

HOSPICE PALLIATIVE CARE OF GREATER MONCTON INC.
FINANCIAL STATEMENTS
(UNAUDITED)
DECEMBER 31, 2017

**HOSPICE PALLIATIVE CARE OF GREATER MONCTON INC.
DECEMBER 31, 2017**

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LEBLANC SCOTT CPA

Chartered Professional Accountants

26 Westview Terrace

Riverview, NB E1B 3S3

Review Engagement Report

To the directors of:

Hospice Palliative Care Greater Moncton Inc.

We have reviewed the statement of financial position of Hospice Palliative Care of Greater Moncton Inc. as at December 31, 2017 and the statements of operations and changes in net assets and of cash flows for the year then ended, as well as 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 review. We conducted our review 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 other within the entity, 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.

As is common with many charitable organizations, the organization derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory review verification. Accordingly, our review procedures for these revenues were 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 donation revenue, excess of revenue over expenses, assets and net assets.

LEBLANC SCOTT CPA

Chartered Professional Accountants

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Based on our review, except for the effects, if any, of the matter described in the above paragraph, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Hospice Palliative Care of Greater Moncton Inc. as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

LEBLANC SCOTT

LeBlanc Scott CPA

Chartered Professional Accountants

Riverview, NB

May 07, 2018

HOSPICE PALLIATIVE CARE OF GREATER MONCTON INC.

STATEMENT OF FINANCIAL POSITION
(UNAUDITED)

STATEMENT 1

AS AT DECEMBER 31, 2017

ASSETS

	2017	2016
Current assets		
Cash and cash equivalents	\$ 280,772	\$ 101,698
Cash - internally restricted (Note 5)		424
Accounts Receivable	28,585	6,041
Input tax credits rebate (Note 2)	11,355	8,630
Inventory		1,621
Prepaid	1,886	1,863
Short term investments - internally restricted (Note 5)	286,998	229,258
	<u>609,596</u>	<u>349,535</u>
Long term investment - internally restricted (Note 5)	100,000	154,000
Property, plant and equipment (Note 3)	23,503	31,522
Other long term assets (Note4)	5,763	5,763
	<u>\$ 738,862</u>	<u>\$ 540,820</u>

LIABILITIES & SHAREHOLDER'S EQUITY


Current liabilities

Accounts payable and accrued liabilities	\$ 23,823	\$ 9,904
Due to government agencies	10,902	2,558
Deferred revenue	17,289	21,023
	<u>52,014</u>	<u>33,485</u>

Net Assets

Restricted building fund (Note5)	386,998	383,682
Net unrestricted assets	299,850	123,653
	<u>\$ 738,862</u>	<u>\$ 540,820</u>

APPROVED ON BEHALF OF THE BOARD:

 Director
Director

The attached notes are an integral part of these financial statements.

HOSPICE PALLIATIVE CARE OF GREATER MONCTON INC.
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
(UNAUDITED)

STATEMENT 2

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
Revenues		
Donations: Corporate/Business	\$ 1,307	\$ 21,500
Donations: Individual	33,991	18,067
Fundraising and special events	169,115	45,559
Grants	31,133	2,500
Hospice Shoppe	341,908	371,462
Other	6,303	4,190
	<u>583,757</u>	<u>463,278</u>
Fundraising Costs	48,421	24,619
Hospice Shoppe Costs (Schedule1)	198,146	186,141
	<u>337,190</u>	<u>252,518</u>
Gross Profit		
Expenses		
Advertising and promotion	4,296	2,025
Amortization	8,019	7,970
Grief and bereavement meetings	627	94
Insurance	504	837
Interest and bank charges	2,607	1,500
Meals and catering	514	41
New Horizons/NB Student Program	26,849	-
Other operating expenses	2,685	1,051
Office expenses	14,580	12,526
Professional fees	10,496	8,614
Salaries and wages	79,126	35,694
Telephone	3,892	3,904
Traveling and training	3,482	1,092
	<u>157,677</u>	<u>75,348</u>
Excess of operating revenues over expenses	179,513	177,170
Net assets, beginning of year	123,653	138,608
Allocations to restricted building fund	(3,316)	(192,125)
Net unrestricted assets, end of year	<u><u>\$ 299,850</u></u>	<u><u>\$ 123,653</u></u>

The attached notes are an integral part of these financial statements.

HOSPICE PALLIATIVE CARE OF GREATER MONCTON INC.**STATEMENT OF CASH FLOW**

(UNAUDITED)

STATEMENT 3**FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
Cash flows from operating activities		
Excess of revenues over expenses	\$ 179,813	\$ 177,170
Amortization of tangible assets	8,019	7,970
	<u>187,532</u>	<u>185,140</u>
Changes in non-cash working capital		
Short term investments	(57,316)	(166,221)
Account receivable	(25,269)	11,279
Prepaid expenses	(22)	(703)
Accounts payable and accrued liabilities	22,262	(3,620)
Inventory	1,621	2,869
	<u>(58,724)</u>	<u>(166,221)</u>
	<u>128,808</u>	<u>28,744</u>
Cash flows from financing activities		
Increase (decrease) in deferred revenue	(3,734)	21,023
	<u>(3,734)</u>	<u>21,023</u>
Cash flows from investing activities		
Additions to property, plant or equipment	-	(3,860)
Long term investments	54,000	(25,904)
	<u>54,000</u>	<u>(29,764)</u>
Increase (decrease) in cash and cash equivalents	179,074	20,003
Net cash and cash equivalents, beginning of year	101,698	81,695
Net cash and cash equivalents, end of year	<u><u>\$ 280,772</u></u>	<u><u>\$ 101,698</u></u>
Cash and cash equivalents consist of:		
Cash	\$ 280,772	\$ 101,698
	<u><u>\$ 280,772</u></u>	<u><u>\$ 101,698</u></u>

The attached notes are an integral part of these financial statements.

