

# **The Bridge Hospice**

## **Financial Statements**

**March 31, 2017**

# The Bridge Hospice

March 31, 2017

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3 Main Street, PO Box 129  
Warkworth, ON K0K 3K0  
705.924.1604  
bruce@jbrucetaylor.ca  
www.jbrucetaylor.ca

## **Independent Audit Report**

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To the Board of  
The Bridge Hospice

I have audited the accompanying financial statements of The Bridge Hospice, which comprise the statement of financial position as at March 31, 2017 and the statement 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*

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.

### *Basis for Qualified Opinion*

In common with many charities, the hospice derives revenue from donations and other sources, the completeness of which is not susceptible to audit procedures. Accordingly, my audit of donations and other givings was limited to the amounts recorded in the books and records of the hospice and I was not able to determine whether any adjustments might be necessary to these financial statements.

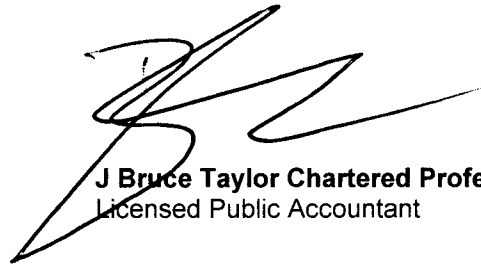
**Independent Audit Report (continued)**

*Qualified Opinion*

In my opinion, except for the 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 The Bridge Hospice as at March 31, 2017 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Other Matters*

I previously issued a Review Engagement Report dated June 7, 2017 for these financial statements. At a special meeting June 13, 2018, the Board approved a motion to have an audit performed on these financial statements for the purpose of future grant applications.



**J Bruce Taylor Chartered Professional Accountant**  
Licensed Public Accountant

Warkworth, Ontario  
September 24, 2018

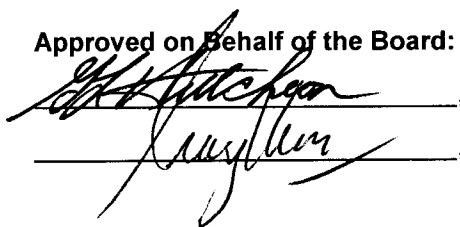
# The Bridge Hospice

## Statement of Financial Position

March 31, 2017

	2017	2016
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 150,690	\$ 93,102
Short term deposits	143,113	142,509
Grants and funding receivable	1,621	-
Prepaid expenses	1,291	776
GST/HST recoverable	6,129	3,052
<b>Total Current Assets</b>	<b>302,844</b>	<b>239,439</b>
Land, building and equipment (note: 2)	451,318	456,720
<b>Total Assets</b>	<b>\$ 754,162</b>	<b>\$ 696,159</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 4,393	\$ 23,899
Payroll taxes and government remittances payable	3,251	882
<b>Total Current Liabilities</b>	<b>7,644</b>	<b>24,781</b>
<b>Deferred Grants and Funding</b>		
Health care service funding	-	8,617
Fundraising sponsorships	4,750	3,500
<b>Total Liabilities</b>	<b>12,394</b>	<b>36,898</b>
<b>Net Assets</b>		
Surplus	741,768	659,261
<b>Total Liabilities and Net Assets</b>	<b>\$ 754,162</b>	<b>\$ 696,159</b>

Approved on Behalf of the Board:



The accompanying notes are an integral part of these financial statements.  
J Bruce Taylor Chartered Professional Accountant

# The Bridge Hospice

## Statement of Operations and Changes in Net Assets

For the Year Ended March 31, 2017

	2017	2016
<b>Revenue</b>		
Donations and supporters	\$ 122,167	\$ 91,513
Health care service and operating cost funding (note: 3)	323,101	91,383
Fundraising	59,595	48,141
Interest income	2,281	2,584
Operating grants	8,000	1,975
Memberships	320	280
	<b>515,464</b>	235,876
Fundraising expenses	9,188	10,649
	<b>506,276</b>	225,227
<b>Operating expenses</b>		
Advertising, promotion and publicity	8,813	2,718
Amortization	23,186	22,709
Health care service (note: 3)	259,296	91,383
Hospice and resident care expenses	11,273	1,726
Insurance	1,795	1,281
Interest and bank charges	1,736	1,576
Memberships and professional development	3,350	3,596
Office and administration	11,019	8,675
Professional fees	4,846	3,269
Maintenance, utilities and taxes	16,656	9,327
Salaries and wages	86,023	43,344
<b>Total operating expenses</b>	<b>427,993</b>	189,604
<b>Operating surplus of revenue over expenses</b>	<b>78,283</b>	35,623
<b>Non operating revenue and expenses</b>		
Capital restricted grant revenue	4,224	1,300
<b>Net surplus of revenue over expenditures</b>	<b>82,507</b>	36,923
Net assets, beginning	659,261	622,338
<b>Net assets, ending</b>	<b>\$ 741,768</b>	\$ 659,261

The accompanying notes are an integral part of these financial statements.  
J Bruce Taylor Chartered Professional Accountant

