

HOSPICE NIAGARA
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018

May 22, 2018

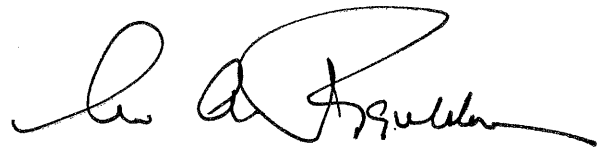
To the Directors of
Hospice Niagara

We have completed the audit of Hospice Niagara for the year ended March 31, 2018 and attached the following:

- Index -

Independent Auditor's Report	Page	1-2
Statement of Financial Position		3
Statement of Operations		4
Statement of Net Assets		5
Statement of Cash Flows		6
Notes to the Financial Statements		7-10
Schedule 1 - Program Expenditures		11
Schedule 2 - Fundraising Expenditures		11
Supplementary Corporate Information		12

We shall be pleased to provide any further information you may require.



Lawrence A. Iggulden, Hons. B.A., FCPA, FCA, for
PARTRIDGE IGGULDEN LLP
Chartered Professional Accountants
Licensed Public Accountants



PARTRIDGE IGGULDEN LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

WALLACE PARTRIDGE, CPA, CA
LAWRENCE IGGULDEN, Hons. B.A., FCPA, FCA
ALAN SIMPSON, B.B.A., CPA, CA
ELISEO SINOPOLI, Hons. B. Admin., CPA, CA
TIMOTHY NELLES, B.Acc., CPA, CA

INDEPENDENT AUDITOR'S REPORT

To the Members of
Hospice Niagara

We have audited the accompanying financial statements of Hospice Niagara, which comprise the statement of financial position as at March 31, 2018 and the statements of operations, 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, in compliance with accounting policies prescribed by the Ministry of Health and Long-Term Care, 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.

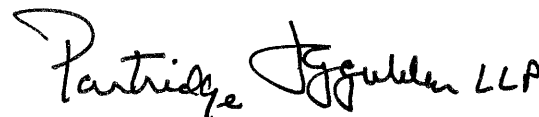
Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives part of its revenue from donations, fundraising and cash sales, which are not susceptible of complete audit verification. Accordingly, our verification of revenues from these sources was limited to a comparison of bank deposits with the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, net surplus (deficit), assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Hospice Niagara as at March 31, 2018, and its financial performance and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations, and in compliance with accounting policies required by the Ministry of Health and Long-Term Care as described in Note 1 to the financial statements.

St. Catharines, Ontario
May 22, 2018


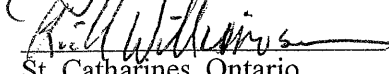


PARTRIDGE IGGULDEN LLP
Chartered Professional Accountants
Licensed Public Accountants

