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**Hospice Georgian Triangle
Financial Statements**
For the year ended March 31, 2017

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Independent Auditor's Report

To the Board of Directors of
Hospice Georgian Triangle

We have audited the accompanying financial statements of Hospice Georgian Triangle, which comprise the statement of financial position as at March 31, 2017, and the statements of operations and 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

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 audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hospice Georgian Triangle as at March 31, 2017 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.

BDO Canada LLP

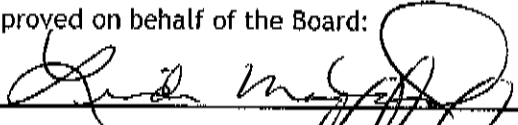
Chartered Professional Accountants, Licensed Public Accountants

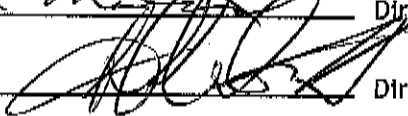
Barrie, Ontario
May 24, 2017

Hospice Georgian Triangle Statement of Financial Position

	2017	2016
Assets		
Current		
Cash (note 2)	\$ 66,050	\$ 99,652
HST receivable	136,820	11,006
Due from Hospice Georgian Triangle Foundation (note 3)	9,332	8,941
Prepaid expenses	10,061	8,602
	222,263	128,201
Capital Assets, at cost less accumulated amortization (note 4)	3,686,696	2,439,105
	\$ 3,908,959	\$ 2,567,306
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 375,117	\$ 78,656
Government remittances payable	22,976	19,552
	398,093	98,208
Deferred Contributions Related to Capital Assets (note 5)	2,860,535	1,818,767
Commitment (note 8)		
Net Assets		
Unrestricted	650,331	650,331
	\$ 3,908,959	\$ 2,567,306

Approved on behalf of the Board:


 _____ Director


 _____ Director

Hospice Georgian Triangle Statement of Operations and Changes in Net Assets

For the year ended	2017	2016
Revenues		
Ministry of Health and Long-Term Care/LHIN	\$ 747,148	\$ 647,811
Donations (note 3)	307,162	259,001
Interest Income	106	1,164
Other Income	1,510	13,193
Amortization of deferred contributions related to capital assets (note 5)	<u>105,824</u>	<u>105,825</u>
	<u>1,161,750</u>	<u>1,026,994</u>
Expenses		
Residential Hospice		
Compensation	630,132	602,464
Supplies	23,154	21,303
Sundry	5,931	10,586
Equipment	<u>1,273</u>	<u>4,075</u>
	<u>660,490</u>	<u>638,428</u>
Visiting Hospice		
Compensation	91,661	56,199
Supplies	1,731	1,101
Sundry	<u>3,168</u>	<u>2,609</u>
	<u>96,560</u>	<u>59,909</u>
Support Service Training		
Compensation	21,527	13,587
Supplies	453	2,322
Sundry	<u>3,241</u>	<u>4,166</u>
	<u>25,221</u>	<u>20,075</u>
Fundraising		
Compensation	137,303	109,558
Equipment	1,186	4,606
Sundry	<u>2,805</u>	<u>2,835</u>
	<u>141,294</u>	<u>116,999</u>
Less expenditure recoveries (note 3)	<u>(141,294)</u>	<u>(116,999)</u>
	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements.

Hospice Georgian Triangle
Statement of Operations and Changes in Net Assets

<u>For the year ended</u>	<u>2017</u>	<u>2016</u>
Expenses (continued)		
Administration		
Amortization	\$ 105,824	\$ 105,825
Buildings and grounds	31,732	22,304
Compensation	99,461	81,228
Equipment	9,182	9,308
Supplies	31,213	26,436
Sundry	102,067	103,191
	<u>379,479</u>	<u>348,292</u>
Total expenses	1,161,750	1,066,704
Excess of revenues over expenses (expenses over revenues) for the year	-	(39,710)
Net assets, beginning of the year	650,331	690,041
Net assets, end of the year	\$ 650,331	\$ 650,331

The accompanying notes are an integral part of these financial statements.

Hospice Georgian Triangle Statement of Cash Flows

For the year ended	2017	2016
Cash provided by (used in)		
Cash flows from operating activities		
Excess of revenues over expenses (expenses over revenues) for the year	\$ -	\$ (39,710)
Adjustments for:		
Amortization of capital assets	105,824	105,825
Loss on disposal of capital assets	-	2,360
Amortization of deferred contributions related to capital assets	<u>(105,824)</u>	<u>(105,825)</u>
	-	(37,350)
Change in non-cash working capital balances related to operations:		
Accounts receivable	-	137
HST receivable	(125,814)	72,626
Prepaid expenses	(1,459)	764
Accounts payable and accrued liabilities	296,460	954
Government remittances payable	<u>3,424</u>	<u>1,497</u>
	<u>172,611</u>	<u>38,628</u>
Cash flows from investing activities		
Purchase of capital assets	(1,353,414)	(48,990)
Proceeds on sale of capital assets	-	5,056
Increase in amount due from related party	<u>(391)</u>	<u>(8,941)</u>
	<u>(1,353,805)</u>	<u>(52,875)</u>
Cash flows from financing activities		
Increase in deferred contributions related to capital assets	<u>1,147,592</u>	<u>2,965</u>
Decrease in cash during the year	(33,602)	(11,282)
Cash, beginning of year	<u>99,652</u>	<u>110,934</u>
Cash, end of year	\$ 66,050	\$ 99,652

The accompanying notes are an integral part of these financial statements.

