

Financial Statements of

**COBEQUID COMMUNITY  
HEALTH CENTRE  
FOUNDATION**

Year ended March 31, 2022



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## INDEPENDENT AUDITORS' REPORT

To the Chair and Members of the Board of Cobequid Community Health Centre Foundation

### ***Qualified Opinion***

We have audited the financial statements of Cobequid Community Health Centre Foundation (the Entity), which comprise:

- the statement of financial position as at March 31, 2022
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the "***Basis for Qualified Opinion***" paragraph, the financial statements present fairly, in all material respects, the financial position of Cobequid Community Health Centre Foundation as at March 31, 2022, and its results of 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 Entity derives revenue from donations and other fundraising activities, 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 the Entity and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets, and net assets.



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 auditors' report.

We are independent of the Entity 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 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 the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity'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 Entity 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.
- 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.

*KPMG LLP*

Chartered Professional Accountants  
Halifax, Canada  
June 22, 2022

# COBEQUID COMMUNITY HEALTH CENTRE FOUNDATION

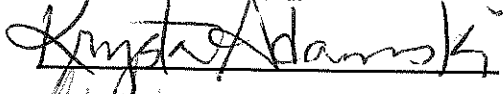
## Statement of Financial Position

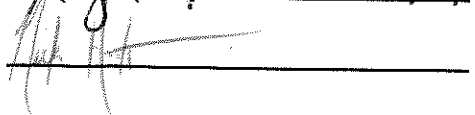
March 31, 2022, with comparative information for 2021

	2022	2021
<b>Assets</b>		
Current assets:		
Cash	\$ 62,265	\$ 31,667
Marketable securities	663,688	578,500
Accounts receivable	48,000	3,265
HST receivable	2,013	2,267
Prepaid expenses and deposits	4,246	3,293
	<u>\$ 780,212</u>	<u>\$ 618,992</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,071	\$ 5,452
Unearned revenue	-	1,070
Due to Nova Scotia Health	32,318	18,824
	<u>37,389</u>	<u>25,346</u>
Net assets:		
Unrestricted net assets	742,823	593,646
	<u>742,823</u>	<u>593,646</u>
Commitments (note 2)		
Employee future benefits (note 4)		
	<u>\$ 780,212</u>	<u>\$ 618,992</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

# COBEQUID COMMUNITY HEALTH CENTRE FOUNDATION

## Statement of Operations

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Events, campaigns and other fundraising	\$ 151,501	\$ 151,311
Parking and program income	59,177	13,471
Investment income	55,532	64,112
Grants and major gifts	105,530	137,619
	<u>371,740</u>	<u>366,513</u>
Expenses:		
Salaries and benefits	101,970	115,303
Professional fees	6,000	6,000
Office and general	12,188	9,891
Website development	-	5,427
Training and education	328	-
Events, campaigns and other fundraising	48,173	45,551
Repairs and maintenance	10,799	13,474
Miscellaneous	3,427	4,732
Insurance	3,293	5,603
Student bursary	4,000	4,000
Bad debt expense	-	20,233
	<u>190,178</u>	<u>230,214</u>
Excess of revenue over expenses	181,562	136,299
Grants to Cobequid Community Health Centre (note 2)	(32,385)	(158,854)
Excess of revenue over expenses and grants (expenses and grants over revenue)	<u>\$ 149,177</u>	<u>\$ (22,555)</u>

See accompanying notes to financial statements.

# COBEQUID COMMUNITY HEALTH CENTRE FOUNDATION

## Statement of Changes in Net Assets

Year ended March 31, 2022, with comparative information for 2021

		Invested in capital assets	Unrestricted net assets	Total 2022	Total 2021
Balance, beginning of year	\$	-	\$ 593,646	\$ 593,646	\$ 616,201
Excess of revenue over expenses and grants (expenses and grants over revenue)		-	149,177	149,177	(22,555)
Balance, end of year	\$	-	\$ 742,823	\$ 742,823	\$ 593,646

See accompanying notes to financial statements.

