

Financial Statements of

VICTORIA HOSPICE SOCIETY

And Independent Auditor's Report thereon

Year ended March 31, 2024



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INDEPENDENT AUDITOR'S REPORT

To the Members of Victoria Hospice Society

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Victoria Hospice Society (the Society), which comprise:

- the statement of financial position as at March 31, 2024
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Society as at March 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants

Victoria, Canada
July 30, 2024

VICTORIA HOSPICE SOCIETY

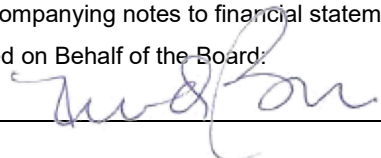
Statement of Financial Position

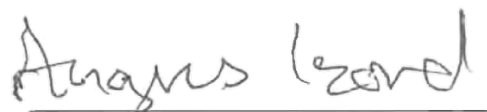
March 31, 2024, with comparative information for 2023

	Operating Fund	Capital Fund	2024 Total	2023 Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,025,715	\$ 240,290	\$ 1,266,005	\$ 1,272,063
Term deposits (note 2)	2,000,000	-	2,000,000	2,000,000
Accounts receivable	140,904	-	140,904	314,119
Prepaid expenses	19,473	-	19,473	16,465
Receivable from Foundation	134,061	-	134,061	416,521
	3,320,153	240,290	3,560,443	4,019,168
Cash surrender value of life insurance policies (note 4)	73,307	-	73,307	119,764
Capital assets (note 5)	-	156,005	156,005	330,548
	\$ 3,393,460	\$ 396,295	\$ 3,789,755	\$ 4,469,480
Liabilities				
Current liabilities:				
Payable to Island Health	\$ 632,546	\$ -	\$ 632,546	\$ 425,706
Accounts payable and accrued liabilities	512,172	-	512,172	421,159
Payable to Victoria Hospice and Palliative Care Foundation	-	-	-	1,300,000
Deferred revenue	330,795	-	330,795	327,900
	1,475,513	-	1,475,513	2,474,765
Deferred lease inducement	-	-	-	9,713
	1,475,513	-	1,475,513	2,484,478
Fund Balances				
Invested in capital assets	-	156,005	156,005	330,548
Restricted	-	240,290	240,290	-
Internally restricted - strategic initiatives (note 11)	75,342	-	75,342	188,727
Unrestricted	1,842,605	-	1,842,605	1,465,727
	1,917,947	396,295	2,314,242	1,985,002
Commitments (note 6)				
	\$ 3,393,460	\$ 396,925	\$ 3,789,755	\$ 4,469,480

See accompanying notes to financial statements.

Approved on Behalf of the Board:

 Director

 Director

VICTORIA HOSPICE SOCIETY

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2024, with comparative information for 2023