HOSPICE PALLIATIVE CARE OF GREATER MONCTON INC.
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
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Description of major business activity

The organization is a not-for-profit registered charity incorporated under the laws of the Province of New Brunswick and is exempt from income tax as a non-profit organization. It exists to provide palliative clients and their families with emotional and physical support. The organization also operates the Hospice Shoppe, set up for the sole purpose of providing funds for the organizations programs and services.

1. Summary of significant accounting policies

Basis of presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Cash and cash equivalents

Cash and cash equivalents are comprised of business chequing and business investor accounts,

(b) Accounts receivable

Accounts receivables consist of miscellaneous fundraising balances outstanding and accrued interest on invested GICs.

(c) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions related to expenditures of future periods are deferred and recognized as revenue in the period in which the related expenses or capital acquisitions are incurred. Unrestricted contributions are recognized as received. Hospice Shoppe revenue is recognized at the time of sale.

(d) Inventory

Inventory consists of unsold donated inventory for resale in the Hospice Shoppe.

(e) Income taxes

The organization is exempt from income taxes under Section 149 (1) I.

HOSPICE PALLIATIVE CARE OF GREATER MONCTON INC.

NOTES TO THE FINANCIAL STATEMENTS

(UNAUDITED)

DECEMBER 31, 2017

(f) Short term investments

Short term investments consist of cash balances and Guaranteed Investment Certificates with a maturity of less than 1 year from the date of the financial statements.

(g) Long term investments

Long term investments consist of Guaranteed Investment Certificates held with maturity dates outside 1 year. Maturity date January 7, 2019.

(h) Property and equipment

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

(j) Use of Estimates

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

(j) Deferred revenue

Deferred revenue consists of funds received in the current period that are related to the subsequent supply of services or asset acquisitions. Deferred revenue is recognized as revenue when the future cost is incurred

HOSPICE PALLIATIVE CARE OF GREATER MONCTON INC.
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2. Input tax credits rebate

Investment tax credits receivable represents the GST/HST Public Service Bodies' Rebate available to registered charities allowing a claim of 50% of the federal and provincial portions of HST paid on purchases.

3. Property, plant and equipment

	Cost	Amortization	Net 2017	Net 2016
Leasehold improvements	\$ <u>40,096</u>	\$ <u>16,593</u>	\$ <u>23,503</u>	\$ <u>31,522</u>
	\$ <u>40,096</u>	\$ <u>16,593</u>	\$ <u>23,503</u>	\$ <u>31,522</u>

4. Other long term assets

Other long term assets represent a deposit held by the Landlord. The sum is to be held by the Landlord, without liability for interest, as security for the faithful performance by the Tenant of all terms, covenants and conditions of the lease.

HOSPICE PALLIATIVE CARE OF GREATER MONCTON INC.

NOTES TO THE FINANCIAL STATEMENTS

(UNAUDITED)

DECEMBER 31, 2017

5. Restricted Building Fund

The restricted building fund represents combined contributions of funds restricted internally by the board of directors and externally by donors. These funds are being deferred for the purpose of construction or acquisition of a building to be used as a palliative care residence.

Restricted assets supporting the Restricted Building Fund include:

	<u>2017</u>	<u>2016</u>
Bank internally restricted	-	424
Short-term GIC's	286,998	229,258
Long-term GIC's	<u>100,000</u>	<u>154,000</u>
	<u>\$ 386,998</u>	<u>\$ 383,682</u>

6. Commitments

The organization leases premises at 164 Collishaw Street in Moncton for base rent of \$5100.00 per month plus tax (\$12.75 per square foot, 4800 square feet), The lease is for a term of 5 years commencing December 1, 2015 and ending November 30, 2020. A renewal option is available to extend the term for one (1) further period of five (5) years. Future minimum lease payments per fiscal year are as follows:

2018	65,790
2019	65,790
2020	60,308

7. Conditional land transfer

The organization is in possession of a Letter of Intent from the Humphrey, Lewisville, Sunny Brae Lions Club confirming the Club's intention to gift a portion of its property located at 156 Pleasant Street, Moncton, NB. The transfer's prime and most important condition is that Hospice Greater Moncton builds a residence within five (5) years of the transfer of the property. If this condition is not met, then the property will revert back to the Lions Club.

HOSPICE PALLIATIVE CARE OF GREATER MONCTON INC.
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8. Financial instruments

The organization is exposed to certain routine business risks, including credit risk and market risk, and has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risks relate to its accounts receivable, Short term investments and Long term investments. Market risk arises from changes in interest rates and other price risks. It is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. The organization's main market risks relate to its GIC holdings.

9. Comparative figures

Certain of the comparative figures have been reclassified to conform with the current year's presentation

HOSPICE PALLIATIVE CARE OF GREATER MONCTON INC.
SCHEDULE 1 – HOSPICE SHOPPE COSTS
(UNAUDITED)
DECEMBER 31, 2017

	2017	2016
Rent	\$ 66,858	\$ 65,985
Computer	1,816	1,480
Insurance	1,998	1,778
Utilities	9,369	8,464
Telephone	1,990	1,795
Supplies	2,169	2,730
Advertising	2,482	3,886
Wages	105,299	93,951
Bank fees	3,322	3,209
Repairs and maintenance	1,781	2,516
Other	1,062	348
	<u>\$ 198,146</u>	<u>\$ 186,141</u>