

The Bridge Hospice

Financial Statements

March 31, 2018

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Independent Audit Report

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, 2018 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.

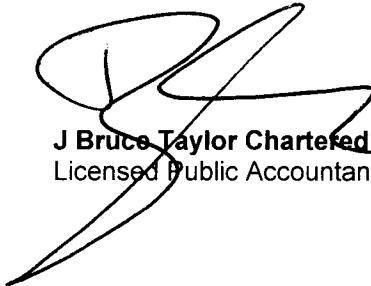
Independent Audit Report (continued)

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, 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.

Other Matters

I previously issued a Review Engagement Report dated June 13, 2018 for these financial statements approved by the membership at the annual general meeting. At the first meeting June 13, 2018 of the new Board, a motion was approved 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

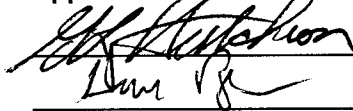
The Bridge Hospice

Statement of Financial Position

March 31, 2018

	2018	2017
Assets		
Current Assets		
Cash	\$ 50,852	\$ 150,690
Short term deposits	288,470	143,113
Grants receivable	600	600
Health care funding receivable	10,942	1,021
GST/HST recoverable	5,232	6,129
Prepaid expenses	1,175	1,291
Total Current Assets	357,271	302,844
Land, building and equipment (note: 2)	431,969	451,318
Total Assets	\$ 789,240	\$ 754,162
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 23,120	\$ 4,393
Payroll taxes payable	3,376	3,251
Total Current Liabilities	26,496	7,644
Deferred Grants and Funding		
Fundraising sponsorships	6,135	4,750
Total Liabilities	32,631	12,394
Net Assets		
Surplus	756,609	741,768
Total Liabilities and Net Assets	\$ 789,240	\$ 754,162

Approved on Behalf of the Board:



J. Bruce Taylor

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, 2018

	2018	2017
Revenue		
Health care service and operating cost funding (note: 3)	\$ 379,277	\$ 323,101
Donations and supporters	154,895	122,167
Fundraising	67,333	59,595
Interest income	5,683	2,281
Operating grants	3,000	8,000
Memberships	320	320
	610,508	515,464
Fundraising expenses	11,482	9,188
	599,026	506,276
Operating expenses		
Accounting and legal	2,332	2,079
Advertising, promotion and publicity	6,326	8,813
Amortization	23,047	23,186
Health care service (note: 3)	371,686	259,296
Hospice and resident care expenses	9,051	11,273
Insurance	2,452	1,795
Interest and bank charges	2,170	1,736
Maintenance and utilities	15,891	16,656
Memberships and professional development	2,855	3,350
Office and administration	11,808	11,019
Professional fees	6,517	2,767
Salaries and wages	132,550	86,023
Total operating expenses	586,685	427,993
Operating surplus of revenue over expenses	12,341	78,283
Non operating revenue and expenses		
Capital restricted grant revenue	2,500	4,224
Net surplus of revenue over expenditures	14,841	82,507
Net assets, beginning	741,768	659,261
Net assets, ending	\$ 756,609	\$ 741,768

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, 2018

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Surplus of revenues over expenses	\$ 14,841	\$ 82,507
Amortization	23,047	23,186
Increase in grants receivable	-	(600)
Increase in health care funding receivable	(9,921)	(971)
Decrease (increase) in GST/HST recoverable	897	(3,077)
Decrease (increase) prepaid expenses	116	(565)
Increase (decrease) in accounts payable and accrued expenses	18,727	(19,506)
Increase in payroll taxes and government remittances payable	125	2,369
Decrease in deferred health care service and operating cost funding	-	(8,617)
Increase in deferred fundraising sponsorships	1,385	1,250
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	49,217	75,976
CASH FLOWS FROM INVESTING ACTIVITIES:		
Building and equipment additions from general account	(1,198)	(13,560)
Building and equipment additions from capital grants received	(2,500)	(4,224)
Additions to short term deposits and accrued interest	(145,357)	(604)
NET CASH USED BY INVESTING ACTIVITIES	(149,055)	(18,388)
Net increase (decrease) in cash and cash equivalents	(99,838)	57,588
Cash and cash equivalents, beginning of year	150,690	93,102
Cash and cash equivalents, end of year	\$ 50,852	\$ 150,690

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, 2018

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:

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, 2018

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

			2018	2017
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	\$ 36,712	\$ -	\$ 36,712	\$ 36,712
Building	434,482	(72,064)	362,418	375,561
Furniture, fixtures and equipment	66,378	(33,539)	32,839	39,045
Total	\$ 537,572	\$ (105,603)	\$ 431,969	\$ 451,318

The Bridge Hospice

Notes to the Financial Statements

For the Year Ended March 31, 2018

3. Health care service and operating cost funding

Revenue - Health care service and operating cost funding

In November 2016, the hospice entered into an agreement with the Ministry of Health and Long Term Care to provide funding through the Central East Local Health Integration Network toward those costs directly related to the care of the hospice residents.

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.

Operating expense - Health care services

In January 2016, the hospice entered into a five-year agreement with a sister organization, Saint Elizabeth Health Care, to provide direct resident care PSW (Personal Support Worker) and nursing services, to support 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.