	2024			2023		
	Operating Fund	Capital Fund	Total	Operating Fund	Capital Fund	Total
Revenue:						
Island Health (note 7):						
Operating grant and contract funding	\$ 4,960,050	\$ -	\$ 4,960,050	\$ 4,551,363	\$ -	\$ 4,551,363
Public support:						
Gaming	116,934	-	116,934	106,143	-	106,143
Donations and fundraising	4,090,331	240,290	4,330,621	3,433,524	-	3,433,524
Courses and research projects	13,772	-	13,772	62,154	-	62,154
Increase in cash surrender value of life insurance	(46,457)	-	(46,457)	6,190	-	6,190
Other	172,844	-	172,844	124,629	-	124,629
	4,347,424	240,290	4,587,714	3,732,640	-	3,732,640
Donations from Victoria Hospice Palliative Care Foundation (note 3)	1,060,409	20,956	1,081,365	954,335	2,167	956,502
	10,367,883	261,246	10,629,129	9,238,338	2,167	9,240,505
Expenses:						
Amortization of capital assets	-	136,340	136,340	-	145,168	145,168
Bereavement	797,160	-	797,160	672,707	-	672,707
Communications	218,570	-	218,570	140,728	-	140,728
Corporate and administration	1,062,555	-	1,062,555	1,164,787	-	1,164,787
Counseling and spiritual	581,159	-	581,159	663,979	-	663,979
Education and research	538,865	-	538,865	354,113	-	354,113
Fund development and planned giving	1,156,002	-	1,156,002	1,031,405	-	1,031,405
Medical	157,784	-	157,784	48,101	-	48,101
Nursing	4,028,590	-	4,028,590	3,571,393	-	3,571,393
Palliative response team	1,056,572	-	1,056,572	1,014,806	-	1,014,806
Projects and committees	113,385	-	113,385	126,250	-	126,250
Courses and projects	851	-	851	15,999	-	15,999
Volunteers	233,755	-	233,755	200,189	-	200,189
Site investigation costs	-	218,301	218,301	-	-	-
	9,945,248	354,641	10,299,889	9,004,457	145,168	9,149,625
Excess (deficiency) of revenue over expenses	422,635	(93,395)	329,240	233,881	(143,001)	90,880
Fund balances, beginning of year	1,654,454	330,548	1,985,002	1,494,157	399,965	1,894,122
Inter-fund transfers (note 10)	(159,142)	159,142	-	(73,584)	73,584	-
Fund balances, end of year	\$ 1,917,947	\$ 396,295	\$ 2,314,242	\$ 1,654,454	\$ 330,548	\$ 1,985,002

See accompanying notes to financial statements.

VICTORIA HOSPICE SOCIETY

Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses:		
Operating Fund	\$ 422,635	\$ 233,881
Capital Fund	(93,395)	(143,001)
	329,240	90,880
Items not involving cash:		
Amortization of capital assets	136,340	145,168
Decrease (increase) in cash surrender value of life insurance policies	46,457	(6,191)
Write-down of site investigation costs (note 5)	218,301	-
Changes in non-cash operating working capital (note 8)	(546,585)	(280,896)
Changes in deferred lease inducement	(9,713)	(1)
	174,040	(51,040)
Investing:		
Purchase of investments	-	(2,000,000)
Purchase of capital assets	(180,098)	(75,751)
Decrease in cash and cash equivalents	(6,058)	(2,126,791)
Cash and cash equivalents, beginning of year	1,272,063	3,398,854
Cash and cash equivalents, end of year	\$ 1,266,005	\$ 1,272,063

See accompanying notes to financial statements.

VICTORIA HOSPICE SOCIETY

Notes to Financial Statements

Year ended March 31, 2024

The Victoria Hospice Society (the “Society”) is incorporated under the Societies Act (British Columbia) and is a charitable organization under the Income Tax Act. The Society’s principal activities are to provide palliative care, counseling, bereavement support, education and research, and fundraising.

1. Significant accounting policies:

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The following is a summary of the significant accounting policies.

(a) Fund accounting:

The Society follows the restricted fund method of accounting for contributions.

The Society receives support from various donors and allows for restrictions on the use of the donations. The transactions of the Society are recorded in the following funds:

Operating Fund:

The Operating Fund reports unrestricted assets, liabilities, general operating revenue and expenses of the Society as well as those internally restricted by the Society for future operations.

Capital Fund:

The Capital Fund reports the assets, liabilities, revenue and expenses related to the Society’s capital assets.

(b) Revenue recognition:

Donations are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted revenues include amounts received for which there are no restrictions attached by the donor and unrestricted earnings on Society investments. Restricted operating donations are deferred and recognized as revenue in the same period in which the related expenses are incurred. Restricted contributions are recorded as revenue in the appropriate fund when the amount to be received can be reasonably estimated and collection is reasonably assured.

Proceeds from life insurance policies are recorded when the funds are received or receivable by the Society. The cash surrender value of life insurance policies and changes in cash surrender value are recorded for those policies in which the Society is the beneficiary.

(c) Cash and cash equivalents:

Cash and cash equivalents consist of cash, short-term investments with original maturity dates of three months or less when acquired and investments in money market instruments.

