

HOSPICE SOCIETY OF GREATER HALIFAX
Financial Statements
Year Ended March 31, 2024

HOSPICE SOCIETY OF GREATER HALIFAX
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Year Ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Hospice Society of Greater Halifax

Qualified Opinion

We have audited the financial statements of Hospice Society of Greater Halifax (the Society), which comprise the statement of financial position as at March 31, 2024, and the statements of revenues and expenditures, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities the completeness of which is not susceptible of 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 fundraising revenue, excess of revenues over expenditures for the year ended March 31, 2024, current assets as at March 31, 2024, and net assets of April 1, 2023 and March 31, 2024. The predecessor auditor's opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation of scope.

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 qualified audit opinion.

Other Matter

The financial statements for the year ended March 31, 2023 were audited by Levy Casey Carter MacLean, who expressed a qualified opinion on those financial statements on June 27, 2023 for the reasons described in the Basis for Qualified Opinion section. Levy Casey Carter MacLean has since joined Belliveau Veinotte Inc.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the 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.

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Independent Auditor's Report to the Board of Directors of Hospice Society of Greater Halifax (*continued*)

Auditor's Responsibilities 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 decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. 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 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.

Halifax, Nova Scotia
June 26, 2024

Belliveau Veinotte Inc.

CHARTERED PROFESSIONAL ACCOUNTANTS

HOSPICE SOCIETY OF GREATER HALIFAX**Statement of Financial Position****March 31, 2024**

	General Fund	Capital Fund	2024	2023
ASSETS				
Current				
Cash	\$ 340,034	\$ -	\$ 340,034	\$ 890,780
Term deposits	-	41,771	41,771	40,000
Marketable securities	10,137	-	10,137	-
Accounts receivable	77,364	-	77,364	33,609
HST recoverable	66,923	-	66,923	89,767
Prepaid expenses	46,117	-	46,117	21,810
Interfund balance (Note 4)	10,209	(10,209)	-	-
	550,784	31,562	582,346	1,075,966
Capital assets (Note 5)	-	6,438,235	6,438,235	6,724,595
	\$ 550,784	\$ 6,469,797	\$ 7,020,581	\$ 7,800,561
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	\$ 116,534	\$ -	\$ 116,534	\$ 151,694
Deferred lease liability	111,752	-	111,752	106,968
	228,286	-	228,286	258,662
Deferred contributions (Note 6)	-	7,205,087	7,205,087	7,398,094
	228,286	7,205,087	7,433,373	7,656,756
COMMITMENTS (Note 7)				
NET ASSETS (DEBT)	322,498	(735,290)	(412,792)	143,805
	\$ 550,784	\$ 6,469,797	\$ 7,020,581	\$ 7,800,561

ON BEHALF OF THE BOARD_____
*Director*_____
Director

HOSPICE SOCIETY OF GREATER HALIFAX
Statement of Revenues and Expenditures
Year Ended March 31, 2024