# The Bridge Hospice

## Statement of Cash Flows

For the Year Ended March 31, 2017

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Surplus of revenues over expenses	\$ 82,507	\$ 36,923
Amortization	23,186	22,709
Decrease (increase) in GST/HST recoverable	(3,077)	1,010
Increase in prepaid expenses	(515)	(776)
Increase (decrease) in accounts payable and accrued expenses	(19,506)	19,865
Increase in payroll taxes and government remittances payable	2,369	500
Increase in operating grants receivable	(1,621)	-
Increase (decrease) in deferred health care service funding	(8,617)	8,617
Increase in deferred fundraising sponsorships	1,250	3,500
Decrease in deferred operating grants	-	(1,475)
Decrease in deferred capital grants	-	(1,300)
<b>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>75,976</b>	<b>89,573</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Building and equipment additions from general account	(13,560)	(4,255)
Building and equipment additions from capital grants received	(4,224)	(1,300)
Additions to short term deposits and accrued interest	(604)	(1,682)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(18,388)</b>	<b>(7,237)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>57,588</b>	<b>82,336</b>
Cash and cash equivalents, beginning of year	93,102	10,766
<b>Cash and cash equivalents, end of year</b>	<b>\$ 150,690</b>	<b>\$ 93,102</b>

The accompanying notes are an integral part of these financial statements.  
J Bruce Taylor Chartered Professional Accountant

# The Bridge Hospice

## Notes to the Financial Statements

For the Year Ended March 31, 2017

### 1. Significant Accounting Policies

#### a. Nature of organization and basis of preparation

The Bridge Hospice (the hospice) was incorporated on November 4, 2006 without share capital under the Ontario Business Corporations Act. The hospice is a Registered Charity which for Canadian income tax purposes is exempt from income tax under the Income Tax Act.

The purpose of the hospice is to offer the people of Northumberland County and region a home where practical care, guidance and compassion are provided for those dying, and those who support them.

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### b. Short term deposits

Short term deposits are held to maturity and valued at cost, which is calculated as original cost plus accrued interest.

#### c. Land, building and equipment

Land, building and equipment is stated at cost. Amortization is provided over the estimated useful life of the assets using the methods below for financial reporting purposes. Maintenance, repairs and minor renewals and betterments are expensed; major improvements are capitalized.

Amortization is calculated using the declining balance method as follows for the major classes of assets:

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Land	NIL
Building	4%
Furniture, fixtures and equipment	20%

#### d. Grants and other funding

The hospice records grants and other funding received as revenue in the statement of operations and changes in net assets, in the period of the qualifying expenditures. The hospice differentiates between operating and capital as designated under the grant conditions. Grants and other funding received for which the qualifying expenditures have not been made are accordingly deferred, and reported as deferred grants or other funding in the statement of financial position.



# The Bridge Hospice

## Notes to the Financial Statements

For the Year Ended March 31, 2017

### 1. Significant Accounting Policies

#### e. Revenue recognition

All unrestricted revenue is recognized in accordance with industry practice in the period received and pledges are not recognized until received.

Restricted donations and giving are segregated from general revenue and recorded in revenue in the period the related expense is incurred. Undisbursed restricted donations and giving are deferred and are recorded in the statement of financial position as deferred revenue until such time as the related expense is made.

The mission of the hospice is dependent upon and thankful for many hours contributed by its volunteers and members. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

#### f. 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The reported amounts and note disclosures are determined using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results could differ from those estimates and would impact future results of operations and cash flows. Areas requiring the use of estimates include amortization rates of capital assets and accrued liabilities.

### 2. Land, building and equipment

			2017	2016
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	\$ 36,712	\$ -	\$ 36,712	\$ 36,712
Building	432,565	(57,004)	375,561	391,209
Furniture, fixtures and equipment	64,597	(25,552)	39,045	28,799
<b>Total</b>	<b>\$ 533,874</b>	<b>\$ (82,556)</b>	<b>\$ 451,318</b>	<b>\$ 456,720</b>

# The Bridge Hospice

## Notes to the Financial Statements

For the Year Ended March 31, 2017

### 3. Health care service and operating cost funding

During the year the hospice entered into an agreement with the Ministry of Health and Long Term Care to fund nursing and personal support services required to support the operation of the hospice beds.

The hospice also has an agreement with the Saint Elizabeth Community Enterprise to provide financial support to the hospice to fund direct care services in the hospice not covered by the Ministry of Health and Long Term Care. In January 2016, the hospice entered into a five-year agreement with a sister organization, Saint Elizabeth Health Care, to provide direct care PSW (Personal Support Worker) and nursing services, to augment those services currently provided by the hospice.

### 4. Financial instruments

The hospice's financial instruments consist of cash, short term deposits, and accounts payable. It is management's opinion that the hospice is not exposed to significant risk arising from these financial instruments.

#### *Carrying value*

The carrying values of the hospice's monetary assets and liabilities approximate their fair values due to their short-term and fixed nature.

#### *Credit risk*

The hospice does not extend credit to earn revenue and accordingly is not exposed to credit risk.

#### *Interest rate risk*

The hospice is not exposed to interest rate risk as the capitalization and working capital of the hospice does not rely on financing.

#### *Currency risk*

The hospice in the normal course of operations does not engage in foreign currency denominated transactions and is not exposed to currency risk.

#### *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. To manage this operating risk, the hospice monitors its budgets and forecasts and maintains an adequate working capital to cover operations. The hospice does not embark on other expenditures without already having adequate funding in place.