

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

March 31, 2023 and 2022

Hospice Palliative Care Society of Cape Breton County
Financial Statements

For the years ended March 31, 2023 and 2022

	Page
Independent Practitioner's Review Engagement Report	
Statement of Financial Position.....	1
Statement of Operations	2
Statement of Changes in Fund Balances.....	3
Statement of Cash Flows	4
Notes to Financial Statements	5
Schedule – Restricted Funds	9

Independent Practitioner's Review Engagement Report

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

We have reviewed the accompanying financial statements of Hospice Palliative Care Society of Cape Breton (the "Society") that comprise the statements of financial position as at March 31, 2023 and March 31, 2022, and the statements of operations, changes in net assets and cash flows for the years 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our reviews. We conducted our reviews in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the Society, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Society derives revenue from donations and fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, cash flows from operations for the years ended March 31, 2023 and March 31, 2022, current assets as at March 31, 2023 and March 31, 2022 and fund balances as at March 31, 2023 and March 31, 2022. Our conclusion on the financial statements as at and for the years ended March 31, 2023 and March 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Hospice Palliative Care Society of Cape Breton as at March 31, 2023 and March 31, 2022, and the results of its operations and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Sydney, Nova Scotia
February 23, 2024

MNP LLP
Chartered Professional Accountants

MNP LLP

Commerce Tower 15 Dorchester St., Suite 500 PO Box 1, Sydney NS, B1P 6G9

T: 902.539.3900 F: 902.564.6062

Hospice Palliative Care Society of Cape Breton County
Statement of Financial Position
As at March 31, 2023 and 2022

	2023			2022		
	Operating Fund	Restricted Fund	Total	Operating Fund	Restricted Fund	Total
ASSETS						
Current assets						
Cash	\$ 147,048	\$ 247,354	\$ 394,402	\$ 341,647	\$ 158,470	\$ 500,117
HST receivable	2,282	-	2,282	1,087	393,772	394,859
Term deposits	201,726	100,863	302,589	-	-	-
Accounts receivable	425	-	425	200	-	200
Due from restricted fund	7,931	-	7,931	9,056	-	9,056
	359,412	348,217	707,629	351,990	552,242	904,232
Property and equipment (note 2)	-	4,316,172	4,316,172	-	4,446,852	4,446,852
	\$ 359,412	\$ 4,664,389	\$ 5,023,801	\$ 351,990	\$ 4,999,094	\$ 5,351,084
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities (note 3)	\$ 22,257	\$ 1,800	\$ 24,057	\$ 22,746	\$ 372,699	\$ 395,445
Deferred revenue	10,862	-	10,862	750	-	750
Due to operating fund	-	7,931	7,931	-	9,056	9,056
	33,119	9,731	42,850	23,496	381,755	405,251
FUND BALANCES						
Fund balances	326,293	4,654,658	4,980,951	328,494	4,617,339	4,945,833
	\$ 359,412	\$ 4,664,389	\$ 5,023,801	\$ 351,990	\$ 4,999,094	\$ 5,351,084

See accompanying notes to financial statements.

On behalf of the Board

Chunthead
James G. Davis

Hospice Palliative Care Society of Cape Breton County
Statement of Operations
For the years ended March 31, 2023 and 2022

	2023				2022				
	Operating Fund	Restricted Funds	Total	Operating Fund	Restricted Funds	Total	Operating Fund	Restricted Funds	Total
REVENUE									
Donations	\$ 213,926	\$ 207,464	\$ 421,390	\$ 155,320	\$ 1,441,572	\$ 1,596,892			
Events and fundraisers, net	112,958	-	112,958	3,346	17,157	22,857			
Investment and other income	9,001	2,533	11,534	5,328	10,819	16,147			
	335,885	209,997	545,882	163,995	1,469,548	1,633,543			
EXPENSES									
Amortization	-	162,408	162,408	-	160,271	160,271			
Wages and benefits	147,727	49,753	197,480	57,894	57,794	115,688			
Board support	1,436	-	1,436	1,492	-	1,492			
Home equipment program	8,849	-	8,849	4,415	-	4,415			
Financial assistance fund	2,620	-	2,620	5,594	-	5,594			
Flower program	662	-	662	-	4,771	4,771			
Office	14,886	-	14,886	15,503	-	15,503			
Miscellaneous	2,234	-	2,234	182	807	989			
Volunteer expenses	5,617	-	5,617	856	-	856			
Insurance	1,418	-	1,418	3,670	2,969	6,639			
Education	4,873	-	4,873	1,193	-	1,193			
Bereavement program	1,886	-	1,886	896	-	896			
Credit card fees	2,197	-	2,197	1,574	-	1,574			
Noel nursing	-	-	-	2,776	-	2,776			
Public relations	24,325	-	24,325	4,132	39,930	44,062			
Professional fees	6,268	-	6,268	10,331	414	10,745			
Rent	-	-	-	-	5,600	5,600			
Internet and phone	-	-	-	-	5,121	5,121			
Program supplies	-	9,315	9,315	-	11,981	11,981			
Equipment and small appliances	-	1,031	1,031	-	2,369	2,369			
Utilities	-	-	-	-	13,823	13,823			
Repairs and maintenance	-	-	-	-	5,826	5,826			
Hospice residence	63,259	-	63,259	-	-	-			
	288,257	222,507	510,764	110,508	311,676	422,184			
EXCESS OF REVENUES OVER EXPENSES	\$ 47,628	\$ (12,510)	\$ 35,118	\$ 53,487	\$ 1,157,872	\$ 1,211,359			