	General Fund	Capital Fund	2024	2023
REVENUES				
NSHA Funding	\$ 1,871,807	\$ -	\$ 1,871,807	\$ 1,531,690
Fundraising events	614,505	-	614,505	563,582
Donations and bequests	612,980	-	612,980	809,999
Grants	229,575	-	229,575	220,687
Other revenue	22,646	471	23,117	22,251
Capital contributions (Note 6)	-	223,334	223,334	221,103
	3,351,513	223,805	3,575,318	3,369,312
EXPENDITURES				
Advertising and promotion	1,298	-	1,298	11,059
Amortization	-	323,633	323,633	319,084
Clinical expenses	87,672	-	87,672	79,849
Dues and fees	660	-	660	224
Equipment	6,920	-	6,920	4,689
Food services	55,951	-	55,951	43,261
Fund development	28,813	-	28,813	28,104
Fundraising events and expenses	204,708	-	204,708	195,962
Insurance	38,027	-	38,027	31,566
Interest and bank charges	25,448	-	25,448	23,401
Office and administration	163,251	-	163,251	149,024
Professional fees	130,672	-	130,672	56,728
Rental	65,000	-	65,000	65,274
Repairs and maintenance	39,158	-	39,158	50,875
Salaries and wages	2,885,180	-	2,885,180	2,284,457
Sub-contracts	24,002	-	24,002	2,143
Telephone and internet	20,844	-	20,844	19,066
Travel and meetings	4,627	-	4,627	1,929
Utilities	38,668	-	38,668	37,253
	3,820,899	323,633	4,144,532	3,403,948
DEFICIENCY OF REVENUES OVER EXPENDITURES FROM OPERATIONS				
	(469,386)	(99,828)	(569,214)	(34,636)
Social enterprise (Note 8)	12,617	-	12,617	(9,185)
DEFICIENCY OF REVENUES OVER EXPENDITURES FOR THE YEAR				
	\$ (456,769)	\$ (99,828)	\$ (556,597)	\$ (43,821)

HOSPICE SOCIETY OF GREATER HALIFAX
Statement of Changes in Net Debt
Year Ended March 31, 2024

	General Fund	Capital Fund	2024	2023
NET ASSETS (DEBT) - BEGINNING OF YEAR	\$ 779,267	\$ (635,462)	\$ 143,805	\$ 187,626
Deficiency of revenues over expenditures	(456,769)	(99,828)	(556,597)	(43,821)
NET ASSETS (DEBT) - END OF YEAR	\$ 322,498	\$ (735,290)	\$ (412,792)	\$ 143,805

HOSPICE SOCIETY OF GREATER HALIFAX**Statement of Cash Flows****Year Ended March 31, 2024**

	2024	2023
OPERATING ACTIVITIES		
Deficiency of revenues over expenditures	\$ (556,597)	\$ (43,821)
Items not affecting cash:		
Amortization of capital assets	323,633	319,084
Amortization of deferred capital contributions	(223,334)	(221,103)
	(456,298)	54,160
Changes in non-cash working capital:		
Accounts receivable	(43,755)	(27,382)
Accounts payable and accrued liabilities	(35,160)	6,169
Prepaid expenses	(24,307)	(16,774)
HST payable	22,844	(41,417)
Deferred lease liability	4,784	4,784
Deferred contributions	(106,475)	1,475
Term deposits	(1,771)	(40,000)
	(183,840)	(113,145)
Cash flow used by operating activities	(640,138)	(58,985)
INVESTING ACTIVITIES		
Purchase of capital assets	(37,274)	(48,914)
Net change in marketable securities	(10,137)	-
Cash flow used by investing activities	(47,411)	(48,914)
FINANCING ACTIVITIES		
Repayment of long term debt	-	(40,000)
Deferred capital contributions received	136,803	134,759
Cash flow from financing activities	136,803	94,759
DECREASE IN CASH FLOW	(550,746)	(13,140)
Cash - beginning of year	890,780	903,920
CASH - END OF YEAR	\$ 340,034	\$ 890,780

HOSPICE SOCIETY OF GREATER HALIFAX

Notes to Financial Statements

Year Ended March 31, 2024

1. PURPOSE OF THE SOCIETY

The Hospice Society of Greater Halifax (the "Society") is a registered charity under the Income Tax Act of Canada and is incorporated under the Societies Act of Nova Scotia as a non-profit organization. The mission of the Society is to support people affected by a life-limiting illness, death or bereavement. The Society's purpose is to establish residential hospices in the region. As a registered charity the Society is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

The Society also operates a social enterprise, the Thrift Store, a second-hand clothing store, with all revenues supporting the Society's operations.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

Revenues and expenditures for general activities are reported in the General Fund.

Revenues and expenditures relating to the capital assets and capital campaign are reported in the Capital Fund.

Revenue recognition

Hospice Society of Greater Halifax 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.

