

**HOSPICE MIRAMICHI INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
MARCH 31, 2021**



***Allen, Paquet & Arseneau LLP***

CHARTERED PROFESSIONAL ACCOUNTANTS • COMPTABLES PROFESSIONNELS AGRÉÉS

**HOSPICE MIRAMICHI INC.**

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For the year ended March 31, 2021

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**HOSPICE MIRAMICHI INC.**  
**Statement of Financial Position**  
**(Unaudited)**  
**As at March 31**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 217,618	\$ 69,805
Accounts receivable (Note 3)	39,450	18,434
Prepaid expenses	2,035	2,513
Government remittances receivable	3,898	4,818
	<u>263,001</u>	<u>95,570</u>
<b>PROPERTY AND EQUIPMENT (Note 4)</b>	<b>291,452</b>	<b>310,534</b>
<b>DEFERRED DEVELOPMENT COSTS</b>	<b>311,818</b>	<b>298,102</b>
	<u>\$ 866,271</u>	<u>\$ 704,206</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 64,825	\$ 72,896
Obligation under capital lease due within one year	-	250
	<u>64,825</u>	<u>73,146</u>
<b>LONG-TERM DEBT (Note 5)</b>	<b>70,000</b>	<b>30,000</b>
<b>DEFERRED REVENUE (Note 6)</b>	<b>54,313</b>	<b>63,891</b>
	<u>189,138</u>	<u>167,037</u>
<b>NET ASSETS</b>		
<b>SURPLUS - Page 4</b>	<b>677,133</b>	<b>537,169</b>
	<u>\$ 866,271</u>	<u>\$ 704,206</u>

Approved by the board

\_\_\_\_\_ Member

\_\_\_\_\_ Member

**HOSPICE MIRAMICHI INC.****Statement of Operations****(Unaudited)****For the year ended March 31**

	<b>2021</b>	<b>2020</b>
<b>REVENUE</b>		
Donations	\$ 54,177	\$ 26,826
Fundraising	113,369	148,108
Grant revenue	17,657	15,389
Hospice shop - Schedule 1	56,266	44,104
Interest income	36	6
Miscellaneous income	-	390
Palliative care support work services - Schedule 2	11,693	(6,803)
	<b>253,198</b>	<b>228,020</b>
<b>EXPENDITURES</b>		
Accounting	4,510	1,957
Advertising and promotion	2,625	346
Amortization	22,703	27,439
Fundraising	36,320	71,579
Insurance	3,681	7,509
Interest and bank charges	381	2,532
Interest on capital lease	-	28
Office	5,713	5,364
Property taxes	610	8,163
Rent	4,004	1,505
Repairs and maintenance	277	3,709
Subscriptions, permits and licenses	1,160	746
Supplies	702	2,853
Telephone	5,324	3,626
Training	920	699
Travel	272	788
Utilities	-	11,248
Wages and benefits	109,534	97,004
	<b>198,736</b>	<b>247,095</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE) BEFORE OTHER INCOME</b>		
	<b>54,462</b>	<b>(19,075)</b>
<b>OTHER INCOME</b>		
Canada Emergency Wage Subsidy	65,502	-
Debt forgiveness	20,000	-
	<b>85,502</b>	<b>-</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE) FOR THE YEAR - to Page 4</b>		
	<b>\$ 139,964</b>	<b>\$ (19,075)</b>

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**HOSPICE MIRAMICHI INC.**  
**Statement of Changes in Net Assets**  
**(Unaudited)**

**For the year ended March 31**

	<b>2021</b>	<b>2020</b>
<b>BALANCE, beginning of year</b>	<b>\$ 537,169</b>	<b>\$ 556,244</b>
Excess of revenue over expenditures (expenditures over revenue) for the year	139,964	(19,075)
- Page 3		
<b>BALANCE, end of year</b>	<b>\$ 677,133</b>	<b>\$ 537,169</b>

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**HOSPICE MIRAMICHI INC.****Statement of Cash Flows****(Unaudited)****For the year ended March 31**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures (expenditures over revenue)	\$ 139,964	\$ (19,075)
Adjustment for		
Amortization	22,703	27,439
	<b>162,667</b>	<b>8,364</b>
Change in non-cash working capital items:		
Decrease (increase) in accounts receivable	(21,016)	59,233
Decrease in prepaid expenses	478	787
Decrease (increase) in government remittances receivable	920	(185)
Decrease in accounts payable and accrued liabilities	(8,071)	(66,718)
Increase (decrease) in deferred revenue	(9,578)	4,027
	<b>125,400</b>	<b>5,508</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term debt	(20,000)	-
Proceeds of long-term debt	60,000	30,000
Repayment of obligation under capital lease	(250)	(1,487)
	<b>39,750</b>	<b>28,513</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(3,621)	(3,194)
Deferred development costs	(13,716)	-
	<b>(17,337)</b>	<b>(3,194)</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>147,813</b>	<b>30,827</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>69,805</b>	<b>38,978</b>
<b>CASH AND CASH EQUIVALENTS, end of year (Note 7)</b>	<b>\$ 217,618</b>	<b>\$ 69,805</b>



**1. STATUS AND NATURE OF ACTIVITIES**

Hospice Miramichi Inc. was incorporated under the laws of the province of New Brunswick on July 13, 2011. The focus of the organization is to provide palliative care to clients living with life threatening illness where cure is not an option and medications are no longer controlling the condition.

