The organization is not exposed to liquidity risk.

### (e) Market risk

The organization is not exposed to market risk.

## 4 INVESTMENT

Investment is presented at fair value and consists of a TD Canada Trust Guaranteed Income Certificate of \$14,593 (2015- \$14,223), bearing interest at 4.05% (2015 - 2.25%), maturing January 19, 2017, plus accrued interest at March 31, 2016 of \$113 (2014 - \$62).

# North Perth Community Hospice

## Notes to the Financial Statements

year ended March 31, 2016

*in dollars*

Page 8

*The Accompanying Notes are an Integral Part of the Financial Statements*

### 5 DEFERRED REVENUE

Deferred revenue of \$176 (2015 - \$364) relates to End-of-Life funds to be used for implementing an end-of-life care strategy. Deferred revenue of \$1,490 (2015 - \$950) relates to fundraising received for the Spring Social event to be recognized in April 2016.

### 6 STATEMENT OF CASH FLOWS

The net change in non-cash working capital consists of:

	2016	2015
Prepaid expenses	(1)	461
HST receivable	44	1,172
Accounts payable	3,080	(3,130)
Deferred revenue	352	258
Government remittances payable	-	(1,281)
	3,475	(2,520)

North Perth Community Hospice  
*Schedule 1*  
 Schedule of General Fund Revenues & Expenditures  
 year ended March 31, 2016

*in dollars*

Page 9

<i>The Accompanying Notes are an Integral Part of the Financial Statements</i>	2016	2015
<b>REVENUES</b>		
Donations	9,573	6,161
Fundraising and other	53,017	50,193
Interest	531	2,103
	<b>63,121</b>	<b>58,457</b>
<b>EXPENDITURES</b>		
Advertising and promotion	1,518	2,048
Fundraising	7,305	6,235
Insurance	483	529
Office supplies	2,881	5,990
Program supplies	10	8
Salaries and benefits	5,619	6,237
Staff training	1,035	-
Telephone and postage	2,176	1,819
	21,027	22,866
Excess of Revenue over Expenditures	42,094	35,591
Transfer to Long Term Care Fund	(43,284)	(40,962)
Net Increase (Decrease) General Fund	(1,190)	(5,371)
General Fund Balance, Beginning of Year	75,457	80,828
<b>General Fund Balance, End of Year</b>	<b>74,267</b>	<b>75,457</b>

North Perth Community Hospice  
*Schedule 2*  
 Schedule of Long Term Care Fund Revenues & Expenditures  
 year ended March 31, 2016

*in dollars*

Page 10

<i>The Accompanying Notes are an Integral Part of the Financial Statements</i>	2016	2015
<b>REVENUES</b>		
Grants	49,425	46,868
	<b>49,425</b>	<b>46,868</b>
 <b>EXPENDITURES</b>		
Advertising and promotion	1,296	306
Insurance	1,931	2,117
Occupancy costs	8,685	7,172
Office supplies	3,344	6,381
Professional fees	7,216	4,565
Program supplies	1,042	219
Repairs and maintenance	-	-
Salaries and benefits	62,608	62,401
Staff training	5,121	3,555
Telephone and postage	1,466	1,114
	92,709	87,830
Deficiency of Revenue over Expenditures	(43,284)	(40,962)
Transfer from General Fund	43,284	40,962
Long Term Care Fund Balance, Beginning of Year	(15,540)	(15,540)
<b>Long Term Care Fund Balance, End of Year</b>	<b>(15,540)</b>	<b>(15,540)</b>