

EKM HEALTH FOUNDATION
Financial Statements
Year Ended March 31, 2022

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Year Ended March 31, 2022

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INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Directors of EKM Health Foundation

We have reviewed the accompanying financial statements of EKM Health Foundation (the Foundation) that comprise the statement of financial position as at March 31, 2022, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and 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 (ASNPO), 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.

Practitioners' 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 practitioners perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of EKM Health Foundation as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Bishop & Company

CHARTERED PROFESSIONAL ACCOUNTANTS

Wolfville, NS
June 29, 2022

EKM HEALTH FOUNDATION
Statement of Financial Position
March 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 58,359	\$ 200,042
Harmonized sales tax recoverable	2,871	2,675
	<u>61,230</u>	202,717
LONG TERM INVESTMENTS <i>(Note 3)</i>	<u>4,285,351</u>	4,369,461
	<u>\$ 4,346,581</u>	<u>\$ 4,572,178</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 16,525	\$ 16,803
Employee deductions payable	689	458
Grant commitments	45,000	161,685
	<u>62,214</u>	178,946
NET ASSETS		
Unrestricted net assets	4,148,592	4,254,676
Restricted Hand to Hand to Help	135,775	138,556
	<u>4,284,367</u>	4,393,232
	<u>\$ 4,346,581</u>	<u>\$ 4,572,178</u>

COMMITMENTS *(Note 8)*

ON BEHALF OF THE BOARD

_____ *Trustee*

_____ *Trustee*

See accompanying notes to financial statements

EKM HEALTH FOUNDATION
Statement of Revenues and Expenditures
Year Ended March 31, 2022

	2022	2021
RECEIPTS		
Donations and bequests	\$ 9,300	\$ 7,808
Investment income (<i>Note 7</i>)	140,010	103,108
Realized capital gains on investments	7,172	26,683
Change in balance of unrealized gains and losses	<u>(27,828)</u>	381,134
	128,654	518,733
DISBURSEMENTS		
Administrative	34,402	35,478
Advertising and promotion	99	102
Interest and bank charges	119	120
Investment management fees	38,115	34,564
Professional fees	7,455	7,198
Property taxes	<u>64</u>	64
	80,254	77,526
EXCESS OF RECEIPTS OVER DISBURSEMENTS FROM OPERATIONS	48,400	441,207
Grants for community health programs	144,015	155,143
Hand to Hand to Help	7,500	2,500
Active Kids / Healthy Kids	<u>2,000</u>	2,000
	153,515	159,643
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ (105,115)	\$ 281,564

See accompanying notes to financial statements

EKM HEALTH FOUNDATION
Statement of Changes in Net Assets
Year Ended March 31, 2022

	Unrestricted Net Assets	Restricted Hand to Hand to Help	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 4,254,676	\$ 138,556	\$ 4,393,232	\$ 4,112,918
Excess (deficiency) of receipts over disbursements	(106,084)	969	(105,115)	281,564
Externally restricted	-	(3,750)	(3,750)	(1,250)
NET ASSETS - END OF YEAR	\$ 4,148,592	\$ 135,775	\$ 4,284,367	\$ 4,393,232

See accompanying notes to financial statements

EKM HEALTH FOUNDATION
Statement of Cash Flows
Year Ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Cash receipts from donations and bequests	\$ 5,550	\$ 6,558
Cash paid to suppliers, employees, and grant recipients	(350,383)	(110,193)
Investment income	140,010	103,108
Interest paid	(120)	(119)
Harmonized sales tax	(196)	138
	<u>(205,139)</u>	<u>(508)</u>
INVESTING ACTIVITIES		
Purchase of long term investments	(341,325)	(394,284)
Proceeds on disposal of long term investments	404,781	560,118
	<u>63,456</u>	<u>165,834</u>
INCREASE (DECREASE) IN CASH FLOW	(141,683)	165,326
Cash - beginning of year	<u>200,042</u>	<u>34,716</u>
CASH - END OF YEAR	\$ 58,359	\$ 200,042

See accompanying notes to financial statements

EKM HEALTH FOUNDATION
Notes to Financial Statements
Year Ended March 31, 2022

1. PURPOSE OF THE FOUNDATION

EKM Health Foundation (the "Foundation") is a public foundation created under the laws of the Province of Nova Scotia pursuant to a Declaration of Trust dated November 15, 1994. Its principal activity is the receipt of donations and bequests which are held for investment purposes. The income and capital from these investments are applied to benefit health care programs in eastern Kings County, Nova Scotia. As a registered charity the Foundation is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for Not-for-Profit Organizations (ASNPO).

Fund accounting

The "Unrestricted" fund accounts for the Foundation's program delivery and administrative activities. This fund reports unrestricted resources and operating grants.

The "Hand to Hand to Help" fund reports the assets, liabilities, revenues and expenses related to a joint collaboration between EKM Health Foundation and the Rotary Club. The purpose of the collaboration is to fund cancer care at the Valley Regional Hospital, specifically to assist individuals with travel costs to Halifax for services not available locally.

