

COWICHAN VALLEY HOSPICE SOCIETY
Financial Statements
Year Ended December 31, 2020
(Unaudited)

COWICHAN VALLEY HOSPICE SOCIETY

Index to Financial Statements

Year Ended December 31, 2020

(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, 2020 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, 2020, 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 25, 2021

CHARTERED PROFESSIONAL
ACCOUNTANTS

COWICHAN VALLEY HOSPICE SOCIETY

Statement of Financial Position

December 31, 2020

(Unaudited)

	Operating Fund 2020	Capital Fund 2020	Externally Restricted Hospice House Fund 2020	Total 2020	Total 2019
ASSETS					
CURRENT					
Cash	\$ 265,115	\$ -	\$ 2,314,424	\$ 2,579,539	\$ 551,427
Term deposits (Note 5)	204,046	-	407,220	611,266	4,574,658
Accounts receivable	107,500	-	-	107,500	-
Goods and services tax recoverable	1,216	-	-	1,216	1,888
Prepaid expenses (Note 4)	2,669	-	-	2,669	3,631
Due from related parties	-	-	6,028	6,028	2,901
	580,546	-	2,727,672	3,308,218	5,134,505
TANGIBLE CAPITAL ASSETS (Net of accumulated amortization) (Note 6)					
	-	219,377	-	219,377	219,352
LONG TERM INVESTMENTS (Note 5)					
	100,702	-	-	100,702	100,000
	<u>\$ 681,248</u>	<u>\$ 219,377</u>	<u>\$ 2,727,672</u>	<u>\$ 3,628,297</u>	<u>\$ 5,453,857</u>

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, 2020

(Unaudited)

	Operating Fund 2020	Capital Fund 2020	Externally Restricted Hospice House Fund 2020	Total 2020	Total 2019
LIABILITIES AND NET ASSETS					
CURRENT					
Accounts payable	\$ 7,225	\$ -	\$ 798,784	\$ 806,009	\$ 8,837
Wages and benefits payable	36,362	-	-	36,362	32,608
Deferred income (Note 8)	191,593	-	1,928,888	2,120,481	4,949,187
Due to related parties	6,028	-	-	6,028	2,901
	241,208	-	2,727,672	2,968,880	4,993,533
NET ASSETS					
Net assets invested in capital	-	219,377	-	219,377	219,352
Unrestricted net assets	440,040	-	-	440,040	240,972
	440,040	219,377	-	659,417	460,324
TOTAL LIABILITIES AND NET ASSETS	\$ 681,248	\$ 219,377	\$ 2,727,672	\$ 3,628,297	\$ 5,453,857

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, 2020

(Unaudited)

	Operating Fund	Capital Fund	Externally Restricted Hospice House Fund	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 240,971	\$ 219,352	\$ -	\$ 460,323	\$ 401,995
Excess of revenues over expenses	201,041	(8,908)	6,961	199,094	58,328
Capital Assets Purchased	(1,972)	8,933	(6,961)	-	-
NET ASSETS - END OF YEAR	\$ 440,040	\$ 219,377	\$ -	\$ 659,417	\$ 460,323

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, 2020

(Unaudited)

