

COWICHAN VALLEY HOSPICE SOCIETY
Financial Statements
Year Ended December 31, 2023

COWICHAN VALLEY HOSPICE SOCIETY
Index to Financial Statements
Year Ended December 31, 2023

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of Cowichan Valley Hospice Society

We have reviewed the accompanying financial statements of Cowichan Valley Hospice Society that comprise the statement of financial position as at December 31, 2023, and the statements of changes in net assets, revenues and expenditures 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.

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.

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 Cowichan Valley Hospice Society as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Duncan, British Columbia
May 29, 2024

A handwritten signature in black ink that reads 'Palmer Leslie'.

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COWICHAN VALLEY HOSPICE SOCIETY
Statement of Financial Position
December 31, 2023


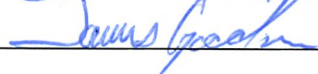
| | Operating Fund 2023 | Capital Fund 2023 | Externally Restricted Hospice House Fund 2023 | Total 2023 | Total 2022 |
|---|---------------------------|----------------------|---|---------------|---------------|
| ASSETS | | | | | |
| CURRENT | | | | | |
| Cash | \$ 244,673 | \$ - | \$ 227,815 | \$ 472,488 | \$ 413,973 |
| Term deposits (Notes 5, 6) | 323,778 | - | 922,286 | 1,246,064 | 1,764,322 |
| Accounts receivable | 961 | - | - | 961 | 620 |
| Interest receivable | 6,364 | - | 7,990 | 14,354 | 28,490 |
| GST receivable | 3,574 | - | - | 3,574 | 1,764 |
| Prepaid expenses | 5,593 | - | - | 5,593 | 5,818 |
| Due from (to) related parties | 81,240 | - | (81,240) | - | - |
| | 666,183 | - | 1,076,851 | 1,743,034 | 2,214,987 |
| TANGIBLE CAPITAL ASSETS (Net of accumulated amortization) (Note 7) | - | 337,831 | - | 337,831 | 260,498 |
| LONG TERM INVESTMENTS (Notes 5, 6) | - | - | 513,085 | 513,085 | 313,131 |
| | \$ 666,183 | \$ 337,831 | \$ 1,589,936 | \$ 2,593,950 | \$ 2,788,616 |

The accompanying notes form an integral part of these financial statements

COWICHAN VALLEY HOSPICE SOCIETY
Statement of Financial Position
December 31, 2023

| | Operating Fund 2023 | Capital Fund 2023 | Externally Restricted Hospice House Fund 2023 | Total 2023 | Total 2022 |
|-----------------------------------|---------------------------|----------------------|---|---------------|---------------|
| LIABILITIES AND NET ASSETS | | | | | |
| CURRENT | | | | | |
| Accounts payable | \$ 18,315 | \$ - | \$ 536 | \$ 18,851 | \$ 22,302 |
| Wages and benefits payable | 48,051 | - | - | 48,051 | 39,696 |
| Deferred revenue (Note 9) | - | - | 1,589,400 | 1,589,400 | 1,833,488 |
| | 66,366 | - | 1,589,936 | 1,656,302 | 1,895,486 |
| NET ASSETS | | | | | |
| Net assets invested in capital | - | 337,831 | - | 337,831 | 260,498 |
| Unrestricted net assets | 599,817 | - | - | 599,817 | 632,632 |
| | 599,817 | 337,831 | - | 937,648 | 893,130 |
| | \$ 666,183 | \$ 337,831 | \$ 1,589,936 | \$ 2,593,950 | \$ 2,788,616 |

