

**HOSPICE TORONTO**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2011**

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PARKER PRINS LEBANO  
Chartered Accountants  
Professional Corporation

## INDEPENDENT AUDITORS' REPORT

To the Members of:

# HOSPICE TORONTO

### Report on the Financial Statements

We have audited the accompanying financial statements of **HOSPICE TORONTO**, which comprise the Statement Of Financial Position as at March 31, 2011, and the Statements Of Operations and Changes In Net Assets 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 generally accepted accounting principles, 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.

### Auditors' 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 organization'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 organization'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.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **HOSPICE TORONTO** as at March 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

### Other Matters

The financial statements of **HOSPICE TORONTO** for the year ended March 31, 2010, were audited by another auditor who expressed an unmodified opinion on those statements on May 19, 2010.

A handwritten signature in black ink, reading 'Parker Prins Lebano'.

Parker Prins Lebano Chartered Accountants Professional Corporation  
Authorized to practice public accounting by The Institute of Chartered Accountants of Ontario

Toronto, Ontario  
May 30, 2011

**HOSPICE TORONTO**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2011**

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 199,297	\$ 186,695
Short term investments (note 3)	262,333	203,474
Accounts receivable	17,737	18,329
Prepaid expenses	<u>12,270</u>	<u>9,621</u>
	491,637	418,119
<b>CAPITAL ASSETS (note 4)</b>	<u>-</u>	<u>35,732</u>
	<u>\$ 491,637</u>	<u>\$ 453,851</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 17,190	\$ 30,622
Deferred revenue (note 5)	<u>24,800</u>	<u>50,343</u>
	<u>41,990</u>	<u>80,965</u>
<b>NET ASSETS</b>		
Invested in capital assets	-	35,732
Unrestricted net assets	<u>449,647</u>	<u>337,154</u>
	<u>449,647</u>	<u>372,886</u>
	<u>\$ 491,637</u>	<u>\$ 453,851</u>

Approved by the Board:

*Brian J. Harpole*

Director

*Peggy Lee*

Director

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**HOSPICE TORONTO**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2011**

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	<u>2011</u>	<u>2010</u>
<b>REVENUE</b>		
Ontario Ministry of Health	\$ 491,665	\$ 480,400
Partnership and community contributions (note 5)	277,394	119,620
Funding contributions (note 7)	298,421	228,685
Interest income	<u>3,485</u>	<u>2,511</u>
	<u>1,070,965</u>	<u>831,216</u>
 <b>EXPENDITURES (note 8)</b>		
Administration	101,978	122,930
Fund development	105,640	97,997
Overhead and communications (note 9)	127,936	107,273
Professional fees	46,363	41,274
Program delivery (note 10)	<u>612,287</u>	<u>424,010</u>
	<u>994,204</u>	<u>793,484</u>
 <b>EXCESS OF REVENUE OVER EXPENDITURES</b>	 76,761	 37,732
 <b>NET ASSETS, BEGINNING OF YEAR</b>	 <u>372,886</u>	 <u>335,154</u>
 <b>NET ASSETS, END OF YEAR</b>	 <u>\$ 449,647</u>	 <u>\$ 372,886</u>

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# HOSPICE TORONTO

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2011

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	Invested In Capital Assets	Invested In Unrestricted Net Assets	Total 2011	Total 2010
BALANCE, BEGINNING OF YEAR	\$ 35,732	\$ 337,154	\$ 372,886	\$ 335,154
EXCESS OF REVENUE OVER EXPENDITURE	<u>(35,732)</u>	<u>112,493</u>	<u>76,761</u>	<u>37,732</u>
BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ 449,647</u>	<u>\$ 449,647</u>	<u>\$ 372,886</u>

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# HOSPICE TORONTO

## NOTES TO THE FINANCIAL STATEMENTS

### MARCH 31, 2011

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#### 1. INCORPORATION

Hospice Toronto is a non-profit organization incorporated under the Registered Charities Act of Ontario and enhances the quality of life for persons with a terminal illness, their families and friends.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and reflect the following policies:

##### ACCRUAL ACCOUNTING

Revenue is recognized when earned or when the organization is entitled to receive grant funds. Expenses are recognized when they are incurred.

##### CAPITAL ASSETS

Capital assets are stated at cost. Leaseholds are being amortized on a straight-line basis over a five-year period commencing April 2007.

The organization expenses capital assets less than \$10,000 when it receives direct funding for such asset purchases.

##### DONATED SERVICES

Much of the work of Hospice Toronto is dependent on voluntary services. Since these services are not typically purchased by the the Hospice, and as a result of the difficulty of determining their value, such donated services are not recognized in the financial statements.