Fundraising event revenue is recognized as the events are held. Revenue from sales related to social enterprise operations is recognized when received.

Accounting 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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

Cash

Cash consists of cash on hand and balances with financial institutions.

Investments

The investments of the Society consist of fixed income securities and marketable securities which are intended to be converted to cash in less than one year. They are measured at fair value with changes in fair value recognized in the period in which they arise.

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HOSPICE SOCIETY OF GREATER HALIFAX

Notes to Financial Statements

Year Ended March 31, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution.

Capital assets are amortized on a straight line basis as disclosed in note 4.

When a capital asset no longer has any long term service potential to the Society, the excess of its net carrying amount over any residual value is recognized as an expenditure in the statement of operations. Any write-downs recognized are not reversed.

Donated materials and services

Donated materials and services are recognized at their fair value in the financial statements when the amount can be reasonably estimated and when the materials and services are used in the normal course of the Society's operations and would otherwise have been purchased.

Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value, adjusted by the amount of transaction costs directly attributable to the instrument. The Society subsequently measures all of its financial assets and financial liabilities at amortized cost. Transaction costs are amortized on the straight line basis over the term of the instrument.

4. INTERFUND BALANCE

The interfund balances on the statement of financial position are non-interest bearing and have no set terms of repayment.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Buildings	\$ 7,074,367	\$ 956,123	\$ 6,118,244	\$ 6,309,367
Leasehold improvements	427,358	190,069	237,289	277,035
Furniture and equipment	445,708	375,825	69,883	121,712
Website	18,312	5,493	12,819	16,481
	\$ 7,965,745	\$ 1,527,510	\$ 6,438,235	\$ 6,724,595

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful life on a straight-line basis at the following rates:

Buildings	37 years
Leasehold improvements	10 years
Furniture and equipment	5 years
Website	5 years

HOSPICE SOCIETY OF GREATER HALIFAX

Notes to Financial Statements

Year Ended March 31, 2024

6. DEFERRED CONTRIBUTIONS

	2024	2023
<u>General Fund</u>		
Balance, beginning of year	\$ 106,475	\$ 105,000
Less: amounts recognized as revenue in the year	(106,475)	(105,000)
Add: amounts received related to the subsequent year	-	106,475
	-	106,475
<u>Capital Fund</u>		
Balance, beginning of year	7,291,618	7,377,962
Less: amounts recognized as revenue in the year	(223,334)	(221,103)
Add: amounts received related to the subsequent year	136,803	134,759
	7,205,087	7,291,618
Balance, end of year	\$ 7,205,087	\$ 7,398,093

7. COMMITMENTS

The Society leases its two premises under long term operating leases which expire on July 31, 2029 and March 31, 2036, respectively. The annual rent consists of a minimum amount plus a proportionate share of certain operating costs determined on an annual basis. Minimum lease payments for the premises in each of the next five years (excluding taxes) are as follows:

Repayment schedule:

2025	\$ 195,641
2026	209,578
2027	224,578
2028	224,578
2029	224,578

8. SOCIAL ENTERPRISE - THE THRIFT STORE

	2024	2023
Revenue	\$ 355,111	\$ 283,127
<u>Expenditures</u>		
Advertising and promotion	34,250	2,853
Insurance	5,042	4,649
Interest and bank charges	6,063	4,722
Office and administrative	14,242	9,327
Rent	121,124	121,118
Repairs and maintenance	1,167	1,112
Salaries and benefits	140,486	136,136
Supplies	9,141	3,289
Utilities	11,008	9,106
	342,523	292,312
Excess (deficiency) of revenue over expenditures	\$ 12,617	\$ (9,185)

HOSPICE SOCIETY OF GREATER HALIFAX

Notes to Financial Statements

Year Ended March 31, 2024

9. 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 analysis provides information about the Society's risk exposure and concentration as of March 31, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk with respect to its accounts receivable. The Society has a significant number of donors which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk with respect to its accounts payable and accrued liabilities.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
