Valley Hospice Foundation

Kentville, Nova Scotia

Financial Statements

March 31, 2021

Contents

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INDEPENDENT AUDITOR'S REPORT

To the Chairman and Members of the Board
Valley Hospice Foundation

Qualified Opinion

We have audited the accompanying financial statements of the Valley Hospice Foundation, which comprise the statement of financial position as at March 31, 2021 and the statements of operations and cash flow 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 effect of the matters 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 Valley Hospice Foundation as at March 31, 2021, and the results of operations for the year then ended, in accordance with Canadian accounting standards for not for profit organizations.

Basis for Qualified Opinion

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 Entity in accordance with the 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.

In common with many charitable organizations, the organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of donation revenue was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, assets and surplus.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities 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 the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report (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 Entity’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 Entity’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 Entity 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.

Morse Brewster Lake

Berwick, Nova Scotia
June 2, 2021

Chartered Professional Accountants

Valley Hospice Foundation

Statement of Financial Position

March 31, 2021

	Hospice Palliative Care Fund	Grief Bereavement Fund	Education Fund	Care & Comfort Fund	Building Fund	Unrestricted Fund	Total 2021	Total 2020
Assets								
Current								
Cash	$ 3,515	$ 24,549	$ 1,123	$ 20,129	$ -	$ 206,242	$ 255,558	$ 827,673
Accounts receivable	-	-	-	-	-	4,183	4,183	3,442
Prepaid expenses	-	-	-	-	-	138	138	31
	3,515	24,549	-	20,129	-	210,563	259,879	831,146
Investments (note 3)	-	-	-	-	576,262	672,952	1,249,214	1,688,053
	$ 3,515	$ 24,549	$ 1,123	$ 20,129	$ 576,262	$ 883,515	$ 1,509,093	$ 2,519,199
Liabilities								
Current Liabilities								
Payables and accruals	$ -	$ -	$ -	$ -	$ -	$ 5,529	$ 5,529	$ 5,097
Deferred revenue	-	-	-	-	-	175	175	515
	-	-	-	-	-	5,704	5,704	5,612
Fund balances								
Internally restricted	3,515	24,549	1,123	20,129	576,262	-	625,578	1,766,390
Unrestricted	-	-	-	-	-	877,811	877,811	747,197
	3,515	24,549	1,123	20,129	576,262	877,811	1,503,389	2,513,587
	$ 3,515	$ 24,549	$ 1,123	$ 20,129	$ 576,262	$ 883,515	$ 1,509,093	$ 2,519,199

On Behalf of the Board

________________________, Director __________________, Director

Valley Hospice Foundation

Statement of Operations and Changes in Fund Balances

Year Ended March 31, 2021

	Hospice Palliative Care Fund	Grief Bereavement Fund	Education Fund	Care & Comfort Fund	Building Fund	Unrestricted Fund	Total 2021	Total 2020
Revenue								
Donations	$ 3,230	$ -	$ 50	$ 5,809	$ 64,410	$ 41,005	$ 114,504	$ 144,667
Bequests	-	-	-	-	-	-	-	63,737
Hike for Hospice	-	-	-	20,960	-	-	20,960	23,981
Mail campaign	-	-	-	-	-	36,786	36,786	49,078
Event Income	-	-	-	-	6,860	29,205	36,065	28,965
Grants & subsidies	-	-	-	-	-	19,408	19,408	-
Investment income	-	-	-	-	-	33,739	33,739	52,344
Realized gain on investments	-	-	-	-	-	445	445	56,427
Unrealized gain (loss) on investments	-	-	-	-	-	59,947	59,947	(82,142)
	3,230	-	50	26,769	71,270	220,535	321,854	337,057
Expenditures								
Audit	-	-	-	-	-	$ 2,473	2,473	2,365
Bank charges	-	-	-	-	-	9,380	9,380	8,934
Consulting fees	-	-	-	-	-	4,644	4,644	7,176
Dues and fees	-	-	-	-	-	31	31	31
Donor wall	-	-	-	-	-	6,096	6,096	4,259
Fundraising	-	-	-	909	72	168	1,149	15,462
Grants	-	-	-	5,731	1,235,419	-	1,241,150	10,000
Insurance	-	-	-	-	-	655	655	630
Mailing	-	-	-	-	-	5,939	5,939	21,003
Meeting expense	-	-	-	-	-	416	416	262
Mileage	-	-	-	-	-	141	141	354
Office supplies and support	-	-	-	-	-	4,803	4,803	2,470
Publicity	-	-	-	-	-	92	92	3,499
Supplies	-	-	-	-	-	-	-	2,519
Telephone	-	-	-	-	-	57	57	226
Wages	-	-	-	-	-	55,026	55,026	58,750
	-	-	-	6,640	1,235,491	89,921	1,332,052	137,940
Excess (Deficiency) of revenue over expenditures	3,230	-	50	$ 20,129	$ (1,164,221)	$ 130,614	$ (1,010,198)	$ 199,117
Fund balance, beginning of year	285	24,549	1,073	-	1,740,483	747,197	2,513,587	2,314,470
Fund balance, end of year	$ 3,515	$ 24,549	$ 1,123	$ 20,129	$ 576,262	$ 877,811	$ 1,503,389	$ 2,513,587

