

COWICHAN VALLEY HOSPICE SOCIETY
Financial Statements
Year Ended December 31, 2019
(Unaudited)

COWICHAN VALLEY HOSPICE SOCIETY

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Year Ended December 31, 2019

(Unaudited)

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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, 2019 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.

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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, 2019, 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 20, 2020

CHARTERED PROFESSIONAL
ACCOUNTANTS

COWICHAN VALLEY HOSPICE SOCIETY

Statement of Financial Position

December 31, 2019

(Unaudited)

	Operating Fund 2019	Capital Fund 2019	Externally Restricted Hospice House Fund 2019	Total 2019	Total 2018
ASSETS					
CURRENT					
Cash	\$ 218,538	\$ -	\$ 332,889	\$ 551,427	\$ 642,356
Term deposits (Note 5)	152,000	-	4,422,658	4,574,658	600,104
Goods and services tax recoverable	1,888	-	-	1,888	2,640
Prepaid expenses (Note 4)	3,631	-	-	3,631	2,322
Due from related parties	-	-	2,901	2,901	291,921
	376,057	-	4,758,448	5,134,505	1,539,343
TANGIBLE CAPITAL ASSETS (Net of accumulated amortization) (Note 6)	-	219,352	-	219,352	218,348
LONG TERM INVESTMENTS (Note 5)	100,000	-	-	100,000	-
	\$ 476,057	\$ 219,352	\$ 4,758,448	\$ 5,453,857	\$ 1,757,691

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, 2019

(Unaudited)

	Operating Fund 2019	Capital Fund 2019	Externally Restricted Hospice House Fund 2019	Total 2019	Total 2018
LIABILITIES AND NET ASSETS					
CURRENT					
Accounts payable	\$ 7,983	\$ -	\$ 854	\$ 8,837	\$ 4,970
Wages and benefits payable	32,608	-	-	32,608	25,783
Deferred income (Note 8)	191,593	-	4,757,594	4,949,187	1,041,567
Due to related parties	2,901	-	-	2,901	291,921
	235,085	-	4,758,448	4,993,533	1,364,241
NET ASSETS					
Net assets invested in capital	-	219,352	-	219,352	218,348
Internally restricted net assets	-	-	-	-	-
Unrestricted net assets	240,972	-	-	240,972	175,102
	240,972	219,352	-	460,324	393,450
TOTAL LIABILITIES AND NET ASSETS	\$ 476,057	\$ 219,352	\$ 4,758,448	\$ 5,453,857	\$ 1,757,691

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, 2019***(Unaudited)*

	Operating Fund	Capital Fund	Externally Restricted Hospice House Fund	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 175,102	\$ 218,348	\$ -	\$ 393,450	\$ 378,603
Excess of revenues over expenses	65,870	(7,542)	-	58,328	14,847
Contributions during year	-	8,546	-	8,546	-
NET ASSETS - END OF YEAR	\$ 240,972	\$ 219,352	\$ -	\$ 460,324	\$ 393,450

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, 2019

(Unaudited)

	Operating Fund	Capital Fund	Externally Restricted Hospice House Fund	Total	Total
	2019	2019	2019	2019	2018
REVENUES					
Donations	\$ 105,626	\$ -	\$ 348,808	\$ 454,434	\$ 238,519
Fundraising	236,902	-	-	236,902	188,186
Gaming	96,901	-	-	96,901	93,649
Cowichan Valley United Way	4,375	-	-	4,375	14,875
CVRD grant	60,000	-	-	60,000	60,005
Miscellaneous grants	-	-	-	-	4,500
VIHA grants	24,441	-	-	24,441	18,067
Interest	2,184	-	22,978	25,162	6,637
Other	31,039	-	-	31,039	4,439
	561,468	-	371,786	933,254	628,877
EXPENSES					
Advertising and promotion	3,558	-	5,352	8,910	19,363
Amortization	-	7,542	-	7,542	6,085
Bank charges and interest	2,213	-	1,197	3,410	2,359
Consulting fees	840	-	28,867	29,707	118,130
Donor Stewardship	-	-	2,134	2,134	61
Fundraising costs	62,015	-	3,141	65,156	52,198
Insurance	3,535	-	-	3,535	3,471
Licenses, dues and fees	1,451	-	-	1,451	1,406
Office and miscellaneous	7,058	-	841	7,899	7,157
Endowment fund contribution	25,400	-	-	25,400	7,500
Design and construction	-	-	241,139	241,139	-
Professional fees	5,819	-	-	5,819	7,705
Program materials and supplies	15,438	-	-	15,438	10,747
Property taxes	759	-	-	759	736