Hospice Georgian Triangle Notes to the Financial Statements

March 31, 2017

1. Significant Accounting Policies

Nature of Organization	Hospice Georgian Triangle is an incorporated not-for-profit organization without share capital under the Corporations Act (Ontario). The organization operates a residential hospice providing accommodation and end of life care for individuals with terminal illnesses. The organization also offers in-home support to individuals and their families who are facing a life threatening illness or grieving the loss of a loved one.
Basis of Accounting	These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.
Use of Estimates	The preparation of these 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The significant estimates made in the preparation of these financial statements include the estimated useful life of capital assets and the fair value of financial instruments. Actual results could differ from management's best estimates as additional information becomes available in the future.
Financial Instruments	Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in operations. In addition, all bonds and guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Hospice Georgian Triangle Notes to the Financial Statements

March 31, 2017

1. Significant Accounting Policies (continued)

Impairment of Long Lived Assets

In the event that facts and circumstances indicate that the organization's long lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow value is required. The organization considers that no circumstances exist that would require such an evaluation.

Income Taxes

The organization is not subject to federal or provincial income taxes pursuant to exemptions accorded to registered charities in the income tax legislation.

In-Kind Contributions

Contributions of assets are recognized in the period they are donated at their fair market value when a fair value can be reasonably estimated and when the assets are used in the normal course of the organization's operations and would otherwise been purchased.

Contributed services are not recognized in the financial statements due to the inherent difficulty in valuing the time of volunteers.

2. Cash

The organization's bank accounts are held at a chartered bank. The bank accounts earn interest at a variable rate dependent on the monthly minimum balances.

Hospice Georgian Triangle Notes to the Financial Statements

March 31, 2017

3. Related Party Balances and Transactions

The Hospice Georgian Triangle Foundation (the "Foundation") was established through Ontario Letters Patent on January 6, 2012. The objective of the Foundation is to use the gifts, benefits, and endowments, including income derived, therefrom, for the benefit of, or as requested by Hospice Georgian Triangle. The affairs of the Foundation are managed by a Board of seven members, which includes during the current fiscal year up to three board members of Hospice Georgian Triangle. The financial statements of the Foundation have not been consolidated in these financial statements.

During fiscal 2016, the Foundation transferred \$10,382 to the organization to be used for the purchase of capital assets (note 5). During the year, the Foundation transferred \$1,147,592 to the organization, which was used for the expansion of its palliative care centre (note 5). The funds used for the purchase of capital assets have been included in deferred contributions related to capital assets and amortization of these contributions have been included as revenue in the statement of operations and changes in net assets.

During the year, the Foundation transferred \$307,162 (2016 - \$259,001) to Hospice Georgian Triangle to be used to cover operating costs for the year of which a balance of \$6,750 has been recorded as due from the Foundation in the statement of financial position. These funds have been included in donations revenues in the statement of operations and changes in net assets. In addition, the Foundation transferred \$141,294 (2016 - \$116,999) to the organization to cover fundraising expenses incurred by Hospice Georgian Triangle on the Foundation's behalf.

During the year, Hospice Georgian Triangle paid expenses on behalf of the Foundation in the amount of \$91,721 (2016 - \$90,079). As at March 31, 2017, the Foundation has reimbursed Hospice Georgian Triangle \$89,140 (2016 - \$81,138) and the balance of \$2,582 (2016 - \$8,941) has been recorded as due from the Foundation in the statement of financial position.

The amounts due from the Foundation are non-interest bearing, unsecured and have no specific terms of repayment.

Hospice Georgian Triangle Notes to the Financial Statements

March 31, 2017

5. Deferred Contributions Related to Capital Assets

Deferred contributions represent the unamortized amount of grants and restricted donations received to be used in the purchase of certain assets or in the settlement of certain obligations. The amortization of these contributions is recorded as revenue in the statement of operations.

	2017	2016
Balance, beginning of year	\$ 1,818,767	\$ 1,921,627
Transfer of restricted funds from Hospice Georgian Triangle Foundation (note 3)	1,147,592	10,382
Unamortized contributions recognized in revenue	-	(7,417)
Amounts amortized to revenue	(105,824)	(105,825)
	\$ 2,860,535	\$ 1,818,767

6. Contingency

The organization receives funding from the Ministry of Health and Long-Term Care/Local Health Integration Network (LHIN). The amount of funding provided to the organization is subject to final review and approval by the LHIN. As at the date of these financial statements, funding for the period April 1, 2016 to March 31, 2017 had not been subject to this review process. Any future adjustments required as a result of this review will be accounted for in the year the adjustment is determined.

7. Economic Dependence

The organization received 92% (2016 - 89%) of its revenue from Ministry of Health and Long-Term Care/LHIN and The Hospice Georgian Triangle Foundation (see note 3).

Hospice Georgian Triangle Notes to the Financial Statements

March 31, 2017

8. Commitment

The organization has entered into an agreement with North Simcoe Muskoka Community Care Access Centre to provide accounting services. This contract will transition to North Simcoe Muskoka LHIN effective May 3, 2017. The fee is based on 2% of the organization's actual revenues for the year. For the year ended March 31, 2017, \$26,061 was paid relating to this agreement (2016 - \$22,728).

9. Financial Instrument Risk

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk arising from its accounts receivable. Credit risk is the risk that the counterparty to the transaction will not pay. The majority of the organization's receivables are from government sources and the organization works to ensure they meet all eligibility criteria in order to qualify to receive the funding.

Liquidity Risk

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities and government remittances payable.

There have been no changes to the organization's financial instrument exposure from the prior year.
