

Hazel Burns Hospice

Financial Statements

March 31, 2016



Clarkson Rouble LLP
Chartered Professional Accountants

Independent Auditor's Report

To the board of directors of
Hazel Burns Hospice

Report of the Financial Statements

We have audited the accompanying financial statements of **Hazel Burns Hospice**, which comprise the statement of financial position as at **March 31, 2016**, the statements of operations and changes in net assets and the statement of cash flows for the year then ended, and notes, comprising 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 plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain 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, we consider internal controls 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 qualified audit opinion.

50th
ANNIVERSARY
1965-2015

Independent Auditor's Report

Page 2


Basis for Qualified Opinion

In common with many not-for-profit organizations, **Hazel Burns Hospice** derives revenue from fundraising activities and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to the fundraising activities and donations, excess of revenue over distributions and expenses, and cash flows from operations for the years ended March 31, 2016 and 2015, current assets as at March 31, 2016 and 2015, and net assets as at April 1 and March 31 for both the 2016 and 2015 years. Our audit opinion on the financial statements for the year ended March 31, 2016 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the effects of such adjustments, if any, which might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the fundraising activities and donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of **Hazel Burns Hospice** 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.

Mississauga, Ontario
June 21, 2016


Clarkson Rouble LLP
Chartered Professional Accountants
Licenced Public Accountants

Hazel Burns Hospice

Statement of Financial Position As at March 31

	2016	2015
Assets		
Current		
Cash	\$ 26,763	\$ 21,363
Short term investments (Note 2)	41,027	41,027
Accounts receivable	3,028	3,190
Prepaid expenses	326	2,094
	<hr/>	<hr/>
	\$ 71,144	\$ 67,674
	<hr/>	<hr/>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 4,790	\$ 4,738
Deferred revenue (Note 3)	30,950	27,550
	<hr/>	<hr/>
	35,740	32,288
	<hr/>	<hr/>
Net Assets		
Designated net assets (Note 4)	5,000	5,000
Unrestricted	30,404	30,386
	<hr/>	<hr/>
	35,404	35,386
	<hr/>	<hr/>
	\$ 71,144	\$ 67,674
	<hr/>	<hr/>

On behalf of the Board:

President

Treasurer

Hazel Burns Hospice

Statement of Operations and Changes in Net Assets Year Ended March 31, 2016

	2016	2015
Revenues		
Grants (Note 5)	\$ 199,922	\$ 197,259
Unrestricted donations, fundraising and other	6,781	29,646
	<u>206,703</u>	<u>226,905</u>
Expenses		
Administration	78,732	76,162
Case management	38,307	54,838
Volunteer program	43,953	45,206
Bereavement support	11,588	15,752
Office and general	14,210	12,840
Professional fees	10,100	10,000
Support and recognition	4,097	5,808
Rent	3,000	3,000
Insurance	2,698	3,254
	<u>206,685</u>	<u>226,860</u>
Excess of revenues over expenses	18	45
Net assets, beginning of year	35,386	35,341
Net assets, end of year	\$ 35,404	\$ 35,386

Hazel Burns Hospice

Statement of Cash Flows Year Ended March 31, 2016

	2016	2015
Operating activities		
Excess of revenues over expenses	\$ 18	\$ 45
Cash used for		
Changes in non-cash working capital items		
Accounts receivable	162	(1,464)
Prepaid expenses	1,768	(2,094)
Accounts payable and accrued liabilities	52	(2,894)
Deferred revenue	3,400	(21,017)
Increase (decrease) from operating activities	5,400	(27,424)
Investing activity		
Purchase of short-term investments	-	(1,027)
Increase (decrease) in cash	5,400	(28,451)
Cash, beginning of year	21,363	49,814
Cash, end of year	\$ 26,763	\$ 21,363

Hazel Burns Hospice

Notes to Financial Statements

March 31, 2016

Purpose of organization

Hazel Burns Hospice (the "Hospice") is a charitable organization incorporated in the province of Ontario without share capital.

The Hospice is dedicated to the compassionate care of people living with life threatening illness and support of their families.

1. Significant accounting policies

The accounting policies of the Hospice are in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are the policies considered to be particularly significant.

(a) Capital assets

Capital assets in excess of \$2,000 per item are capitalized in the year of purchase and amortized to operations over their estimated useful lives.