HOSPICE NIAGARASTATEMENT OF FINANCIAL POSITIONMARCH 31, 2018

	<u>General Fund</u>	<u>Building and Replacement Reserve Fund</u>	<u>Sustaining Fund</u>	<u>2018 Total</u>	<u>2017 Total</u>
<u>ASSETS</u>					
CURRENT ASSETS					
Cash	\$ 191,473	\$ 1,131,503	\$ 74,172	\$ 1,397,148	\$ 1,080,632
Investment certificates (Note 2)	-	712,998	1,368,179	2,081,177	2,115,152
Accounts receivable	3,565	-	-	3,565	1,713
Subsidy receivable	36,378	-	-	36,378	43,328
Sales tax recoverable	59,707	-	-	59,707	70,371
Prepaid expenses	39,928	-	-	39,928	37,503
	<u>331,051</u>	<u>1,844,501</u>	<u>1,442,351</u>	<u>3,617,903</u>	<u>3,348,699</u>
FIXED ASSETS (Note 3)	<u>-</u>	<u>2,197,938</u>	<u>-</u>	<u>2,197,938</u>	<u>2,296,291</u>
	<u>\$ 331,051</u>	<u>\$ 4,042,439</u>	<u>\$ 1,442,351</u>	<u>\$ 5,815,841</u>	<u>\$ 5,644,990</u>
<u>LIABILITIES AND NET ASSETS</u>					
CURRENT LIABILITIES					
Accounts payable and accrued charges (Note 4)	\$ 222,007	\$ -	\$ -	\$ 222,007	\$ 168,095
Deferred revenue (Note 5)	369,389	-	-	369,389	355,241
Deferred subsidy	91,972	-	-	91,972	-
Interfund payable (receivable)	438,808	23,313	(462,121)	-	-
	<u>1,122,176</u>	<u>23,313</u>	<u>(462,121)</u>	<u>683,368</u>	<u>523,336</u>
NET ASSETS					
Invested in fixed assets	-	2,197,938	-	2,197,938	2,296,291
Unrestricted	(791,125)	1,821,188	1,904,472	2,934,535	2,825,363
	<u>(791,125)</u>	<u>4,019,126</u>	<u>1,904,472</u>	<u>5,132,473</u>	<u>5,121,654</u>
	<u>\$ 331,051</u>	<u>\$ 4,042,439</u>	<u>\$ 1,442,351</u>	<u>\$ 5,815,841</u>	<u>\$ 5,644,990</u>

Approved on behalf of the Board:

 Director
 Director
 St. Catharines, Ontario
 May 22, 2018

HOSPICE NIAGARA**STATEMENT OF OPERATIONS****YEAR ENDED MARCH 31, 2018**

	<u>General Fund</u>	<u>Building and Replacement Reserve Fund</u>	<u>Sustaining Fund</u>	<u>2018 Total</u>	<u>2017 Total</u>
REVENUE					
Ministry of Health and Long-Term Care					
Operating subsidy	\$ 903,860	\$ -	\$ -	\$ 903,860	\$ 867,944
Nursing graduate guarantee	69,329	-	-	69,329	162,381
Resident funding - CCAC	<u>1,124,084</u>	<u>-</u>	<u>-</u>	<u>1,124,084</u>	<u>1,129,666</u>
	<u>2,097,273</u>	<u>-</u>	<u>-</u>	<u>2,097,273</u>	<u>2,159,991</u>
PROGRAM EXPENDITURES					
Client services (Schedule 1)	83,890	-	-	83,890	76,839
Facility (Schedule 1)	218,344	-	-	218,344	210,529
Office and administration (Schedule 1)	160,213	-	-	160,213	139,931
Wages and benefits	2,547,520	-	-	2,547,520	2,558,058
Interfund rent charge (recovery)	<u>121,686</u>	<u>(121,686)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3,131,653</u>	<u>(121,686)</u>	<u>-</u>	<u>3,009,967</u>	<u>2,985,357</u>
AMORTIZATION	<u>-</u>	<u>121,686</u>	<u>-</u>	<u>121,686</u>	<u>115,618</u>
OPERATING SURPLUS (DEFICIT)	<u>(1,034,380)</u>	<u>-</u>	<u>-</u>	<u>(1,034,380)</u>	<u>(940,984)</u>
FUNDRAISING ACTIVITIES					
Donations and bequests	776,621	4,512	-	781,133	905,084
Grants	27,803	-	-	27,803	27,341
Gaming and events	<u>795,622</u>	<u>-</u>	<u>-</u>	<u>795,622</u>	<u>683,366</u>
	1,600,046	4,512	-	1,604,558	1,615,791
Expenditures (Schedule 2)	<u>(608,586)</u>	<u>-</u>	<u>-</u>	<u>(608,586)</u>	<u>(494,126)</u>
Fundraising surplus	<u>991,460</u>	<u>4,512</u>	<u>-</u>	<u>995,972</u>	<u>1,121,665</u>
OTHER INCOME					
Interest income	-	23,984	25,243	49,227	35,463
Prior year HST recovery	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,758</u>
	<u>-</u>	<u>23,984</u>	<u>25,243</u>	<u>49,227</u>	<u>69,221</u>
NET SURPLUS (DEFICIT)	<u>\$ (42,920)</u>	<u>\$ 28,496</u>	<u>\$ 25,243</u>	<u>\$ 10,819</u>	<u>\$ 249,902</u>

