

HEARTHOUSE HOSPICE INC.

FINANCIAL STATEMENTS

MARCH 31, 2014



CALVIN G VICKERY

CHARTERED ACCOUNTANT
PROFESSIONAL CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
HeartHouse Hospice Inc.

Report on the Financial Statements

I have audited the accompanying financial statements of HeartHouse Hospice Inc., which comprise the statement of financial position as at March 31, 2014 and the statements of operations and fund balances 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 not-for-profit organizations, the organization derives part of its revenue from contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to revenue, excess of expenses over revenue, assets or net assets.

Qualified Opinion

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of HeartHouse Hospice Inc. as at March 31, 2014 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.

Calvin G Vickery Chartered Accountant
Professional Corporation,
Authorized to practice public accounting by the
Institute of Chartered Accountants of Ontario

Brampton, Ontario,
June 9, 2014

HEARTHOUSE HOSPICE INC.
(INCORPORATED UNDER THE LAWS OF ONTARIO)
STATEMENT OF FINANCIAL POSITION
as at March 31, 2014

	2014		2013	
	Operating Fund \$	Residential Hospice Fund \$	Total \$	Total \$
ASSETS				
CURRENT				
Cash in bank	389,203	77,019	466,222	662,648
Short-term investments (Note 2)	66,090	272,045	338,135	892,514
Other receivables	42,110	8,382	50,492	108,484
Receivable from Residential Hospice Fund	62,926	-	62,926	24,161
Prepaid expenses and deposits	19,850	-	19,850	21,494
	<u>580,179</u>	<u>357,446</u>	<u>937,625</u>	<u>1,709,301</u>
LONG-TERM INVESTMENTS (Note 3)	428,225	607,400	1,035,625	674,500
CAPITAL ASSETS (Note 4)	820	2,584,051	2,584,871	1,640
	<u>1,009,224</u>	<u>3,548,897</u>	<u>4,558,121</u>	<u>2,385,441</u>
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities (Note 5)	117,733	8,365	126,098	120,472
Payable to the Operating fund	-	62,926	62,926	24,161
Current portion of capital lease (Note 6)	-	439,415	439,415	-
Deferred revenue (Note 7)	82,498	-	82,498	63,705
	<u>200,231</u>	<u>510,706</u>	<u>710,937</u>	<u>208,338</u>
LONG-TERM				
Capital lease payable (Note 6)	-	1,748,874	1,748,874	-
	<u>200,231</u>	<u>2,259,580</u>	<u>2,459,811</u>	<u>208,338</u>
COMMITMENTS (Note 12)				
FUND EQUITY				
Internally restricted funds (Note 8)	453,655	-	453,655	453,655
Residential Hospice Fund	-	1,289,317	1,289,317	1,390,775
Surplus: Operating fund	355,338	-	355,338	332,673
	<u>808,993</u>	<u>1,289,317</u>	<u>2,098,310</u>	<u>2,177,103</u>
	<u>1,009,224</u>	<u>3,548,897</u>	<u>4,558,121</u>	<u>2,385,441</u>

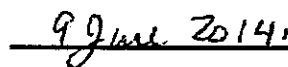
APPROVED:



PRESIDENT



TREASURER



DATE

HEARTHOUSE HOSPICE INC.
(INCORPORATED UNDER THE LAWS OF ONTARIO)
STATEMENT OF OPERATIONS AND FUND BALANCES
for the year ended March 31, 2014

	2014			2013	
	Operating Fund \$	Internally Restricted Fund \$	Residential Hospice Fund \$	Total \$	Total \$
REVENUE					
Fundraising	259,074			259,074	268,759
Donations	201,379		400	201,779	140,512
Grants (Note 9)	901,335			901,335	951,232
Interest and other investment income	14,424		25,442	39,866	27,119
Other income	7,238			7,238	10,039
	<u>1,383,450</u>	-	<u>25,842</u>	<u>1,409,292</u>	<u>1,397,661</u>
Deferred revenue adjustments (Note 7)	(18,793)			(18,793)	(45,739)
	<u>1,364,657</u>	-	<u>25,842</u>	<u>1,390,499</u>	<u>1,351,922</u>
EXPENDITURES					
Salaries and employee benefits	888,406		25,120	913,526	987,097
Administration (Note 10)	164,576		57,475	222,051	157,894
Website development and data services	15,650		-	15,650	3,424
Communications	15,697		-	15,697	12,644
Public relations and fundraising	90,759		25,852	116,611	81,770
Volunteer training and education	4,121		-	4,121	5,702
Consulting fees	-		-	-	100
Bereavement program	575		-	575	1,347
Day program	2,871		-	2,871	4,155
Other program expenses	31,918		-	31,918	8,901
Aging at home program (Note 11)	125,057		-	125,057	119,287
Metamorphosis program	1,542		-	1,542	6,147
Interest on capital lease	-		18,853	18,853	-
Amortization of capital assets	820		-	820	820
	<u>1,341,992</u>	-	<u>127,300</u>	<u>1,469,292</u>	<u>1,389,288</u>
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	22,665	-	(101,458)	(78,793)	(37,366)
Transfers between funds					
Fund balances, beginning of year	<u>332,673</u>	<u>453,655</u>	<u>1,390,775</u>	<u>2,177,103</u>	<u>2,214,469</u>
FUND BALANCES, END OF YEAR	<u>355,338</u>	<u>453,655</u>	<u>1,289,317</u>	<u>2,098,310</u>	<u>2,177,103</u>

