

**COWICHAN VALLEY HOSPICE SOCIETY**  
**Financial Statements**  
**Year Ended December 31, 2018**  
*(Unaudited)*

**COWICHAN VALLEY HOSPICE SOCIETY**

**Index to Financial Statements**

**Year Ended December 31, 2018**

*(Unaudited)*

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Alex E. Palmer, CPA, CMA  
Tammy Leslie, CPA, CGA, CMA  
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A Professional Corporation

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Directors of Cowichan Valley Hospice Society

We have reviewed the statement of financial position of Cowichan Valley Hospice Society as at December 31, 2018 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, 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.

### Practitioner's 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 practitioner performs 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.

*(continues)*

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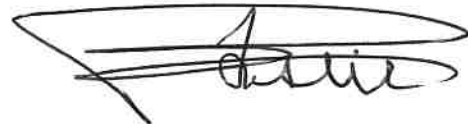
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Independent Practitioner's Review Engagement Report to the Directors of Cowichan Valley Hospice Society *(continued)*

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Cowichan Valley Hospice Society as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

Duncan, British Columbia  
May 2, 2019

A handwritten signature in dark ink, appearing to read "J. Smith", is written over a horizontal line. The signature is stylized and cursive.

CHARTERED PROFESSIONAL  
ACCOUNTANTS

**COWICHAN VALLEY HOSPICE SOCIETY**  
**Statement of Financial Position**

**December 31, 2018**

*(Unaudited)*

	Operating Fund 2018	Capital Fund 2018	Externally Restricted Hospice House Fund 2018	Total 2018	Total 2017
<b>ASSETS</b>					
<b>CURRENT</b>					
Cash	\$ 395,165	\$ -	\$ 247,191	\$ 642,356	\$ 433,935
Cash - internally restricted	-	-	-	-	34,530
Term deposits (Note 5)	100,000	-	500,104	600,104	305,570
Goods and services tax recoverable	1,205	-	1,435	2,640	2,655
Prepaid expenses (Note 4)	2,322	-	-	2,322	2,322
Due from related parties	-	-	291,921	291,921	32,685
	498,692	-	1,040,651	1,539,343	811,697
<b>TANGIBLE CAPITAL ASSETS (Net of accumulated amortization) (Note 6)</b>					
	-	218,348	-	218,348	222,614
	\$ 498,692	\$ 218,348	\$ 1,040,651	\$ 1,757,691	\$ 1,034,311

The accompanying notes form an integral part of these financial statements

**Palmer Leslie**  
Chartered Professional Accountants

# COWICHAN VALLEY HOSPICE SOCIETY

## Statement of Financial Position

December 31, 2018

(Unaudited)

	Operating Fund 2018	Capital Fund 2018	Externally Restricted Hospice House Fund 2018	Total 2018	Total 2017
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT</b>					
Accounts payable	\$ 4,970	\$ -	\$ -	\$ 4,970	\$ 4,846
Wages and benefits payable	25,731	-	52	25,783	13,055
Deferred income (Note 8)	968	-	1,040,599	1,041,567	606,941
Due to related parties	291,921	-	-	291,921	32,685
	323,590	-	1,040,651	1,364,241	657,527
<b>NET ASSETS</b>					
Net assets invested in capital	-	218,348	-	218,348	222,614
Internally restricted net assets	-	-	-	-	34,530
Unrestricted net assets	175,102	-	-	175,102	119,640
	175,102	218,348	-	393,450	376,784
	\$ 498,692	\$ 218,348	\$ 1,040,651	\$ 1,757,691	\$ 1,034,311

### APPROVED BY THE BOARD

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

The accompanying notes form an integral part of these financial statements

**Palmer Leslie**  
Chartered Professional Accountants

**COWICHAN VALLEY HOSPICE SOCIETY****Statement of Changes in Net Assets****Year Ended December 31, 2018***(Unaudited)*

	Operating Fund	Capital Fund	Externally Restricted Hospice House Fund	2018	2017
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 154,170	\$ 222,614	\$ -	<b>\$ 376,784</b>	\$ 285,142
Excess of revenues over expenses	20,932	(6,085)	-	<b>14,847</b>	91,642
Contributions during year	-	1,819	-	<b>1,819</b>	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 175,102</b>	<b>\$ 218,348</b>	<b>\$ -</b>	<b>\$ 393,450</b>	<b>\$ 376,784</b>

