

COWICHAN VALLEY HOSPICE SOCIETY

Financial Statements

Year Ended December 31, 2022

(Unaudited)

COWICHAN VALLEY HOSPICE SOCIETY

Index to Financial Statements

Year Ended December 31, 2022

(Unaudited)

	Page
REVIEW ENGAGEMENT REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3 - 4
Statement of Changes in Net Assets	5
Statement of Revenues and Expenditures	6 - 7
Statement of Cash Flows	8 - 9
Notes to Financial Statements	10 - 13
Fundraising Activities (<i>Schedule 1</i>)	14



Alex E. Palmer, C.P.A., C.A.*
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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, 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, 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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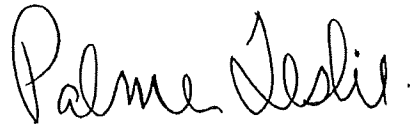
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Independent Practitioner's Review Engagement Report to the Directors of Cowichan Valley Hospice Society *(continued)*

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, 2022, 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.

A handwritten signature in black ink, appearing to read "Palmer Leslie". The signature is fluid and cursive, with a small mark at the end.

Duncan, British Columbia
May 24, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

COWICHAN VALLEY HOSPICE SOCIETY
Statement of Financial Position
December 31, 2022
(Unaudited)

	Operating Fund 2022	Capital Fund 2022	Externally Restricted Hospice House Fund 2022	Total 2022	Total 2021
ASSETS					
CURRENT					
Cash	\$ 263,438	\$ -	\$ 150,535	\$ 413,973	\$ 561,460
Term deposits <i>(Note 5)</i>	203,622	-	1,560,700	1,764,322	1,559,921
Accounts receivable	620	-	-	620	3,818
Interest receivable	9,122	-	19,368	28,490	11,482
Goods and services tax recoverable	1,762	-	2	1,764	1,259
Prepaid expenses <i>(Note 4)</i>	5,818	-	-	5,818	3,357
Due to (from) related parties	42,090	-	(42,090)	-	9,351
	526,472	-	1,688,515	2,214,987	2,150,648
TANGIBLE CAPITAL ASSETS <i>(Net of accumulated amortization) (Note 6)</i>	-	260,498	-	260,498	267,093
LONG TERM INVESTMENTS <i>(Note 5)</i>	313,131	-	-	313,131	500,000
	<u>\$ 839,603</u>	<u>\$ 260,498</u>	<u>\$ 1,688,515</u>	<u>\$ 2,788,616</u>	<u>\$ 2,917,741</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, 2022
(Unaudited)

	Operating Fund 2022	Capital Fund 2022	Externally Restricted Hospice House Fund 2022	Total 2022	Total 2021
LIABILITIES AND NET ASSETS					
CURRENT					
Accounts payable	\$ 14,746	\$ -	\$ 7,556	\$ 22,302	\$ 23,402
Wages and benefits payable	39,696	-	-	39,696	34,905
Deferred income <i>(Note 8)</i>	152,529	-	1,680,959	1,833,488	1,979,460
Due to related parties	-	-	-	-	9,351
	206,971	-	1,688,515	1,895,486	2,047,118
NET ASSETS					
Net assets invested in capital	-	260,498	-	260,498	267,092
Unrestricted net assets	632,632	-	-	632,632	603,531
	632,632	260,498	-	893,130	870,623
TOTAL LIABILITIES AND NET ASSETS	\$ 839,603	\$ 260,498	\$ 1,688,515	\$ 2,788,616	\$ 2,917,741

APPROVED BY THE BOARD

 Director
 Director

<--SIGN HERE

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, 2022
(Unaudited)

	Operating Fund	Capital Fund	Externally Restricted Hospice House Fund	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 603,531	\$ 267,092	\$ -	\$ 870,623	\$ 659,416
Excess of revenues over expenses	31,450	(12,443)	3,500	22,507	211,207
Capital Assets Purchased	(2,349)	5,849	(3,500)	-	-
	-	-	-	-	-
NET ASSETS - END OF YEAR	\$ 632,632	\$ 260,498	\$ -	\$ 893,130	\$ 870,623

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, 2022
(Unaudited)