HOSPICE NIAGARA
STATEMENT OF NET ASSETS
YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
GENERAL FUND		
Balance (deficit), beginning of year	\$ (748,205)	\$ (900,800)
Net surplus (deficit)	<u>(42,920)</u>	<u>152,595</u>
Balance (deficit), end of year	<u>\$ (791,125)</u>	<u>\$ (748,205)</u>
 BUILDING AND REPLACEMENT RESERVE FUND		
Balance, beginning of year	\$ 3,990,630	\$ 3,854,641
Net surplus	<u>28,496</u>	<u>135,989</u>
Balance, end of year	<u>\$ 4,019,126</u>	<u>\$ 3,990,630</u>
 SUSTAINING FUND		
Balance, beginning of year	\$ 1,879,229	\$ 1,917,911
Net surplus (deficit)	<u>25,243</u>	<u>(38,682)</u>
Balance, end of year	<u>\$ 1,904,472</u>	<u>\$ 1,879,229</u>

HOSPICE NIAGARA
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net surplus	\$ 10,819	\$ 249,902
Add amortization not affecting cash	<u>121,686</u>	<u>115,618</u>
	132,505	365,520
Effects on cash from changes in operating assets and liabilities		
Accounts receivable	(1,852)	(1,317)
Subsidy receivable	6,950	52,225
Sales tax recoverable	10,664	(64,425)
Prepaid expenses	(2,425)	(17,376)
Accounts payable and accrued charges	53,913	(3,092)
Deferred revenue	14,148	301,795
Deferred subsidy	<u>91,972</u>	<u>-</u>
	<u>305,875</u>	<u>633,330</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of fixed assets:		
Computer and network equipment	(16,412)	(18,104)
Parking lot and outdoor lighting	-	(83,505)
Furniture and fixtures	<u>(6,922)</u>	<u>-</u>
	<u>(23,334)</u>	<u>(101,609)</u>
INCREASE IN CASH FOR YEAR	282,541	531,721
CASH, BEGINNING OF YEAR	<u>3,195,784</u>	<u>2,664,063</u>
CASH, END OF YEAR	<u>\$ 3,478,325</u>	<u>\$ 3,195,784</u>
Cash is represented by the following:		
Cash	\$ 1,397,148	\$ 1,080,632
Investment certificates	<u>2,081,177</u>	<u>2,115,152</u>
	<u>\$ 3,478,325</u>	<u>\$ 3,195,784</u>

HOSPICE NIAGARA**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2018****NATURE OF OPERATIONS**

Hospice Niagara is a registered Canadian charitable organization exempt from income tax under paragraph 149(1)(f) of the Income Tax Act. The Organization provides compassionate hospice palliative care for residents of Niagara, at home or in a community residence.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and significant accounting policies set out below to comply with the requirements of the Ministry of Health and Long-Term Care and reflect the following policies:

Fund Accounting

Hospice Niagara follows the restricted fund method of accounting for contributions.

The General Fund represents net revenue or expense from operations to date. There is no restriction on the use of these funds.

The Building and Replacement Reserve Fund represents net revenues related to the construction and maintenance of the Hospice Palliative Care Centre.

The Sustaining Fund represents donations received and related investment income. The funds are to be used for either additions or expansion to the Hospice Palliative Care Centre or other charitable purposes.

Revenue Recognition

The Ministry of Health and Long-Term Care and CCAC - Resident funding are recorded on the accrual basis of accounting.

Donation and fundraising revenue is recognized when the donation is received. When restricted donations are received which relate to the General Fund's future expenditures, the donations are deferred and reported in income in the year the related expenditure is recorded.

