

**DOANE HOUSE HOSPICE INC.**

**Financial Statements**

**Year Ended March 31, 2015**

**DOANE HOUSE HOSPICE INC.**  
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**Year Ended March 31, 2015**

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**Chaggares & Bonhomme**  
CHARTERED PROFESSIONAL ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT**

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To the Members of Doane House Hospice Inc.

We have audited the accompanying financial statements of Doane House Hospice Inc., which comprise the statement of financial position as at March 31, 2015 and the statements of revenues and expenditures, changes in net assets and cash flow 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 qualified audit opinion.

*(continues)*

#### Basis for Qualified Opinion

In common with many not-for-profit organizations, Doane House Hospice Inc. 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 Doane House Hospice Inc. Therefore, we were 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 our 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 Doane House Hospice Inc. as at March 31, 2015 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Newmarket, Ontario  
July 21, 2015

**Chaggares & Bonhomme**  
**Chartered Professional Accountants**  
Licensed Public Accountants

**DOANE HOUSE HOSPICE INC.**  
**Statement of Financial Position**  
**March 31, 2015**

	2015	2014
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 36,048	\$ 59,332
Accounts receivable <i>(Note 4)</i>	2,161	14,732
Prepaid expenses	4,342	4,895
Cash in trust <i>(Note 5)</i>	3,483	6,883
Short term investments <i>(Note 6)</i>	40,000	70,830
	<b>\$ 86,034</b>	<b>\$ 156,672</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 16,786	\$ 9,654
Deferred revenue <i>(Note 7)</i>	8,100	10,454
	<b>24,886</b>	<b>20,108</b>
<b>NET ASSETS</b>		
Unrestricted fund	27,665	99,681
Internally restricted	30,000	30,000
Externally restricted	3,483	6,883
	<b>61,148</b>	<b>136,564</b>
	<b>\$ 86,034</b>	<b>\$ 156,672</b>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_  
*Director*

\_\_\_\_\_  
*Director*

See notes to financial statements

**DOANE HOUSE HOSPICE INC.**  
**Statement of Revenues and Expenditures**  
**For the Year Ended March 31, 2015**

	2015	2014
<b>REVENUE</b>		
Donations	\$ 27,094	\$ 24,352
Event fundraising	155,389	146,454
Government funding	66,758	66,758
Grants	14,304	5,500
Interest	781	1,230
	<b>264,326</b>	<b>244,294</b>
<b>EXPENSES</b>		
Administration & facility	95,398	65,631
Event fundraising	37,921	32,157
Program costs	206,423	190,365
	<b>339,742</b>	<b>288,153</b>
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<b>\$ (75,416)</b>	<b>\$ (43,859)</b>

See notes to financial statements

**DOANE HOUSE HOSPICE INC.**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2015**

	Unrestricted Fund	Internally Restricted	Externally Restricted	2015	2014
<b>NET ASSETS -</b>					
<b>BEGINNING OF</b>					
<b>YEAR</b>	\$ 99,681	\$ 30,000	\$ 6,883	\$ <b>136,564</b>	\$ 180,423
Deficiency of revenue over expenses	(72,016)	-	(3,400)	<b>(75,416)</b>	(43,859)
<b>NET ASSETS - END OF</b>					
<b>YEAR</b>	\$ 27,665	\$ 30,000	\$ 3,483	\$ <b>61,148</b>	\$ 136,564

See notes to financial statements

**DOANE HOUSE HOSPICE INC.****Statement of Cash Flow**  
**Year Ended March 31, 2015**

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenses	\$ (75,416)	\$ (43,859)
Changes in non-cash working capital:		
Accounts receivable	12,571	503
Accounts payable and accrued liabilities	7,132	(2,661)
Deferred revenue	(2,354)	(416)
Prepaid expenses	553	(1,827)
	17,902	(4,401)
Cash flow used by operating activities	(57,514)	(48,260)
<b>INVESTING ACTIVITIES</b>		
Purchase of short term investments	(40,000)	(50,830)
Proceeds on investment maturity	70,830	90,000
Cash flow from investing activities	30,830	39,170
<b>FINANCING ACTIVITY</b>		
Repayment of long term debt	-	(5,217)
<b>DECREASE IN CASH FLOW</b>	<b>(26,684)</b>	<b>(14,307)</b>
Cash - beginning of year	66,215	80,522
<b>CASH - END OF YEAR</b>	<b>\$ 39,531</b>	<b>\$ 66,215</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 36,048	\$ 59,332
Cash in trust	3,483	6,883
	<b>\$ 39,531</b>	<b>\$ 66,215</b>

