

**COWICHAN VALLEY HOSPICE SOCIETY**

**Financial Statements**

**Year Ended December 31, 2015**

*(Unaudited)*

**COWICHAN VALLEY HOSPICE SOCIETY**

**Index to Financial Statements**

**Year Ended December 31, 2015**

*(Unaudited)*

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Alex E. Palmer, C.P.A., C.A.\*  
Tammy Leslie, C.P.A., C.G.A., C.A.\*

\*A Professional Corporation

## REVIEW ENGAGEMENT REPORT

To the Members of Cowichan Valley Hospice Society

We have reviewed the statement of financial position of Cowichan Valley Hospice Society as at December 31, 2015 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the society.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with accounting standards for not-for-profit organizations.

Duncan, British Columbia  
May 12, 2016

A handwritten signature in black ink, appearing to read 'Alex E. Palmer'.

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# COWICHAN VALLEY HOSPICE SOCIETY

## Statement of Financial Position

As at December 31, 2015

(Unaudited)

	Operating Fund 2015	Capital Fund 2015	Hospice House Fund 2015	Total 2015	Total 2014
<b>ASSETS</b>					
<b>CURRENT</b>					
Cash	\$ 27,552	\$ -	\$ 29,515	\$ 57,067	\$ 170,731
Accounts receivable (Note 4)	3,508	-	-	3,508	4,134
Prepaid expenses (Note 5)	3,597	-	-	3,597	822
TERM DEPOSITS (Note 6)	34,657	-	29,515	64,172	175,687
PROPERTY AND EQUIPMENT (Net of accumulated amortization) (Note 7)	5,202	-	-	5,202	5,135
	-	233,646	-	233,646	169,159
	\$ 39,859	\$ 233,646	\$ 29,515	\$ 303,020	\$ 349,981

The accompanying notes form an integral part of these financial statements

**Palmer Leslie**  
Chartered Professional Accountants

# COWICHAN VALLEY HOSPICE SOCIETY

## Statement of Financial Position

As at December 31, 2015

(Unaudited)

	Operating Fund 2015	Capital Fund 2015	Hospice House Fund 2015	Total 2015	Total 2014
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT</b>					
Accounts payable	\$ 4,395	\$ -	\$ -	\$ 4,395	\$ 5,874
Wages payable	16,890	-	-	16,890	14,360
Employee deductions payable	1,602	-	-	1,602	1,432
Deferred revenue (Note 9)	2,386	-	29,515	31,901	91,386
	25,273	-	29,515	54,788	113,052
<b>NET ASSETS</b>					
Net assets invested in capital	-	233,646	-	233,646	169,159
Unrestricted net assets	14,586	-	-	14,586	67,770
	14,586	233,646	-	248,232	236,929
	\$ 39,859	\$ 233,646	\$ 29,515	\$ 303,020	\$ 349,981

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, 2015**

*(Unaudited)*

	Operating Fund	Capital Fund	Hospice House Fund	<b>2015</b>	2014
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 67,770	\$ 169,159	\$ -	\$ <b>236,929</b>	\$ 214,668
Net revenue (expenses)	15,844	(4,541)	-	<b>11,303</b>	22,261
Assets acquired	(69,028)	69,028	-	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 14,586	\$ 233,646	\$ -	\$ <b>248,232</b>	\$ 236,929

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***Palmer Leslie***  
Chartered Professional Accountants

**COWICHAN VALLEY HOSPICE SOCIETY**  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2015**

(Unaudited)

	Operating Fund 2015	Capital Fund 2015	Hospice House Fund 2015	Total 2015	Total 2014
<b>REVENUE</b>					
Donations	\$ 61,483	\$ -	2,051	\$ 63,534	\$ 78,408
Fundraising (Schedule 1)	166,943	-	-	166,943	162,692
Gaming	100,818	-	-	100,818	91,767
Cowichan Valley United Way	15,875	-	-	15,875	20,000
Central & North Vancouver Island United Way	3,602	-	-	3,602	-
CVRD grant	50,000	-	-	50,000	48,555
Miscellaneous grants	3,905	-	-	3,905	6,000
VIHA grants	16,800	-	-	16,800	31,400
Interest	138	-	-	138	153
Duncan Dabber Bingo Society distributions (Note 10)	1,389	-	-	1,389	3,722
Other	11,310	-	-	11,310	4,352
	432,263	-	2,051	434,314	447,049

