

EVERGREEN HOSPICE
FINANCIAL STATEMENTS
MARCH 31, 2016



Independent Auditor's Report

To the Directors of
Evergreen Hospice

I have audited the accompanying financial statements of Evergreen Hospice, which comprise the statement of financial position as at March 31, 2016, 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

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 organization'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 organization'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

Evergreen Hospice derives a material amount of revenue from donations and fundraising activities. I was not able to obtain sufficient appropriate audit evidence about the completeness of the reported amounts for accounts receivable, donation and fundraising revenue, revenue in excess of expenditure and changes to net assets because there is no direct relationship between assets or services given up in exchange for amounts received or receivable. Consequently, I was unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Evergreen Hospice as at March 31, 2016 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.

Markham, Ontario
September 14, 2016

AUTHORIZED TO PRACTICE PUBLIC ACCOUNTING BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF ONTARIO

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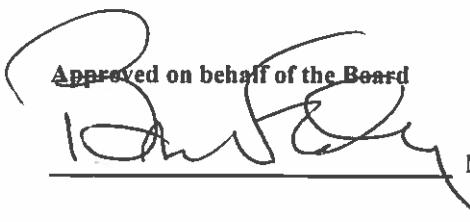
Evergreen Hospice

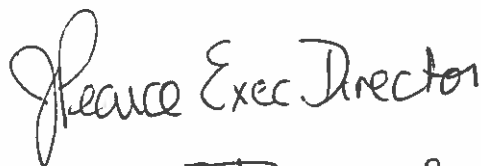
Statement of Financial Position

As at March 31, 2016

	2016	2015
Assets		
Current		
Cash and cash equivalents	\$ 89,031	\$ 105,503
Short-term investments (note 3)	372,169	439,431
Accounts receivable	38,071	3,991
Prepaid expenses	4,840	450
Government taxes receivable	10,328	5,894
Total assets	\$ 514,439	\$ 555,269
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 22,570	\$ 22,292
Unearned revenue	2,500	2,500
Total liabilities	25,070	24,792
Net Assets		
Net assets	489,369	530,477
Total liabilities and net assets	\$ 514,439	\$ 555,269

Approved on behalf of the Board


Member


Executive Director


Member

See accompanying notes

Evergreen Hospice

Statement of Operations and Changes in Net Assets

For the year ended March 31, 2016

	2016	%	2015	%
Revenue				
Grants	\$ 154,938	29.0	\$ 171,226	37.3
Fundraising	153,480	28.8	104,212	22.7
Donations	225,141	42.2	183,583	40.0
Total revenue	533,559	100.0	459,021	100.0
Expenditures				
Office and general	55,337	10.4	62,399	13.6
Administration	137,976	25.9	123,107	26.8
Fundraising and community awareness	132,702	24.9	110,553	24.1
HST expense	5,412	1.0	6,146	1.3
Occupancy	45,617	8.5	21,307	4.6
Delivery and postage	5,195	1.0	2,525	0.6
Client services	196,836	36.9	213,585	46.5
Total expenditures	579,075	108.5	539,622	117.6
Deficiency of revenue over expenditures before undernoted items	(45,516)	(8.5)	(80,601)	(17.6)
Other income (expenses)				
(Loss) gain on sale of marketable securities	(20,387)	(3.8)	58,148	12.7
Unrealized (loss) gain on sale of securities	8,276	1.6	(41,023)	(8.9)
Investment and other income	16,519	3.1	22,101	4.8
	4,408	0.8	39,226	8.5
Deficiency of revenue over expenditures	(41,108)	(7.7)	(41,375)	(9.0)
Net assets, beginning of year	530,477		570,713	
Net assets acquired upon amalgamation	-		1,139	
Net assets, end of year	\$ 489,369		\$ 530,477	

See accompanying notes

Evergreen Hospice

Statement of Cash Flows

For the year ended March 31, 2016

	2016	2015
Operating activities		
Deficiency of revenue over expenditures	\$ (41,108)	\$ (41,375)
Adjustments for		
Loss (gain) on sale of marketable securities	20,387	(58,148)
	(20,721)	(99,523)
Change in non-cash working capital items		
Accounts receivable	(34,080)	(3,991)
Prepaid expenses	(4,390)	-
Government taxes receivable	(4,434)	6,994
Accounts payable and accrued liabilities	278	14,042
Unearned revenue	-	2,500
	(63,347)	(79,978)
Investing activity		
Short-term investments	46,875	156,992
Financing activity		
Net assets acquired upon amalgamation	-	1,139
(Decrease) increase in cash	(16,472)	78,153
Cash, beginning of year	105,503	27,350
Cash, end of year	\$ 89,031	\$ 105,503