VICTORIA HOSPICE SOCIETY

Notes to Financial Statements

Year ended March 31, 2024

1. Significant accounting policies (continued):

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value and all changes in the fair value are recognized in the excess of revenue over expenses in the period incurred.

All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has not elected to carry any such financial instruments at fair value. Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized on a straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Medical supplies:

Medical supplies are expensed as purchased.

(f) Capital assets:

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is calculated on a straight-line method over the assets' estimated useful lives as follows:

Asset	Years
Equipment	5 - 10
Leasehold improvements	lesser of initial lease term and useful life
Vehicle	5
Furniture and fixtures	7

Art works and other capital assets with an expected unlimited life or residual value in excess of cost are not subject to amortization. Assets included in work-in-progress are amortized once the assets are put into use. When a capital asset no longer contributes to the Society's ability to provide service its carrying amount is written down to its residual value. Write-downs are not reversed.

VICTORIA HOSPICE SOCIETY

Notes to Financial Statements

Year ended March 31, 2024

1. Significant accounting policies (continued):

(g) Contributed services:

The Society operates from premises and enjoys certain other services provided by Island Health, the value of which is not readily ascertainable and has therefore not been reflected in these financial statements.

A substantial number of volunteers contribute a significant amount of time each year to assist the Society in carrying out its activities. Because of the difficulty in determining fair value, contributed services are not recognized in the financial statements.

(h) Gifts in kind:

Gifts in kind which would otherwise be paid for by the Society are recorded at the estimated fair market value on date of receipt. Contributed materials of \$16,010 (2023 - \$8,465) were included in donations and fundraising in the year.

(i) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the period. Actual results could differ from those estimates.

2. Term deposits:

Included in term deposits is a one year guaranteed investment certificate, which bears interest at 4.75% and matures on May 24, 2024.

3. Victoria Hospice and Palliative Care Foundation:

Directors from the Society board constitute the majority of the board members of the Victoria Hospice and Palliative Care Foundation (the "Foundation") board. The Foundation is incorporated under the Societies Act (British Columbia) and is registered as a public foundation (exempt from income taxes) under the Income Tax Act.

The purpose of the Foundation is to manage endowment funds and other investments to provide palliative care, counselling, bereavement support, research and education. The Society provides certain administrative services without charge to the Foundation.

VICTORIA HOSPICE SOCIETY

Notes to Financial Statements

Year ended March 31, 2024

3. Victoria Hospice and Palliative Care Foundation (continued):

Net donations from the Victoria Hospice and Palliative Care Foundation:

	2024	2023
Operating grant	\$ 1,060,409	\$ 954,335
Capital grant	20,956	2,167
	1,081,365	956,502
Deferred operating grant	10,282	9,164
	\$ 1,091,647	\$ 965,666

The Foundation has not been consolidated in the Society's financial statements. A financial summary of the Foundation as at March 31, 2024 and for the year then ended is as follows:

Victoria Hospice and Palliative Care Foundation

Financial Position	2024	2023
Total assets	\$ 21,091,605	\$ 20,945,292
Total liabilities	(229,662)	(512,122)
Fund balances	\$ 20,861,943	\$ 20,433,170

Results of Operations	2024	2023
Total revenue	\$ 1,586,686	\$ 511,080
Total expenses	(1,157,913)	(1,030,123)
Excess (deficiency) of revenue over expenses	\$ 428,773	\$ (519,043)

Cash Flows	2024	2023
Operating activities	\$ 935,140	\$ (258,644)
Investing activities	(2,193,608)	(766,350)
Decrease in cash	\$ (1,258,468)	\$ (1,024,994)

VICTORIA HOSPICE SOCIETY

Notes to Financial Statements

Year ended March 31, 2024

4. Life insurance policies:

	Cash surrender value	Future payout value
Balance, March 31, 2022	\$ 113,573	\$ 392,845
Net increase	6,191	2,354
Balance, March 31, 2023	119,764	395,199
Net decrease	(46,457)	(17,172)
Balance, March 31, 2024	\$ 73,307	\$ 378,027

During the year \$20,406 (2023 - nil) of proceeds were realized from life insurance policies.