See accompanying notes.

HEARTHOUSE HOSPICE INC.
(INCORPORATED UNDER THE LAWS OF ONTARIO)
STATEMENT OF CASHFLOWS
for the year ended March 31, 2014

	2014	2013
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenditures (expenditures over revenue)	(78,793)	(37,366)
Non-cash items		
Unrealized gains on investments	(11,124)	-
Amortization of capital assets	820	820
	<u>(89,097)</u>	<u>(36,546)</u>
Changes in non-cash working capital		
Other receivables	57,992	(33,024)
Prepaid expenses and deposits	1,644	(4,039)
Accounts payable	18,671	38,591
Government remittances payable	(909)	5,971
Due to LHIN	(12,136)	(17,517)
Deferred revenue	18,793	45,739
	<u>(5,042)</u>	<u>(825)</u>
INVESTING ACTIVITIES		
Sale (acquisition) of investments	(350,001)	(54,500)
Sale (acquisition) of capital assets	<u>(2,584,051)</u>	<u>(2,460)</u>
	<u>(2,934,052)</u>	<u>(56,960)</u>
FINANCING ACTIVITIES		
Capital lease proceeds received	2,537,830	-
Capital lease principal payments made	<u>(349,541)</u>	<u>-</u>
	<u>2,188,289</u>	<u>-</u>
INCREASE (DECREASE) IN CASH	(750,805)	(57,785)
CASH, BEGINNING OF YEAR	1,555,162	1,612,947
CASH, END OF YEAR	804,357	1,555,162
CASH REPRESENTED BY:		
Bank	466,222	662,648
Short-term investments	<u>338,135</u>	<u>892,514</u>
	<u>804,357</u>	<u>1,555,162</u>

PURPOSE OF THE ORGANIZATION

HeartHouse Hospice Inc. ("HeartHouse") is incorporated without share capital under the Ontario Business Corporations Act. HeartHouse is a registered charity under the Income Tax Act and is therefore exempt from income taxes and may issue official donation receipts for income tax purposes. Its principal activities include the provision of home care services and supportive care of the terminally ill.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CICA Handbook and include the following significant accounting policies:

(a) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions received from individuals or organizations for a specific purpose are recognized as revenue in the year in which the related expenses are incurred. When a restricted contribution is received for the purchase of a capital asset, the revenue is recognized at the same rate as the amortization of the related asset.

(b) Donated materials and services

Donations of materials are recognized as revenue and as an expense when:

- a fair value can be reasonably estimated;
- the materials are used in the normal course of operations; and
- the organization would have purchased the materials if they had not been contributed.

Donated services are not recognized in the financial statements because of the difficulty in determining their fair value.

(c) Capital assets

Purchased capital assets are recorded at cost, for acquisitions in excess of \$1,000. Capital assets are amortized on a straight-line basis over their estimated useful life as follows:

Equipment -	5 years
Computer equipment -	3 years

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - continued

(d) Fund accounting

The organization follows the restricted fund method of accounting for contributions.

Operating fund

The Operating fund accounts for all program delivery and administration activities of the organization that are not included in any other fund established by the Board of Directors.

Residential Hospice Fund

The Board of Directors has approved the establishment of a reserve fund for future capital expenditures related to a planned residential hospice.

Internally Restricted Funds

The Board of Directors has approved the following reserve funds:

Reserve For Operating Costs

As the funding received by the Hospice is irregular, the Board of Directors has approved the establishment of a reserve to cover future operating costs.

Reserve for Special Expenditures

The Board of Directors has established a reserve to provide funding for certain specified future expenditures.

