

# North Perth Community Hospice

Financial Statements  
Year Ended March 31, 2018

*- 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 balance sheet as at March 31, 2018 and the statements of operations, changes in fund balances 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 audit opinion.

### Basis for Qualified Opinion

In common with many charitable organizations, North Perth Community Hospice derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of North Perth Community Hospice and we were not able to determine whether any adjustments might be necessary for recorded donations and fundraising, the excess of revenues over expenses, cash flows from operating activities for the years ended March 31, 2018 and March 31, 2017, current assets as at March 31, 2018 and March 31, 2017, and fund balances as at and March 31 for both the 2018 and 2017 year ends. Our audit opinion on the financial statements for the year ended March 31, 2018 was modified accordingly, because of the possible effects of this scope limitation.

*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, 2018, and its financial performance 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 29, 2018

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

# North Perth Community Hospice

## Statement of Financial Position

as at March 31, 2018

in dollars

Page 3

The Accompanying Notes are an Integral Part of the Financial Statements

2018

2017

### ASSETS

**Current Assets**

Cash and cash equivalents	59,448	27,416
Investment - <i>Note 4</i>	43,886	43,778
HST receivable	2,125	1,401
Prepaid expenses	6,547	5,010

**TOTAL ASSETS**

112,006

77,605

### LIABILITIES & FUND BALANCES

**Current Liabilities**

Accounts payable	6,950	8,246
Government remittances payable	783	263
Deferred revenue - <i>Note 5</i>	15,488	5,000

23,221

13,509

**Fund Balances**

General Fund - <i>Schedule 1</i>	104,325	79,636
Long Term Care Fund - <i>Schedule 2</i>	(15,540)	(15,540)

88,785

64,096

**TOTAL LIABILITIES AND FUND BALANCES**

112,006

77,605

Approved on Behalf of the Board of Directors by

*Darlette Beau*

North Perth Community Hospice  
Statement of Revenues, Expenditures and Fund Balances  
year ended March 31, 2018 *in dollars*

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

	2018	2017
<b>REVENUES</b>		
General Fund - <i>Schedule 1</i>	91,232	76,854
Long Term Care Fund - <i>Schedule 2</i>	57,337	47,337
	<b>148,569</b>	<b>124,191</b>
 <b>EXPENDITURES</b>		
General Fund - <i>Schedule 1</i>	20,926	19,612
Long Term Care Fund - <i>Schedule 2</i>	102,954	99,210
	<b>123,880</b>	<b>118,822</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>24,689</b>	<b>5,369</b>
 Fund Balances, Beginning of Year	 64,096	 58,727
Fund Balances, End of Year	88,785	64,096

# North Perth Community Hospice

## Statement of Cash Flows year ended March 31, 2018

*in dollars*

*Page 5*

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

2018

2017

### CASH PROVIDED BY (USED IN):

#### OPERATING ACTIVITIES

Excess (Deficiency) of Revenue over Expenditures	24,689	5,369
Changes in non-cash working capital related to operations - Note 6	7,451	4,575
	<b>32,140</b>	<b>9,944</b>

#### INVESTING ACTIVITIES

Change in investment	(108)	(2,082)
----------------------	-------	---------

#### CHANGE IN CASH AND CASH EQUIVALENTS

**32,032**      **7,862**

Cash and cash equivalents, beginning of year	27,416	19,554
--	--------	--------

<b>Cash and cash equivalents, end of year</b>	<b>59,448</b>	<b>27,416</b>
---	---------------	---------------

#### Represented by:

Cash	59,448	27,416
------	--------	--------

**59,448**      **27,416**

# North Perth Community Hospice

## Notes to the Financial Statements

year ended March 31, 2018

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, 2018

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

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, 2018**

*in dollars*

Page 8

*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 \$15,292 (2017 - \$15,103), bearing interest at 1.85% (2017 - 1.24%), maturing September 24, 2019, plus accrued interest at March 31, 2017 of \$8 (2017 - \$37). The remaining \$28,594 is made up of TD mutual funds recorded at market value.

**5 DEFERRED REVENUE**

Deferred revenue of \$15,488 relates to \$5,000 (2017 - \$5,000) received for the purpose of providing Music Therapy to Hospice clients, \$4,000 (2017 - \$0) received for purpose of Hospice to use towards Education. During the year contributions of \$11,200 were received specifically for counselling services and seminar fees; expenses of \$4,712 were incurred during the year and offset these contributions, the remaining \$6,488 is recognized on the balance sheet as deferred revenue.

**6 STATEMENT OF CASH FLOWS**

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

	2018	2017
Prepaid expenses	(1,537)	(1,550)
HST receivable	(724)	1,741
Accounts payable	(1,295)	787
Deferred revenue	10,488	3,334
Government remittances payable	519	263
	7,451	4,575

**7 COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the current year's presentation.

**North Perth Community Hospice**  
*Schedule 1*  
 Schedule of General Fund Revenues & Expenditures  
 year ended March 31, 2018 *in dollars*

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

	2018	2017
<b>REVENUES</b>		
Donations	61,440	12,429
Fundraising and other	29,684	62,343
Interest	108	2,082
	<b>91,232</b>	<b>76,854</b>
 <b>EXPENDITURES</b>		
Advertising and promotion	1,030	1,510
Fundraising	5,774	6,362
Insurance	434	483
Miscellaneous	150	-
Office supplies	1,764	872
Program supplies	56	40
Salaries and benefits	9,794	7,897
Staff training	393	371
Telephone and postage	1,531	2,077
	20,926	19,612
Excess of Revenue over Expenditures	70,306	57,242
Transfer to Long Term Care Fund	(45,617)	(51,873)
Net Increase (Decrease) General Fund	24,689	5,369
General Fund Balance, Beginning of Year	79,636	74,267
<b>General Fund Balance, End of Year</b>	<b>104,325</b>	<b>79,636</b>

North Perth Community Hospice  
*Schedule 2*  
 Schedule of Long Term Care Fund Revenues & Expenditures  
 year ended March 31, 2018 *in dollars*

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

	2018	2017
<b>REVENUES</b>		
Grants	57,337	47,337
	<b>57,337</b>	<b>47,337</b>
 <b>EXPENDITURES</b>		
Advertising and promotion	336	533
Insurance	1,736	1,931
Leasehold improvements	9,167	-
Miscellaneous	75	-
Occupancy costs	8,925	9,438
Office supplies	5,164	4,160
Professional fees	4,713	4,314
Program supplies	448	1,368
Repairs and maintenance	-	-
Salaries and benefits	65,737	66,345
Staff training	4,697	8,796
Telephone and postage	1,956	2,325
	102,954	99,210
Deficiency of Revenue over Expenditures	(45,617)	(51,873)
Transfer from General Fund	45,617	51,873
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>