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Hospice Palliative Care Association of P.E.I. Inc.

Financial Statements
March 31, 2024

ArsenaultBestCameronEllis
CHARTERED PROFESSIONAL ACCOUNTANTS

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CHARTERED PROFESSIONAL ACCOUNTANTS

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June 12, 2024

Independent Auditor's Report

To the Directors of Hospice Palliative Care Association of P.E.I. Inc.

Qualified Opinion
We have audited the financial statements of Hospice Palliative Care Association of P.E.I. Inc., which comprise the statement of financial position as at March 31, 2024, and the statements of operations and changes in net assets 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 Hospice Palliative Care Association of P.E.I. Inc. as at March 31, 2024, 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.

Basis of Qualified Opinion
In common with many not-for-profit organizations, Hospice Palliative Care Association of P.E.I. Inc. derives revenue from fundraising events, donations and memorials, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Hospice Palliative Care Association of P.E.I. Inc.. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising events, donations and memorials revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2024 and March 31, 2023, current assets as at March 31, 2024 and March 31, 2023, and net assets as at April 1 and March 1 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation in 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 Hospice Palliative Care Association of P.E.I. Inc. 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. 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 Hospice Palliative Care Association of P.E.I. Inc.'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 Hospice Palliative Care Association of P.E.I. Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Hospice Palliative Care Association of P.E.I. Inc.'s financial reporting process.

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 Hospice Palliative Care Association of P.E.I. Inc.'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 Hospice Palliative Care Association of P.E.I. Inc.'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 Hospice Palliative Care Association of P.E.I. Inc. 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.

Arsenault Best Cameron Ellis

Chartered Professional Accountants

Hospice Palliative Care Association of P.E.I. Inc.
Statement of Financial Position
As at March 31, 2024

	2024			2023
	General Fund $	Restricted Fund $	Total $	Total $
Assets				
Current assets				
Cash	69,528	110,417	179,945	245,226
Short-term investment	-	-	-	30,000
Accounts receivable (note 3)	13,410	-	13,410	32,830
Prepaid expenses	5,174	-	5,174	5,082
Amounts due between funds	15,374	(15,374)	-	-
	103,486	95,043	198,529	313,138
Long-term investments				
Investments held by The Community Foundation of Prince Edward Island Inc. (note 4)	-	128,934	128,934	119,230
	103,486	223,977	327,463	432,368
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	2,831	-	2,831	7,296
Current portion of long-term debt	-	-	-	30,000
	2,831	-	2,831	37,296
Net Assets				
Internally restricted	-	223,977	223,977	254,118
Unrestricted	100,655	-	100,655	140,954
	100,655	223,977	324,632	395,072
	103,486	223,977	327,463	432,368

Approved by the Board of Directors

______ Director ______ Director

Hospice Palliative Care Association of P.E.I. Inc.

Statement of Operations and Changes in Net Assets

For the year ended March 31, 2024

	Budget (Unaudited)	General Fund	Restricted Fund	Total 2024	Total 2023
	$	$	$	$	$
Revenue					
Fundraising events	170,000	103,011	-	103,011	176,444
Bequests - Florence Simmons (note 2)	50,000	43,472	-	43,472	38,802
Estates and bequests	-	4,825	-	4,825	35,066
Donations	95,000	85,918	-	85,918	97,347
Memorials	25,000	15,212	-	15,212	24,014
Memberships	2,500	810	-	810	1,380
Private grants	10,000	-	-	-	25,000
United Way - Hurricane Relief	-	-	-	-	36,000
Province of PEI	100,000	100,000	-	100,000	9,700
Investment income	2,000	5,948	11,888	17,836	1,977
Volunteer training fee	-	510	-	510	820
	454,500	359,706	11,888	371,594	446,550
Expenses					
Advertising and promotion	1,500	939	-	939	1,400
Bank charges and credit card fees	8,000	4,958	-	4,958	7,882
Board, staff, and volunteer	25,000	22,619	-	22,619	25,990
Gardens of Life	-	1,784	-	1,784	561
Grief support	-	1,935	-	1,935	334
Insurance	3,500	3,559	-	3,559	3,338
Management and investment fees (note 4)	2,500	-	2,184	2,184	2,198
Membership dues	2,000	1,253	-	1,253	1,588
Memorial service	-	276	-	276	318
Mental Health Alliance	-	-	-	-	6,167
Office and printing (note 2)	15,000	14,195	-	14,195	18,134
Professional fees	7,000	8,275	-	8,275	6,784
Rent (note 6)	40,000	39,845	-	39,845	39,436
Supplies and resources	20,000	23,218	-	23,218	20,078
Telephone and internet	7,500	5,765	-	5,765	7,481
United Way - Hurricane Relief	-	-	-	-	31,811
Utilities	3,000	3,900	-	3,900	3,103
Wages and benefits	275,000	307,329	-	307,329	269,692
	410,000	439,850	2,184	442,034	446,295
Excess revenue (expenses) for the year	44,500	(80,144)	9,704	(70,440)	255
Net assets - Beginning of year		140,954	254,118	395,072	394,817
Transfer from restricted fund (note 7)		39,845	(39,845)	-	-
Net assets - End of year		100,655	223,977	324,632	395,072

Hospice Palliative Care Association of P.E.I. Inc.