See accompanying notes

Evergreen Hospice

Notes to the Financial Statements

March 31, 2016

1. Organization

Evergreen Hospice of Markham-Stouffville ("the Organization") was incorporated under The Laws of Ontario in February, 1989 as a corporation without Share Capital. The Organization amalgamated with another entity of similar operations (Hospice Thornhill) to form Evergreen Hospice on April 01, 2014.

The Organization's purpose is to provide supportive and bereavement care to people in Markham, Whitchurch-Stouffville and Thornhill who are experiencing the impact of life-threatening illness and death.

The Organization is classified as a registered charity under the Income Tax Act and as such is not subject to income tax provided certain disbursement requirements are met

2. Significant accounting policies

The organization applies the Canadian accounting standards for not-for-profit enterprises.

(a) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses 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 expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Externally restricted contributions for the purchase of capital assets that will be amortized are recorded as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. Externally restricted contributions for the purchase of capital assets that will not be amortized are recognized as direct increases in net assets to the Investment in Capital Assets balance.

Revenue from fundraising events are recognized when the related event occurs. Ticket sales and sponsorship revenue received in advance of the event is deferred and recorded as unearned revenue.

(b) Cash and cash equivalents

Cash and cash equivalents consists of money held in banks

(c) Investments

The organization has elected to classify all of its investments as held-for-trading, and accordingly they are recorded at fair value. Changes in fair values during the year are included in revenue or expenditures on the statement of operations.

Quoted market prices were used to determine the fair value of the investments as at the year end date.

Evergreen Hospice

Notes to the Financial Statements

March 31, 2016

2. Significant accounting policies, continued

(d) Financial instruments

The organization's financial instruments consist of cash, term deposits, accounts receivable, prepaid expenses, accounts payable and accrued liabilities and unearned revenue. Unless otherwise noted it is management's opinion that the organization is not exposed to significant interest, currency or credit risks.

(e) Use of estimates

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

3. Short-term investments

	2016 Market	2016 Cost	2015 Market	2015 Cost
Bank of Montreal	\$ 24,055	\$ 21,547	\$ 23,150	\$ 21,547
BCE Inc New	33,738	21,768	27,883	19,090
DH Corporation	-	-	22,440	17,685
First Capital Realty Inc	26,703	22,991	25,550	22,991
Fortis Inc	24,019	18,897	30,092	24,983
Intact Financial Corp	31,826	31,167	-	-
Manitoba Telecom Services Inc	24,863	23,015	18,488	23,015
Morguard REIT	-	-	23,419	23,283
Mullen Group Ltd	-	-	9,744	14,437
National Bank of Canada	14,871	15,721	16,184	15,721
North West Company Inc	28,920	24,739	25,030	24,739
Northland Power Inc	11,781	11,435	-	-
Power Financial Corp	22,404	23,059	25,868	23,059
Riocan REIT	24,206	25,015	26,363	25,015
Sun Life Financial	16,760	14,202	15,612	14,202
Shaw Communications Inc	23,836	25,023	26,999	25,023
Telus Corp	17,758	15,899	27,766	24,984
Thomson Reuters Corp	-	-	32,607	24,961
Transcanada Corporation	21,445	15,832	22,747	15,832
United-Global Fixed Income Pool	24,984	24,896	-	-
Wajax Corp	-	-	16,691	24,994
Westshore Terminals Inv Corp	-	-	22,798	25,007
	<u>\$ 372,169</u>	<u>\$ 335,206</u>	<u>\$ 439,431</u>	<u>\$ 410,568</u>

Evergreen Hospice

Notes to the Financial Statements

March 31, 2016

4. Gain on investments

	2016	2015
Capital gains/losses - realized	\$ 20,387	\$ (58,148)
Capital gains/losses - unrealized	(8,276)	41,023
	<u>\$ 12,111</u>	<u>\$ (17,125)</u>

5. Capital management

The organization's objective when managing capital is to ensure sufficient liquidity to sustain its financial obligations for continued operations to support its stated objectives. The capital structure of the organization consists of an accumulated excess of revenue over expenditures.

6. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.