

FRIENDS OF HOSPICE OTTAWA

**Financial Statements
Year Ended December 31, 2008**

Auditors' Report

Financial Statements

Page

Statement of Financial Position	1
Statement of Operations and Net Assets	2
Statement of Cash Flows	3
Notes to the Financial Statements	4 - 6
Schedule of Fundraising Activities	7

AUDITORS' REPORT TO THE MEMBERS

We have audited the statement of financial position of Friends of Hospice Ottawa as at December 31, 2008 and the statements of operations and net assets and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraphs, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the organization derives revenues from fundraising and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the accounts of the organization and we were not able to determine whether any adjustments might be necessary to these revenues, net revenue, assets, liabilities and net assets.

The comparative figures presented in these financial statements are unaudited. Since the opening balances enter into the determination of the results of operations and cash flows, we are unable to determine whether adjustments might be necessary to revenues, expenditures, net revenue, opening net assets and cash flows.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to verify the financial statement items referred to in the preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

As stated above, the comparative figures presented in these financial statements are unaudited. They were reviewed by other public accountants. We have not examined and do not express an opinion on these comparative figures.

Cox, Merritt & Co. LLP

COX, MERRITT & CO. LLP
Chartered Accountants
Licensed Public Accountants

May 31, 2009

FRIENDS OF HOSPICE OTTAWA

Statement of Financial Position As at December 31, 2008

	2008	(Unaudited) 2007
ASSETS		
Cash and term deposits	\$ 79,001	\$ 43,457
Contributions receivable	22,884	26,112
GST recoverable	3,699	2,780
Inventory	2,189	2,445
Prepaid expenses	6,234	5,137
	114,007	79,931
Term deposits (Note 5)	33,722	25,560
Capital assets (Note 3)	5,296	5,068
	\$ 153,025	\$ 110,559
LIABILITIES		
Accounts payable and accrued liabilities	\$ 19,214	\$ 8,181
Deferred contributions (Note 4)	11,152	7,347
	30,366	15,528
Deferred residential contributions (Note 5)	33,722	25,560
	64,088	41,088
NET ASSETS		
Net assets	88,937	69,471
	\$ 153,025	\$ 110,559

Approved on behalf of the Board

_____ Director _____ Director

FRIENDS OF HOSPICE OTTAWA

Statement of Operations and Net Assets Year ended December 31, 2008

	2008	(Unaudited) 2007
Revenue		
Grants		
The Outcare Foundation	\$ 25,000	\$ 57,537
Community Foundation of Ottawa	21,147	3,496
Trillium Foundation	23,400	26,050
Champlain LHIN	33,418	-
Fundraising projects (Schedule A)	159,323	162,378
Donations	59,522	43,468
Volunteer travel donations	22,884	26,112
Interest	296	-
	<hr/> 344,990	<hr/> 319,041
Expenditures		
Advertising	4,435	1,891
Amortization	1,381	1,575
Association fees	1,437	992
Bank charges	2,480	2,011
Caregiver and bereavement	3,675	1,200
Communications	6,522	5,671
Conference	1,937	4,216
Day hospice supplies	8,647	5,282
Donations	-	26,400
Education	3,252	-
Fundraising coordinator	41,404	38,550
Fundraising projects (Schedule A)	69,630	61,976
Hospice coordinators	119,312	89,924
Insurance	2,403	2,169
Office supplies	8,364	5,322
Professional fees	9,280	2,678
Repairs and maintenance	1,636	-
Supplies	2,044	1,016
Travel - patient	22,884	26,112
Travel - staff	14,801	9,012
	<hr/> 325,524	<hr/> 285,997
Net revenue	19,466	33,044
Net assets, beginning of year	69,471	36,427
Net assets, end of year	<hr/> \$ 88,937	<hr/> \$ 69,471

FRIENDS OF HOSPICE OTTAWA

Statement of Cash Flows Year Ended December 31, 2008

	2008	(Unaudited) 2007
Cash flows from operating activities		
Net revenue	\$ 19,466	\$ 33,044
Amortization of capital assets	1,381	1,575
Net change in non-cash working capital	12,501	(6,390)
Net change in deferred contributions related to operations	3,805	(42,439)
	37,153	(14,210)
Cash flows from financing and investing activities		
Increase in deferred residential contributions	8,162	25,560
Increase in restricted term deposits	(8,162)	(25,560)
Purchase of capital assets	(1,609)	(3,196)
	(1,609)	(3,196)
Increase (decrease) in cash and term deposits	35,544	(17,406)
Cash and term deposits, beginning of year	43,457	60,863
Cash and term deposits, end of year	\$ 79,001	\$ 43,457

FRIENDS OF HOSPICE OTTAWA

Notes to Financial Statements Year Ended December 31, 2008

1. Operations

(a) Purpose

Friends of Hospice Ottawa is a charitable organization providing, in collaboration with community hospitals, government agencies and other health care professionals, programs that deliver compassionate, quality end-of-life care for palliative patients, as well as support for the patients' families and loved ones. The program includes day hospice, in-home volunteer support, education, bereavement support and a caregiver support program.