	Operating Fund	Capital Fund	Externally Restricted Hospice House Fund	Total	Total
	2022	2022	2022	2022	2021
REVENUES					
Donations	\$ 206,207	\$ -	\$ 204,599	\$ 410,806	\$ 541,205
Fundraising	192,235	-	-	192,235	218,495
Gaming	100,662	-	-	100,662	98,774
Cowichan Valley United Way	1,500	-	-	1,500	5,838
CVRD grant	61,000	-	-	61,000	61,007
Miscellaneous grants	-	-	3,195	3,195	3,195
VIHA grants	19,157	-	-	19,157	19,157
Interest	12,523	-	26,783	39,306	22,625
Other	7,365	-	-	7,365	62,226
	600,649	-	234,577	835,226	1,032,522
EXPENSES					
Advertising and promotion	6,961	-	-	6,961	5,047
Amortization	-	12,443	-	12,443	11,733
Bank charges and interest	4,323	-	454	4,777	5,221
Consulting fees	868	-	-	868	1,595
Donor stewardship	-	-	810	810	1,829
Fundraising costs	26,817	-	1,961	28,778	8,207
Insurance	5,245	-	-	5,245	4,348
Licenses, dues and fees	2,147	-	-	2,147	2,259
Office and miscellaneous	7,230	-	-	7,230	5,582
Endowment fund contribution	1,100	-	-	1,100	-
Donation of Hospice House design and construction	-	-	18,798	18,798	195,116
Professional fees	8,645	-	-	8,645	7,457
Program materials and supplies	17,486	-	11,288	28,774	25,755
Property taxes	869	-	-	869	867
Repairs and maintenance	5,671	-	-	5,671	4,872

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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, 2022
(Unaudited)

	Operating Fund	Capital Fund	Externally Restricted Hospice House Fund	Total	Total
	2022	2022	2022	2022	2021
Small equipment purchases	10,470	-	4,413	14,883	7,187
Sub-contracts	6,845	-	-	6,845	5,005
Training and development	12,542	-	108	12,650	12,098
Travel	2,746	-	-	2,746	2,614
Utilities	6,291	-	-	6,291	5,704
Volunteer expenses	1,267	-	-	1,267	509
Wages, benefits and salaries	441,676	-	193,245	634,921	508,310
	569,199	12,443	231,077	812,719	821,315
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 31,450	\$ (12,443)	\$ 3,500	\$ 22,507	\$ 211,207

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, 2022
(Unaudited)

	Operating Fund 2022	Capital Fund 2022	Externally Restricted Hospice House Fund 2022	Total 2022	Total 2021
OPERATING ACTIVITIES					
Excess (deficiency) of revenues	\$ 31,450	\$ (12,443)	\$ 3,500	\$ 22,507	\$ 211,207
Item not affecting cash:					
Amortization of tangible capital assets	-	12,443	-	12,443	11,733
	31,450	-	3,500	34,950	222,940
Changes in non-cash working capital:					
Accounts receivable	3,198	-	-	3,198	103,685
Interest receivable	(5,615)	-	(11,393)	(17,008)	(11,482)
Accounts payable	4,246	-	(5,345)	(1,099)	(782,611)
Deferred income	9,122	-	(155,094)	(145,972)	(141,021)
Prepaid expenses	(2,461)	-	-	(2,461)	(688)
Goods and services tax payable	(503)	-	(2)	(505)	(43)
Employee deductions payable	4,791	-	-	4,791	(1,457)
	12,778	-	(171,834)	(159,056)	(833,617)
Cash flow from operating activities	44,228	-	(168,334)	(124,106)	(610,677)
INVESTING ACTIVITIES					
Purchase of tangible capital assets	-	(5,849)	-	(5,849)	(59,449)
Long term Investments	(313,131)	-	500,000	186,869	(399,298)
Cash flow from (used by) investing activities	(313,131)	(5,849)	500,000	181,020	(458,747)
FINANCING ACTIVITIES					
Advances from (to) related parties	(32,739)	-	32,739	-	-
Interfund transfer for purchase of capital assets	(2,349)	5,849	(3,500)	-	-

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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, 2022
(Unaudited)

	Operating Fund 2022	Capital Fund 2022	Externally Restricted Hospice House Fund 2022	Total 2022	Total 2021
Cash flow from (used by) financing activities	(35,088)	5,849	29,239	-	-
INCREASE (DECREASE) IN CASH FLOW	(303,991)	-	360,905	56,914	(1,069,424)
Cash - beginning of year	771,051	-	1,350,330	2,121,381	3,190,805
CASH - END OF YEAR	467,060	-	1,711,235	2,178,295	2,121,381
CASH CONSISTS OF:					
Cash	\$ 263,438	\$ -	\$ 150,535	\$ 413,973	\$ 561,460
Term deposits (Note 5)	203,622	-	1,560,700	1,764,322	1,559,921
	\$ 467,060	\$ -	\$ 1,711,235	\$ 2,178,295	\$ 2,121,381

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, 2022

Unaudited - See "REVIEW ENGAGEMENT REPORT" dated May 24, 2023.

