

HOSPICE GEORGINA
Financial Statements
Year Ended March 31, 2013

HOSPICE GEORGINA
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Year Ended March 31, 2013

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INDEPENDENT AUDITOR'S REPORT

To the Members of Hospice Georgina

I have audited the accompanying financial statements of Hospice Georgina, which comprise the statement of financial position as at March 31, 2013 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

(continues)

Independent Auditor's Report to the Members of Hospice Georgina (continued)

Basis for Qualified Opinion

In common with many not-for-profit organizations, Hospice Georgina derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Hospice Georgina. Therefore, I was not able to determine whether any adjustments might be necessary to donations or fundraising revenue, excess of revenues over expenses, current assets and net assets as at March 31, 2013.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Hospice Georgina as at March 31, 2013 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.

Comparative Information

Without modifying my opinion, I draw attention to Note 1 to the financial statements which describes that Hospice Georgina adopted Canadian accounting standards for not-for-profit organizations on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements and related disclosures. I was not engaged to report on the restated comparative information, and as such, it is unaudited.

Keswick, Ontario
August 12, 2013

Lipchitz & Associates

LIPCHITZ & ASSOCIATES
CHARTERED ACCOUNTANT
Licensed Public Accountant

HOSPICE GEORGINA
Statement of Financial Position
As at March 31, 2013

	March 31, 2013	March 31, 2012	April 1, 2011
ASSETS			
CURRENT			
Cash	\$ 26,009	\$ 17,490	\$ 25,215
Term deposits (Note 4)	24,515	24,206	43,189
Accounts receivable	-	125	1,294
HST rebate receivable	3,296	3,524	2,478
Prepaid expenses	442	2,850	950
	<u>54,262</u>	<u>48,195</u>	<u>73,126</u>
CAPITAL ASSETS (Note 5)	<u>2,131</u>	<u>2,737</u>	<u>3,527</u>
	<u>\$ 56,393</u>	<u>\$ 50,932</u>	<u>\$ 76,653</u>
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	\$ 4,999	\$ 4,200	\$ 7,192
Employee deductions payable	3,778	1,281	1,348
	<u>8,777</u>	<u>5,481</u>	<u>8,540</u>
NET ASSETS			
Operating fund	23,101	21,245	24,924
Restricted fund	24,515	24,206	43,189
	<u>47,616</u>	<u>45,451</u>	<u>68,113</u>
	<u>\$ 56,393</u>	<u>\$ 50,932</u>	<u>\$ 76,653</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements

HOSPICE GEORGINA
Statement of Operations
Year Ended March 31, 2013

	Budget 2013	2013	2012
REVENUE			
Grants (Note 6)	\$ 103,368	\$ 105,753	\$ 107,983
Donations and fundraising	26,575	22,683	22,996
Other income	3,500	5,249	2,991
	<u>133,443</u>	<u>133,685</u>	<u>133,970</u>
EXPENSES			
Administrative costs	35,930	47,233	61,338
Advertising and promotion	1,600	491	2,390
Amortization	-	606	789
Direct program and co-ordination costs	41,100	31,793	32,592
Fundraising costs	3,600	6,291	6,495
Grief and bereavement program	1,550	678	352
HST expenses	2,800	4,743	1,331
Insurance	2,066	3,779	1,396
Interest and bank charges	100	467	211
Occupancy costs	20,300	19,019	23,195
Office and general	8,460	7,060	13,495
Professional fees	5,150	5,890	5,339
Telephone	2,760	1,968	3,617
Training	540	301	1,284
Travel	2,000	1,010	1,967
Volunteer support	2,400	191	677
Website development	-	-	164
	<u>130,356</u>	<u>131,520</u>	<u>156,632</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 3,087</u>	<u>\$ 2,165</u>	<u>\$ (22,662)</u>

See notes to financial statements

HOSPICE GEORGINA
Statement of Changes in Net Assets
Year Ended March 31, 2013

	Operating Fund	Restricted Fund	2013	2012
NET ASSETS - BEGINNING OF YEAR	\$ 21,245	\$ 24,206	\$ 45,451	\$ 68,113
Excess (Deficiency) of revenues over expenses	1,856	309	2,165	(22,662)
NET ASSETS - END OF YEAR	\$ 23,101	\$ 24,515	\$ 47,616	\$ 45,451

