

Hospice Toronto
Financial Statements
March 31, 2016

Hospice Toronto

March 31, 2016

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Independent Auditor's Report

To the Directors of
Hospice Toronto

We have audited the accompanying financial statements of Hospice Toronto, which comprise the statement of financial position as at March 31, 2016, and the statements of operations and changes in net assets 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 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, 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, which is one of the financial reporting frameworks included in Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants
June 22, 2016

1.

Hospice Toronto
(incorporated under the laws of Ontario)

Statement of Financial Position
March 31

	2016	2015
Assets		
Current assets		
Cash	\$ 115,062	\$ 283,244
Accounts receivable	76,538	37,214
GST/HST receivable	9,405	11,976
Prepaid expenses	12,134	11,955
	213,139	344,389
Capital assets (Note 3)	32,801	41,001
	\$ 245,940	\$ 385,390
Liabilities		
Current liabilities		
Accounts payable and accrued charges	\$ 45,680	\$ 21,867
Deferred revenue - partnership and community contributions (Note 4)	-	19,600
	45,680	41,467
Net Assets		
Invested in capital assets	32,801	41,001
Unrestricted net assets	167,459	302,922
	200,260	343,923
	\$ 245,940	\$ 385,390

See accompanying notes.

Approved by the Board

 Director

 Director

Hospice Toronto

Statement of Operations For the year ended March 31

	2016	2015
Revenue		
Ontario Ministry of Health (Note 5)	\$ 497,094	\$ 497,094
Partnership and community contributions (Note 4)	74,401	144,331
Donations and fundraising	176,820	276,990
Interest income	22	1,375
	<hr/>	<hr/>
	748,337	919,790
Expenses		
Program delivery (Note 6)	633,401	644,195
Overhead and communications (Note 7)	142,820	135,405
Administration	70,387	116,090
Professional fees	23,169	21,316
Fundraising	22,222	18,847
	<hr/>	<hr/>
	891,999	935,853
Deficiency of revenue over expenses before other items	(143,662)	(16,063)
Other items		
Reimbursement of rent from a prior year	-	16,781
	<hr/>	<hr/>
(Deficiency) excess of revenue over expenses	\$ (143,662)	\$ 718

See accompanying notes.

Hospice Toronto

Statement of Changes in Net Assets For the year ended March 31

2016

2015

	Invested in Capital Assets	Invested in Unrestricted Net Assets	Total 2016	Total 2015
Net assets, beginning of year	\$ 41,001	\$ 302,921	\$ 343,922	\$ 343,205
Invested in capital assets	(8,200)	8,200	-	-
(Deficiency) excess of revenue over expenditures	-	(143,662)	(143,662)	718
Net assets, end of year	\$ 32,801	\$ 167,459	\$ 200,260	\$ 343,923

See accompanying notes.

Hospice Toronto

Statement of Cash Flows

For the year ended March 31

	2016	2015
Cash flows from (used for) operating activities		
Excess (deficiency) of revenue over expenses	\$ (143,662)	\$ 718
Item not involving cash		
Amortization	8,200	4,732
Changes in non-cash working capital components		
Accounts receivable	(39,324)	(14,034)
Accrued interest receivable	-	784
GST/HST receivable	2,571	10,866
Prepaid expenses	(179)	(1,239)
Accounts payable and accrued liabilities	23,812	(3,217)
Deferred revenue - partnership and community contributions	(19,600)	(27,699)
	(168,182)	(29,089)
Cash flows from (used for) investing activities		
Purchase of capital assets	-	(41,001)
Proceeds from short-term investments matured	-	224,759
	-	183,758
(Decrease) increase in cash during the year	(168,182)	154,669
Cash, beginning of year	283,244	128,575
Cash, end of year	\$ 115,062	\$ 283,244

See accompanying notes.

Hospice Toronto

Notes to Financial Statements

March 31, 2016

1. Nature of operations

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. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and reflect the following policies:

Revenue recognition

Hospice Toronto follows the deferral method of accounting for contributions, which includes amounts received from governments and community-based health providers, donations, and revenue from other fundraising activities.

Unrestricted contributions are recognized as revenue when received or receivable, provided the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

Capital assets

Capital assets are stated at cost. Leasehold improvements are amortized on a straight-line basis over a five year period commencing April 1, 2015.

Donated goods and services .

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

3. Capital assets

	Assets	Accumulated Amortization	Net 2016	Net 2015
Leasehold improvements	\$ 41,001	\$ 8,200	\$ 32,801	\$ 41,001

Hospice Toronto

Notes to Financial Statements

March 31, 2016

4. Partnership and community contributions

The organization is in partnership with community based health service providers, federal and municipal governments. Contributions for these projects have been received from the City of Toronto and the New Horizons for Seniors Program. 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 2015	Amount Received 2016	Revenue 2016	Deferred Revenue 2016
City of Toronto	\$ 2,100	\$ 54,801	\$ 56,901	\$ -
New Horizons for Seniors	17,500	-	17,500	-
	<u>\$ 19,600</u>	<u>\$ 54,801</u>	<u>\$ 74,401</u>	<u>\$ -</u>

5. Ontario Ministry of Health revenue

The organization receives funding from the LHIN under a three year (2015 - 2017) MSSA agreement signed with the Ministry of Health and Long-Term Care (MOHLTC). It also receives funding from the Aids Bureau, MOHLTC.

	2016	2015
LHIN (MOHLTC)	\$ 448,552	\$ 448,552
Aids Bureau	48,542	48,542
	<u>\$ 497,094</u>	<u>\$ 497,094</u>

6. Program delivery expense

	2016	2015
Other client services	\$ 459,729	\$ 401,617
Volunteer training & recruitment	103,318	98,274
Partnership and community project costs	70,354	144,304
	<u>\$ 633,401</u>	<u>\$ 644,195</u>

Hospice Toronto

Notes to Financial Statements

March 31, 2016

7. Overhead and communications expense

	2016		2015
Occupancy	\$ 80,737	\$	86,657
Office and communications	40,222		35,496
Computer purchases and consulting	9,870		4,901
Amortization - leasehold improvements	8,200		4,732
Insurance	3,791		3,619
	\$ 142,820	\$	135,405

8. Lease commitments

Hospice Toronto have commitments for their office premises under an operating lease with an end date of December 31, 2020 and an option to renew. The future minimum annual lease payments under this lease are as follows:

2017	\$77,692
2018	\$79,151
2019	\$80,610
2020	\$61,278
	\$298,731

9. 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.