Investment income is recorded on the accrual basis when it is earned.

Fixed Assets and Amortization

Fixed assets that are not eligible for subsidy, are capitalized and stated at cost. Amortization is provided on the diminishing-balance method over the estimated useful lives of the assets as follows:

Building	4%
Computer hardware	30% and 55%
Furniture, fixtures and office equipment	20%
Medical equipment	20%
Other equipment	30%
Parking lot	4%

Amortization is provided at one-half of the above rates in the year of acquisition.

Equipment additions that are eligible for subsidy are expensed in the statement of operations.

HOSPICE NIAGARA**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2018****1. SIGNIFICANT ACCOUNTING POLICIES (continued)****Donations in Kind**

Donations in kind, including the receipt of marketable securities, are recorded in the financial statements if the fair market value of the donated item can be determined.

Financial Instruments

Financial instruments included in the statement of financial position consist of cash, investment certificates, accounts receivable, accounts payable and accrued charges, and subsidy receivable.

The investment certificates are classified as held for trading and recorded at cost plus accrued interest, which approximates fair market value. The carrying value of all other financial instruments approximate their fair values.

Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities if any at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. INVESTMENT CERTIFICATES

The investment balance consists of guaranteed investment certificates plus accrued interest which are held at the Meridian Credit Union. The amounts bear interest between 0.5% and 2.65% and are maturing on dates from July 19, 2018 to July 19, 2021.

3. FIXED ASSETS

	March 31, 2018			2017
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Building	\$ 3,042,597	\$ 1,045,284	\$ 1,997,313	\$ 2,080,534
Computer hardware	81,601	66,217	15,384	14,587
Furniture, fixtures and office equipment	203,710	187,271	16,439	22,039
Telephone system upgrade	60,442	5,440	55,002	54,398
Medical equipment	162,457	133,553	28,904	36,130
Other equipment	13,189	12,753	436	624
Parking lot	90,592	6,132	84,460	87,979
	\$ 3,654,588	\$ 1,456,650	\$ 2,197,938	\$ 2,296,291

The land on which the new Hospice Palliative Care Centre has been constructed upon at 403 Ontario Street is being leased from Linhaven Home for the Aged under a 20-year renewable lease commencing February 9, 2006 for an amount of \$1 per year.

HOSPICE NIAGARA**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2018****4. ACCOUNTS PAYABLE AND ACCRUED CHARGES**

	<u>2018</u>	<u>2017</u>
Trade payables	\$ 51,790	\$ 39,269
EHT payable	1,950	1,615
Nurse Grad Program Payable	14,826	-
Withholding taxes payable	30,225	5,621
WSIB payable	3,100	3,082
Accruals		
Audit	9,500	9,500
Utilities and maintenance	4,059	7,760
Wages and benefits	76,928	79,572
Vacation pay	24,681	18,702
Other	4,948	2,974
	<u>\$ 222,007</u>	<u>\$ 168,095</u>

5. DEFERRED REVENUE

The deferred revenue consists of the following amounts:

	<u>2018</u>	<u>2017</u>
Restricted donations	\$ 349,465	\$ 336,825
Fundraising revenue	19,615	16,515
Other	309	1,901
	<u>\$ 369,389</u>	<u>\$ 355,241</u>

The restricted donations are to be used for repairs and maintenance expenses and strategic plan initiatives which will be expended in the future. The deferred subsidy is government funding received in March 2018 for April 2018.

6. LETTERS OF CREDIT

The Organization has outstanding letters of credit in the amount of \$216,912 and \$197,170 to the Minister of Finance to support the 2018 and 2017 5 Car Draw fundraising activity respectively, and \$20,000 in the favour of the City of St. Catharines relating to the parking lot expansion.

Management is currently providing the necessary documentation to the Meridian Credit Union to cancel the \$197,170 letter of credit for the 2017 5 Car Draw to the Minister of Finance, and the \$20,000 letter of credit in the favour of the City of St. Catharines.

