

HOSPICE SOCIETY OF GREATER HALIFAX
Financial Statements
Year Ended March 31, 2025

HOSPICE SOCIETY OF GREATER HALIFAX
Index to Financial Statements
Year Ended March 31, 2025

	Page
Independent Auditor's Report	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Debt	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10
Statement of Revenues and Expenditures - Social Enterprise (<i>Schedule 1</i>)	11

Member of The AC Group of Independent Accounting Firms

Tel: 902-445-4446
Fax: 902-443-4846
halifax@bvca.ca
www.bvca.ca

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, 2025, 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, 2025, 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, 2025, current assets as at March 31, 2025, and net assets of April 1, 2024 and March 31, 2025. Our audit opinion on the financial statements for the year ended March 31, 2024 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.

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.

(continues)

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
September 3, 2025

Belliveau Veinotte Inc.
CHARTERED PROFESSIONAL ACCOUNTANTS

HOSPICE SOCIETY OF GREATER HALIFAX

Statement of Financial Position

March 31, 2025

	General Fund	Capital Fund	2025	2024
ASSETS				
Current				
Cash	\$ 741,208	\$ -	\$ 741,208	\$ 340,034
Term deposits	-	42,831	42,831	41,771
Marketable securities	-	-	-	10,137
Accounts receivable	55,716	-	55,716	77,364
HST recoverable	133,550	-	133,550	66,923
Prepaid expenses	20,477	-	20,477	46,117
Interfund balance (Note 4)	(40,045)	40,045	-	-
	910,906	82,876	993,782	582,346
Capital assets (Note 5)	-	6,172,280	6,172,280	6,438,235
	\$ 910,906	\$ 6,255,156	\$ 7,166,062	\$ 7,020,581

LIABILITIES

CURRENT

Accounts payable and accrued liabilities	\$ 218,018	\$ -	\$ 218,018	\$ 116,534
Deferred lease liability	116,536	-	116,536	111,752
	334,554	-	334,554	228,286
Deferred contributions (Note 6)	-	7,045,516	7,045,516	7,205,087
	334,554	7,045,516	7,380,070	7,433,373

COMMITMENTS (Note 7)

NET ASSETS (DEBT)	576,352	(790,360)	(214,008)	(412,792)
	\$ 910,906	\$ 6,255,156	\$ 7,166,062	\$ 7,020,581

ON BEHALF OF THE BOARD

Phil Otto
Director

M. Belusew
Director

HOSPICE SOCIETY OF GREATER HALIFAX
Statement of Revenues and Expenditures
Year Ended March 31, 2025

	General Fund	Capital Fund	2025	2024
REVENUES				
NSHA Funding	\$ 2,255,033	\$ -	\$ 2,255,033	\$ 1,871,807
Fundraising events	555,735	-	555,735	614,505
Donations and bequests	734,352	-	734,352	612,093
Grants	190,524	-	190,524	229,575
Interest	16,418	1,060	17,478	16,715
Other	9,471	-	9,471	7,289
Capital contributions (Note 6)	-	227,571	227,571	223,334
	3,761,533	228,631	3,990,164	3,575,318
EXPENDITURES				
Advertising and promotion	4,483	-	4,483	378
Amortization	-	283,701	283,701	323,633
Clinical expenses	58,800	-	58,800	70,449
Food services	57,608	-	57,608	55,951
Fundraising events and expenses	250,982	-	250,982	282,883
Insurance	41,394	-	41,394	38,027
Interest and bank charges	9,100	-	9,100	25,449
Office and administration	88,758	-	88,758	133,415
Professional fees	44,212	-	44,212	130,672
Rental	65,000	-	65,000	65,000
Repairs and maintenance	72,562	-	72,562	51,469
Salaries and wages	2,705,374	-	2,705,374	2,885,180
Sub-contracts	28,901	-	28,901	24,002
Telephone and internet	19,708	-	19,708	19,356
Utilities	42,274	-	42,274	38,668
	3,489,156	283,701	3,772,857	4,144,532
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES FROM OPERATIONS	272,377	(55,070)	217,307	(569,214)
OTHER INCOME (EXPENSES)				
Social Enterprise (Schedule 1)	(18,523)	-	(18,523)	12,617
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES FOR THE YEAR	\$ 253,854	\$ (55,070)	\$ 198,784	\$ (556,597)

HOSPICE SOCIETY OF GREATER HALIFAX**Statement of Changes in Net Debt****Year Ended March 31, 2025**