# COBEQUID COMMUNITY HEALTH CENTRE FOUNDATION

## Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 181,562	\$ 136,299
Grants to Cobequid Community Health Centre	(32,385)	(158,854)
Change in non-cash operating working capital:		
(Increase) decrease in accounts receivable	(44,735)	45,194
(Increase) decrease in prepaids and deposits	(953)	2,058
Decrease in HST receivable	254	4,960
Increase in accounts payable and accrued liabilities	(381)	(389)
(Decrease) increase in unearned revenue	(1,070)	1,070
Increase (decrease) in due to Nova Scotia Health	13,494	(7,292)
	115,786	23,046
Investments:		
Increase in marketable securities	(85,188)	(93,226)
Increase (decrease) in cash	30,598	(70,180)
Cash, beginning of year	31,667	101,847
Cash, end of year	\$ 62,265	\$ 31,667

See accompanying notes to financial statements.



# COBEQUID COMMUNITY HEALTH CENTRE FOUNDATION

## Notes to Financial Statements

Year ended March 31, 2022

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Cobequid Community Health Centre Foundation (the "Foundation") is a fundraising organization. Its main purpose is to provide assistance to those entities providing health and social services to the catchment area of the Cobequid Community Health Centre. It is a registered charity under the Income Tax Act.

### 1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook.

#### (a) Revenue recognition:

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

#### (b) Cash:

Cash includes cash on hand held with financial institutions.

#### (c) Capital assets:

Capital assets are amortized over their estimated useful lives.

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset.

#### (d) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

# COBEQUID COMMUNITY HEALTH CENTRE FOUNDATION

## Notes to Financial Statements

Year ended March 31, 2022

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### 1. Significant accounting policies (continued):

#### (e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

#### (f) Use of estimates:

The preparation of financial statements 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 date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

#### (g) Donated materials and services:

Donated materials and services are recorded in the financial statements when the fair value of these items can be reasonably estimated.

# COBEQUID COMMUNITY HEALTH CENTRE FOUNDATION

Notes to Financial Statements

Year ended March 31, 2022

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## 1. Significant accounting policies (continued):

### (h) 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 accounted for as a defined contribution plan such that the cost of the plan is recognized based on the required contributions during each period.

### (i) Government assistance:

Government assistance related to the Canadian Emergency Wage Subsidy in the amount of \$52,785 has been netted against salaries and benefits and is included in the determination of excess of revenue over expenses.

## 2. Commitments:

### (a) Capital Campaign-Building:

The Foundation made a commitment with Capital Health District Authority to fund a portion the construction of the Cobequid Community Health Centre ("CCHC"), up to a maximum of \$4,000,000. The Foundation has accrued or paid grants to the CCHC in the amount of \$3,172,248 (2021 - \$3,167,599), leaving a balance of \$827,752 (2021 - \$832,401) against the original commitment of \$4,000,000. Effective April 1, 2015 any agreement made with Capital Health District Authority 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 Authority, 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 Authority 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.

# COBEQUID COMMUNITY HEALTH CENTRE FOUNDATION

Notes to Financial Statements

Year ended March 31, 2022

## 2. Commitments (continued):

### (b) Equipment:

To provide 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.

Equipment	Equipment cost	Funds received
Storz C-MAC video Laryngoscope	\$ 25,000	\$ 25,000
Positioning Web Sponges	500	500
2 Pulse Oximeters	1,000	1,000
Whirlpool with Life system	10,300	10,000
Chair, High, Hydrotherapy	1,150	1,000
Transfer Board Sarmit	730	730
Ophthalmoscopes and otoscopes (3)	2,400	2,400
Positioning Sponges (2)	481	481
Fibroscan	163,055	129,055
Cardiology (Holter Monitor/ECG)	53,342	53,342
Total	\$ 257,958	\$ 223,508

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. These are the 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 2022-2023.

## 3. Financial instruments:

The Foundation's financial instruments include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and due to Nova Scotia Health, the carrying amounts of which approximate fair value due to the short-term maturity of these financial instruments.

The Foundation's marketable securities are carried at fair value which is determined to be the quoted market price of the securities.

# COBEQUID COMMUNITY HEALTH CENTRE FOUNDATION

Notes to Financial Statements

Year ended March 31, 2022

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## 4. 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, 2017 and indicated funding ratios of approximately 140% on a going concern basis and 114% on a solvency basis. The total cost of the plan recognized in the current year, being the total contributions to the plan, was \$11,842 (2021 - \$11,275).