

HOSPICE TORONTO
FINANCIAL STATEMENTS
MARCH 31, 2015

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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, 2015, and the Statements Of Operations, 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.

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, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matters

These financial statements replace those originally issued on June 22, 2015.

A handwritten signature in blue ink, appearing to read 'Paul R. Le'.

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

Toronto, Ontario
June 23, 2015

HOSPICE TORONTO
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT		
Cash	\$ 283,244	\$ 128,575
Short term investments	-	224,759
Accounts receivable	37,214	23,180
Accrued interest receivable	-	784
Recoverable sales tax	11,976	22,842
Prepaid expenses	<u>11,955</u>	<u>10,716</u>
	344,389	410,856
CAPITAL ASSETS (note 3)	<u>41,001</u>	<u>4,732</u>
	<u>\$ 385,390</u>	<u>\$ 415,588</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 21,867	\$ 25,084
Deferred revenue - partnership and community contributions (note 4)	<u>19,600</u>	<u>47,299</u>
	<u>41,467</u>	<u>72,383</u>
NET ASSETS		
Invested in capital assets	41,001	4,732
Unrestricted net assets	<u>302,922</u>	<u>338,473</u>
	<u>343,923</u>	<u>343,205</u>
	<u>\$ 385,390</u>	<u>\$ 415,588</u>

Approved by the Board:

_____ Director _____ Director

HOSPICE TORONTO
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
REVENUE		
Ontario Ministry of Health (note 5)	\$ 497,094	\$ 571,594
Partnership and community contributions (note 4)	144,331	128,261
Funding contributions (note 6)	276,990	307,337
Interest income	<u>1,375</u>	<u>2,369</u>
	<u>919,790</u>	<u>1,009,561</u>
EXPENDITURES (note 7)		
Administration	116,090	100,576
Fund development	18,847	139,320
Overhead and communications (note 8)	135,405	148,795
Professional fees	21,316	39,997
Program delivery (note 9)	<u>644,195</u>	<u>642,299</u>
	<u>935,853</u>	<u>1,070,987</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES BEFORE OTHER ITEM	(16,063)	(61,426)
OTHER ITEM		
Reimbursement of rent from a prior period	<u>16,781</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	718	(61,426)
NET ASSETS, BEGINNING OF YEAR	<u>343,205</u>	<u>404,631</u>
NET ASSETS, END OF YEAR	<u><u>\$ 343,923</u></u>	<u><u>\$ 343,205</u></u>

HOSPICE TORONTO
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2015

	Invested In Capital Assets	Invested In Unrestricted Net Assets	Total 2015	Total 2014
BALANCE, BEGINNING OF YEAR	\$ 4,732	\$ 338,473	\$ 343,205	\$ 404,631
INVESTED IN CAPITAL ASSETS	36,269	(36,269)	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>-</u>	<u>718</u>	<u>718</u>	<u>(61,426)</u>
BALANCE, END OF YEAR	<u>\$ 41,001</u>	<u>\$ 302,922</u>	<u>\$ 343,923</u>	<u>\$ 343,205</u>

HOSPICE TORONTO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	\$ 718	\$ (61,426)
Items not affecting cash:		
Amortization - leasehold improvements	<u>4,732</u>	<u>9,464</u>
	5,450	(51,962)
Net changes in non-cash items related to operations:		
Accounts receivable	(14,034)	(7,720)
Accrued interest receivable	784	260
Recoverable sales tax	10,866	(11,717)
Prepaid expenses	(1,239)	3,641
Accounts payable and accrued liabilities	(3,217)	9,754
Deferred revenue - partnership and community contributions	<u>(27,699)</u>	<u>23,039</u>
	<u>(29,089)</u>	<u>(34,705)</u>
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES		
Additions to capital assets	(41,001)	-
Proceeds from short-term investments matured	224,759	222,140
Purchases of short-term investments	<u>-</u>	<u>(224,759)</u>
	<u>183,758</u>	<u>(2,619)</u>
INCREASE (DECREASE) IN CASH	154,669	(37,324)
CASH, BEGINNING OF YEAR	<u>128,575</u>	<u>165,899</u>
CASH, END OF YEAR	<u><u>\$ 283,244</u></u>	<u><u>\$ 128,575</u></u>

HOSPICE TORONTO

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

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 accounting standards for not-for-profit organizations, and reflect the following policies:

ACCRUAL ACCOUNTING

Revenue is recognized when earned or when the organization is entitled to receive grant funds. Revenues from partnership and community projects and other designated grants are recognized when the related expenses they are intended to fund are incurred. Expenses are recognized when they are incurred.

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.

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 Hospice, and as a result of the difficulty of determining their value, such donated services are not recognized in the financial statements.

HOSPICE TORONTO

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2015

3. CAPITAL ASSETS

	<u>2015</u>		<u>2014</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Leasehold improvements	\$ <u>41,001</u>	\$ <u>-</u>	\$ <u>41,001</u>
			\$ <u>4,732</u>

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 City of Toronto, The Ontario Trillium Foundation for the Young Carers Program, and 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.

	<u>Deferred Revenue 2014</u>	<u>Amount Received 2015</u>	<u>Revenue 2015</u>	<u>Deferred Revenue 2015</u>
City of Toronto	\$ -	\$ 91,632	\$ 89,532	\$ 2,100
Trillium Young Carers	22,299	-	22,299	-
New Horizons	<u>25,000</u>	<u>25,000</u>	<u>32,500</u>	<u>17,500</u>
	<u>\$ 47,299</u>	<u>\$ 116,632</u>	<u>\$ 144,331</u>	<u>\$ 19,600</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 Aids Bureau, MOHLTC.

	<u>2015</u>	<u>2014</u>
LHIN (MOHLTC)	\$ <u>448,552</u>	\$ 448,552
One-time LHIN	-	74,500
Aids Bureau	<u>48,542</u>	<u>48,542</u>
	<u>\$ 497,094</u>	<u>\$ 571,594</u>

HOSPICE TORONTO

NOTES TO THE FINANCIAL STATEMENTS (continued)
MARCH 31, 2015

6. DONATIONS AND FUNDRAISING EVENTS

Included in funding contributions revenue is cash donations from corporations, foundations and individuals. Donation receipts issued total \$136,091 (2014 - \$126,553) 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 \$nil (2014 - \$13,664).

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

7. 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.

8. OVERHEAD AND COMMUNICATIONS EXPENSE

	<u>2015</u>	<u>2014</u>
Amortization - leasehold improvements	\$ 4,732	\$ 9,464
Computer purchases and consulting	4,901	6,598
Insurance	3,619	3,933
Office and communications	35,496	48,191
Occupancy	86,657	80,609
	<u>\$ 135,405</u>	<u>\$ 148,795</u>

9. PROGRAM DELIVERY EXPENSE

	<u>2015</u>	<u>2014</u>
Client services	\$ 401,617	\$ 334,574
Partnership and community project costs	144,304	128,261
Volunteer training & recruitment	98,274	179,464
	<u>\$ 644,195</u>	<u>\$ 642,299</u>

HOSPICE TORONTO

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2015

10. 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:

2016	\$76,233
2017	\$77,692
2018	\$79,151
2019	\$80,610
2020	\$61,278

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.