

**Hospice Palliative Care Society of
Cape Breton County
Financial Statements**

March 31, 2021 and 2020

Hospice Palliative Care Society of Cape Breton County

Financial Statements

For the years ended March 31, 2021 and 2020

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Independent Auditors' Report

To the Board of Hospice Palliative Care Society of Cape Breton County

Opinion

We have audited the accompanying financial statements of Hospice Palliative Care Society of Cape Breton County which comprise the statement of financial position as at March 31, 2021 and 2020 and the statements of operations, changes in fund balances, cash flows and related schedule for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Hospice Palliative Care Society of Cape Breton County as at March 31, 2021 and 2020 and the results of its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

In common with many charitable organizations, the Society derives part of its revenue from donations and special projects, 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 records of the Society and we were not able to determine whether any adjustments might be necessary to assets, revenues, excess of revenues over expenses and fund balances.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management and Those Charged with Governance 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.

In preparing financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an

audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these non-consolidated financial statements.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Sydney, Nova Scotia
October 17, 2022

MNP LLP

Chartered Professional Accountants

MNP

Hospice Palliative Care Society of Cape Breton County

Statement of Financial Position

As at March 31, 2021 and 2020

	2021				2020	
	Operating Fund	Restricted Fund	Total	Operating Fund	Restricted Fund	Total
ASSETS						
Current assets						
Cash	\$ 319,292	\$ 954,309	\$ 1,273,601	\$ 321,888	\$ 1,530,975	\$ 1,852,863
HST receivable	1,334	2,377	3,711	3,777	2,684	6,461
Investments	—	—	—	—	408,630	408,630
Prepaid expenses	—	—	—	—	—	—
Due from restricted fund	3,023	—	3,023	6,048	—	6,048
	323,649	956,686	1,280,335	331,713	1,942,289	2,274,002
Property and equipment (note 2)	—	2,473,031	2,473,031	—	—	—
	\$ 323,649	\$ 3,429,717	\$ 3,753,366	\$ 331,713	\$ 1,942,289	\$ 2,274,002
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities (note 3)	\$ 15,869	\$ —	\$ 15,869	\$ 15,643	\$ —	\$ 15,643
Due to operating fund	—	3,023	3,023	—	6,048	6,048
	15,869	3,023	18,892	15,643	6,048	21,691
FUND BALANCES						
Fund balances	307,780	3,426,694	3,734,474	316,070	1,936,241	2,252,311
	\$ 323,649	\$ 3,429,717	\$ 3,753,366	\$ 331,713	\$ 1,942,289	\$ 2,274,002

See accompanying notes to financial statements.

On behalf of the Board

Hospice Palliative Care Society of Cape Breton County

Statement of Operations

For the years ended March 31, 2021 and 2020

	2021				2020			
	Operating Fund	Restricted Funds	Total		Operating Fund	Restricted Funds	Total	
REVENUE								
Donations	\$ 121,101	\$ 1,584,089	\$ 1,705,190	\$	243,500	\$ 511,316	\$	754,816
Events and fundraisers, net	—	12,890	12,890		17,025	265,755		282,780
Investment and other income	5,298	3,969	9,267		4,140	6,780		10,920
	126,399	1,600,948	1,727,347		264,665	783,851		1,048,516
EXPENSES								
Wages and benefits	56,256	44,321	100,577		64,296	113,254		177,550
Board support	2,519	—	2,519		4,207	—		4,207
Home equipment program	12,184	—	12,184		6,320	—		6,320
Financial Assistance Fund	9,211	—	9,211		9,565	—		9,565
Flower program	814	—	814		843	—		843
Office	11,609	2,788	14,397		9,378	1,002		10,380
Miscellaneous	95	—	95		3,701	—		3,701
Volunteer expenses	400	—	400		998	—		998
Insurance	3,914	—	3,914		3,403	—		3,403
Education	141	—	141		4,609	—		4,609
Bereavement program	4,767	—	4,767		2,982	—		2,982
Credit card fees	2,674	—	2,674		932	—		932
Noel Nursing	2,980	—	2,980		6,777	—		6,777
Public relations	5,895	51,497	57,392		11,562	35,935		47,497
Scholarships	—	—	—		5,000	—		5,000
Professional fees	10,230	4,290	14,520		6,261	—		6,261
Rent	—	9,600	9,600		—	8,690		8,690
Internet and phone	—	880	880		—	337		337
Program supplies	—	2,346	2,346		—	8,487		8,487
Equipment and small appliances	—	5,773	5,773		—	3,155		3,155
	123,689	121,495	245,184		140,834	170,860		311,694
EXCESS OF REVENUES OVER EXPENSES	\$ 2,710	\$ 1,479,453	\$ 1,482,163	\$	123,831	\$ 612,991	\$	736,822

See accompanying notes to financial statements.

Hospice Palliative Care Society of Cape Breton County
Statement of Changes in Fund Balances
For the years ended March 31, 2021 and 2020

	2021			2020		
	Operating Fund	Restricted Funds	Total	Operating Fund	Restricted Funds	Total
BALANCE, BEGINNING OF YEAR	\$ 316,070	\$ 1,936,241	\$ 2,252,311	\$ 306,239	\$ 1,209,250	\$ 1,515,489
Transactions during the year						
Excess of revenues over expenses	2,710	1,479,453	1,482,163	123,831	612,991	736,822
Appropriation to restricted funds	(11,000)	11,000	—	(114,000)	114,000	—
BALANCE, END OF YEAR	\$ 307,780	\$ 3,426,694	\$ 3,734,474	\$ 316,070	\$ 1,936,241	\$ 2,252,311

See accompanying notes to financial statements.