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, 2023 and 2022

	2023			2022		
	Operating Fund	Restricted Funds	Total	Operating Fund	Restricted Funds	Total
BALANCE, BEGINNING OF YEAR	\$ 328,494	\$ 4,617,339	\$ 4,945,833	\$ 307,780	\$ 3,426,694	\$ 3,734,474
Transactions during the year						
Excess of revenues over expenses	47,628	(12,510)	35,118	53,487	1,157,872	1,211,359
Appropriation to restricted funds	(49,829)	49,829	-	(32,773)	32,773	-
BALANCE, END OF YEAR	\$ 326,293	\$ 4,654,658	\$ 4,980,951	\$ 328,494	\$ 4,617,339	\$ 4,945,833

See accompanying notes to financial statements.

Hospice Palliative Care Society of Cape Breton County Statement of Cash Flows

For the years ended March 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 35,118	\$ 1,211,359
Amortization	162,408	160,271
	197,526	1,371,630
Change in working capital		
HST receivable	392,577	(391,148)
Accounts receivable	(225)	(200)
Accounts payable and accrued liabilities	(371,388)	379,576
Deferred revenue	10,112	750
	228,602	1,360,608
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Purchase of property and equipment	(31,728)	(2,134,092)
Increase in term deposits	(302,589)	-
	(334,317)	(2,134,092)
DECREASE IN CASH AND CASH EQUIVALENTS	(105,715)	(773,484)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	500,117	1,273,601
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 394,402	\$ 500,117

See accompanying notes to financial statements.

Hospice Palliative Care Society of Cape Breton County

Notes to Financial Statements

For the years ended March 31, 2023 and 2022

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

(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, 2023 and 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Capital assets

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

Amortization will be provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Basis	Rate
Building	Straight-line	40 years
Furniture and equipment	Straight-line	10 years

A full year's amortization is taken in the year of acquisition.

(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

The Society recognizes financial instruments when the Society becomes party to the contractual provisions of the financial instrument.

Hospice Palliative Care Society of Cape Breton County

Notes to Financial Statements

For the years ended March 31, 2023 and 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement of financial instruments

Financial instruments are initially recorded at their fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost, with the exception of investments in equity instruments which are measured at fair value.

Financial assets measured at amortized cost include cash and accounts receivable.

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

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) Measurement uncertainty (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 date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Amortization is based on the estimated useful lives of capital assets.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

By their nature, these judgements are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reporting in excess of revenue over expenses in the years in which they become known.

Hospice Palliative Care Society of Cape Breton County Notes to Financial Statements

For the years ended March 31, 2023 and 2022

2. PROPERTY AND EQUIPMENT

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Building	\$ 4,019,695	\$ 200,639	\$ 3,819,056	\$ 3,905,731
Furniture and equipment	619,156	122,040	497,116	541,121
	\$ 4,638,851	\$ 322,679	\$ 4,316,172	\$ 4,446,852

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Accounts payable	\$ 22,340	\$ 393,576
Employee deductions payable	1,717	1,869
	\$ 24,057	\$ 395,445

4. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following are the significant risks as of March 31, 2023 and 2022:

a) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to liquidity risk arising primarily from its accounts payable and accrued liabilities. The Society manages its liquidity risk by constantly monitoring forecasted and actual cash flow. Accounts payable and accrued liabilities are normally paid within thirty days.

b) 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 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
Schedule – Restricted Funds
For the years ended March 31, 2023 and 2022

	Music for Hospice		An Cala Unit		Hospice Residence		Physician Education		Total
	2023	2022	2023	2022	2023	2022	2023	2022	
RESTRICTED FUND BALANCE,									
BEGINNING OF YEAR	\$ (511)	\$ 454	\$ 24,179	\$ 29,514	\$ 4,573,575	\$ 3,376,829	\$ 19,897	\$ 4,617,339	\$ 3,426,694
Revenues	10,781	1,371	15,397	563	183,567	1,467,415	199	209,997	1,469,548
Expenses	(55,338)	(33,836)	(4,761)	(5,898)	(162,408)	(271,942)	-	(222,507)	(311,676)
Interfund transfers	45,068	31,500	4,761	-	-	1,273	-	49,829	32,773
Net increase (decrease) in restricted fund	511	(965)	15,397	(5,335)	21,159	1,196,746	199	37,319	1,190,645
RESTRICTED FUND BALANCE,									
END OF YEAR	\$ -	\$ (511)	\$ 39,576	\$ 24,179	\$ 4,594,734	\$ 4,573,575	\$ 20,348	\$ 4,654,658	\$ 4,617,339