**2. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

**(a) Revenue recognition**

Operating revenues are recorded based on the accrual method of accounting and are recognized when they are earned, specifically when:

- ♦ Services are provided or products are delivered to customers.
- ♦ There is a clear proof that an arrangement exists.
- ♦ Amounts are fixed or can be determined.
- ♦ Our ability to collect is reasonably assured.

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

**(b) Donated materials and services**

Donated capital and investments are recorded in the financial statements at fair value on the date of the donation. Donated materials and services are not recorded because the fair market value is not readily determinable.

**(c) Property and equipment**

Property and equipment are recorded at cost. The organization provides for amortization using the following methods at rates designed to amortize the cost of the property and equipment over their estimated useful lives. The annual amortization rates and methods are as follows:

Day Hospice furniture and equipment	20% Diminishing balance
Office furniture and equipment	20% Diminishing balance
Leasehold improvements	20% Diminishing balance
Computer equipment	30% Diminishing balance

**(d) Use of 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

**2. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) Financial instruments**

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The organization subsequently measures its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable, accrued liabilities, and obligation under capital lease. Unless otherwise noted it is management's opinion that the organization is not exposed to significant interest, currency or credit risks.

**3. ACCOUNTS RECEIVABLE**

	2021	2020
Trade receivables	\$ 8,620	\$ 18,434
Canada Emergency Wage Subsidy receivable	30,830	-
	<b>\$ 39,450</b>	<b>\$ 18,434</b>

**4. PROPERTY AND EQUIPMENT**

	2021		2020	
	Cost	Accumulated amortization	Net	Net
Land	\$ 200,000	\$ -	\$ 200,000	\$ 200,000
Day Hospice furniture and equipment	54,789	37,225	17,564	21,955
Office furniture and equipment	19,278	12,110	7,168	6,601
Leasehold improvements	163,156	98,838	64,318	80,398
Computer equipment	5,705	3,303	2,402	1,580
	<b>\$ 442,928</b>	<b>\$ 151,476</b>	<b>\$ 291,452</b>	<b>\$ 310,534</b>



**5. LONG-TERM DEBT**

	2021	2020
Canada Emergency Business Account (CEBA) loan, 0% interest during the initial term ending December 31, 2022 then bearing interest at 5% during the extended term ending December 31, 2025. Interest is payable monthly with the balance due December 31, 2025. The amount of the loan is \$60,000 with \$20,000 of the balance to be forgiven if the loan is repaid on or prior to December 31, 2022. Since it is the company's intention to repay the loan prior to December 31, 2022 the forgivable portion has been recognized as income similar to the accounting treatment for government grants.	\$ 40,000	\$ -
Private loan, no interest, no set terms of repayment.	30,000	30,000
	<b>\$ 70,000</b>	<b>\$ 30,000</b>

Principal repayments of long term debt are due as follows:

2023	\$ 40,000
Subsequent years	30,000
	<b>\$ 70,000</b>

**6. DEFERRED REVENUE**

Revenue that is restricted for use is deferred and recognized as revenue in the future period in which the related expenses are incurred. The below amounts are being amortized into income based on rates similar to those of the underlying capital assets to which each grant relates. The below provides a breakdown of the remaining deferred amounts by project.

	2021	2020
Accessibility grant (washroom)	\$ 16,943	\$ 21,178
Accessibility grant (elevator)	20,826	26,032
Other donations	16,544	16,681
	<b>\$ 54,313</b>	<b>\$ 63,891</b>

**7. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash on hand and balances with banks.

	2021	2020
Cash on hand and balances held with banks	\$ 217,618	\$ 69,805

**8. COMMITMENTS**

The organization leases their Hospice Shop location under a lease expiring in June 2024. The lease payments are \$2,283 per month plus HST (\$27,400 plus HST annually).

**9. FINANCIAL INSTRUMENTS**

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

**(a) Fair value**

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the organization is a going concern and thus expects to fully repay the outstanding amounts. There has been no significant change in exposure from the prior year.

**(b) Credit risk**

The organization does have credit risk in accounts receivable of \$39,450 (2020 - \$18,434). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The organization reduces its exposure to credit risk by performing credit valuations on a regular basis and creating an allowance for bad debts when applicable. In the opinion of management the credit risk exposure to the organization is low and is not material. There has been no significant change in exposure from the prior year.

**10. COMPARATIVE FIGURES**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

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**HOSPICE MIRAMICHI INC.**  
**Schedules to the Financial Statements**  
**(Unaudited)**

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**Schedule 1-HOSPICE SHOP**

	<b>2021</b>	<b>2020</b>
<b>REVENUE</b>		
Sales	\$ 95,487	\$ 83,187
Grant revenue	5,020	8,967
	<b>100,507</b>	<b>92,154</b>
<b>EXPENDITURES</b>		
Fees	1,069	1,514
Rent	24,546	26,637
Supplies	6,430	4,142
Telephone and utilities	6,761	6,670
Wages and benefits	5,435	9,087
	<b>44,241</b>	<b>48,050</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>\$ 56,266</b>	<b>\$ 44,104</b>

**Schedule 2-PALLIATIVE CARE SUPPORT WORK SERVICES**

	<b>2021</b>	<b>2020</b>
<b>REVENUE</b>	\$ 120,201	\$ 47,572
<b>EXPENDITURES</b>		
Supplies	1,270	507
Travel	5,833	3,525
Wages and benefits	101,405	50,343
	<b>108,508</b>	<b>54,375</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)</b>	<b>\$ 11,693</b>	<b>\$ (6,803)</b>