HOSPICE GEORGINA
Statement of Cash Flows
Year Ended March 31, 2013

	2013	2012
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 2,165	\$ (22,662)
Item not affecting cash:		
Amortization of capital assets	606	789
	<u>2,771</u>	<u>(21,873)</u>
Changes in non-cash working capital:		
Accounts receivable	125	1,169
Accounts payable and accrued liabilities	799	(2,991)
HST rebate receivable	228	(1,046)
Prepaid expenses	2,408	(1,900)
Employee deductions payable	2,497	(67)
	<u>6,057</u>	<u>(4,835)</u>
INCREASE (DECREASE) IN CASH FLOW	8,828	(26,708)
Cash - beginning of year	<u>41,696</u>	<u>68,404</u>
CASH - END OF YEAR	\$ 50,524	\$ 41,696
CASH CONSISTS OF:		
Cash	\$ 26,009	\$ 17,490
Term deposits (Internally restricted)	24,515	24,206
	<u>\$ 50,524</u>	<u>\$ 41,696</u>

HOSPICE GEORGINA
Notes to Financial Statements
Year Ended March 31, 2013

1. **FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS**

During the year the organization adopted accounting standards for not-for-profit organizations. These financial statements are the first prepared in accordance with these standards. The changes have been applied retrospectively, however, the adoption of these standards had no impact on net assets as at April 1, 2011 or operations or cash flows for the year ended March 31, 2012 as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

2. **DESCRIPTION OF BUSINESS**

Hospice Georgina (the "organization") was incorporated by letters patent, without share capital, under The Ontario Corporations Act on September 22, 1997. As a not-for-profit corporation under the Income Tax Act (Canada) the company is exempt from income taxes.

The organization is registered as a charity with the Canada Revenue Agency. This allows the organization to issue income tax deductible receipts to donors for properly qualifying gifts or donations received by the organization.

The objective of the organization is to provide non-medical, physical, emotional and spiritual support to all people in Georgina with a life threatening illness, and also their families and caregivers through a base of a caring community of trained volunteers.

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Equipment	20%	declining balance method
Computer equipment	30%	declining balance method
Computer software	100%	declining balance method

The organization regularly reviews its capital assets to eliminate obsolete items.

Fund accounting

Hospice Georgina follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund over the time period to which they relate and when collection is reasonably assured.

Restricted contributions are reported in the Internally Restricted Fund. Investment income earned on resources of the Restricted Fund is reported in this Fund as well on a time proportionate basis.

Government grants

Government grants are recorded when there is a reasonable assurance that the organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

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HOSPICE GEORGINA
Notes to Financial Statements
Year Ended March 31, 2013

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Contributed services

A number of volunteers have donated significant amounts of their time to the organization. No amount has been reflected in the statements for these donated services because no objective basis is available to measure their value.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Economic dependence

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the organization be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The organization's ability to continue as a going concern is dependent upon its ability to obtain program funding. These financial statements do not reflect the adjustments or reclassification of assets and liabilities, which would be necessary if the organization were unable to continue its operations.

4. **TERM DEPOSITS (INTERNALLY RESTRICTED)**

Term deposits consist of a guaranteed investment certificate, bearing interest at 1.2% per annum, maturing March 16, 2015.

The Board of Directors has restricted the use of a portion of the accumulated net assets for the purpose of expanding the programs throughout the Town of Georgina in accordance with the organization's strategic plan. These funds are to be reinvested in term deposits until they are required to be used.

HOSPICE GEORGINA
Notes to Financial Statements
Year Ended March 31, 2013

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2013 Net book value	2012 Net book value
Equipment	\$ 4,970	\$ 3,250	\$ 1,720	\$ 2,150
Computer equipment	6,133	5,722	411	587
Computer software	2,171	2,171	-	-
	\$ 13,274	\$ 11,143	\$ 2,131	\$ 2,737

6. GRANTS

The organization has received program grants totaling \$105,753 (2012 - \$107,983) in support of their services provided to the residents of Georgina.

	2013	2012
Palliative Care Network for York Region	\$ 68,031	\$ 68,031
United Way York Region	37,722	37,722
The Regional Municipality of York	-	2,230
	\$ 105,753	\$ 107,983

7. CAPITAL MANAGEMENT

The organization considers its capital to be its net assets, invested in capital assets and restricted term deposits. The organization's objectives when managing its capital are to safeguard its ability to continue as a going concern, in order to continue its efforts to provide non-medical, physical, emotional and spiritual support to all people in Georgina with a life threatening illness.

There have been no significant changes to the organization's capital management objectives, policies and processes in the year nor has there been any change in what the organization considers to be its capital.

8. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.