Statement of Cash Flows

For the year ended March 31, 2024

	2024			2023
	General Fund $	**Restricted Fund** $	**Total** $	**Total** $
Cash provided by (used in)				
Operating activities				
Excess revenue (expenses) for the year	(80,144)	9,704	(70,440)	255
Net change in non-cash working capital items				
Decrease (increase) in accounts receivable	19,420	-	19,420	(29,801)
Increase in prepaid expenses	(92)	-	(92)	(105)
Increase (decrease) in accounts payable and accrued liabilities	(4,465)	-	(4,465)	3,585
Change in amounts due between funds	(25,232)	25,232	-	-
	(90,513)	34,936	(55,577)	(26,066)
Financing activities				
Interfund transfer	39,845	(39,845)	-	-
Repayment of long-term debt	(30,000)	-	(30,000)	-
	9,845	(39,845)	(30,000)	-
Investing activities				
Decrease (increase) in short-term investment	-	30,000	30,000	(30,000)
Decrease (increase) in long-term investments	-	(9,704)	(9,704)	3,170
	-	20,296	20,296	(26,830)
Change in cash	(80,668)	15,387	(65,281)	(52,896)
Cash - Beginning of year	150,196	95,030	245,226	298,122
Cash - End of year	69,528	110,417	179,945	245,226

1 Purpose of the organization

Hospice Palliative Care Association of P.E.I. Inc. is a volunteer-driven organization assisting people in Prince Edward Island by preparing, supporting and caring for those affected by a life-limiting illness before and after death. The organization operates under the registered trade name Hospice PEI.

The Association was incorporated under the laws of the Province of Prince Edward Island in 1985. The Association is a Registered Charity and is not taxable under the provisions of the *Income Tax Act*.

2 Summary of significant accounting policies

Basis of accounting

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

Cash

Cash consists of bank account balances and petty cash.

Fund accounting

Hospice Palliative Care Association of P.E.I. Inc. follows the restricted fund method of accounting for contributions.

The General Fund accounts for the Association's program delivery, fundraising and administrative activities.

The Restricted Fund reports resources that have been internally appropriated by the Board. The purpose of this fund is to accumulate funds to ensure the future viability of the organization. The Board may set aside additional amounts in this fund as finances allow. This internally restricted amount is not available for use without the approval of the Board of Directors.

Realized investment income is used for general operations of Hospice Palliative Care Association of P.E.I. Inc. During the year, $43,472 (2023 - $38,802) in memorials and bequests revenue carried an external restriction in that the funds cannot be used for wages or capital construction.

Capital assets

Capital assets are recorded as expenditures in the year of acquisition. During the year, equipment purchases of $1,164 (2023 - $1,487) are included in office and printing expenses.

Revenue recognition

Unrestricted contributions are recognized as revenue of the General Fund in the year received.

Unrestricted investment income earned on Restricted Fund assets is recognized as revenue of the General Fund. Market value changes are recorded in the Restricted Fund.

Government assistance

Government assistance related to operating expenses is recorded as revenue as the related expenses are incurred.

Contributed services

Volunteers contribute many hours each year to assist Hospice Palliative Care Association of P.E.I. Inc. in carrying out its services. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Use of estimates

The preparation of these 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. Significant items subject to such estimates and assumptions include the valuation of accounts receivable. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Financial instruments

(a) Measurement of financial instruments

The organization's financial instruments consist of cash, short-term investment, accounts receivable, long-term investments and accounts payable and accrued liabilities.

The organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. This fair value amount is then deemed to be the amortized cost of the financial instrument.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost except for publicly traded securities which are measured at quoted market value.

(b) Impairment

For financial assets measured at cost or amortized cost, the association determines whether there are indications of possible impairment. When there is an indication of impairment, and the association determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in excess revenue (expenses) for the year. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess revenue (expenses) for the year.

(c) Risks

Transacting in financial instruments exposes the association certain financial risks and uncertainties. These risks include:

i) Liquidity risk: The associations's exposure to liquidity risk is dependent on raising funds to meet commitments and sustain operations. The association controls liquidity risk by management of working capital and cash flows.

ii) Credit risk: The association's exposed to credit risk in connection with the collection of its accounts receivable. The association mitigates this risk by performing continuous evaluation of its accounts receivable.

iii) Market risk: The association's investment in publicly traded securities exposes the association to market risk since these equity investments are subject to price fluctuations in the open market.

3 Accounts receivable

	2024 $	2023 $
Trade	-	18,700
Payroll withholding taxes receivable	10,537	10,537
HST receivable	2,873	3,593
	13,410	32,830

4 Long-term investments

In 2002, the Association entered into an agreement to invest funds in a separate Agency Fund of The Community Foundation of Prince Edward Island Inc., an unrelated registered charity. The Community Foundation of Prince Edward Island Inc. administers and invests the Agency Fund on behalf of the Association, for which it receives a management fee. Income generated by the Fund is distributed to the Association or reinvested in the Fund, as determined by the Association.

At March 31, 2024, the market value of the investment was $128,934 (2023 - $119,230). Management and investment fees of $2,184 (2023 - $2,198) were paid to The Community Foundation of Prince Edward Island Inc.

5 Long-term debt

	2024 $	2023 $
0% term loan, repaid during the year	-	40,000
Less: Government assistance portion	-	(10,000)
Less: Current portion	-	(30,000)
	-	-

6 Commitments

The minimum annual lease payments under an operating lease expiring December 31, 2026 are $36,000 plus HST annually.

7 Transfer

In 2023, the Board of Directors approved the transfer of rent expense from the Restricted Fund to the General Fund for a three year period beginning in fiscal 2023. The rent expense transferred was $39,845 (2023 - $39,436).

8 Comparative figures

Certain comparative figures presented for the 2024 fiscal year have been restated to conform with the financial statement presentation adopted in the current year.