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, 2022

Unaudited - See "REVIEW ENGAGEMENT REPORT" dated May 24, 2023.

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. 5,598 volunteer hours were recorded in 2022 with an estimated value of \$20 per hour for a total of \$111,960 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, 2022.

(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, 2022***Unaudited - See "REVIEW ENGAGEMENT REPORT" dated May 24, 2023.***4. PREPAID EXPENSES**

	2022	2021
Prepaid director insurance and other prepaid deposits	\$ 5,568	\$ 3,357
Prepaid ReelAlt CPAC deposit	250	-
	\$ 5,818	\$ 3,357

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:

	2022	2021
Short term:		
ISCU term deposit @ 1.3% to mature August 20, 2023	\$ 506,500	\$ -
ISCU term deposit @ 4.0% to mature August 20, 2023	354,200	-
ISCU term deposit @ 1.9% to mature October 10, 2023	700,000	-
ISCU term deposit @ 4.0% to mature August 20, 2023	102,422	-
ISCU term deposit @ 4.0% to mature August 20, 2023	101,200	-
ISCU term deposit @ 3.8% to mature August 12, 2022	-	102,955
ISCU term deposit @ 1.050% to mature April 10, 2022	-	105,758
ISCU term deposit @ 1.20% to mature August 20, 2022	-	101,208
ISCU term deposit @ 0.85% to mature August 20, 2022	-	100,000
ISCU term deposit @ 0.85% to mature August 20, 2022	-	100,000
ISCU term deposit @ 0.65% to mature February 8, 2022	-	350,000
ISCU term deposit @ 0.65% to mature February 8, 2022	-	350,000
ISCU term deposit @ 1.2% to mature August 20, 2022	-	350,000
ISCU term deposit @ 1.3% to mature April 10, 2020	-	-
Subtotal	1,764,322	1,559,921
Long Term:		
ISCU term deposit @ 3.4% to mature June 3, 2024	313,131	-
ISCU term deposit @ 1.3% to mature August 20, 2023	-	500,000
	\$ 2,077,453	\$ 2,059,921

Palmer Leslie
Chartered Professional Accountants

COWICHAN VALLEY HOSPICE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2022

Unaudited - See "REVIEW ENGAGEMENT REPORT" dated May 24, 2023.

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land	\$ 70,100	\$ -	\$ 70,100	\$ 70,100
Buildings	203,887	77,675	126,211	131,309
Computer equipment	9,989	6,110	3,879	3,845
Computer software	3,886	3,886	-	192
Furniture and fixtures	86,610	26,302	60,308	61,648
	<u>\$ 374,472</u>	<u>\$ 113,973</u>	<u>\$ 260,498</u>	<u>\$ 267,093</u>

The Society recorded amortization of \$12,443 in the current year (2021 - \$11,733).

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:

	2022	2021
Balance, beginning of year	\$ 1,979,460	\$ 2,120,481
Revenue received	-	-
Revenue recognized	(145,972)	(141,021)
Balance, end of year	<u>\$ 1,833,488</u>	<u>\$ 1,979,460</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:

2023	\$ 1,793
2024	448
	<u>\$ 2,241</u>

Palmer Leslie
Chartered Professional Accountants

COWICHAN VALLEY HOSPICE SOCIETY**Fundraising Activities****(Schedule 1)****Year Ended December 31, 2022***Unaudited - See "REVIEW ENGAGEMENT REPORT" dated May 24, 2023.*

	2022	2021
Reel Alternatives:		
Revenue	\$ 39,968	\$ 3,444
Expenses	<u>(18,197)</u>	<u>(384)</u>
Net revenue over expenses	<u>\$ 21,771</u>	<u>\$ 3,060</u>
Direct Mail		
Revenue	\$ 97,067	\$ 128,179
Expense	<u>(5,328)</u>	<u>(4,926)</u>
Net revenue over expenses	<u>\$ 91,739</u>	<u>\$ 123,253</u>
Other - 3rd Party Events		
Revenue	\$ 55,199	\$ 86,871
Expense	<u>(5,252)</u>	<u>(2,896)</u>
Net revenue over expenses	<u>\$ 49,947</u>	<u>\$ 83,975</u>

The accompanying notes form an integral part of these financial statements

Palmer Leslie
Chartered Professional Accountants