

**HOSPICE PALLIATIVE CARE OF GREATER MONCTON
INC.**

FINANCIAL STATEMENTS
(UNAUDITED)

DECEMBER 31, 2018

HOSPICE PALLIATIVE CARE OF GREATER MONCTON INC.
DECEMBER 31, 2018

Contents

Review Engagement Report	<u>Page</u>
Financial Statements:	1
Statement 1- Statement of Financial Position	2
Statement 2 - Statement of Operations and Changes in Net Assets	3
Statement 3 - Statement of Cash Flow	4
Notes to the Financial Statements	5-8
Schedule 1 - Hospice Shoppe Costs	9

LEBLANC SCOTT CPA

Chartered Professional Accountants

1-721 Coverdale Road
Riverview NB, E1B 3L4

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, 2018 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.

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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.

Based on our review, except for the effects, if any, of the matter described in the above paragraphs, 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, 2018, 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 31, 2019

HOSPICE PALLIATIVE CARE OF GREATER MONCTON INC.

**STATEMENT OF FINANCIAL POSITION
(UNAUDITED)**

STATEMENT 1

AS AT DECEMBER 31, 2018

ASSETS

	2018	2017
Current assets		
Cash and cash equivalents	\$ 272,917	\$ 348,771
Accounts receivable	16,004	28,585
Input tax credits rebate (Note 2)	14,022	11,355
Prepaid	118,782	1,886
Short term investments (Note 5)	<u>100,000</u>	<u>219,000</u>
	521,725	609,597
Long term investments (Note 5)	267,157	100,000
Property, plant and equipment (Note 3)	22,595	23,503
Other long term assets (Note 4)	<u>6,626</u>	<u>5,763</u>
	<u>\$ 818,103</u>	<u>\$ 738,863</u>

LIABILITIES & SHAREHOLDER'S EQUITY

Current liabilities		
Accounts payable and accrued liabilities	\$ 20,587	\$ 23,822
Due to government agencies	17,556	10,902
Deferred revenue	<u>3,746</u>	<u>17,289</u>
	41,889	52,013
Net Assets		
Net unrestricted assets	<u>776,214</u>	<u>686,850</u>
	<u>\$ 818,103</u>	<u>\$ 738,863</u>

APPROVED ON BEHALF OF THE BOARD:



Director



Director

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

LeBlanc Scott CPA, 1-721 Coverdale Road, Riverview NB E1B 3L4

HOSPICE PALLIATIVE CARE OF GREATER MONCTON INC.

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
(UNAUDITED)**

STATEMENT 2

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
Revenues		
Donations: Corporate/Business	\$ 3,650	\$ 1,307
Donations: Individual	38,858	33,991
Fundraising and special events	93,480	169,116
Grants	16,238	31,133
Hospice Shoppe	370,838	341,908
Other	<u>8,374</u>	<u>6,303</u>
	531,438	583,758
Fundraising Costs	34,104	48,420
Hospice Shoppe Costs (Schedule 1)	<u>216,910</u>	<u>198,146</u>
Gross Profit	280,424	337,192
Expenses		
Advertising and promotion	5,065	4,296
Grief & Bereavement meetings	493	627
Insurance	506	504
Interest and bank charges	1,823	2,607
Meals and catering	1,241	514
Other operating expenses	4,128	2,685
Office expenses	20,261	14,580
Professional fees	12,316	10,496
New Horizons/NB Student programs	13,543	26,849
Salaries and wages	111,557	79,126
Telephone and telecommunications	5,195	3,892
Travel and training	5,135	3,482
Depreciation	<u>9,797</u>	<u>8,019</u>
	<u>191,060</u>	<u>157,677</u>
Excess of operating revenues over expenses	89,364	179,515
Net assets, beginning of year	<u>686,850</u>	<u>507,335</u>
Net unrestricted assets, end of year	<u>\$ 776,214</u>	<u>\$ 686,850</u>

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

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HOSPICE PALLIATIVE CARE OF GREATER MONCTON INC.