The accompanying notes form an integral part of these financial statements

**Palmer Leslie**  
Chartered Professional Accountants

**COWICHAN VALLEY HOSPICE SOCIETY**  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2018**

(Unaudited)

	Operating Fund	Capital Fund	Externally Restricted Hospice House Fund	Total 2018	Total 2017
	2018	2018	2018	2018	2017
<b>REVENUES</b>					
Donations	\$ 50,006	\$ -	\$ 188,513	\$ 238,519	\$ 159,249
Fundraising	188,186	-	-	188,186	185,474
Gaming	93,649	-	-	93,649	85,836
Cowichan Valley United Way	14,875	-	-	14,875	9,500
Central & North Vancouver Island United Way	-	-	-	-	9,500
CVRD grant	60,005	-	-	60,005	60,005
Miscellaneous grants	4,500	-	-	4,500	4,000
VIHA grants	18,067	-	-	18,067	17,062
Interest	29	-	6,608	6,637	573
Duncan Dabber Bingo Society distributions	-	-	-	-	6,300
Other	4,439	-	-	4,439	4,968
	433,756	-	195,121	628,877	542,467

**EXPENSES**

Advertising and promotion	3,346	-	16,017	19,363	21,030
Amortization	-	6,085	-	6,085	5,485
Bank charges and interest	2,229	-	130	2,359	2,809
Consulting fees	2,453	-	115,677	118,130	-
Donor Stewardship	-	-	61	61	1,267
Fundraising costs	52,198	-	-	52,198	53,073
Insurance	3,471	-	-	3,471	3,370
Licenses, dues and fees	1,406	-	-	1,406	915
Office and miscellaneous	6,227	-	930	7,157	3,865
Endowment fund contribution	7,500	-	-	7,500	-
Professional fees	7,705	-	-	7,705	7,213
Program materials and supplies	9,620	-	1,127	10,747	11,353

(continues)

The accompanying notes form an integral part of these financial statements

**Palmer Leslie**  
Chartered Professional Accountants



**COWICHAN VALLEY HOSPICE SOCIETY**  
**Statement of Revenues and Expenditures (continued)**  
**Year Ended December 31, 2018**  
*(Unaudited)*

	Operating Fund	Capital Fund	Externally Restricted Hospice House Fund	Total 2018	Total 2017
	2018	2018	2018	2018	2017
Property taxes	736	-	-	736	728
Repairs and maintenance	3,953	-	-	3,953	4,358
Small equipment purchases	2,064	-	-	2,064	3,259
Subcontract	256	-	-	256	574
Telephone	769	-	-	769	-
Training and development	5,926	-	-	5,926	9,613
Travel	2,839	-	275	3,114	2,003
Utilities	5,520	-	-	5,520	6,266
Volunteer expenses	625	-	-	625	427
Wages, benefits and salaries	293,981	-	60,904	354,885	313,217
	412,824	6,085	195,121	614,030	450,825
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ 20,932</b>	<b>\$ (6,085)</b>	<b>\$ -</b>	<b>\$ 14,847</b>	<b>\$ 91,642</b>

The accompanying notes form an integral part of these financial statements

**Palmer Leslie**  
Chartered Professional Accountants

# COWICHAN VALLEY HOSPICE SOCIETY

## Statement of Cash Flows

Year Ended December 31, 2018

(Unaudited)

	Operating Fund 2018	Capital Fund 2018	Externally Restricted Hospice House Fund 2018	Total 2018	Total 2017
<b>OPERATING ACTIVITIES</b>					
Excess (deficiency) of revenues	\$ 20,932	\$ (6,085)	\$ -	\$ 14,847	\$ 91,642
Item not affecting cash:					
Amortization of tangible capital assets	-	6,085	-	6,085	5,485
	20,932	-	-	20,932	97,127
Changes in non-cash working capital:					
Accounts receivable	-	-	-	-	447
Accounts payable	125	-	-	125	(747)
Deferred income	-	-	434,625	434,625	268,150
Goods and services tax payable	1,148	-	(1,135)	13	(1,488)
Wages payable	-	-	-	-	(7,878)
Employee deductions payable	12,676	-	54	12,730	5,166
	13,949	-	433,544	447,493	263,650
Cash flow from operating activities	34,881	-	433,544	468,425	360,777
<b>FINANCING ACTIVITY</b>					
Advances from related parties	324,606	-	(324,606)	-	-
Cash flow from (used by) financing activity	324,606	-	(324,606)	-	-
<b>INCREASE IN CASH FLOW</b>	359,487	-	108,938	468,425	360,777
Cash - beginning of year	135,678	-	638,357	774,035	413,258

