

**COBEQUID COMMUNITY HEALTH CENTRE
FOUNDATION**

FINANCIAL STATEMENTS

MARCH 31, 2024

COBEQUID COMMUNITY HEALTH CENTRE FOUNDATION
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MARCH 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of:
Cobequid Community Health Centre Foundation

Qualified Opinion

We have audited the financial statements of **Cobequid Community Health Centre Foundation** ("the Foundation"), 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 the Foundation as at March 31, 2024, and 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 for Qualified Opinion

In common with many not-for-profit organizations, the Foundation derives revenues from various sources including donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to revenues, deficiency of revenues over expenses, assets and net assets for the years ended March 31, 2024 and March 31, 2023.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation 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 opinion.

Other Matter

The financial statements of the Foundation for the year ended March 31, 2023, were audited by another accountant who expressed a modified opinion on those statements on June 8, 2023. The accountant's opinion was modified on the same basis as included in the Basis of Qualified Opinion paragraph.

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 the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Foundation 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.

Baker Tilly Nova Scotia Inc

Dartmouth, Nova Scotia
June 11, 2024

Chartered Professional Accountants

COBEQUID COMMUNITY HEALTH CENTRE FOUNDATION
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2024

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	2024	2023
	\$	\$
REVENUES		
Events, campaigns and other fundraising	163,224	150,442
Grants and major gifts	93,719	49,874
Investment income (loss)	25,470	(6,041)
Other	5,833	221
Parking and program income	74,542	90,370
Unrealized gain on marketable securities	<u>6,281</u>	<u>-</u>
	<u>369,069</u>	<u>284,866</u>
EXPENSES		
Events, campaigns and other fundraising	58,119	58,857
Insurance	4,445	4,246
Miscellaneous	2,760	4,849
Office and general	13,968	11,546
Professional fees	15,368	6,000
Salaries and benefits	198,174	172,223
Student bursary	4,000	4,000
Training and education	<u>6,178</u>	<u>508</u>
	<u>303,012</u>	<u>262,229</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE GRANTS	66,057	22,637
GRANTS TO COBEQUID COMMUNITY HEALTH CENTRE	(<u>321,620</u>)	(<u>47,848</u>)
DEFICIENCY OF REVENUES OVER EXPENSES	(255,563)	(25,211)
NET ASSETS - beginning of year	<u>717,612</u>	<u>742,823</u>
NET ASSETS - end of year	<u><u>462,049</u></u>	<u><u>717,612</u></u>

COBEQUID COMMUNITY HEALTH CENTRE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

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	2024	2023
	\$	\$
ASSETS		
CURRENT		
Cash	24,242	39,895
Contributions receivable	58,008	85,038
HST recoverable	2,119	2,117
Marketable securities (Note 3)	398,612	610,446
Prepays	<u>4,536</u>	<u>-</u>
	<u>487,517</u>	<u>737,496</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	10,251	4,084
Due to Nova Scotia Health	<u>15,217</u>	<u>15,800</u>
	<u>25,468</u>	<u>19,884</u>
NET ASSETS		
UNRESTRICTED	<u>462,049</u>	<u>717,612</u>
	<u>487,517</u>	<u>737,496</u>
COMMITMENTS (Note 4)		

Approved by the Board

Bruce Bassett

Director

Nick Hodgson

Director

COBEQUID COMMUNITY HEALTH CENTRE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024

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	2024	2023
	\$	\$
CASH PROVIDED BY (USED FOR):		
OPERATING		
Deficiency of revenues over expenses	(255,563)	(25,211)
Items not affecting cash		
Realized loss on marketable securities	5,538	-
Unrealized gain on marketable securities	(6,281)	-
	(256,306)	(25,211)
Changes in non-cash working capital items		
Contributions receivable	27,030	(37,038)
HST recoverable	(2)	(104)
Prepays	(4,536)	4,246
Accounts payable and accrued liabilities	6,167	(987)
Due to Nova Scotia Health	(583)	(16,518)
	(228,230)	(75,612)
INVESTING		
Proceeds on disposition of marketable securities	212,577	53,242
CHANGE IN CASH	(15,653)	(22,370)
CASH - beginning of year	39,895	62,265
CASH - end of year	24,242	39,895

COBEQUID COMMUNITY HEALTH CENTRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

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1. NATURE OF OPERATIONS

Cobequid Community Health Centre Foundation ("the Foundation") is a fundraising organization, with a main purpose to provide assistance to those entities providing health and social services to the catchments area of the Cobequid Community Health Centre.

The Foundation is a registered charity and thus is exempt from income taxes under Section 149.1 (l) of the Income Tax Act. Accordingly, no provision has been made in the accounts for income taxes. In order to maintain its status as a registered charity under the Act, the Foundation must meet certain requirements within the Act. In the opinion of management these requirements have been met.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

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

Cash

Cash consists of cash on hand and a bank balance held with a financial institution.

Contributed materials and services

Contributed materials and services are recognized in the financial statements when their fair value can be reasonably determined and they are used in the normal course of the Foundation's operations and would otherwise have been purchased. The Foundation benefits from donated services in the form of volunteer time for various programs and objectives of the Foundation. Due to the difficulty of determining their fair value, these contributed services are not recognized in these financial statements.