(continues)

The accompanying notes form an integral part of these financial statements

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Chartered Professional Accountants

COWICHAN VALLEY HOSPICE SOCIETY

Statement of Revenues and Expenditures (continued)

Year Ended December 31, 2019

(Unaudited)

	Operating Fund	Capital Fund	Externally Restricted Hospice House Fund	Total 2019	Total 2018
	2019	2019	2019		
Repairs and maintenance	28,631	-	-	28,631	3,953
Small equipment purchases	8,546	-	-	8,546	2,064
Sub-contracts	2,965	-	-	2,965	256
Training and development	8,166	-	-	8,166	5,926
Travel	2,831	-	395	3,226	3,114
Utilities	6,600	-	-	6,600	6,289
Volunteer expenses	1,053	-	-	1,053	625
Wages, benefits and salaries	308,720	-	88,720	397,440	354,885
	495,598	7,542	371,786	874,926	614,030
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 65,870	\$ (7,542)	\$ -	\$ 58,328	\$ 14,847

The accompanying notes form an integral part of these financial statements

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Chartered Professional Accountants

COWICHAN VALLEY HOSPICE SOCIETY

Statement of Cash Flows

Year Ended December 31, 2019

(Unaudited)

	Operating Fund 2019	Capital Fund 2019	Externally Restricted Hospice House Fund 2019	Total 2019	Total 2018
OPERATING ACTIVITIES					
Excess (deficiency) of revenues	\$ 65,870	\$ (7,542)	\$ -	\$ 58,328	\$ 14,847
Item not affecting cash:					
Amortization of tangible capital assets	-	7,542	-	7,542	6,085
	65,870	-	-	65,870	20,932
Changes in non-cash working capital:					
Accounts payable	3,013	-	855	3,868	125
Deferred income	190,625	-	3,716,995	3,907,620	434,625
Prepaid expenses	(1,309)	-	-	(1,309)	-
Goods and services tax payable	(683)	-	1,436	753	13
Employee deductions payable	6,877	-	(54)	6,823	12,730
	198,523	-	3,719,232	3,917,755	447,493
Cash flow from operating activities	264,393	-	3,719,232	3,983,625	468,425
INVESTING ACTIVITY					
Term deposits	(100,000)	-	-	(100,000)	-
Cash flow from (used by) investing activity	(100,000)	-	-	(100,000)	-
FINANCING ACTIVITY					
Advances from (to) related parties	(289,020)	-	289,020	-	-
Cash flow from (used by) financing activity	(289,020)	-	289,020	-	-

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The accompanying notes form an integral part of these financial statements

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COWICHAN VALLEY HOSPICE SOCIETY

Statement of Cash Flows *(continued)*

Year Ended December 31, 2019

(Unaudited)

	Operating Fund 2019	Capital Fund 2019	Externally Restricted Hospice House Fund 2019	Total 2019	Total 2018
INCREASE (DECREASE) IN CASH FLOW					
Cash - beginning of year	(124,627)	-	4,008,252	3,883,625	468,425
	495,165	-	747,295	1,242,460	774,035
	370,538	-	4,755,547	5,126,085	1,242,460
CASH - END OF YEAR					
CASH CONSISTS OF:					
Cash	\$ 218,538	\$ -	\$ 332,889	\$ 551,427	\$ 642,356
Term deposits (Note 6)	152,000	-	4,422,658	4,574,658	600,104
	\$ 370,538	\$ -	\$ 4,755,547	\$ 5,126,085	\$ 1,242,460

The accompanying notes form an integral part of these financial statements

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COWICHAN VALLEY HOSPICE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2019

Unaudited - See "REVIEW ENGAGEMENT REPORT" dated May 20, 2020.

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.

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COWICHAN VALLEY HOSPICE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2019

Unaudited - See "REVIEW ENGAGEMENT REPORT" dated May 20, 2020.

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.

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. 9,917 volunteer hours were recorded in 2019 with an estimated value of \$20 per hour for a total of \$198,340 worth of volunteer time.