ON BEHALF OF THE BOARD

 _____ Director
 _____ Director

The accompanying notes form an integral part of these financial statements

COWICHAN VALLEY HOSPICE SOCIETY

Statement of Changes in Net Assets

Year Ended December 31, 2023

| | Operating Fund | Capital Fund | Externally Restricted Hospice House Fund | 2023 | 2022 |
|---|-------------------|-------------------|---|-------------------|-------------------|
| NET ASSETS - BEGINNING OF YEAR | \$ 632,632 | \$ 260,498 | \$ - | \$ 893,130 | \$ 870,623 |
| Excess of revenues over expenses | 60,702 | (16,186) | - | 44,516 | 22,507 |
| | - | - | - | - | - |
| Capital Assets Purchased | (93,517) | 93,517 | - | - | - |
| NET ASSETS - END OF YEAR | \$ 599,817 | \$ 337,831 | \$ - | \$ 937,647 | \$ 893,130 |

The accompanying notes form an integral part of these financial statements

COWICHAN VALLEY HOSPICE SOCIETY
Statement of Revenues and Expenditures
Year Ended December 31, 2023

| | Operating Fund 2023 | Capital Fund 2023 | Externally Restricted Hospice House Fund 2023 | Total 2023 | Total 2022 |
|--|---------------------------|-------------------------|---|---------------|---------------|
| REVENUES | | | | | |
| Donations | \$ 346,706 | \$ - | \$ 107,679 | \$ 454,385 | \$ 410,806 |
| Fundraising | 263,674 | - | - | 263,674 | 192,235 |
| Gaming | 102,415 | - | - | 102,415 | 100,662 |
| Cowichan Valley United Way | - | - | - | - | 1,500 |
| CVRD grant | 62,000 | - | - | 62,000 | 61,000 |
| VIHA grants | 22,406 | - | - | 22,406 | 19,157 |
| Interest | 16,109 | - | 31,728 | 47,837 | 39,306 |
| Other | 44,294 | - | - | 44,294 | 10,560 |
| | 857,604 | - | 139,407 | 997,011 | 835,226 |
| EXPENSES | | | | | |
| Advertising and promotion | 3,500 | - | - | 3,500 | 6,961 |
| Amortization | - | 16,186 | - | 16,186 | 12,443 |
| Bank charges and interest | 4,888 | - | 99 | 4,987 | 4,777 |
| Consulting fees | 2,379 | - | - | 2,379 | 868 |
| Donation of Hospice House design and construction | - | - | - | - | 18,798 |
| Donor stewardship | 5,256 | - | - | 5,256 | 2,162 |
| Endowment fund contribution | 1,200 | - | - | 1,200 | 1,100 |
| Fundraising costs | 48,880 | - | 2,084 | 50,964 | 27,426 |
| Insurance | 5,822 | - | - | 5,822 | 5,245 |
| Licenses, dues and fees | 1,224 | - | - | 1,224 | 2,147 |
| Office and miscellaneous | 8,975 | - | - | 8,975 | 7,230 |
| Professional fees | 13,262 | - | - | 13,262 | 8,645 |
| Program materials and supplies | 19,334 | - | 12,284 | 31,618 | 28,774 |
| Property taxes | 408 | - | - | 408 | 869 |
| Repairs and maintenance | 4,780 | - | - | 4,780 | 5,671 |
| Small equipment purchases | 10,629 | - | 45 | 10,674 | 14,883 |
| Sub-contracts | 6,010 | - | - | 6,010 | 6,845 |
| Training and development | 16,969 | - | 1,800 | 18,769 | 12,650 |
| Travel | 2,885 | - | - | 2,885 | 2,746 |
| Utilities | 7,186 | - | - | 7,186 | 6,291 |
| Volunteer expenses | 1,203 | - | - | 1,203 | 1,267 |
| Wages, benefits and salaries | 632,112 | - | 123,095 | 755,207 | 634,921 |
| | 796,902 | 16,186 | 139,407 | 952,495 | 812,719 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | \$ 60,702 | \$ (16,186) | \$ - | \$ 44,516 | \$ 22,507 |

