

FINANCIAL STATEMENTS

**BRITISH COLUMBIA HOSPICE
PALLIATIVE CARE ASSOCIATION**

December 31, 2022



INDEPENDENT AUDITOR'S REPORT

To the Members of
British Columbia Hospice Palliative Care Association

Qualified Opinion

We have audited the financial statements of British Columbia Hospice Palliative Care Association (the Association), which comprise the statement of financial position as at December 31, 2022, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of the report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Association derives revenue from donations and bequests, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to donation and bequests revenue, excess of revenue, and cash flows from operations for the years ended December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021, and net assets as at January 1 and December 31 for both the 2022 and 2021 years.

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 report. We are independent of the Association 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 qualified audit 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 these 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.

INDEPENDENT AUDITOR'S REPORT

- 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 Association'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 Association'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 Association 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.

We 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 British Columbia Societies Act, we report that, in our opinion, the accounting principles used in these financial statements, Canadian accounting standards for not-for-profit organizations, have been applied on a basis consistent with that of the preceding year.

Tompkins Wozny LLP

Vancouver, Canada
June 29, 2023

Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION

As at December 31

	2022	2021
	\$	\$
ASSETS		
Current		
Cash - operating	67,877	68,399
- gaming	7,091	27,591
Term deposits [note 3]	9,339	9,330
Grants receivable	—	30,950
GST rebate	12,835	4,782
Prepaid expenses	—	415
	97,142	141,467
LIABILITIES		
Current		
Accounts payable and accruals [note 4]	59,892	49,381
Unearned membership dues	5,785	—
Deferred revenue - BC Gaming Commission	7,091	27,591
- other	—	5,766
	72,768	82,738
NET ASSETS	24,374	58,729
	97,142	141,467

See accompanying notes to the financial statements

Approved by:

Director

Director

STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31

	Unrestricted Net Assets \$
<hr/>	
2022	
Balance, beginning of year	58,729
Excess of expenses for the year	(34,355)
Balance, end of year	24,374
<hr/>	
2021	
Balance, beginning of year	34,955
Excess of revenues for the year	23,774
Balance, end of year	58,729

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS

Year ended December 31

	2022	2021
	\$	\$
REVENUES		
Grants - BC Gaming Commission	145,500	119,947
- Employment and Social Development Canada	5,766	10,442
- Vancouver Island Federation of Hospices	5,000	—
- Community Foundations of Canada	—	64,875
- Victoria Foundation	—	15,000
- Simon Fraser University	—	10,000
- Order of St. John	—	7,500
- Vancouver Foundation	—	4,301
	156,266	232,065
Fee for service - workshops and webinars	28,813	9,289
Donations and bequests	12,651	18,981
Membership dues	11,959	13,582
Investment income and other	1,549	1,432
	211,238	275,349
EXPENSES		
Salaries and benefits	106,721	137,799
Meetings	39,773	535
Events	37,943	21,784
Professional fees	28,022	16,841
Office and other	11,432	15,146
Website	6,014	9,864
Management contract	4,617	28,546
Rent	4,542	4,897
Governance and board meetings	2,312	2,500
Insurance	1,690	2,025
Bank and credit card charges	1,493	1,688
Marketing and promotion	1,034	9,950
	245,593	251,575
Excess of revenues (expenses) for the year	(34,355)	23,774

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended December 31

	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues (expenses) for the year	(34,355)	23,774
Changes in non-cash working capital items:		
Grants receivable	30,950	(30,950)
GST receivable	(8,053)	(1,492)
Prepaid expense	415	—
Accounts payable and accruals	10,511	40,986
Unearned membership dues	5,785	—
Deferred revenue - BC Gaming Commission	(20,500)	(59,947)
- other	(5,766)	1,465
Cash used in operating activities	(21,013)	(26,164)
INVESTING ACTIVITIES		
Reinvested interest on term deposit	(9)	(47)
Cash used in investing activities	(9)	(47)
Decrease in cash during the year	(21,022)	(26,211)
Cash, beginning of year	95,990	122,201
Cash, end of year	74,968	95,990
Cash consists of:		
Cash - operating	67,877	68,399
- gaming	7,091	27,591
	74,968	95,990