5. Capital assets:

March 31, 2024	Cost	Accumulated amortization	Net book value
Equipment	\$ 1,432,180	\$ 1,339,778	\$ 92,402
Leasehold improvements	416,710	416,710	-
Vehicle	43,362	30,353	13,009
Furniture and fixtures	10,252	1,563	8,689
Art works and other	27,695	-	27,695
Work-in-progress	14,210	-	14,210
	\$ 1,944,409	\$ 1,788,404	\$ 156,005

March 31, 2023	Cost	Accumulated amortization	Net book value
Equipment	\$ 1,344,251	\$ 1,308,492	\$ 35,759
Leasehold improvements	416,710	321,385	95,325
Vehicle	43,362	21,681	21,681
Furniture and fixtures	4,515	506	4,009
Art works and other	26,295	-	26,295
Work-in-progress	147,479	-	147,479
	\$ 1,982,612	\$ 1,652,064	\$ 330,548

During the year, the Society, after extensive consultations, decided not to proceed further with a potential relocation site. The associated site investigation costs of \$218,301 have been expensed in the current year.

VICTORIA HOSPICE SOCIETY

Notes to Financial Statements

Year ended March 31, 2024

6. Commitments:

The Society is committed to minimum annual lease payments under various operating leases for office and computer equipment and space rental of #102-4450 Chatterton Way as follows:

2024	\$	148,096
2025		150,647
2026		150,946
	\$	449,689

7. Island Health:

The Society receives certain services including utilities, laundry services and housekeeping from Island Health for no charge. The value of these services is not readily ascertainable and has therefore not been reflected in the financial statements.

The Society leases its premises from Island Health at a cost of \$1 per year under a lease which commenced on April 1, 2021.

Under the terms of Island Health's union contracts, employees with ten years of service and having reached a certain age are entitled to receive special payments upon retirement. These payments are based upon accumulated sick leave credits and entitlements for each year of service and are the responsibility of Island Health. The Society has responsibility for any and all extra costs and liabilities associated with Society initiated terminations.

8. Supplemental cash flow information:

	2024	2023
Changes in non-cash operating working capital:		
Accounts receivable	\$ 173,215	\$ (125,525)
Prepaid expenses	(3,008)	9,928
Accounts payable and accrued liabilities	91,013	(26,915)
Payable to Island Health	206,840	133,329
Receivable from Foundation	282,460	(384,403)
Payable to Foundation	(1,300,000)	-
Deferred revenue	2,895	112,690
	\$ (546,585)	\$ (280,896)

VICTORIA HOSPICE SOCIETY

Notes to Financial Statements

Year ended March 31, 2024

9. Financial risks and concentration of credit risk:

(a) Credit risk:

Credit risk arises from cash and cash equivalents and investments held with banks and financial institutions and credit exposure to accounts receivable balances. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Society assesses the credit quality of the counter parties, dealing only with high credit quality financial institutions, taking into account their financial position, past experience, and other factors.

It is management's opinion that the Society is not exposed to significant credit risk.

(b) Liquidity risk:

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There has been no change in the risk exposures from 2023.

10. Interfund transfers:

Interfund transfers from the Operating Fund to the Capital Fund are amounts to fund the purchase of capital assets.

11. Internal restrictions:

During the year, the Society transferred \$113,385 (2023 - \$126,250) from internally restricted to the unrestricted operating fund to use on expenditures related to strategic initiatives in the fiscal year.

12. Societies Act remuneration disclosure:

For the fiscal year ending March 31, 2024, the Society paid remuneration of \$3,589,585 to thirty five employees and contractors (2023 - \$2,319,614 to twenty-four employees and contractors), each of whom received total annual remuneration of \$75,000 or greater. There were no remuneration payments made to directors of the Society.