The accompanying notes form an integral part of these financial statements

COWICHAN VALLEY HOSPICE SOCIETY

Statement of Cash Flows

Year Ended December 31, 2023

| | Operating Fund 2023 | Capital Fund 2023 | Externally Restricted Hospice House Fund 2023 | Total 2023 | Total 2022 |
|---|------------------------|----------------------|---|---------------|---------------|
| OPERATING ACTIVITIES | | | | | |
| Excess (deficiency) of revenues over expenses | \$ 60,702 | \$ (16,186) | \$ - | \$ 44,516 | \$ 22,507 |
| Item not affecting cash: | | | | | |
| Amortization of tangible capital assets | - | 16,186 | - | 16,186 | 12,443 |
| | 60,702 | - | - | 60,702 | 34,950 |
| Changes in non-cash working capital: | | | | | |
| Accounts receivable | (341) | - | - | (341) | 3,199 |
| Interest receivable | 2,758 | - | 11,378 | 14,136 | (17,008) |
| Accounts payable | 3,570 | - | (7,016) | (3,446) | (1,099) |
| Deferred revenue | (152,529) | - | (91,559) | (244,088) | (145,972) |
| Prepaid expenses | 225 | - | - | 225 | (2,461) |
| Goods and services tax payable | (1,812) | - | (2) | (1,814) | (505) |
| Wages and benefits payable | 8,355 | - | - | 8,355 | 4,791 |
| | (139,774) | - | (87,199) | (226,973) | (159,055) |
| Cash flow from (used by) operating activities | (79,072) | - | (87,199) | (166,271) | (124,105) |
| INVESTING ACTIVITIES | | | | | |
| Purchase of tangible capital assets | (93,518) | - | - | (93,518) | (5,849) |
| Long term Investments | 313,131 | - | (513,085) | (199,954) | 186,869 |
| Cash flow from (used by) investing activities | 219,613 | - | (513,085) | (293,472) | 181,020 |
| FINANCING ACTIVITY | | | | | |
| Advances from related parties | (39,150) | - | 39,150 | - | - |
| Cash flow from (used by) financing activity | (39,150) | - | 39,150 | - | - |
| INCREASE (DECREASE) IN CASH FLOW | 101,391 | - | (561,134) | (459,743) | 56,914 |
| Cash - beginning of year | 467,060 | - | 1,711,235 | 2,178,295 | 2,121,381 |
| CASH - END OF YEAR | \$ 568,451 | \$ - | \$ 1,150,101 | \$ 1,718,552 | \$ 2,178,295 |
| CASH CONSISTS OF: | | | | | |
| Cash | \$ 244,673 | \$ - | \$ 227,815 | \$ 472,488 | \$ 413,973 |
| Term deposits | 323,778 | - | 922,286 | 1,246,064 | 1,764,322 |
| | \$ 568,451 | \$ - | \$ 1,150,101 | \$ 1,718,552 | \$ 2,178,295 |

The accompanying notes form an integral part of these financial statements

COWICHAN VALLEY HOSPICE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

1. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

2. 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).

3. 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.

Revenue recognition

Cowichan Valley Hospice Society follows the deferral method of accounting for contributions.

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.

(continues)

COWICHAN VALLEY HOSPICE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

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

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.

Seminar fees are recognized as revenue when the seminars are held.

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. 5,900 volunteer hours were recorded in 2023 with an estimated value of \$20 per hour for a total of \$118,000 worth of volunteer time.

4. FINANCIAL INSTRUMENTS

The organization 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 organization's risk exposure and concentration as of December 31, 2023.

(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 organization manages exposure through its normal operating and financing activities. The organization 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 organization is not exposed to significant other price risks arising from these financial instruments.

