

HOSPICE GEORGIA

Index to Financial Statements

Year Ended March 31, 2015

111
112
113
114
115
116
117
118
119
120

MEMORANDUM TO THE BOARD OF DIRECTORS

FINANCIAL STATEMENTS

Statement of Financial Position

Statement of Operations

Statement of Changes in Net Assets

Statement of Cash Flows

Notes to Financial Statements

HOSPICE GEORGIA
Financial Statements
Year Ended March 31, 2015

HOSPICE GEORGINA
Index to Financial Statements
Year Ended March 31, 2015

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 9

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, 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.

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 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 fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2015, current assets and net assets as at March 31, 2015.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Hospice Georgina as at March 31, 2015 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.

Lipchitz & Associates

LIPCHITZ & ASSOCIATES
CHARTERED ACCOUNTANT
Licensed Public Accountant

Keswick, Ontario

June 25, 2015

Auditor's Responsibility
The auditor's 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. These standards require that I comply with the requirements and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error.
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 risk 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 effective 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.

(continued)

HOSPICE GEORGINA
Statement of Financial Position
As at March 31, 2015

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 50,857	\$ 48,546
HST rebate receivable	3,010	4,954
Prepaid expenses	4,635	442
	<u>58,502</u>	<u>53,942</u>
TERM DEPOSIT (Note 4)	33,000	24,779
CAPITAL ASSETS (Note 5)	3,907	4,920
	<u>\$ 95,409</u>	<u>\$ 83,641</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 4,000	\$ 4,999
Employee deductions payable	4,540	3,537
	<u>8,540</u>	<u>8,536</u>
NET ASSETS		
Operating fund	61,781	50,326
Restricted fund	25,088	24,779
	<u>86,869</u>	<u>75,105</u>
	<u>\$ 95,409</u>	<u>\$ 83,641</u>

ON BEHALF OF THE BOARD

Director

Director

HOSPICE GEORGINA
Statement of Operations
Year Ended March 31, 2015

	Budget 2015	2015	2014
REVENUE			
Grants (Note 6)	\$ 104,479	\$ 97,961	\$ 134,946
Donations and fundraising	24,407	33,185	30,223
Other income	5,459	2,598	2,225
	<u>134,345</u>	<u>133,744</u>	<u>167,394</u>
EXPENSES			
Administrative costs	72,953	79,441	70,498
Occupancy costs	20,515	17,821	17,619
Fundraising costs	3,770	6,067	6,259
Office and general	7,995	5,851	6,310
Insurance	5,000	3,868	4,460
Professional fees	5,520	2,750	4,051
Telephone	2,250	1,517	2,131
HST expense	4,600	1,020	1,684
Amortization	-	1,013	829
Grief and bereavement program	750	748	951
Direct program and co-ordination costs	-	626	22,299
Travel	200	556	723
Volunteer support	1,640	541	774
Advertising and promotion	270	72	458
Interest and bank charges	400	68	216
Training	600	21	643
	<u>126,463</u>	<u>121,980</u>	<u>139,905</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 7,882</u>	<u>\$ 11,764</u>	<u>\$ 27,489</u>

See notes to financial statements

HOSPICE GEORGINA
Statement of Changes in Net Assets
Year Ended March 31, 2015

	2014 Balance	Excess of revenue over expenses	2015 Balance
Operating Fund	\$ 50,326	\$ 11,455	\$ 61,781
Restricted Fund	24,779	309	25,088
	<u>\$ 75,105</u>	<u>\$ 11,764</u>	<u>\$ 86,869</u>

	2013 Balance	Excess of revenue over expenses	2014 Balance
Operating Fund	\$ 23,101	\$ 27,225	\$ 50,326
Restricted Fund	24,515	264	24,779
	<u>\$ 47,616</u>	<u>\$ 27,489</u>	<u>\$ 75,105</u>

See notes to financial statements

HOSPICE GEORGINA
Statement of Cash Flows
Year Ended March 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 11,764	\$ 27,489
Items not affecting cash:		
Amortization of capital assets	1,013	829
	<u>12,777</u>	<u>28,318</u>
Changes in non-cash working capital:		
HST rebate receivable	1,944	(1,658)
Prepaid expenses	(4,193)	-
Accounts payable and accrued liabilities	(999)	-
Employee deductions payable	1,003	(241)
	<u>(2,245)</u>	<u>(1,899)</u>
Cash flow from operating activities	<u>10,532</u>	<u>26,419</u>
INVESTING ACTIVITIES		
Term deposit	(8,221)	(264)
Purchase of capital assets	-	(3,618)
Cash flow used by investing activities	<u>(8,221)</u>	<u>(3,882)</u>
INCREASE IN CASH FLOW	2,311	22,537
Cash - beginning of year	<u>48,546</u>	<u>26,009</u>
CASH - END OF YEAR	\$ 50,857	\$ 48,546

See notes to financial statements

HOSPICE GEORGINA
Notes to Financial Statements
Year Ended March 31, 2015

1. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with Part III - Accounting Standards for Not-for-Profit Organizations of the CICA Handbook - Accounting issued by the Accounting Standards Board (AcSB).

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

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.

Revenue recognition

Contributions that have been received by year end are recognized as revenue in the period they are received.

Restricted contributions are recognized as revenue in the period in which the related expenses are incurred.

Restricted investment income is recognized as revenue when earned.

Capital assets

Capital assets are stated at 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

(continues)

HOSPICE GEORGINA
Notes to Financial Statements
Year Ended March 31, 2015

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

Government grants

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

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.

Use of estimates

The preparation of financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Areas requiring the use of estimates include the allowance for uncollectable accounts receivable and the carrying value of equipment. Actual results could differ from those 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.

HOSPICE GEORGINA
Notes to Financial Statements
Year Ended March 31, 2015

4. TERM DEPOSITS (INTERNALLY RESTRICTED)

Term deposits consists of two guaranteed investment certificates bearing interest at 1.95% and 1.15%, maturing March 14, 2016 and March 18, 2016 respectively.

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.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Equipment	\$ 8,588	\$ 4,882	\$ 3,706	\$ 4,632
Computer equipment	6,133	5,932	201	288
Computer software	2,171	2,171	-	-
	<u>\$ 16,892</u>	<u>\$ 12,985</u>	<u>\$ 3,907</u>	<u>\$ 4,920</u>

6. GRANTS

The organization has received program grants totaling \$97,961 (2014 - \$134,946) in support of their services provided to the residents of Georgina.

	2015	2014
Palliative Care Network for York Region	\$ 66,758	\$ 66,758
United Way York Region	31,203	37,722
Government of Canada - New Horizon's	-	23,295
York Region - Community Needs	-	3,643
Job Skills	-	3,528
	<u>\$ 97,961</u>	<u>\$ 134,946</u>