	Operating Fund	Capital Fund	Externally Restricted Hospice House Fund	Total 2020	Total 2019
	2020	2020	2020		
REVENUES					
Donations	\$ 98,610	\$ -	\$ 3,293,467	\$ 3,392,077	\$ 454,434
Fundraising	153,387	-	100	153,487	236,902
Gaming	156,911	-	-	156,911	96,901
Cowichan Valley United Way	8,013	-	-	8,013	4,375
CVRD grant	61,000	-	-	61,000	60,000
VIHA grants	18,491	-	-	18,491	24,441
Interest	4,054	-	116,809	120,863	25,162
Government assistance	104,268	-	-	104,268	-
Other	26,962	-	-	26,962	31,039
	631,696	-	3,410,376	4,042,072	933,254
EXPENSES					
Advertising and promotion	2,310	-	2,827	5,137	8,910
Amortization	-	8,908	-	8,908	7,542
Bank charges and interest	2,407	-	779	3,186	3,410
Consulting fees	-	-	6,446	6,446	29,707
Donor stewardship	-	-	9,365	9,365	2,134
Fundraising costs	12,634	-	4,000	16,634	65,156
Insurance	3,760	-	-	3,760	3,535
Licenses, dues and fees	1,151	-	-	1,151	1,451
Office and miscellaneous	6,055	-	379	6,434	7,899
Endowment fund contribution	1,400	-	-	1,400	25,400
Donation of Hospice House design and construction	-	-	3,307,576	3,307,576	241,139
Professional fees	7,175	-	-	7,175	5,819
Program materials and supplies	9,523	-	409	9,932	15,438
Property taxes	791	-	-	791	759

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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, 2020

(Unaudited)

	Operating Fund	Capital Fund	Externally Restricted Hospice House Fund	Total 2020	Total 2019
	2020	2020	2020		
Repairs and maintenance	19,275	-	-	19,275	28,631
Small equipment purchases	4,879	-	107	4,986	8,546
Sub-contracts	2,380	-	-	2,380	2,965
Training and development	6,381	-	-	6,381	8,166
Travel	1,023	-	-	1,023	3,226
Utilities	6,817	-	-	6,817	6,600
Volunteer expenses	346	-	-	346	1,053
Wages, benefits and salaries	342,348	-	71,527	413,875	397,440
	430,655	8,908	3,403,415	3,842,978	874,926
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 201,041	\$ (8,908)	\$ 6,961	\$ 199,094	\$ 58,328

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, 2020

(Unaudited)

	Operating Fund 2020	Capital Fund 2020	Externally Restricted Hospice House Fund 2020	Total 2020	Total 2019
OPERATING ACTIVITIES					
Excess (deficiency) of revenues	\$ 201,041	\$ (8,908)	\$ 6,961	\$ 199,094	\$ 58,328
Item not affecting cash:					
Amortization of tangible capital assets	-	8,908	-	8,908	7,542
	201,041	-	6,961	208,002	65,870
Changes in non-cash working capital:					
Accounts receivable	(107,500)	-	-	(107,500)	-
Accounts payable	(760)	-	797,932	797,172	3,868
Deferred income	-	-	(2,828,706)	(2,828,706)	3,907,620
Prepaid expenses	962	-	-	962	(1,309)
Goods and services tax payable	673	-	-	673	753
Employee deductions payable	3,754	-	-	3,754	6,823
	(102,871)	-	(2,030,774)	(2,133,645)	3,917,755
Cash flow from operating activities	98,170	-	(2,023,813)	(1,925,643)	3,983,625
INVESTING ACTIVITIES					
Purchase of tangible capital assets	-	(8,933)	-	(8,933)	-
Term deposits	(702)	-	-	(702)	(100,000)
Cash flow from (used by) investing activities	(702)	(8,933)	-	(9,635)	(100,000)
FINANCING ACTIVITIES					
Advances from related parties	3,127	-	(3,127)	-	-
Interfund transfer for purchase of capital assets	(1,972)	8,933	(6,961)	-	-

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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, 2020

(Unaudited)

	Operating Fund 2020	Capital Fund 2020	Externally Restricted Hospice House Fund 2020	Total 2020	Total 2019
Cash flow from (used by) financing activities	1,155	8,933	(10,088)	-	-
INCREASE (DECREASE) IN CASH FLOW	98,623	-	(2,033,901)	(1,935,278)	3,883,625
Cash - beginning of year	370,538	-	4,755,545	5,126,085	1,242,460
CASH - END OF YEAR	469,161	-	2,721,644	3,190,807	5,126,085
CASH CONSISTS OF:					
Cash	\$ 265,115	\$ -	\$ 2,314,424	\$ 2,579,539	\$ 551,427
Term deposits (Note 6)	204,046	-	407,220	611,266	4,574,658
	\$ 469,161	\$ -	\$ 2,721,644	\$ 3,190,805	\$ 5,126,085

The accompanying notes form an integral part of these financial statements

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Chartered Professional Accountants

COWICHAN VALLEY HOSPICE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

Unaudited - See "REVIEW ENGAGEMENT REPORT" dated May 25, 2021.