5. TERM DEPOSITS - OPERATING FUND

| | 2023 | 2022 |
|--|-------------------|-------------|
| Short Term | | |
| ISCU term deposit @ 3.4% to mature June 3, 2024 | \$ 323,778 | \$ - |
| ISCU term deposit @ 4.0% to mature August 20, 2023 | - | 102,422 |
| ISCU term deposit @ 4.0% to mature August 20, 2023 | - | 101,200 |
| | 323,778 | 203,622 |
| Long Term | | |
| ISCU term deposit @ 3.4% to mature June 3, 2024 | - | 313,131 |
| | \$ 323,778 | \$ 516,753 |

COWICHAN VALLEY HOSPICE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

6. TERM DEPOSITS - EXTERNALLY RESTRICTED HOSPICE HOUSE FUND

| | 2023 | 2022 |
|--|---------------------|---------------------|
| Short Term | | |
| ISCU term deposit @ 3.22% to mature September 21, 2024 | \$ 200,000 | \$ - |
| ISCU term deposit @ 5.62% to mature October 10, 2024 | 722,286 | - |
| 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 |
| | 922,286 | 1,560,700 |
| Long Term | | |
| ISCU term deposit @ 5.3% to mature August 20, 2025 | 513,085 | - |
| | \$ 1,435,371 | \$ 1,560,700 |

7. TANGIBLE CAPITAL ASSETS

| | Cost | Accumulated amortization | 2023 Net book value | 2022 Net book value |
|------------------------|-------------------|-----------------------------|------------------------------------|---------------------------|
| Land | \$ 70,100 | \$ - | \$ 70,100 | \$ 70,100 |
| Buildings | 266,944 | 83,561 | 183,383 | 126,212 |
| Computer equipment | 40,450 | 11,018 | 29,432 | 3,879 |
| Computer software | 3,886 | 3,886 | - | - |
| Furniture and fixtures | 86,610 | 31,694 | 54,916 | 60,308 |
| | \$ 467,990 | \$ 130,159 | \$ 337,831 | \$ 260,498 |

The Society recorded amortization of \$16,186 in the current year (2022 - \$12,443).

8. 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 and prior fiscal year.

9. DEFERRED REVENUE

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

| | 2023 | 2022 |
|----------------------------|---------------------|---------------------|
| Balance, beginning of year | \$ 1,833,488 | \$ 1,979,460 |
| Revenue received | - | - |
| Revenue recognized | (244,088) | (145,972) |
| Balance, end of year | \$ 1,589,400 | \$ 1,833,488 |

COWICHAN VALLEY HOSPICE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

10. COMMITMENTS

The Society entered into a operating lease for its photocopier. Monthly payments of \$149 plus taxes are required and the payments cease in March of 2024. Minimum lease payments required for 2024 total \$447. The Society has not yet entered into a new operating lease for its photocopier.

11. REMUNERATION

Remuneration was paid to two employees over \$75,000, the remuneration paid to the two employees totalled \$188,404.

COWICHAN VALLEY HOSPICE SOCIETY**Fundraising Activities****(Schedule 1)****Year Ended December 31, 2023***Unaudited - See "REVIEW ENGAGEMENT REPORT" dated May 23, 2024.*

| | 2023 | 2022 |
|---------------------------------|-------------------|------------------|
| Reel Alternatives: | | |
| Revenue | \$ 75,023 | \$ 39,968 |
| Expenses | <u>(39,667)</u> | <u>(18,197)</u> |
| Net revenue over expenses | <u>\$ 35,356</u> | <u>\$ 21,771</u> |
| Direct Mail | | |
| Revenue | \$ 117,501 | \$ 97,067 |
| Expense | <u>(6,683)</u> | <u>(5,328)</u> |
| Net revenue over expenses | <u>\$ 110,818</u> | <u>\$ 91,739</u> |
| Other - 3rd Party Events | | |
| Revenue | \$ 71,150 | \$ 55,199 |
| Expense | <u>(4,614)</u> | <u>(3,901)</u> |
| Net revenue over expenses | <u>\$ 66,536</u> | <u>\$ 51,298</u> |

The accompanying notes form an integral part of these financial statements