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

1. PURPOSE OF THE ORGANIZATION AND OPERATIONS

The British Columbia Hospice Palliative Care Association (the "Association") is an organization that represents individuals and organizations in promoting and delivering hospice/palliative care. The mission of the Association is to promote responsive, quality hospice palliative care, educate residents on personal advance care planning as well as advocate for equitable access to responsive, quality care. The Association is a not-for-profit organization incorporated in the Province of British Columbia and is a registered charity exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

Use of Estimates

The preparation of financial statements in conformity with Canadian ASNPO 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 amounts of revenues and expenditures reported during the year. Significant areas requiring the use of management estimates relate to the determination of net recoverable value of assets, in particular as it relates to useful lives of capital assets. Actual results could differ from these estimates.

Revenue Recognition

The Association follows the deferral method of accounting for contributions.

Restricted contributions (grants, donations and bequests) are recorded as deferred revenue when received and then recognized as revenue in the period in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and the collection is reasonably assured.

Memberships and fee for services are recognized as revenue when the related service is provided.

Investment income is unrestricted and recognized as revenue when earned.

Measurement of Financial Instruments

The Association initially measures its financial assets and financial liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and term deposits. Financial liabilities measured at amortized cost includes accounts payable and accruals.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment.

Capital Assets

Purchased capital assets are recorded at cost net of accumulated amortization. Amortization is accounted for as follows:

- Computers 55% declining balance basis
- Furniture and equipment 20% declining balance basis

Contributed Services

Volunteers, such as the Board of Directors and other individuals, contribute their time to assist the Association in carrying out its activities. Due to the difficulty in determining the fair value of such services, the value of the contributed services is not recognized in these financial statements.

3. TERM DEPOSITS

The Association holds a term deposit that yields a return of 0.7%. The term deposit will mature in July 2023.

4. ACCOUNTS PAYABLE AND ACCRUALS

	2022	2021
	\$	\$
Trade payables and accruals	24,737	18,651
Government remittances - payroll	35,155	30,730
Due to Canadian Hospice Palliative Care Association	—	—
	59,892	49,381

5. ENDOWMENT

The Association has a permanent endowment with the Vancouver Foundation with a cost contribution in the amount of \$20,000. The funds are held in perpetuity by the Vancouver Foundation. The market value of these funds at December 31, 2022 is \$33,221 [2021 - \$37,596].

The Association is the sole recipient of the investment income earned by the funds. Investment income recorded for the year amounted to \$1,520 [2021 - \$1,299].

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

6. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis presents the Association's exposures to significant risk as at December 31, 2022.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Association is exposed to credit risk with respect to its cash and term deposits. The Association assesses, on a continuous basis, receivables on the basis of amounts it is virtually certain to receive based on their net realizable value. The Association's cash and term deposits are invested with a large financial institution.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Association manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Association is exposed to interest rate risk on its term deposits in so far that the initial rate may be higher than the current interest rate obtained on maturity and renewal.

7. ECONOMIC DEPENDENCE

The Association earned revenue from BC Gaming Commission funding in the amount of \$145,500 [2021 - \$119,647]. The total revenue represents 69% [2021 - 44%] of total revenue. If this funding was not received in full or renewed in the subsequent year, the Association would presumably have difficulty in maintaining current operations and discharging its obligations as a going concern.

8. SALARIES AND BENEFITS

Pursuant to the British Columbia Societies Act, the Association is required to disclose salaries and benefits paid to employees who are paid \$75,000 or more during the fiscal year. There were no employees paid \$75,000 or more during the 2021 fiscal year. In 2022, salaries and benefits expense includes \$80,600 paid to one employee. No remuneration was paid to any members of the board.