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, 2019.

(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.

COWICHAN VALLEY HOSPICE SOCIETY**Notes to Financial Statements****Year Ended December 31, 2019***Unaudited - See "REVIEW ENGAGEMENT REPORT" dated May 20, 2020.***4. PREPAID EXPENSES**

	2019	2018
Prepaid director insurance and other prepaid deposits	\$ 2,431	\$ 2,322
Prepaid ReelAlt CPAC deposit	1,200	-
	\$ 3,631	\$ 2,322

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:

	2019	2018
Short term:		
ISCU term deposit @ 3.2% to mature April 10, 2020	\$ 255,000	\$ -
ISCU term deposit @ 3.2% to mature April 10, 2020	255,000	-
ISCU term deposit @ 3.2% to mature June 7, 2020	100,000	-
ISCU term deposit @ 2.35% to mature December 7, 2020	2,000,000	-
ISCU term deposit @ 1.8% to mature August 12, 2020	400,000	-
ISCU term deposit @ 2.2% to mature February 8, 2020	500,000	-
ISCU term deposit @ 1.9% to mature October 11, 2020	500,000	-
ISCU term deposit @ 1.9% to mature October 11, 2020	412,658	-
ISCU term deposit @ 1.8% to mature August 12, 2020	50,000	-
ISCU term deposit @ 3.2% to mature April 10, 2020	102,000	-
ISCU term deposits	-	600,104
Subtotal	4,574,658	600,104
Long Term:		
ISCU term deposit @ .7% to mature August 12, 2022	100,000	-
	\$ 4,674,658	\$ 600,104

COWICHAN VALLEY HOSPICE SOCIETY**Notes to Financial Statements****Year Ended December 31, 2019***Unaudited - See "REVIEW ENGAGEMENT REPORT" dated May 20, 2020.***6. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Land	\$ 70,100	\$ -	\$ 70,100	\$ 70,100
Buildings	203,887	62,384	141,503	146,600
Computer equipment	6,212	1,378	4,834	284
Computer software	3,120	205	2,915	1,364
Furniture and fixtures	16,923	16,923	-	-
	<u>\$ 300,242</u>	<u>\$ 80,890</u>	<u>\$ 219,352</u>	<u>\$ 218,348</u>

The Society recorded amortization of \$7,542 in the current year (2018 - \$6,085)

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.

8. DEFERRED REVENUE

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

	2019	2018
Balance, beginning of year	\$ 1,041,567	\$ 606,940
Revenue received	4,279,406	629,748
Revenue recognized	(371,786)	(195,121)
Balance, end of year	<u>\$ 4,949,187</u>	<u>\$ 1,041,567</u>

9. COMMITMENTS

The Society entered into a operating lease for its photocopier. Monthly payments of \$149.42 plus taxes are required and the payments cease in March of 2024.

Minimum lease payment schedule:

2020	\$ 1,793
2021	1,793
2022	1,793
2023	1,793
2024	448
	<u>\$ 7,620</u>

Palmer Leslie
Chartered Professional Accountants

COWICHAN VALLEY HOSPICE SOCIETY**Fundraising Activities
(Schedule 1)****Year Ended December 31, 2019***Unaudited - See "REVIEW ENGAGEMENT REPORT" dated May 20, 2020.*

	2019	2018
Reel Alternatives:		
Revenue	\$ 76,216	\$ 58,430
Expenses	<u>(27,234)</u>	<u>(25,783)</u>
Net revenue over expenses	<u>\$ 48,982</u>	<u>\$ 32,647</u>
Hike for Hospice		
Revenue	\$ -	\$ 12,287
Expense	<u>-</u>	<u>(1,819)</u>
Net revenue over expenses	<u>\$ -</u>	<u>\$ 10,468</u>
Golf Tournament		
Revenue	\$ 63,712	\$ 55,956
Expense	<u>(14,979)</u>	<u>(14,205)</u>
Net revenue over expenses	<u>\$ 48,733</u>	<u>\$ 41,751</u>
Other		
Revenue	\$ 96,974	\$ 61,514
Expense	<u>(14,278)</u>	<u>(10,391)</u>
Net revenue over expenses	<u>\$ 82,696</u>	<u>\$ 51,123</u>

The accompanying notes form an integral part of these financial statements

Palmer Leslie
Chartered Professional Accountants