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, 2020

Unaudited - See "REVIEW ENGAGEMENT REPORT" dated May 25, 2021.

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. 6,295 volunteer hours were recorded in 2020 with an estimated value of \$20 per hour for a total of \$125,900 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, 2020.

(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, 2020***Unaudited - See "REVIEW ENGAGEMENT REPORT" dated May 25, 2021.***4. PREPAID EXPENSES**

	2020	2019
Prepaid director insurance and other prepaid deposits	\$ 2,669	\$ 2,431
Prepaid ReelAlt CPAC deposit	-	1,200
	\$ 2,669	\$ 3,631

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:

	2020	2019
Short term:		
ISCU term deposit @ 3.2% to mature April 10, 2021	\$ 104,046	\$ -
ISCU term deposit @ 3.2% to mature August 13, 2021	100,000	-
ISCU term deposit @ 3.2% to mature August 13, 2021	407,220	-
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
Subtotal	611,266	4,574,658
Long Term:		
ISCU term deposit @ .7% to mature August 12, 2022	100,702	100,000
	\$ 711,968	\$ 4,674,658

COWICHAN VALLEY HOSPICE SOCIETY**Notes to Financial Statements****Year Ended December 31, 2020***Unaudited - See "REVIEW ENGAGEMENT REPORT" dated May 25, 2021.***6. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Land	\$ 70,100	\$ -	\$ 70,100	\$ 70,100
Buildings	203,887	67,481	136,406	141,503
Computer equipment	7,418	2,741	4,677	4,834
Computer software	3,886	1,956	1,930	2,915
Furniture and fixtures	23,883	17,619	6,264	-
	<u>\$ 309,174</u>	<u>\$ 89,797</u>	<u>\$ 219,377</u>	<u>\$ 219,352</u>

The Society recorded amortization of \$8,908 in the current year (2019 - \$7,542).

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:

	2020	2019
Balance, beginning of year	\$ 4,949,187	\$ 1,041,567
Revenue received	-	4,279,406
Revenue recognized	(2,828,706)	(371,786)
Balance, end of year	<u>\$ 2,120,481</u>	<u>\$ 4,949,187</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:

2021	\$ 1,793
2022	1,793
2023	1,793
2024	448
	<u>\$ 5,827</u>

Palmer Leslie
Chartered Professional Accountants

COWICHAN VALLEY HOSPICE SOCIETY**Fundraising Activities
(Schedule 1)****Year Ended December 31, 2020***Unaudited - See "REVIEW ENGAGEMENT REPORT" dated May 25, 2021.*

	2020	2019
Reel Alternatives:		
Revenue	\$ 38,963	\$ 76,216
Expenses	<u>(6,190)</u>	<u>(27,234)</u>
Net revenue over expenses	<u>\$ 32,773</u>	<u>\$ 48,982</u>
Direct Mail		
Revenue	\$ 93,478	\$ 52,949
Expense	<u>(4,763)</u>	<u>(6,028)</u>
Net revenue over expenses	<u>\$ 88,715</u>	<u>\$ 46,921</u>
Golf Tournament		
Revenue	\$ -	\$ 63,712
Expense	<u>-</u>	<u>(20,503)</u>
Net revenue over expenses	<u>\$ -</u>	<u>\$ 43,209</u>
Other		
Revenue	\$ 21,046	\$ 96,974
Expense	<u>(5,681)</u>	<u>(14,278)</u>
Net revenue over expenses	<u>\$ 15,365</u>	<u>\$ 82,696</u>

The accompanying notes form an integral part of these financial statements

Palmer Leslie
Chartered Professional Accountants