#### 3. SHORT TERM INVESTMENTS

The organization holds guaranteed investment certificates comprised of the following:

	Interest Rate	Maturity Date	2011	2010
Canadian Imperial Bank of Commerce	0.65%	August 18, 2010	\$ -	\$ 201,217
Canadian Imperial Bank of Commerce	0.65%	January 27, 2011	-	2,257
Canadian Imperial Bank of Commerce	1.30%	September 22, 2011	<b>62,333</b>	-
Canadian Imperial Bank of Commerce	2.25%	August 20, 2012	<b>100,000</b>	-
Canadian Imperial Bank of Commerce	1.80%	February 21, 2012	<b>100,000</b>	-
			<b>\$ 262,333</b>	<b>\$ 203,474</b>

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# HOSPICE TORONTO

NOTES TO THE FINANCIAL STATEMENTS (continued)  
MARCH 31, 2011

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## 4. LEASEHOLD IMPROVEMENTS

	March 31, 2011			2010
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Leaseholds	\$ 89,343	\$ 89,343	\$ -	\$ 35,732

The organization's lease ended on March 31, 2011, and it is currently seeking new premises while paying rent on a month-to-month basis. As a result, the remaining balance of leasehold improvements was fully amortized during the year for an amortization expense amount of \$35,732 (2010 - \$17,873).

## 5. PARTNERSHIP AND COMMUNITY CONTRIBUTIONS

The organization is in partnership with community based health service providers. Contributions for these projects have been received from Human Resources and Skills Development Canada (HRSDC) through New Horizons for Seniors Program (NHFSP) as well as through the Social Development Partnerships Program (SDPP) and the Toronto Central LHIN (TC LHIN) which is funded by the Ontario Ministry of Health. The organization uses and distributes these funds as required, to carry out the projects' mandates. Portions of these contributions apply to future expenditures and have been recorded as deferred revenue, as outlined in the schedule below.

	Deferred Revenue 2010	Amount Received 2011	Revenue 2011	Deferred Revenue 2011
SDPP (HRSDC) Young Carers	\$ 26,843	\$ 227,051	\$ 253,894	\$ -
NHFSP (HRSDC) Final Passages: Hospice Service for those with Developmental Disabilities	-	24,800	-	24,800
NHFSP (HRSDC) Men As Caregivers	23,500	-	23,500	-
	<u>\$ 50,343</u>	<u>\$ 251,851</u>	<u>\$ 277,394</u>	<u>\$ 24,800</u>

## 6. LONG-TERM FUNDING AGREEMENT

The organization has been awarded funding for a new initiative called the Young Carers Project through a contribution from the Government of Canada's Social Development Partnerships Program (SDPP) totaling \$625,758 in contribution funding over four years commencing the 2009/2010 fiscal year. As of the current year the organization has received \$336,450 (2010 - \$109,399) in total.

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# HOSPICE TORONTO

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2011

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## 7. DONATIONS AND FUNDRAISING EVENTS

Included in funding contributions revenue is cash donations from corporations, foundations and individuals. Donation receipts issued total \$209,554 (2010 - \$201,334) which includes contributions from fundraising events as well as donations in kind.

During the year, Hospice Toronto received contributions towards its silent auction and other fundraising events. Charitable donation receipts were issued for the fair market value of these gifts, totaling \$4,476 (2010 - \$3,554).

It is the organization's policy not to record donations in kind as revenue or expense in the financial statements.

## 8. EXPENDITURE ALLOCATIONS

Hospice Toronto has adopted a policy of allocating applicable expenditures to their relevant Partnership and Community projects including salaries, contractor fees, rent and others.

## 9. OVERHEAD AND COMMUNICATIONS EXPENSE

	<u>2011</u>	<u>2010</u>
Amortization	\$ 35,732	\$ 17,873
Computer purchases and consulting	14,693	16,587
Insurance	3,260	3,095
Office and communications	32,619	31,659
Operating expenses	4,882	5,804
Occupancy	<u>36,750</u>	<u>32,255</u>
	<u>\$ 127,936</u>	<u>\$ 107,273</u>

## 10. PROGRAM DELIVERY EXPENSE

	<u>2011</u>	<u>2010</u>
Client services	\$ 11,140	\$ 9,702
Partnership and community project costs	277,394	119,620
Salaries and benefits	302,869	274,779
Training, development and conferences	6,458	6,050
Volunteer training and recruitment	<u>14,426</u>	<u>13,859</u>
	<u>\$ 612,287</u>	<u>\$ 424,010</u>

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# HOSPICE TORONTO

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2011

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## 11. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, short-term investments, accounts receivable and accounts payable. The book values of these financial instruments approximate their fair values due to their nature. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

## 12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform with the current year financial statement presentation and to align reported results with the annual report.