Valley Hospice Foundation

Statement of Cash Flow

Year Ended March 31, 2021

	2021	2020
Cash Provided By (Used In) *		
Operating activities:		
Current year surplus (deficit)	$ (1,010,198)	$ 199,117
Changes in		
Accounts receivable	(741)	(1,850)
Deferred revenue	(340)	515
Prepaid expense	(107)	5,076
Accounts payable	432	21
	(1,010,954)	202,879
Investment activities		
Net change in marketable securities	438,839	426,498
	438,839	426,498
Cash Increase (Decrease)	(572,115)	629,377
Cash and Equivalencies, beginning of year	827,673	198,296
Cash and Equivalencies, end of year	$ 255,558	$ 827,673

* Cash Provided By (Used In) represents the sources of cash resources provided to the Foundation as well as the uses of cash resources

Surplus provides cash (deficit decreases cash)
Accounts receivable (decrease provides cash)
Prepaid expenses (increase uses cash)
Accounts payable (decrease uses cash)
Net change in marketable securities (increase uses cash)

Valley Hospice Foundation

Notes to Financial Statements

March 31, 2021

1. Nature of Organization

The Valley Hospice Foundation was formed in 2000 to raise funds towards the establishment of a residential hospice and the development and support for the hospice, and palliative care initiatives in the Annapolis Valley. The Foundation is exempt from income tax as a registered charity under the Income Tax Act.

2. Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

Unrestricted Fund - Assets, liabilities, revenues expenses that are not designated for a specific purpose go toward the support Foundation's activities.

Hospice & Palliative Care Fund - The Foundation internally restricts funds related to providing hospice and palliative care to those people in need.

Grief/Bereavement Fund - The Foundation internally restricts funds related to providing grief and bereavement expenditures to those people in need.

Education Fund - The Foundation internally restricts funds related to providing education support.

Volunteer Program Fund - The Foundation internally restricts funds related to providing volunteer program support those people in need.

Care and Comfort Fund - The Foundation internally restrict funds related to supporting basic comfort needs of hospice residents and families.

Building Fund - The Foundation internally restricts funds related to providing funds in connection with building and garden/patio costs of the Hospice.

Contributed Services

Volunteers contribute many hours per year to assist the Foundation in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Valley Hospice Foundation

Notes to Financial Statements

March 31, 2021

2. Significant Accounting Policies (continued)

Cash and cash equivalents

The Foundation's policy is to disclose bank balances under cash and cash equivalents including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and temporary investments with a maturity period of three months or less. Short-term borrowing is considered to be financing activities.

Revenue Recognition

The Foundation has implemented the restricted method of accounting for contributions. Donations for which there are no restrictions are recognized as revenue in the operating fund and restricted donations are recognized as revenue in the fund to which they relate.

Investment income (expense) includes dividend and interest income, realized and unrealized investment gains and losses, and where applicable, charges for other than temporary impairment of investments. Dividend and interest income as well as realized and unrealized gains and losses have been recorded directly in the statement of operations.

Investments

Investments consist of fixed income and equity investments. Fixed income investments maturing within twelve months from the year end date are classified as current.

Use of Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Actual amount could differ from these estimates.

Fair Value of Financial Assets and Financial Liabilities

Financial instruments consist of mainly cash, accounts receivable, investments and accounts payable. The carrying value of these financial instruments approximate their fair value unless otherwise indicated.

Valley Hospice Foundation

Notes to Financial Statements

March 31, 2021

3. Investments, at market

	2021	2020
Cash equivalent	$ 4,105	$ -
Fixed income (cost - $1,236,641, 2020 - $1,713,514)	1,245,109	1,666,632
Equity (cost - $nil, 2020 - $26,768)	-	21,421
	$1,249,214	$1,688,053

The fair value of long term investments are based on quoted market prices. Fixed income investments are comprised of bond pool investments.

4. Financial Instruments

Fair Value

The carrying values of accounts receivable and accounts payable approximate their fair value due to the relatively short periods to maturity of the instruments.

Investment Risk

The Foundation's Board of Directors has approved investment policies and procedures which provide guidelines for managing investments of the Foundation. Though this approach, investments are strategically invested on a long-term basis, among several classes of assets to reduce the risk of investment volatility. Concentration of risk exists when a significant proportion of the portfolio is invested in securities with similar characteristics or subject to similar economic, political or other conditions. Management believes that the concentration of risk is not unusual.

Interest Rate Risk

Interest rate risk refers to adverse consequences of interest rate changes on the Foundation cash flows, financial position, investment income and interest expense. The Foundation's fixed income investment are exposed to interest rate changes. The impact of adverse changes in rates is not considered significant.

5. Capital Management

The Foundation's objectives in managing capital are to ensure that sufficient financial resources are in place to deliver on the priorities set by the Board of Directors. Management and Directors of the Foundation monitor its capital on an ongoing basis by reviewing financial metrics, including cash flows and variances to forecasts and budgets.