**EXPENSES**

Advertising and promotion	2,857	-	-	2,857	5,827
Amortization	-	4,541	-	4,541	3,967
Bank charges and interest	1,988	-	-	1,988	1,415
Fundraising costs (Schedule 1)	41,239	-	-	41,239	42,677
Insurance	2,967	-	-	2,967	3,639
Licenses, dues and fees	1,100	-	-	1,100	1,142
Program materials and supplies	8,334	-	1,361	9,695	11,302
Office and miscellaneous	3,492	-	-	3,492	5,728
Professional fees	4,223	-	-	4,223	4,151
Property taxes	711	-	-	711	711
Repairs and maintenance	4,899	-	-	4,899	13,705
Small equipment purchases	5,227	-	-	5,227	923
Subcontract	9,080	-	-	9,080	338

(continues)

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Chartered Professional Accountants

# COWICHAN VALLEY HOSPICE SOCIETY

## Statement of Revenues and Expenditures (continued)

Year Ended December 31, 2015

(Unaudited)

	Operating Fund 2015	Capital Fund 2015	Hospice House Fund 2015	Total 2015	Total 2014
Training and development	16,747	-	-	16,747	15,989
Travel	516	-	690	1,206	2,170
Utilities	6,717	-	-	6,717	8,669
Volunteer expenses	1,734	-	-	1,734	1,808
Wages, benefits and salaries	304,588	-	-	304,588	300,627
	416,419	4,541	2,051	423,011	424,788
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	\$ 15,844	\$ (4,541)	\$ -	\$ 11,303	\$ 22,261

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, 2015

(Unaudited)

	Operating Fund 2015	Capital Fund 2015	Hospice House Fund 2015	Total 2015	Total 2014
<b>OPERATING ACTIVITIES</b>					
Excess (deficiency) of revenue over expenses	\$ 15,844	\$ (4,541)	-	\$ 11,303	\$ 22,261
Amortization of property and equipment	-	4,541	-	4,541	3,967
	15,844	-	-	15,844	26,228
Changes in non-cash working capital:					
Accounts receivable	626	-	-	626	(3,029)
Accounts payable	(1,476)	-	-	(1,476)	(540)
Deferred income	(89,000)	-	29,515	(59,485)	83,822
Prepaid expenses	(2,775)	-	-	(2,775)	472
Wages payable	2,530	-	-	2,530	3,793
Employee deductions payable	170	-	-	170	429
	(89,925)	-	29,515	(60,410)	84,947
Cash flow from operating activities	(74,081)	-	29,515	(44,566)	111,175
<b>INVESTING ACTIVITIES</b>					
Purchase of capital assets	-	(69,028)	-	(69,028)	(613)
Term deposits	(70)	-	-	(70)	(45)
Cash flow from (used by) investing activities	(70)	(69,028)	-	(69,098)	(658)
<b>INTERFUND TRANSFERS</b>					
Capital asset purchases	(69,028)	69,028	-	-	-
<b>INCREASE (DECREASE) IN CASH FLOW</b>	(143,179)	-	29,515	(113,664)	110,517
Cash - beginning of year	170,731	-	-	170,731	65,300

(continues)

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**Palmer Leslie**  
Chartered Professional Accountants

**COWICHAN VALLEY HOSPICE SOCIETY**

**Statement of Cash Flows** *(continued)*

**Year Ended December 31, 2015**

*(Unaudited)*

	Operating Fund 2015	Capital Fund 2015	Hospice House Fund 2015	Total 2015	Total 2014
<b>CASH - END OF YEAR</b>	\$ 27,552	\$ -	\$ 29,515	\$ 57,067	\$ 170,731

The accompanying notes form an integral part of these financial statements

**Palmer Leslie**  
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# COWICHAN VALLEY HOSPICE SOCIETY

## Notes to Financial Statements

Year Ended December 31, 2015

(Unaudited)

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### 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).

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### 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 Principles.