Inter-fund transfers

Inter-fund transfers approved by the board are recorded as transfers in the year in which the transfer is approved.

(e) Financial instruments

The following policies and assumptions were used to determine the fair value of each class of financial assets and financial liabilities.

Cash, accounts receivable, accounts payable and accrued liabilities:

These financial assets and liabilities are initially measured at fair value. Subsequently, the financial assets and liabilities, with the exception of investments as noted below, are measured at amortized cost.

Investments:

Investments are measured at fair value, determined using quoted values in an active market. Changes in the fair value are recognized in the statement of operations.

HEARTHOUSE HOSPICE INC.
 (INCORPORATED UNDER THE LAWS OF ONTARIO)
 NOTES TO THE FINANCIAL STATEMENTS
 March 31, 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - continued

(f) Cash and cash equivalents

HeartHouse's policy is to present bank balances under cash and cash equivalents, including short-term investments with a maturity period of three months or less from the date of acquisition.

(g) Use of estimates

The preparation of these 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

NOTE 2: SHORT-TERM INVESTMENTS

The short-term investments balance consists of the following amounts:

	2014		2013	
	Market Value	Cost	Market Value	Cost
	\$	\$	\$	\$
Operating fund				
Renaissance High Interest Savings Account mutual funds	66,090	66,090	207,212	207,212
Residential Hospice fund				
Renaissance High Interest Savings Account mutual funds	272,045	272,045	685,302	685,302
Total Short-term investments	338,135	338,135	892,514	892,514

HEARTHOUSE HOSPICE INC.
(INCORPORATED UNDER THE LAWS OF ONTARIO)
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2014

NOTE 3: INVESTMENTS

The investments balance consists of the following amounts:

	2014		2013	
	Market Value	Cost	Market Value	Cost
	\$	\$	\$	\$
Operating fund				
Ontario Savings Bond, Step-up Series 2011, Annual 1.25%-3.75%, maturing June 21, 2016.	203,800	200,000	200,000	200,000
Ontario Savings Bond, Step-up Series 2012, Annual 1.25%-2.25%, maturing June 21, 2017.	74,575	74,500	74,500	74,500
Ontario Savings Bond, Step-up Series 2013, Annual 1.25%-2.25%, maturing June 21, 2018.	149,850	150,000	-	-
	<u>428,225</u>	<u>424,500</u>	<u>274,500</u>	<u>274,500</u>
Residential Hospice fund				
Ontario Savings Bond, Step-up Series 2011, Annual 1.25%-3.75%, maturing June 21, 2016.	407,600	400,000	400,000	400,000
Ontario Savings Bond, Step-up Series 2013, Annual 1.25%-2.25%, maturing June 21, 2018.	199,800	200,000	-	-
	<u>607,400</u>	<u>600,000</u>	<u>400,000</u>	<u>400,000</u>
Total Investments	<u>1,035,625</u>	<u>1,024,500</u>	<u>674,500</u>	<u>674,500</u>

HEARTHOUSE HOSPICE INC.
(INCORPORATED UNDER THE LAWS OF ONTARIO)
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2014

NOTE 4: CAPITAL ASSETS

The capital assets balance consists of the following amounts:

	2014		2013
	COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE
	\$	\$	\$
Operating fund			
Equipment	26,878	26,878	-
Computer equipment	2,460	1,640	820
	<u>29,338</u>	<u>28,518</u>	<u>1,640</u>
Residential Hospice fund			
Land under capital lease (Note 6)	2,584,051	-	2,584,051
	<u>2,584,051</u>	<u>-</u>	<u>2,584,051</u>
Total Capital assets	<u>2,613,389</u>	<u>28,518</u>	<u>2,584,871</u>

Land under capital lease

On December 16, 2013, HeartHouse entered into a capital lease agreement with the City of Mississauga ("City") for the purchase of land. The land is located at 4140 Pheasant Run, Mississauga. The land was previously used as a school. The agreement is for a five year term for the purchase.

Under the terms of the agreement, HeartHouse is responsible for all costs associated with the demolition of buildings on the land and final grading of the land after demolition. The buildings to be demolished also include portables that are located adjacent to the school on City land. The demolition of all the buildings is to occur within eight months of the signing of the lease. The costs of demolition are considered to be costs of preparing the land for future use. As such, all costs of demolition and grading are considered as costs of land and are capitalized in the land value.

The City will allow a credit for the cost of demolition of the portables on City property to be used against the future cost sharing agreement to be negotiated for the maintenance of the common areas surrounding land. The demolition costs when incurred will be recorded as prepaid expenses and amortized over the future cost sharing agreement.