Cash and cash equivalents

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

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments in equity instruments that are quoted in an active market are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are subsequently reported at amortized cost, and tested for impairment when there are indicators of impairment.

Transaction costs on the acquisition, sale, or issue of financial instruments which are subsequently reported at fair value are expensed when incurred. Transaction costs on the acquisition, sale, or issue of financial instruments which are subsequently reported at amortized cost are amortized over the expected life of the instrument.

Financial assets measured at amortized cost include cash.

Financial liabilities measured at amortized cost include accounts payable, accrued liabilities, and grant commitments.

Financial assets measured at fair value include mutual funds and shares which are quoted in an active market.

(continues)

EKM HEALTH FOUNDATION
Notes to Financial Statements
Year Ended March 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Equipment

Equipment is stated at cost. Amortization is provided annually on the diminishing balance basis at rates calculated to write off the assets over their estimated useful lives as follows:

Equipment	20%
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Amortization in the year of purchase is recorded at one-half the normal rate.

The Foundation regularly reviews its equipment to eliminate obsolete items. Equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Revenue recognition

- a) EKM Health Foundation follows the restricted fund method of accounting for contributions.
- b) Restricted and unrestricted contributions are recognized as revenue when received, or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- c) Investment income includes dividends and interest income, and realized and unrealized gains and losses. Unrealized gains and losses on equity investments are recognized as revenue in the statement of operations. Investment income is recognized in revenue in the period it is earned.
- d) Donations and bequests are recognized in the year received.
- e) Volunteers contribute many hours per year to assist the Foundation in carrying out its activities. Due to the difficulty of determining their fair value, these contributed services are not recognized in the financial statements.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

EKM HEALTH FOUNDATION
Notes to Financial Statements
Year Ended March 31, 2022

3. LONG TERM INVESTMENTS

	Cost	Number of Shares	Fair Value 2022	Fair Value 2021
<u>Scotia Private Managed Funds</u>				
American Core-Plus Bond	\$ 102,626	12,481.010	\$ 111,244	\$ 115,633
Canadian Growth	154,894	10,689.173	266,663	226,724
Canadian Small Cap	32,916	1,210.165	47,158	47,683
Canadian Value	183,693	9,143.110	325,504	254,127
Global Equity	47,947	2,734.915	108,355	107,583
Global Real Estate	214,758	13,984.076	274,969	240,968
Income	1,893,310	172,709.228	1,787,713	2,034,658
International Equity	353,460	29,825.870	348,515	373,961
U.S. Value	129,342	8,685.600	190,128	175,231
U.S. Large Cap Growth	55,363	4,000.848	187,024	179,763
	<u>3,168,309</u>		<u>3,647,273</u>	<u>3,756,331</u>
<u>Other Investments</u>				
BNS Corporate Tiered Investment Savings Account	-	-	-	233,690
Partners Value Preferred	210,000	8,400	207,900	-
Russell Global Infrastructure	341,742	25,913.446	381,342	330,604
	<u>551,742</u>		<u>589,242</u>	<u>564,294</u>
Land at cost	48,836	-	48,836	48,836
	<u>\$ 3,768,887</u>	<u>-</u>	<u>\$ 4,285,351</u>	<u>\$ 4,369,461</u>

4. EQUIPMENT

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Equipment	\$ 8,707	\$ 8,707	\$ -	\$ -

5. HAND TO HAND TO HELP

The Hand to Hand to Help contributions are remitted when the official reporting financials from Nova Scotia Health Authority (NSHA) are received. There are two disbursements of \$2,500 available each fiscal year.

In the fiscal period ending March 31, 2021, there were delays in receiving the official reporting financials from NSHA resulting in only one disbursement being remitted in the amount of \$2,500. In the current fiscal period ended March 31, 2022, the delayed disbursement was remitted in addition to the two regular disbursements resulting in three payments totaling \$7,500.

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6. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Foundation's risk exposure and concentration as of March 31, 2022.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation has a comprehensive plan in place to meet their obligations as they come due - primarily from cash flow from operations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Foundation is mainly exposed to interest rate risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Foundation is exposed to interest rate risk on its fixed and floating rate interest bearing financial instruments which includes bank indebtedness, long term debt, investments in bonds and guaranteed investment certificates. Changes in the bank lending rates can cause fluctuations in cash flows and interest expense. The Foundation does not use any derivatives to manage this risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk through its investment in quoted shares.

7. INVESTMENT INCOME

	<u>2022</u>	<u>2021</u>
Interest income	\$ 488	\$ 2,462
Other investment income	139,522	100,646
	\$ 140,010	\$ 103,108

8. COMMITMENTS

In November 2005, the EKM Health Foundation received a specified gift of \$75,263 from the Fundy Mental Health Foundation. Although the use of these funds is unrestricted, the EKM Health Foundation has agreed to allocate a minimum of \$2,500 per fiscal year to qualifying mental health related grant applications.

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9. IMPACT OF COVID-19

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of social and physical distancing, travel bans, and self-imposed quarantine periods, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Foundation in future periods.