	General Fund	Capital Fund	2025	2024
NET ASSETS (DEBT) -				
 BEGINNING OF YEAR	\$ 322,498	\$ (735,290)	\$ (412,792)	\$ 143,805
Excess (deficiency) of revenues over expenditures	253,854	(55,070)	198,784	(556,597)
NET DEBT - END OF YEAR	\$ 576,352	\$ (790,360)	\$ (214,008)	\$ (412,792)

HOSPICE SOCIETY OF GREATER HALIFAX**Statement of Cash Flows****Year Ended March 31, 2025**

	2025	2024
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ 198,784	\$ (556,597)
Items not affecting cash:		
Amortization of capital assets	283,701	323,633
Deferred capital revenue	(227,571)	(223,334)
	254,914	(456,298)
Changes in non-cash working capital:		
Accounts receivable	21,648	(43,755)
Accounts payable and accrued liabilities	101,485	(35,160)
Prepaid expenses	25,640	(24,307)
Harmonized sales tax payable	(66,627)	22,844
Deferred lease liability	4,784	4,784
Deferred contributions	-	(106,475)
Term deposits	(1,061)	(1,771)
	85,869	(183,840)
Cash flow from (used by) operating activities	340,783	(640,138)
INVESTING ACTIVITIES		
Purchase of capital assets	(17,746)	(37,274)
Marketable securities	10,137	(10,137)
Cash flow used by investing activities	(7,609)	(47,411)
FINANCING ACTIVITY		
Deferred contributions	68,000	136,803
INCREASE (DECREASE) IN CASH FLOW	401,174	(550,746)
Cash - beginning of year	340,034	890,780
CASH - END OF YEAR	\$ 741,208	\$ 340,034

HOSPICE SOCIETY OF GREATER HALIFAX

Notes to Financial Statements

Year Ended March 31, 2025

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.

Term deposits

Highly liquid investments with maturities of one year or less at date of purchase are classified as term deposits.

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.

(continues)

HOSPICE SOCIETY OF GREATER HALIFAX

Notes to Financial Statements

Year Ended March 31, 2025

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 5.

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	2025 Net book value	2024 Net book value
Buildings	\$ 7,074,367	\$ 1,147,322	\$ 5,927,045	\$ 6,118,244
Leasehold improvements	427,358	232,805	194,553	237,289
Furniture and equipment	463,455	421,929	41,526	69,883
Website	18,312	9,156	9,156	12,819
	\$ 7,983,492	\$ 1,811,212	\$ 6,172,280	\$ 6,438,235

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, 2025

6. DEFERRED CONTRIBUTIONS

	2025	2024
<u>General Fund</u>		
Balance, beginning of year	\$ -	\$ 106,475
Less: amounts recognized as revenue in the year	-	(106,475)
	-	-
<u>Capital Fund</u>		
Balance, beginning of year	7,205,087	7,291,618
Less: amounts recognized as revenue in the year	(227,571)	(223,334)
Add: amounts received related to the subsequent year	68,000	136,803
	7,045,516	7,205,087
Balance, end of year	\$ 7,045,516	\$ 7,205,087

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:

2026	\$ 209,578
2027	224,578
2028	224,578
2029	224,578
2030	161,129
	<u>\$ 1,044,441</u>

8. ECONOMIC DEPENDENCE

The Society derives the majority of its revenues from government funding based on a funding arrangement with the Nova Scotia Health Authority ("NSHA"), therefore its ability to continue viable operations is dependant upon maintaining this funding. Any significant change to the frequency or amounts of funding could have an impact on the Society's future level of operations.

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, 2025.

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

(continues)

HOSPICE SOCIETY OF GREATER HALIFAX

Notes to Financial Statements

Year Ended March 31, 2025

9. FINANCIAL INSTRUMENTS *(continued)*

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.

HOSPICE SOCIETY OF GREATER HALIFAX**Statement of Revenues and Expenditures - Social Enterprise****(Schedule 1)****Year Ended March 31, 2025**

	2025	2024
REVENUES		
Sales	\$ 343,271	\$ 355,111
Other	1,093	-
	344,364	355,111
EXPENDITURES		
Advertising and promotion	3,651	34,250
Insurance	4,853	5,042
Interest and bank charges	5,590	6,063
Office and administration	15,110	14,446
Rental	148,434	121,124
Repairs and maintenance	1,413	3,326
Salaries and wages	163,064	140,381
Utilities	20,772	17,862
	362,887	342,494
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (18,523)	\$ 12,617