(continues)

The accompanying notes form an integral part of these financial statements

**Palmer Leslie**  
Chartered Professional Accountants

# COWICHAN VALLEY HOSPICE SOCIETY

## Statement of Cash Flows (continued)

Year Ended December 31, 2018

(Unaudited)

	Operating Fund 2018	Capital Fund 2018	Externally Restricted Hospice House Fund 2018	Total 2018	Total 2017
<b>CASH - END OF YEAR</b>	495,165	-	747,295	1,242,460	774,035
<b>CASH CONSISTS OF:</b>					
Cash	\$ 395,165	\$ -	\$ 247,191	\$ 642,356	\$ 468,465
Term deposits (Note 6)	100,000	-	500,104	600,104	305,570
	\$ 495,165	\$ -	\$ 747,295	\$ 1,242,460	\$ 774,035

The accompanying notes form an integral part of these financial statements

**Palmer Leslie**  
Chartered Professional Accountants

# COWICHAN VALLEY HOSPICE SOCIETY

## Notes to Financial Statements

Year Ended December 31, 2018

Unaudited - See "REVIEW ENGAGEMENT REPORT" dated May 2, 2019.

### 1. OPERATIONS

Cowichan Valley Hospice Society ("the Society") is a Not-for-Profit community agency incorporated under the Society Act of British Columbia on April 15, 1981. Its purpose is to provide skilled and compassionate support services to the dying and bereaved and their families and friends, with sensitivity to their culture, values and beliefs.

The Society is registered as a Charity under the Income Tax Act (11887 8388 RR) and is therefore tax-exempt under Section 149(1)(f).

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Accounting standards

These financial statements have been prepared in accordance with standards for Not-for-Profit Organizations which is one of the financial reporting frameworks included in Canadian Generally Accepted Accounting Standards.

#### Fund accounting

The Society follows the deferral method of accounting for contributions. The Operating Fund reports unrestricted and restricted assets, liabilities, revenues and expenses related to the Society's activities. The Capital Fund reports the ownership, liabilities and equity related to the Society's capital assets. The Hospice House Fund reports the revenue and expenses related to the development and construction of a hospice facility in collaboration with Island Health.

#### Tangible capital assets

Property and equipment are stated at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Buildings	40 years	straight-line method
Furniture and fixtures	5 years	straight-line method
Computer equipment	3 years	straight-line method
Computer software	1 year	straight-line method

One-half of the year's amortization is recorded in the year of purchase and none in the year of disposal.

#### Cash

Cash includes cash on hand and balances with banks net of bank overdrafts.

(continues)

# COWICHAN VALLEY HOSPICE SOCIETY

## Notes to Financial Statements

Year Ended December 31, 2018

Unaudited - See "REVIEW ENGAGEMENT REPORT" dated May 2, 2019.

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

#### Revenue recognition

Revenue consists of donations, fundraising, grants, contributions and interest from savings.

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 if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

#### 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 amounts 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. All estimates are reviewed periodically and adjustments are made to the statements of operations as appropriate in the year they become known.

#### Donated services

A substantial number of volunteers contribute a significant amount of time each year to assist the Society in carrying out its activities and the value of the contributed services are not recognized in the financial statements. 12,060 volunteer hours were recorded in 2018 with an estimated value of \$20 per hour for a total of \$241,200 worth of volunteer time.

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### 3. FINANCIAL INSTRUMENTS

The society 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 society's risk exposure and concentration as of December 31, 2018.

#### ***(a) 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. In seeking to minimize the risks from interest rate fluctuations, the society manages exposure through its normal operating and financing activities. The society is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the society is not exposed to significant other price risks arising from these financial instruments.