(b) Revenue recognition

Government assistance related to current expenditures is reflected in the accounts as a revenue item in the year in which it is received. Assistance related to the purchase of capital assets is recorded as revenue in the same period the related capital assets are charged to operations.

The Hospice follows the deferral method of recognition for grant revenue. Grants received in the current year for expenses to be incurred in the following fiscal year are recorded as deferred revenue.

Donated materials and services which are normally purchased by the Hospice are not recorded in the accounts.

(c) Volunteer time

The value of volunteer time of members is not reflected in these financial statements since no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donated significant amounts of their time to the Hospice's fund raising activities.

Contributed materials and services

Due to the difficulty of determining their fair value, contributed materials and services are not recognized in the financial statements.

Hazel Burns Hospice

Notes to Financial Statements March 31, 2016

1. Significant accounting policies (continued)

(d) Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results may differ from estimates. Significant estimates and assumptions are used when accounting for items such as impairment of capital assets and the determination of their useful lives, revenue recognition, contingent liabilities and allowances for amounts receivable.

(e) Financial Instruments

The Organization's held for trading financial instruments consist of cash, short-term deposits, accounts receivable, members' loans receivable, other receivables, investments and accounts payable and accrued charges. Held for trading financial instruments are investments that were acquired or assumed principally for the purpose of selling or repurchasing them in the near term. They are recognized at fair value determined on the basis of market value. Gains or losses are recognized in the statement of revenue, expenditure and net assets in the period in which they occur.

2. Short term investments

	2016	2015
Short term investments	41,027	41,027
	<u>\$ 41,027</u>	<u>\$ 41,027</u>

The short term investments consist of Guaranteed Investment Certificates which bear interest from 1.25% to 1.35% and mature on March 15, 2017.

Hazel Burns Hospice

Notes to Financial Statements

March 31, 2016

3. Deferred revenue

Deferred contributions result from significant donations and restricted government funding for Community Care Information Management (CCIM) training. The year-end balance of deferred contributions represents the unrecognized portion of these donations and funding. The changes in the deferred contributions balance for the year are as follows:

	2016	2015
Deferred revenue, beginning of year	\$ 27,550	\$ 48,567
Recognition of deferred revenue in year	-	(21,017)
Deferred revenue received during the year	3,400	-
<u>Deferred revenue, end of year</u>	<u>\$ 30,950</u>	<u>\$ 27,550</u>

Deferred revenue is comprised of the following:

	2016	2015
Private donations - to be applied for programming and operation expenses	\$ 30,950	\$ 27,550
<u></u>	<u>\$ 30,950</u>	<u>\$ 27,550</u>

4. Designated net assets

The board of directors of the Hospice has designated net assets for the purpose of providing a contingency in the event of unexpected financial requirements.

Designated fund balances at March 31, were as follows:

	2016	2015
Contingency fund	\$ 5,000	\$ 5,000
<u></u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>

Hazel Burns Hospice

Notes to Financial Statements March 31, 2016

5. Grants

Government funding received from the Central Local Health Integration Network ("LHIN"), as well as other grants recognized in the year were as follows:

	2016	2015
Current year government funding:		
Central LHIN - Core operating grant	\$ 199,922	\$ 197,259
	<u>\$ 199,922</u>	<u>\$ 197,259</u>

6. Income tax status

The Hospice is registered as a charitable organization under section 149 (1)(f) of the Income Tax Act (Canada) and, as such, is exempt from income taxes, and may issue receipts that are eligible for a non-refundable tax credit by an individual donor and a tax deduction by a corporate donor.

Hazel Burns Hospice

Notes to Financial Statements

March 31, 2016

7. Financial instruments

The organization's activities expose it to a variety of financial risks: credit risk, foreign exchange risk, interest rate risk and liquidity risk. The organization's risk management approach is to minimize the potential adverse effects from these risks on its financial performance.

Credit risk

The Hospice does not currently have significant exposure to credit risk as it has no accounts receivable or other financial assets that would be potentially subject to credit risk.

Foreign exchange risk

Foreign exchange risk occurs as a result of exchange rate fluctuations between the time that a transaction is recorded and the time it is settled. The Hospice does not currently have a significant exposure to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Hospice does not currently have a significant exposure to interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Hospice will not be able to meet its obligations associated with financial liabilities. Cash flows from operations provide a substantial portion of the Hospice's cash requirement.