

North Perth Community Hospice

Financial Statements
Year Ended March 31, 2017

- audited -

North Perth Community Hospice

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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, 2017 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, 2017, 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.

Ward & Uptigrove

Listowel, Ontario

May 30, 2017

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

North Perth Community Hospice

Statement of Financial Position

as at March 31, 2017

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2017

2016

ASSETS

Current Assets

Cash and cash equivalents	56,091	46,657
Investment - Note 4	15,103	14,593
HST receivable	1,401	3,142
Prepaid expenses	5,010	3,460

TOTAL ASSETS

77,605

67,852

LIABILITIES & FUND BALANCES

Current Liabilities

Accounts payable	8,246	7,459
Government remittances payable	263	-
Deferred revenue - Note 5	5,000	1,666

13,509

9,125

Fund Balances

General Fund - Schedule 1	79,636	74,267
Long Term Care Fund - Schedule 2	(15,540)	(15,540)

64,096

58,727

TOTAL LIABILITIES AND FUND BALANCES

77,605

67,852

Approved on Behalf of the Board of Directors by

Darrette Bean

North Perth Community Hospice
Statement of Revenues, Expenditures and Fund Balances
year ended March 31, 2017

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

	2017	2016
REVENUES		
General Fund - Schedule 1	76,854	63,121
Long Term Care Fund - Schedule 2	47,337	49,425
	124,191	112,546
EXPENDITURES		
	% Sales	% Sales
General Fund - Schedule 1	15.79	21,027 18.68
Long Term Care Fund - Schedule 2	79.89	92,709 82.37
	96	113,736 101
	118,822	113,736
Excess (Deficiency) of Revenues over Expenditures	4 5,369	(1,190) (1)
Fund Balances, Beginning of Year	58,727	59,917
Fund Balances, End of Year	64,096	58,727

North Perth Community Hospice

Statement of Cash Flows

year ended March 31, 2017

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2017

2016

CASH PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Excess (Deficiency) of Revenue over Expenditures	5,369	(1,190)
Changes in non-cash working capital related to operations - Note 6	5,369	(1,190)
	4,575	3,475
	9,944	2,285

INVESTING ACTIVITIES

Change in investment	(510)	(370)
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CHANGE IN CASH AND CASH EQUIVALENTS

	9,434	1,915
Cash and cash equivalents, beginning of year	46,657	44,742
Cash and cash equivalents, end of year	56,091	46,657

Represented by:

Cash	27,416	19,554
Cash equivalents	28,675	27,103
	56,091	46,657

North Perth Community Hospice

Notes to the Financial Statements

year ended March 31, 2017

in dollars

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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, 2017

in dollars

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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

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is not exposed to credit risk.

(b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization is not exposed to currency risk.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is not exposed to interest rate risk.

(d) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. The organization is not exposed to liquidity risk.

(e) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The organization is not exposed to market risk.

North Perth Community Hospice

Notes to the Financial Statements

year ended March 31, 2017

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

4 INVESTMENT

Investment is presented at fair value and consists of a TD Canada Trust Guaranteed Income Certificate of \$15,103 (2016- \$14,593), bearing interest at 1.24% (2016 - 4.05%), maturing March 20, 2018, plus accrued interest at March 31, 2017 of \$37 (2016 - \$113).

5 DEFERRED REVENUE

Deferred revenue of \$5,000 relates to funds received for the purpose of providing Music Therapy to Hospice clients. All deferred revenue from the previous year has been realized as of March 31, 2017.

6 STATEMENT OF CASH FLOWS

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

	2017	2016
Prepaid expenses	(1,550)	(1)
HST receivable	1,741	44
Accounts payable	787	3,080
Deferred revenue	3,334	352
Government remittances payable	263	-
	4,575	3,475

North Perth Community Hospice
Schedule 1
 Schedule of General Fund Revenues & Expenditures
 year ended March 31, 2017 *in dollars*

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

		2017		2016
REVENUES				
Donations		12,429		9,573
Fundraising and other		62,343		53,017
Interest		2,082		531
		76,854		63,121
EXPENDITURES				
	% Sales			% Sales
Advertising and promotion	1.96	1,510		1,518 2.40
Fundraising	8.28	6,362		7,305 11.57
Insurance	0.63	483		483 0.77
Office supplies	1.13	872		2,881 4.56
Program supplies	0.05	40		10 0.02
Salaries and benefits	10.28	7,897		5,619 8.90
Staff training	0.48	371		1,035 1.64
Telephone and postage	2.70	2,077		2,176 3.45
		19,612		21,027
Excess of Revenue over Expenditures		57,242		42,094
Transfer to Long Term Care Fund	(67.50)	(51,873)		(43,284) (68.57)
Net Increase (Decrease) General Fund		5,369		(1,190)
General Fund Balance, Beginning of Year		74,267		75,457
General Fund Balance, End of Year		79,636		74,267

North Perth Community Hospice
Schedule 2
Schedule of Long Term Care Fund Revenues & Expenditures
year ended March 31, 2017 *in dollars*

<i>The Accompanying Notes are an Integral Part of the Financial Statements</i>	2017	2016
REVENUES		
Grants	47,337	49,425
	47,337	49,425
EXPENDITURES		
	% Sales	% Sales
Advertising and promotion	1.13 533	2.62 1,296
Insurance	4.08 1,931	3.91 1,931
Occupancy costs	19.94 9,438	17.57 8,685
Office supplies	8.79 4,160	6.77 3,344
Professional fees	9.11 4,314	14.60 7,216
Program supplies	2.89 1,368	2.11 1,042
Repairs and maintenance	2.89 -	2.11 -
Salaries and benefits	140.15 66,345	126.67 62,608
Staff training	18.58 8,796	10.36 5,121
Telephone and postage	4.91 2,325	2.97 1,466
	99,210	92,709
Deficiency of Revenue over Expenditures	(51,873)	(43,284)
Transfer from General Fund	67.50 51,873	68.57 43,284
Long Term Care Fund Balance, Beginning of Year	(15,540)	(15,540)
Long Term Care Fund Balance, End of Year	(15,540)	(15,540)