See notes to financial statements



**DOANE HOUSE HOSPICE INC.**  
**NOTES TO FINANCIAL STATEMENTS**

Year Ended March 31, 2015

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Capital assets

The capital assets of the organization consist of office furniture and computer software and hardware. As permitted by section 4430 of the CICA's Handbook, the organization has elected to expense its capital asset expenditures.

Income taxes

The organization is exempt from Income Taxes as a registered charity under section 149(1)(l) of the income tax act.

Contributed services

The organization is dependant on the voluntary services of many individuals. The organization also receives donations of goods for auction or sale at fundraising events as well for use by the organization. Since these materials and services are not normally purchased and because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

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 expenditures 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.

Revenue recognition

Doane House Hospice Inc. follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenditures are incurred. Unrestricted investment income is recognized as revenue when earned.

Event fees are recognized as revenue when the events are held.

**DOANE HOUSE HOSPICE INC.**  
**NOTES TO FINANCIAL STATEMENTS**

Year Ended March 31, 2015

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**2. PURPOSE OF THE ORGANIZATION**

Doane House Hospice Inc. (the "organization") is a not-for-profit organization incorporated provincially under the Business Corporations Act of Ontario.

The organization's principal business activity is enhancing quality of life through the provision of non-medical support for those affected by or caring for an individual with a life-threatening illness, and grief and bereavement support for those dealing with the loss of a loved one.

**3. FINANCIAL INSTRUMENTS**

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2015.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and accounts payable.

Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The organization is exposed to this risk mainly in respect to the economy and its affect on contributions, for both individuals and corporations.

**4. ACCOUNTS RECEIVABLE**

Government receivables (other than income tax) included in accounts receivable:

	2015	2014
HST Public Service Bodies' Rebate	\$ 1,896	\$ 12,680

**5. CASH - RESTRICTED**

Restricted cash is comprised of the following:

	2015	2014
Charity Bingo	\$ 3,483	\$ 6,883

The charity bingo funds may only be used towards direct support services programming. Programming expenditures include the costs to operate adult bereavement caregiver support, child and youth bereavement and compassion programs. Funding is regulated by the Ontario Lottery and Gaming Commission and is subject to regular approval and review.

**DOANE HOUSE HOSPICE INC.**  
**NOTES TO FINANCIAL STATEMENTS**

Year Ended March 31, 2015

**6. SHORT TERM INVESTMENTS**

Short term investments consist of a Bank of Montreal Cashable GIC in the amount of \$40,000 bearing interest at increasing rates of 1.15% in the first year, 1.30% in the second year and 1.35% in the third year. It is cashable on the 15th of every month and maturing on September 5, 2017.

Accrued interest on the short term investment of \$265 (2014 - \$783) is included in accounts receivable.

**7. DEFERRED REVENUES**

Deferred revenues is comprised of the following:

	2015	2014
Event Fundraising	\$ 8,100	\$ 10,454

**8. NET ASSETS**

Net assets comprise amounts subject to external restriction, internal restrictions and amounts which are not subject to any form of restriction as set out below.

	2015	2014
Net assets - unrestricted	\$ 27,665	\$ 99,681
Net assets - internally restricted	30,000	30,000
Net assets - externally restricted	3,483	6,883
	\$ 61,148	\$ 136,564

Externally restricted assets represent ongoing charity bingo fundraising activities which are subject to the restrictions as described in Note 5.

Internally restricted assets represent a portion of cumulative surpluses designated by resolution of the board of directors in anticipation of the future relocation costs.

**9. COMMITMENTS**

Beginning in January 2014, the organization leases its office premises from the Town of Newmarket for the amount of \$581 per month. A new agreement is currently being negotiated and drafted.