Revenue recognition

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

Restricted contributions are recognized as revenue in the year in which the related expenses 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee future benefits

The Foundation's employees are members of a multi-employer defined benefit pension plan administered by the Health Associations of Nova Scotia. The plan is a defined contribution plan such that the cost of the plan is recognized based on the required contributions during each period.

Use of estimates

The preparation of financial statements in accordance 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 contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items and matters such as certain accrued liabilities. Actual results could differ from those estimates.

Financial instruments

Measurement of financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value.

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost, except for marketable securities, that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in deficiency of revenues over expenses.

Financial assets measured at amortized cost include cash and contributions receivable.

Financial assets measured at fair value include marketable securities.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and due to Nova Scotia Health.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized in deficiency of revenues over expenses. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no 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 any reversal is recognized in deficiency of revenues over expenses.

COBEQUID COMMUNITY HEALTH CENTRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

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3. MARKETABLE SECURITIES	2024	2023
	\$	\$
Cash and cash equivalents	169,656	296,031
Equity	<u>228,956</u>	<u>314,415</u>
	<u>398,612</u>	<u>610,446</u>

4. COMMITMENTS

Capital Campaign-Building

The Foundation made a commitment to Capital Health District to fund a portion of the construction of the Cobequid Community Health Centre ("the CCHC"), up to a maximum of \$4,000,000. The Foundation has accrued or paid grants to the CCHC in the amount of \$3,176,332 (2023 - \$3,173,316), leaving a balance of \$823,668 (2023 - \$826,684) against the original commitment of \$4,000,000. Effective April 1, 2015 any agreement made with Capital Health District is assumed by Nova Scotia Health.

With respect to the construction of the CCHC, the Province of Nova Scotia had a cost-sharing arrangement with Capital Health District, now Nova Scotia Health, being based on the stated government practice of funding major health care projects on a 75% government share and 25% community share. The Foundation based its capital campaign for the construction of the CCHC on the commitment it had made with Capital Health District to a maximum of \$4,000,000. However, the Foundation recognizes there is a shortfall to cover the assumed 25% community share of the project of approximately \$3,200,000, based on the total costs to complete the project. The additional component has been acknowledged by the Foundation, however, it is anticipated that any funding of the shortfall by the Foundation will be entirely at the discretion of the Foundation over an unspecified but extended period of time, without interest or pledging of any security.

Equipment

The Foundation is committed to fundraise for the equipment needed by Nova Scotia Health, and to help minimize the effects of fluctuations in equipment costs. The Foundation conducted fundraising initiatives, accepted donations and made the following commitments to purchase equipment for Nova Scotia Health.

COBEQUID COMMUNITY HEALTH CENTRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

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4. COMMITMENTS (Continued)

Equipment (Continued)

<u>Equipment</u>	<u>Department</u>	Funds received \$
Ophthalmoscopes/Otosopes (3 units) *	Emergency Department	2,980
Hematology Slide Strainer*	Laboratory Services	21,023
Bariatric Wheelchair	Diagnostic Imaging	830
Leg Positioner	Diagnostic Imaging	967
Limb Holders (set)	Diagnostic Imaging	1,294
Transfer Board (2 units)	Diagnostic Imaging	363
BP Monitor (3 units)	Diabetes Management Clinic	3,723
RES System	Emergency Department	26,123
CO2 Monitors (4 units)	Emergency Department	22,677
Patient Scoop	Emergency Department	1,556
ERBE1	Endoscopy Clinic	26,130
ERBE2	Endoscopy Clinic	26,130
TENS (6 units)	Rehabilitation Services	<u>4,159</u>
		<u>137,955</u>

**Carry forward from previous year*

When funds are successfully raised for each piece of equipment, the Foundation gives Nova Scotia Health approval to purchase the equipment. Once the equipment is received, Nova Scotia Health invoices the Foundation and the funds are distributed. The equipment list includes items the Foundation has completed the fundraising for and is awaiting the invoices. It is anticipated these grants will be distributed to Nova Scotia Health during the first and second quarter of the fiscal year 2023-2024.

Vacation entitlement

As of March 31, 2024, employees have accumulated vacation valued at approximately \$24,850.

5. EMPLOYEE FUTURE BENEFITS

The most recent actuarial evaluation of the multi-employer defined benefit plan in which the Foundation's employees are members was conducted at July 1, 2021 and indicated funding ratios of approximately 142% on a going concern basis, and 109% on a solvency basis. The total cost of the plan recognized in the current year, being the total contributions to the plan, was \$12,605 (2023 - \$12,153).

6. FINANCIAL INSTRUMENTS

Risks and concentrations

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentrations at March 31, 2024.

It is management's opinion that the Foundation is not exposed to significant market, currency, interest rate or price risk from its financial instruments.

Credit risk

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. Financial instruments that potentially subject the Foundation to concentrations of credit risk consist of cash, contributions receivable, and marketable securities. The Foundation holds its cash in and purchases marketable securities from reputable financial institutions and therefore believes the risk of loss to be remote. The Foundation is exposed to credit risk from contributions receivable. A provision for impairment of accounts receivable is established when there is objective evidence that the Foundation will not be able to collect all amounts due.

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Foundation has sufficient marketable securities on hand to fund operations and fulfill obligations as they become due.

7. COMPARATIVE FIGURES

Certain figures presented for comparative purposes have been reclassified to conform with the financial statement presentation adopted for the current year.