STATEMENT OF CASH FLOW
(UNAUDITED)

STATEMENT 3

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
Cash flows from operating activities		
Excess of revenues over expenses	\$ 89,362	\$ 179,514
Amortization of tangible assets	<u>9,797</u>	<u>8,019</u>
	99,159	187,533
Changes in non-cash working capital		
Short term investments	119,000	10,681
Account receivable	9,914	(25,269)
Prepaid expenses	(116,896)	(22)
Accounts payable and accrued liabilities	3,419	22,262
Inventory	<u>-</u>	<u>1,621</u>
	<u>15,437</u>	<u>9,273</u>
	<u>114,596</u>	<u>196,806</u>
Cash flows from financing activities		
Increase (decrease) in deferred revenue	<u>(13,543)</u>	<u>(3,734)</u>
	<u>(13,543)</u>	<u>(3,734)</u>
Cash flows from investing activities		
Additions to property, plant or equipment	(8,886)	-
Other long term assets	(863)	-
Long term investments	<u>(167,157)</u>	<u>54,000</u>
	<u>(176,906)</u>	<u>54,000</u>
Increase (decrease) in cash and cash equivalents	(75,853)	247,072
Net cash and cash equivalents, beginning of year	<u>348,770</u>	<u>101,698</u>
Net cash and cash equivalents, end of year	<u>\$ 272,917</u>	<u>\$ 348,770</u>
Cash and cash equivalents consist of:		
Cash and bank deposits	<u>\$ 272,917</u>	<u>\$ 348,770</u>

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

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HOSPICE PALLIATIVE CARE OF GREATER MONCTON INC.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

DECEMBER 31, 2018

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 GIC's.

(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) Income taxes

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

(e) 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.

(f) Long term investments

Long term investments consist of Guaranteed Investment Certificates held with maturity dates outside 1 year and Canadian equity securities. Canadian equity is recorded at cost or fair market value at time of donation

HOSPICE PALLIATIVE CARE OF GREATER MONCTON INC.

NOTES TO THE FINANCIAL STATEMENTS

(UNAUDITED)

DECEMBER 31, 2018

(g) Property and equipment

Leasehold Improvements are being amortized on a straight-line basis over their estimated useful life of 60 months/5 years.

(h) 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.

(i) 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

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 2018	Net 2017
Leasehold improvements	\$ <u>48,985</u>	\$ <u>26,390</u>	\$ <u>22,595</u>	\$ <u>23,503</u>
	\$ <u>48,985</u>	\$ <u>26,390</u>	\$ <u>22,595</u>	\$ <u>23,503</u>

4. Other long term assets

Other long term assets represents 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, 2018

5. Investments

The organization is saving funds for the future purchase of real property to serve as a Hospice care center. Excess funds are invested to earn market rates of return. The investments are comprised of the following

	<u>2018</u>	<u>2017</u>
Canadian equity	10,157	-
Short-term GIC's	100,000	286,998
Long-term GIC's	<u>257,000</u>	<u>100,000</u>
	<u>\$ 367,157</u>	<u>\$ 386,998</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

The organization also leases premises at 640 Mountain Road in Moncton for \$750.00 per month plus taxes. This lease commenced November 1, 2018 and ends on December 31, 2019. The organization has the option to continue the lease after the term on a month to month basis, or to request an extension of the lease term.

The organization also entered into a services agreement with a contractor during the year to run a fundraising campaign for a total committed cost of \$270,500 of which \$170,500 is due in 2019. The balance paid has been recorded to prepaid expenses as the campaign has not yet been launched

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 build 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.

NOTES TO THE FINANCIAL STATEMENTS
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DECEMBER 31, 2018

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 it's 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, 2018

	2018	2017
Rent	\$ 68,094	\$ 66,858
Computer	2,053	1,816
Insurance	2,040	1,998
Utilities	9,083	9,369
Telephone	1,912	1,991
Supplies	3,955	2,169
Advertising	4,704	2,482
Wages	118,512	105,300
Bank fees	4,116	3,322
Repairs and maintenance	1,748	1,781
Other	692	1,062
	<u>\$ 216,910</u>	<u>\$ 198,146</u>