

HOSPICE TORONTO
FINANCIAL STATEMENTS
MARCH 31, 2012

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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, 2012, 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, 2012, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in cursive script, appearing to read '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 26, 2012

HOSPICE TORONTO
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
ASSETS		
CURRENT		
Cash	\$ 161,770	\$ 199,297
Short term investments (note 3)	266,068	262,333
Accounts receivable	2,752	3,050
Accrued interest receivable	2,773	2,908
Recoverable sales tax	30,178	11,779
Prepaid expenses	<u>26,214</u>	<u>12,270</u>
	489,755	491,637
CAPITAL ASSETS (note 4)	<u>22,436</u>	<u>-</u>
	<u>\$ 512,191</u>	<u>\$ 491,637</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 10,960	\$ 17,190
Deferred revenue (note 5)	<u>64,557</u>	<u>24,800</u>
	<u>75,517</u>	<u>41,990</u>
NET ASSETS		
Invested in capital assets	22,436	-
Unrestricted net assets	<u>414,238</u>	<u>449,647</u>
	<u>436,674</u>	<u>449,647</u>
	<u>\$ 512,191</u>	<u>\$ 491,637</u>

Approved by the Board:

Brian J. Manspool Director Peggy Lee Director

HOSPICE TORONTO
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
REVENUE		
Ontario Ministry of Health	\$ 497,094	\$ 491,665
Partnership and community contributions (note 5)	279,369	277,394
Funding contributions (note 7)	297,027	298,421
Interest income	<u>3,600</u>	<u>3,485</u>
	<u>1,077,090</u>	<u>1,070,965</u>
EXPENDITURES (note 8)		
Administration	114,209	101,978
Fund development	125,208	105,640
Overhead and communications (note 9)	141,144	127,936
Professional fees	36,776	46,363
Program delivery (note 10)	<u>672,726</u>	<u>612,287</u>
	<u>1,090,063</u>	<u>994,204</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES	(12,973)	76,761
NET ASSETS, BEGINNING OF YEAR	<u>449,647</u>	<u>372,886</u>
NET ASSETS, END OF YEAR	<u>\$ 436,674</u>	<u>\$ 449,647</u>

HOSPICE TORONTO

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2012

	Invested In Capital Assets	Invested In Unrestricted Net Assets	Total 2012	Total 2011
BALANCE, BEGINNING OF YEAR	\$ -	\$ 449,647	\$ 449,647	\$ 372,886
INVESTED IN CAPITAL ASSETS	22,436	(22,436)	-	-
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURE	<u>-</u>	<u>(12,973)</u>	<u>(12,973)</u>	<u>76,761</u>
BALANCE, END OF YEAR	<u>\$ 22,436</u>	<u>\$ 414,238</u>	<u>\$ 436,674</u>	<u>\$ 449,647</u>

HOSPICE TORONTO

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2012

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. Leasehold improvements will be amortized on a straight-line basis over a five-year period commencing April 2012 to reflect the occupancy date of the organization's new offices.

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	2012	2011
Canadian Imperial Bank of Commerce	1.30%	September 22, 2011	\$ -	\$ 62,333
Canadian Imperial Bank of Commerce	1.80%	February 21, 2012	-	100,000
Canadian Imperial Bank of Commerce	2.25%	August 20, 2012	100,000	100,000
Canadian Imperial Bank of Commerce	1.30%	February 22, 2013	<u>166,068</u>	-
			<u>\$ 266,068</u>	<u>\$ 262,333</u>

HOSPICE TORONTO

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2012

4. CAPITAL ASSETS

	March 31, 2012		2011
	Cost	Accumulated Amortization	Net Book Value
Leasehold improvements	\$ 22,436	\$ -	\$ 22,436

The organization's lease for its former office ended on March 31, 2011, and given the certainty of a move shortly following that date, leasehold improvements were fully written off in 2011 resulting in an amortization expense amount of \$35,732. The organization moved into its new offices at the end of March 2012, and as a result no amortization for leasehold improvements completed in March 2012 has been recorded. Amortization will commence in 2013 over a five-year term.

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) and the Trillium Foundation for the Young Carers Programs. 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 2011	Amount Received 2012	Revenue 2012	Deferred Revenue 2012
Toronto Community Foundation	\$ -	\$ 5,000	\$ -	\$ 5,000
Trillium Young Carers	-	65,400	36,882	28,518
NHFSP (HRSDC) Final Passages:				
Transitions Project	24,800	-	24,800	-
NHFSP (HRSDC) Young Carers	-	248,726	217,687	31,039
	<u>\$ 24,800</u>	<u>\$ 319,126</u>	<u>\$ 279,369</u>	<u>\$ 64,557</u>

6. LONG-TERM FUNDING AGREEMENT

Commencing the 2009/2010 fiscal year, the organization was awarded funding for 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. As of the current year the organization has received \$554,137 (2011 - \$336,450) in total.

Commencing on July 1, 2011, the organization commenced receiving funding totalling \$198,000 over a 36 month period for the Young Carers Initiative from the Trillium Foundation. During the 2011/12 fiscal year, \$65,400 was received, with an amount of \$28,518 deferred at year-end. Future payments of \$66,300 will be received in fiscal 2013 and 2014.

HOSPICE TORONTO

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2012

7. DONATIONS AND FUNDRAISING EVENTS

Included in funding contributions revenue is cash donations from corporations, foundations and individuals. Donation receipts issued total \$127,800 (2011 - \$209,554) 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 \$9,477 (2011 - \$4,476).

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>2012</u>	<u>2011</u>
Amortization	\$ -	\$ 35,732
Computer purchases and consulting	13,595	14,693
Insurance	3,344	3,260
Office and communications	28,968	37,501
Occupancy	95,237	36,750
	<u>\$ 141,144</u>	<u>\$ 127,936</u>

10. PROGRAM DELIVERY EXPENSE

	<u>2012</u>	<u>2011</u>
Client services	\$ 287,323	\$ 262,082
Partnership and community project costs	279,369	277,394
Volunteer training & recruitment	106,034	72,811
	<u>\$ 672,726</u>	<u>\$ 612,287</u>

HOSPICE TORONTO

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2012

11. LEASE COMMITMENTS

Hospice Toronto have operating lease commitments for their office premises. The future minimum annual lease payments under this lease are as follows:

2013	\$76,800
2014	\$76,800
2015	\$76,800
2016	\$76,800
2017	\$76,800

12. 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.

13. STATEMENT OF CASH FLOWS

A Statement of Cash Flows has not been presented in these financial statements as no additional useful information would be provided by its inclusion.

14. 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.