During the term of the capital lease, HeartHouse is not permitted to develop the land.

At the end of the lease, the City retains the right of first refusal for the repurchase of the land if HeartHouse is unable to develop the land into a residential hospice. The repurchase price is fixed in the agreement.

HEARTHOUSE HOSPICE INC.
(INCORPORATED UNDER THE LAWS OF ONTARIO)
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2014

NOTE 5: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities balance consists of the following amounts:

	Operating Fund \$	2014 Residential Hospice Fund \$	Total \$	2013 Total \$
Accounts payable and accrued liabilities	108,836	8,365	117,201	98,530
Government remittances payable	8,897	-	8,897	9,806
Due to LHIN	-	-	-	12,136
	<u>117,733</u>	<u>8,365</u>	<u>126,098</u>	<u>120,472</u>

Under the terms of its funding agreements with the Local Health Integration Network ("LHIN"), the Hospice may be required to repay a portion of the grants received if actual expenditures are less than the budgeted expenditures. During 2014, \$nil (2013 - \$12,136) was determined to be due to the LHIN at year end.

NOTE 6: CAPITAL LEASE PAYABLE

The capital lease payable consists of the following amounts:

	2014 \$	2013 \$
Obligation under a capital lease for land, with interest at the rate of 2.5%, maturing on December 15, 2018	2,105,339	-
Add: non-recoverable portion of HST on lease payments	82,950	-
	<u>2,188,289</u>	-
Less: current portion of principal payments	439,415	-
Long-term portion of capital lease	<u>1,748,874</u>	-

HEARTHOUSE HOSPICE INC.
(INCORPORATED UNDER THE LAWS OF ONTARIO)
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2014

NOTE 6: CAPITAL LEASE PAYABLE - continued

Future minimum lease payments under the capital lease, including the non-recoverable portion of the HST, for subsequent years are as follows:

	\$
2015	490,023
2016	490,023
2017	490,023
2018	490,023
2019	367,521
	<u>2,327,613</u>
Less:	
Interest	134,043
Non-recoverable HST	<u>5,281</u>
	<u><u>2,188,289</u></u>

NOTE 7: DEFERRED REVENUE

The changes in the deferred revenue balances during the year are as follows:

Purpose of contributions or Contributor	Balance, beginning of year \$	Additional contributions received \$	Amortization of deferred contributions \$	Net change in the year \$	Balance, end of year \$
Capital asset purchases	961	-	961	(961)	-
Enersource	-	25,000	9,849	15,151	15,151
Fundraiser events and other	27,290	26,735	25,500	1,235	28,525
The Baxter International Foundation	-	55,057	16,235	38,822	38,822
Trillium	35,454	37,500	72,954	(35,454)	-
	<u>63,705</u>	<u>144,292</u>	<u>125,499</u>	<u>18,793</u>	<u>82,498</u>

HEARTHOUSE HOSPICE INC.
 (INCORPORATED UNDER THE LAWS OF ONTARIO)
 NOTES TO THE FINANCIAL STATEMENTS
 March 31, 2014

NOTE 7: DEFERRED REVENUE - continued

New grants in the year

Enersource

Enersource has provided funding to assist in the update of HeartHouse's website, translation of materials and preparation of an outreach package for physicians. Costs relating to these expense items had not been fully utilized by year end.

Fundraiser events and other

The amounts received in the current year relate to fundraising events that will occur in the next fiscal year.

The Baxter International Foundation

The Baxter International Foundation has provided a two year grant that will help defray the costs associated with the Community Education and Wellness program. The term of the grant will run November 2013 to October 2015.

Trillium

Trillium provided additional funding in the year to assist with the costs related to the South Asian Community Education and Outreach program.

NOTE 8: INTERNALLY RESTRICTED FUNDS

The internally restricted funds consist of the following amounts:

	2014	2013
	\$	\$
Reserve for special expenditures		
- day program	7,300	7,300
- software, hardware and technology upgrades	10,000	10,000
- translation of hospice materials	5,000	5,000
- marketing	7,000	7,000
	<u>29,300</u>	<u>29,300</u>
Reserve for operating expenses	424,355	424,355
	<u>453,655</u>	<u>453,655</u>

HEARTHHOUSE HOSPICE INC.
(INCORPORATED UNDER THE LAWS OF ONTARIO)
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2014

NOTE 9: GRANTS

The grants revenue balance consists of the following amounts:

	2014	2013
	\$	\$
LHIN		
Operating	514,554	514,553
Aging at Home	270,262	263,990
One-Time Funding	20,529	1,911
	<u>805,345</u>	<u>780,454</u>
Other sources		
CCIM project	2,571	-
Federal funding for a summer student	3,593	4,055
Trillium	28,750	40,000
United Way	61,076	126,723
	<u>61,076</u>	<u>126,723</u>
	<u>901,335</u>	<u>951,232</u>

NOTE 10: ADMINISTRATION COSTS

The administration cost balance consists of the following amounts:

	2014		2013	
	Operating Fund	Residential Hospice Fund	Total	Total
	\$	\$	\$	\$
Telephone	3,329	8	3,337	3,926
Office supplies and miscellaneous	32,016	419	32,435	28,167
Annual dues and licences	3,449	-	3,449	1,074
Insurance	8,138	2,700	10,838	8,116
Professional fees	5,695	51,170	56,865	25,477
Rent and utilities	86,962	-	86,962	80,305
Bank charges and fees	4,574	304	4,878	6,618
Building maintenance	20,413	2,874	23,287	4,211
	<u>164,576</u>	<u>57,475</u>	<u>222,051</u>	<u>157,894</u>

HEARTHOUSE HOSPICE INC.
 (INCORPORATED UNDER THE LAWS OF ONTARIO)
 NOTES TO THE FINANCIAL STATEMENTS
 March 31, 2014

NOTE 11: AGING AT HOME PROGRAM

HeartHouse receives funding for the Aging at Home program from the LHIN. The funding received includes a portion to be allocated to two other agencies, Acclaim Health and Community Care Services and Dorothy Ley Hospice. These agencies are responsible for providing their Aging at Home programs according to LHIN guidelines. The final results of their program expenses are incorporated in the annual report to the LHIN by HeartHouse.

The breakdown of the Aging at Home expenses is as follows:

	2014	2013
	\$	\$
Agency expenses		
Salaries and benefits	111,086	107,711
Program costs	11,213	8,316
	<u>122,299</u>	<u>116,027</u>
HeartHouse Hospice Inc.		
Program costs	<u>2,758</u>	<u>3,260</u>
	<u><u>125,057</u></u>	<u><u>119,287</u></u>

NOTE 12: LEASE OBLIGATIONS AND OTHER COMMITMENTS

Lease obligations

The organization entered into a lease agreement for the rental of office space for a period of five years, commencing April 1, 2014 continuing to March 31, 2019. The minimum monthly rent under the terms of this lease is \$3,920 plus a proportionate share of municipal taxes and operating costs (estimated at \$2,381 per month) plus taxes.

The organization has entered into a lease agreement for office equipment with a term of sixty six months commencing March 25, 2011. The quarterly payment for this lease is \$975 plus taxes.

The minimum obligations under operating leases for the next five fiscal years are as follows:

	Premises	Office Equipment
	\$	\$
2015	75,612	3,900
2016	75,612	3,900
2017	75,612	1,950
2018	75,612	-
2019	75,612	-

HEARTHOUSE HOSPICE INC.
(INCORPORATED UNDER THE LAWS OF ONTARIO)
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2014

NOTE 12: LEASE OBLIGATIONS AND OTHER COMMITMENTS - continued

Other commitments

The organization has entered into an agreement for the demolition of the buildings on the land under capital lease. The work to be completed under the contract commenced in March 2014 but was not completed by the end of the fiscal year. The remaining amount payable under the contract is \$139,750 plus taxes, due per progress billings by the demolition company. It is expected that the total amount will be due by June 2014.

The organization has entered into an agreement for the development of a fundraising campaign for the residential hospice and the redesign of the website. The work to be completed under the contract commenced prior to the year end but was not completed by year end. The remaining amount payable under the contract is \$16,665 plus taxes. The contract is expected to be completed in the next fiscal year.

NOTE 13: HEARTHOUSE HOSPICE FUND

The organization contributed \$10,000 to The Community Foundation of Mississauga to establish an endowment fund. This fund is a pooled fund, managed by the foundation. In accordance with the agreement with the foundation a portion of the fund is available for grants to programs operated by HeartHouse Hospice Inc. As at December 31, 2013 the balance in the fund is \$12,735 (December 31, 2012 - \$11,522).

NOTE 14: FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

HeartHouse Hospice Inc. carries various forms of financial instruments. It is management's opinion that the entity is not exposed to significant interest, currency or credit risks arising from these financial instruments.

NOTE 15: COMPARATIVE FIGURES

The comparative figures for the year ended March 31, 2013 have been restated to conform to the current year's financial statement presentation.