HOSPICE NIAGARA**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2018****7. FINANCIAL RISKS**

The significant financial risks to which the Organization is exposed are credit and interest rate risks. There have been no changes to the exposure to the risks from the prior year.

Credit Risk Exposure

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 in the event of non-performance by its funders. The funding receipts are determined by annual service contracts and management does not anticipate any significant loss for non-performance. The Organization's cash and investment certificates are all held at the Meridian Credit Union.

Interest Rate Risk Exposure

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Management does not expect any significant changes in market interest rates when the short-term investments come due.

HOSPICE NIAGARA
SCHEDULE 1 - PROGRAM EXPENDITURES
YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
CLIENT SERVICES		
Food	\$ 24,728	\$ 23,622
Purchased services and supplies	29,705	34,273
Staff and volunteer training	19,877	18,944
Workshops hosted	<u>9,580</u>	<u>-</u>
	<u>\$ 83,890</u>	<u>\$ 76,839</u>
FACILITY		
Cleaning services and supplies	\$ 69,873	\$ 64,539
Insurance	15,517	15,311
Rent	18,000	9,000
Repairs and maintenance	77,747	63,067
Utilities	<u>37,207</u>	<u>58,612</u>
	<u>\$ 218,344</u>	<u>\$ 210,529</u>
OFFICE AND ADMINISTRATION		
Audit and legal	\$ 20,376	\$ 10,570
Bank charges	8,045	4,171
Equipment purchases and rental	37,373	48,503
Meeting costs	25,539	22,044
Member and volunteer expenses	7,942	7,594
Office expenses	26,307	22,054
Subscriptions and memberships	8,138	1,296
Telephone	<u>26,493</u>	<u>23,699</u>
	<u>\$ 160,213</u>	<u>\$ 139,931</u>

SCHEDULE 2 - FUNDRAISING EXPENDITURES
YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
Advertising and promotion	\$ 25,118	\$ 24,343
Audit and legal	1,195	1,169
Bank charges	16,020	12,489
Consultant	51,970	-
Equipment purchases and rental	2,252	3,380
Insurance	307	324
Licenses	2,156	2,106
Meeting costs	2,321	2,027
Office expenses	22,520	21,557
Print and other fees	33,715	25,734
Prize costs	162,048	160,861
Staff and volunteer training	5,560	6,067
Telephone	728	1,553
Supplies	10,041	11,591
Wages and benefits	272,635	219,082
Workshops hosted	<u>-</u>	<u>1,843</u>
	<u>\$ 608,586</u>	<u>\$ 494,126</u>

HOSPICE NIAGARASUPPLEMENTARY CORPORATE INFORMATIONMARCH 31, 2018

Hospice Niagara is a registered Canadian charitable organization, exempt from income tax under paragraph 149(1)(f) of the Income Tax Act, incorporated without share capital on May 17, 1993 under the laws of the Province of Ontario.

SERVICE PROVIDED:

Hospice Niagara provides compassionate hospice palliative care for residents of Niagara, at home or in a community residence.

HEAD OFFICE:

403 Ontario Street, Unit 2
St. Catharines, Ontario
L2N 1L5

DIRECTORS AND OFFICERS:

Julie Dennis	- Chair
John Trivieri	- Vice-Chair
Sheryl Wherry	- Secretary
Richard Williamson	- Treasurer
Deborah Eke	
Fran Geikie	
Roger Heise	
Brenda Hookings	
Bunny Alexander	
Johanna McNulty	
Cathy McCullough	

EXECUTIVE DIRECTOR:

Carol Nagy

AUDITORS:

Partridge Iggulden LLP
Chartered Professional Accountants
Licensed Public Accountants
110 Hannover Drive, Suite B201
St. Catharines, Ontario
L2W 1A4

BANKER:

Meridian Credit Union
Lake Street Branch
531 Lake Street
St. Catharines, Ontario
L2N 4H6