#### 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 Asset 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.

#### Property and equipment

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, 2015

(Unaudited)

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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. 11,559 volunteer hours were recorded in 2015..

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### 3. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, accounts receivable, term deposits, accounts payable and accrued, and security deposits. It is the board's opinion that the Society is not exposed to significant credit risk, market risk or currency risk arising from these financial instruments as of December 31, 2015.

#### 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 exposure of the Society to interest rate risk arises from its interest bearing term deposit. The Society manages its exposure to interest rate risk through contracts stating the guaranteed rate. Fluctuations in market rates of interest on the term deposits do not have a significant impact on the Society's results of operations.

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**COWICHAN VALLEY HOSPICE SOCIETY****Notes to Financial Statements****Year Ended December 31, 2015***(Unaudited)***4. ACCOUNTS RECEIVABLE**

	<b>2015</b>	<b>2014</b>
Goods and services tax recoverable	\$ <b>3,258</b>	\$ 1,049
Duncan Dabbers	<b>250</b>	3,085
	<u>\$ <b>3,508</b></u>	<u>\$ 4,134</u>

**5. PREPAID EXPENSES**

	<b>2015</b>	<b>2014</b>
Prepaid director insurance and other prepaid deposits	\$ <b>3,597</b>	\$ 822

**6. TERM DEPOSIT**

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

	<b>2015</b>	<b>2014</b>
ISCU term deposit @1.3% to mature March 7, 2017	\$ <b>5,202</b>	\$ 5,135

**7. PROPERTY AND EQUIPMENT**

	Cost	Accumulated amortization	<b>2015 Net book value</b>	2014 Net book value
Land	\$ 70,100	\$ -	\$ <b>70,100</b>	\$ 70,100
Buildings	203,887	41,995	<b>161,891</b>	98,753
Computer equipment	946	95	<b>851</b>	-
Computer software	1,302	498	<b>804</b>	306
Furniture and fixtures	16,923	16,923	-	-
	<u>\$ 293,158</u>	<u>\$ 59,511</u>	<u>\$ <b>233,646</b></u>	<u>\$ 169,159</u>

The Society recorded amortization of \$4,541 in the current year (2014 - \$3,967).

**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 2015 fiscal year.

**Palmer Leslie**  
Chartered Professional Accountants

**COWICHAN VALLEY HOSPICE SOCIETY**

**Notes to Financial Statements**

**Year Ended December 31, 2015**

*(Unaudited)*

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**9. DEFERRED REVENUE**

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

	<b>2015</b>	<b>2014</b>
Balance, beginning of year	\$ <b>91,386</b>	\$ 7,564
Revenue received	<b>88,437</b>	175,767
Revenue recognized	<b>(147,922)</b>	(91,945)
Balance, end of year	<b>\$ 31,901</b>	\$ 91,386

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**10. DUNCAN DABBER BINGO SOCIETY DISTRIBUTIONS**

The Duncan Dabber Bingo Society is operated by a Society of Registered Charities. This Society is responsible for all expenses and the net proceeds are distributed quarterly to participating organizations.

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## COWICHAN VALLEY HOSPICE SOCIETY

## Fundraising Activities

(Schedule 1)

Year Ended December 31, 2015

(Unaudited)

	2015	2014
<b>Reel Alternatives:</b>		
Revenue	\$ 55,256	\$ 53,597
Expenses	(22,445)	(23,100)
Net revenue over expenses	<u>\$ 32,811</u>	<u>\$ 30,497</u>
<b>Hike for Hospice</b>		
Revenue	\$ 25,351	\$ 39,257
Expense	(3,077)	(4,688)
Net revenue over expenses	<u>\$ 22,274</u>	<u>\$ 34,569</u>
<b>Golf Tournament</b>		
Revenue	\$ 36,025	\$ 34,829
Expense	(10,285)	(10,902)
Net revenue over expenses	<u>\$ 25,740</u>	<u>\$ 23,927</u>
<b>Other</b>		
Revenue	\$ 50,311	\$ 35,010
Expense	(5,431)	(3,987)
Net revenue over expenses	<u>\$ 44,880</u>	<u>\$ 31,023</u>

The accompanying notes form an integral part of these financial statements

**Palmer Leslie**  
Chartered Professional Accountants