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**COWICHAN VALLEY HOSPICE SOCIETY****Notes to Financial Statements****Year Ended December 31, 2018***Unaudited - See "REVIEW ENGAGEMENT REPORT" dated May 2, 2019.***4. PREPAID EXPENSES**

	<b>2018</b>	<b>2017</b>
Prepaid director insurance and other prepaid deposits	<b>\$ 2,322</b>	<b>\$ 2,322</b>

**5. TERM DEPOSIT**

The term deposit is externally restricted by a donors for residential hospice support and is held by a financial institution as follows:

	<b>2018</b>	<b>2017</b>
ISCU term deposit @ 2.0% to mature April 10, 2019	<b>\$ 500,104</b>	<b>\$ -</b>
ISCU term deposit @ .5% to mature May 25, 2018	<b>-</b>	<b>305,570</b>
ISCU term deposit @ 2.0% to mature April 10, 2019	<b>100,000</b>	<b>-</b>
	<b>\$ 600,104</b>	<b>\$ 305,570</b>

**6. TANGIBLE CAPITAL ASSETS**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2018 Net book value</b>	<b>2017 Net book value</b>
Land	\$ 70,100	\$ -	<b>\$ 70,100</b>	<b>\$ 70,100</b>
Buildings	203,887	57,287	<b>146,600</b>	<b>151,697</b>
Computer equipment	946	662	<b>284</b>	<b>473</b>
Computer software	3,120	1,756	<b>1,364</b>	<b>344</b>
Furniture and fixtures	16,923	16,923	<b>-</b>	<b>-</b>
	<b>\$ 294,976</b>	<b>\$ 76,628</b>	<b>\$ 218,348</b>	<b>\$ 222,614</b>

The Society recorded amortization of \$6,085 in the current year (2017 - \$5,485)

**7. BANK INDEBTEDNESS**

The Society holds a \$200,000 operating line of credit with Island Savings Credit Union with an interest rate of prime plus 1% per annum which is payable on demand and is secured by the land and building. The Society has not utilized this extended credit during the current fiscal year.

**COWICHAN VALLEY HOSPICE SOCIETY**

**Notes to Financial Statements**

**Year Ended December 31, 2018**

*Unaudited - See "REVIEW ENGAGEMENT REPORT" dated May 2, 2019.*

**8. DEFERRED REVENUE**

Deferred contributions represent donations and fundraised dollars received that remain unspent. Changes in the deferred contributions balance are as follows:

	<b>2018</b>	<b>2017</b>
Balance, beginning of year	<b>\$ 606,940</b>	<b>\$ 336,405</b>
Revenue received	<b>629,746</b>	<b>335,861</b>
Revenue recognized	<b>(195,121)</b>	<b>(65,325)</b>
Balance, end of year	<b>\$ 1,041,565</b>	<b>\$ 606,941</b>

**COWICHAN VALLEY HOSPICE SOCIETY**

**Fundraising Activities  
(Schedule 1)**

**Year Ended December 31, 2018**

*Unaudited - See "REVIEW ENGAGEMENT REPORT" dated May 2, 2019.*

	2018	2017
<b>Reel Alternatives:</b>		
Revenue	\$ 58,430	\$ 59,768
Expenses	(25,783)	(29,225)
Net revenue over expenses	<u>\$ 32,647</u>	<u>\$ 30,543</u>
<b>Hike for Hospice</b>		
Revenue	\$ 12,287	\$ 17,355
Expense	(1,819)	(1,696)
Net revenue over expenses	<u>\$ 10,468</u>	<u>\$ 15,659</u>
<b>Golf Tournament</b>		
Revenue	\$ 55,956	\$ 45,650
Expense	(14,205)	(13,348)
Net revenue over expenses	<u>\$ 41,751</u>	<u>\$ 32,302</u>
<b>Other</b>		
Revenue	\$ 61,514	\$ 62,701
Expense	(10,391)	(8,804)
Net revenue over expenses	<u>\$ 51,123</u>	<u>\$ 53,897</u>

The accompanying notes form an integral part of these financial statements

**Palmer Leslie**  
Chartered Professional Accountants