(b) Operations

Friends of Hospice Ottawa was registered as a charitable organization under the Income Tax Act (Canada) effective January 1, 2004 and commenced active operations on that date. The Organization became incorporated under the Corporations Act - Ontario as a charity - PGT on October 8, 2004.

2. Significant accounting policies

(a) Basis of accounting

The organization follows the deferral method of accounting for contributions.

(b) Revenue recognition

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. Contributions are recognized in the period in which the related expenditures are incurred.

(c) Donations in kind

The organization receives contributed materials, the cost of which cannot always be reasonably estimated. Therefore, only those contributed materials whose fair value can be reasonably estimated and are used in the normal course of the organization's operations and would otherwise have been purchased are recorded in the accounts of the organization.

(d) Volunteer services

The organization receives the services of many volunteers, the cost of which cannot be reasonably estimated. Therefore, no representation of this expenditure has been included in these financial statements.

FRIENDS OF HOSPICE OTTAWA

Notes to Financial Statements Year Ended December 31, 2008

2. Significant accounting policies (cont'd)

(e) Capital assets

Capital assets are stated at cost. Amortization is provided annually on the declining balance basis using the following rates:

Office furniture and fixtures	20%
Computer	30%

In the year of acquisition, amortization is provided at one half the annual rate.

(f) Term deposits

Term deposits are classified as held-to-maturity because the association has both the intent to hold the investment to maturity and the ability to do so. Term deposits held-to-maturity are stated at cost.

3. Capital assets

	Cost	Accumulated amortization	Net 2008	(Unaudited) Net 2007
Office furniture and fixtures	\$ 5,176	\$ 1,324	\$ 3,852	\$ 3,005
Computers	3,300	1,856	1,444	2,063
	\$ 8,476	\$ 3,180	\$ 5,296	\$ 5,068

4. Deferred contributions

Deferred revenue represents unspent grants and revenue received for the hospice palliative care program as follows:

	2008	(Unaudited) 2007
Community Foundation of Ottawa	\$ -	\$ 7,347
Champlain LHIN	9,332	-
Ticket sales for 2009 event	1,820	-
	\$ 11,152	\$ 7,347

FRIENDS OF HOSPICE OTTAWA

Notes to Financial Statements Year Ended December 31, 2008

5. Deferred residential contributions

In 2007, the organization began accepting money for a capital project of building a permanent residential hospice. The deferred residential contribution balance of \$33,722 (2007 - \$25,560) comprises \$32,836 contributed to date, and related investment income of \$886. These funds are invested in term deposits and are externally restricted for the capital project.

6. Commitments

Under the terms of various grants and contributions, the organization may be required to repay funds received should they not be able to fulfil their funding obligations.

7. Financial instruments

The association's financial instruments consist of cash and term deposits, contributions receivable and accounts payable and accrued liabilities. The carrying amounts reported on the statement of financial position for all financial instruments approximate fair values due to their immediate or short-term maturities. It is management's opinion that the hospice is not exposed to significant interest rate, currency or credit risk arising from these financial instruments.

8. Comparative figures

The 2007 comparative figures have been reclassified to conform with the presentation adopted for 2008.

FRIENDS OF HOSPICE OTTAWA

Schedule A

Schedule of Fundraising Activities Year Ended December 31, 2008

(Unaudited)

	Other	Hike	Fashion Show	Ladies Night	Totals 2008	Totals 2007
Revenue						
Ticket sales and auction proceeds	\$ -	\$ -	\$ 29,780	\$ 83,960	\$ 113,740	\$ 87,772
Donations	-	29,880	-	-	29,880	39,091
Celebration of life	-	-	-	-	-	23,601
Bear sales	1,176	-	-	-	1,176	2,700
Cookbooks	320	-	-	-	320	1,610
Newsletter	-	-	-	-	-	4,966
Third party events	12,442	-	-	-	12,442	-
Other	1,765	-	-	-	1,765	2,638
	15,703	29,880	29,780	83,960	159,323	162,378
Expenditures						
Advertising	-	1,065	535	608	2,208	3,826
Bears	566	-	-	-	566	1,146
Actors	-	-	-	-	-	2,588
Catering/halls	-	-	7,609	21,008	28,617	33,544
Cookbooks	104	-	-	-	104	738
Newsletter	-	-	-	-	-	9,716
Supplies	682	5,141	6,264	26,048	38,135	10,418
	1,352	6,206	14,408	47,664	69,630	61,976
Excess of revenue over expenditures	\$ 14,351	\$ 23,674	\$ 15,372	\$ 36,296	\$ 89,693	\$ 100,402