Hospice Palliative Care Society of Cape Breton County

Statement of Cash Flows

For the years ended March 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 1,482,163	\$ 736,822
Change in working capital		
HST receivable	2,750	(4,457)
Prepaid expenses	–	3,403
Accounts payable and accrued liabilities	226	8,544
	1,485,139	744,312
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Decrease (increase) in term deposit	408,630	(156,078)
Purchase of property and equipment	(2,473,031)	–
	(2,064,401)	(156,078)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(579,262)	588,234
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,852,863	1,264,629
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,273,601	\$ 1,852,863

See accompanying notes to financial statements.

Hospice Palliative Care Society of Cape Breton County

Notes to Financial Statements

For the years ended March 31, 2021 and 2020

Hospice Palliative Care Society of Cape Breton County (the Society) is incorporated under the Societies Act of the Province of Nova Scotia. Its principal purpose is to support and promote compassionate care for individuals and their loved ones who are living with a life-threatening illness. Its principal activities include programs which support individuals serviced by the Nova Scotia Health Authority's Cape Breton County Palliative Care Service, education programs and the organization of fundraising projects. The Society is a registered charity under the Income Tax Act and accordingly is exempt from income taxes provided certain requirements of the Income Tax Act are met.

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of presentation

The Society follows the restricted fund method of accounting. The following is a description of the nature and purpose of each fund:

(i) Operating fund

The operating fund reports all the remaining residual activities of the Society and consists principally of the assets, liabilities, revenues and expenses associated with the core operations of the Society. Revenue includes contribution for which a specific purpose has not been designated by the donor.

(ii) Restricted fund

The restricted fund reports all designated assets, liabilities, revenues and expenses associated with specific purpose activities of the Society. Revenue includes contributions which have been restricted for a specific purpose by the donor. Contributions that have been restricted internally by the Society from undesignated contributions are recorded as an interfund transfer. Restricted funds include:

- Music Fund: to support the music therapy program,
- Hospice Residence: to support the planning and building of a residence for the Society,
- An Cala Unit: to support ongoing comfort services to the unit at the Cape Breton Regional Hospital, and
- Scholarship: to support educational opportunities for nurses working in the An Cala Unit.

(b) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and cash in bank accounts net of outstanding cheques and deposits.

Hospice Palliative Care Society of Cape Breton County

Notes to Financial Statements

For the years ended March 31, 2021 and 2020

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property and equipment

Purchased property and equipment are recorded at cost. Contributed property and equipment are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization will be provided at rates intended to amortize the cost of assets over their estimated useful lives.

(d) Revenue recognition

Unrestricted contributions are recognized as revenue of the operating fund when received. Contributions that have been internally restricted by the Society are reported in the specific fund by way of an interfund transfer.

Externally restricted contributions are recognized as revenue in the restricted fund when received. Contributions are considered restricted when designated by the donor or when received on behalf of a specific event.

Pledged contributions are recorded when cash is received.

Interest income is recorded on an accrual basis. Income earned on externally restricted assets is reported in the specific restricted fund. Income earned on the current account is recorded in the operating fund.

Revenue from special events is recognized when the services are provided, or the goods sold.

(e) Contributed services

The organization would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the difficulty of compiling these hours, contributed services are not recognized in the financial statements.

(f) Financial instruments

Measurement of financial instruments

The Society initially measures its financial assets and financial liabilities at fair value.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except investments, which are subsequently measured at fair market value with any changes recorded on the statement of operations.

Financial assets measured at amortized cost include cash.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Hospice Palliative Care Society of Cape Breton County

Notes to Financial Statements

For the years ended March 31, 2021 and 2020

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in income. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

Unless otherwise noted, the Society is not subject to significant credit, market or liquidity risks arising from these instruments.

(g) Use of estimates

The preparation of financial statements 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 year. Actual results could differ from those estimates.

2. PROPERTY AND EQUIPMENT

	2021	2020
Building in progress	\$ 2,473,031	\$ –

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Accounts payable	\$ 13,282	\$ 13,282
Employee deductions payable	2,587	2,361
	\$ 15,869	\$ 15,643

4. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and includes the following significant risk at March 31, 2021.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Future cash flows of its short-term investments are fixed and are not dependent on market interest rates after purchase. Therefore, there is minimal risk to the Society's investments.

Hospice Palliative Care Society of Cape Breton County

Notes to Financial Statements

For the years ended March 31, 2021 and 2020

5. DONATED OFFICE SPACE

The Nova Scotia Health Authority (NSHA) provides office space and utilities to the Society at no charge. The value of these goods and services is not readily ascertainable and has therefore not been recognized in these financial statements.

Hospice Palliative Care Society of Cape Breton County
Schedule – Restricted Funds
For the years ended March 31, 2021 and 2020

	Music for Hospice		An Cala Unit		Hospice Residence		Physician Education		Total
	2021	2020	2021	2020	2021	2020	2021	2020	2020
RESTRICTED FUND BALANCES, BEGINNING OF YEAR									
Revenues									
Expenses									
Interfund transfers									
Net increase (decrease) in restricted funds									
RESTRICTED FUND BALANCES, END OF YEAR									
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	2,511	304	25,734	79,394	1,888,247	1,129,552	19,749	1,936,241	1,209,250
	378	2,733	11,794	3,883	1,588,628	757,486	148	1,600,948	783,851
	(13,435)	(36,526)	(8,014)	(10,543)	(100,046)	(123,791)	-	(121,495)	(170,860)
	11,000	36,000	-	(47,000)	-	125,000	-	11,000	114,000
	(2,057)	2,207	3,780	(53,660)	1,488,582	758,695	148	1,490,453	726,991
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	454	2,511	29,514	25,734	3,376,829	1,888,247	19,897	3,426,694	1,936,241