

HOSPICE CALGARY SOCIETY
Financial Statements
For the Years Ended March 31, 2021 and March 31, 2020

HOSPICE CALGARY SOCIETY
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For the Years Ended March 31, 2021 and March 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of Hospice Calgary Society

Opinion

We have audited the financial statements of Hospice Calgary Society (the Society), which comprise the statements of financial position as at March 31, 2021 and 2020, and the statements of operations and changes in fund balances and cash flow for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Basis for Opinion

We conducted our audits 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 Society in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those 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 relating 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.

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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 controls.
- 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 controls.
- 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.

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.



Calgary, Alberta
June 11, 2021

C&E LLP Chartered Professional Accountants

HOSPICE CALGARY SOCIETY
Statement of Financial Position
For the Years Ended March 31, 2021 and March 31, 2020

	Unrestricted Fund	Capital Asset Fund	Restricted Fund	Total 2021	Total 2020
ASSETS					
CURRENT					
Cash and cash equivalents	\$ 123,337	\$ -	\$ 2,069,536	\$ 2,192,873	\$ 2,339,648
Accounts receivable	18,647	-	-	18,647	11,451
Interest receivable	-	-	-	-	3,717
Goods and services tax recoverable	5,949	-	-	5,949	7,869
Prepaid expenses	1,975	-	-	1,975	7,681
	149,908	-	2,069,536	2,219,444	2,370,366
CAPITAL ASSETS (Note 3)	-	3,623,498	-	3,623,498	3,749,527
	\$ 149,908	\$ 3,623,498	\$ 2,069,536	\$ 5,842,942	\$ 6,119,893
LIABILITIES AND FUND BALANCES					
CURRENT					
Accounts payable	\$ 41,773	\$ -	\$ 19,802	\$ 61,575	\$ 114,294
Wages payable	71,403	-	125,613	197,016	148,958
Deferred revenue	27,055	-	-	27,055	22,663
	140,231	-	145,415	285,646	285,915
FUND BALANCES					
Unrestricted	9,677	-	-	9,677	3,939
Restricted	-	-	1,924,121	1,924,121	2,080,512
Invested in capital assets	-	3,623,498	-	3,623,498	3,749,527
	9,677	3,623,498	1,924,121	5,557,296	5,833,978
	\$ 149,908	\$ 3,623,498	\$ 2,069,536	\$ 5,842,942	\$ 6,119,893

ON BEHALF OF THE BOARD



Director



Director

HOSPICE CALGARY SOCIETY
Statement of Operations and Changes in Fund Balances
For the Years Ended March 31, 2021 and March 31, 2020

	Unrestricted Fund	Capital Asset Fund	Restricted Fund	Total 2021	Total 2020
REVENUE					
Alberta Health Services grants (Note 4)	\$ -	\$ -	\$ 2,054,416	\$ 2,054,416	\$ 2,042,801
Donations	323,308	-	644,727	968,035	2,127,828
Canada emergency wage subsidy (Note 5)	179,846	-	189,205	369,051	-
Grants	-	-	285,385	285,385	278,057
Other	46,617	-	139,956	186,573	227,981
Special gifts	102,776	-	-	102,776	216,152
Memorials - Rosedale	-	-	42,091	42,091	49,041
Legacy gifts	10,000	-	26,330	36,330	116,857
Interest	25,841	-	-	25,841	41,202
Memorials	25,464	-	-	25,464	15,135
Other - Rosedale	-	-	2,314	2,314	5,525
	<u>713,852</u>	<u>-</u>	<u>3,384,424</u>	<u>4,098,276</u>	<u>5,120,579</u>
EXPENSES					
Salaries, wages and benefits	545,258	-	2,965,772	3,511,030	3,392,231
Administration and program administration costs	80,951	-	189,775	270,726	338,032
Amortization	-	260,095	-	260,095	262,166
Building costs	51,980	-	89,709	141,689	151,140
Fees and contracts	23,903	-	102,267	126,170	141,181
Direct program expenses	420	-	57,981	58,401	58,002
Special events	5,602	-	1,245	6,847	55,666
	<u>708,114</u>	<u>260,095</u>	<u>3,406,749</u>	<u>4,374,958</u>	<u>4,398,418</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	5,738	(260,095)	(22,325)	(276,682)	722,161
FUND BALANCE - BEGINNING OF YEAR	3,939	3,749,527	2,080,512	5,833,978	5,111,817
INTERFUND TRANSFERS	-	134,066	(134,066)	-	-
FUND BALANCE - END OF YEAR	<u>\$ 9,677</u>	<u>\$ 3,623,498</u>	<u>\$ 1,924,121</u>	<u>\$ 5,557,296</u>	<u>\$ 5,833,978</u>

HOSPICE CALGARY SOCIETY
Statement of Cash Flows
For the Years Ended March 31, 2021 and March 31, 2020

	2021	2020
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (276,682)	\$ 722,161
Item not affecting cash:		
Amortization	<u>260,095</u>	262,166
	<u>(16,587)</u>	<u>984,327</u>
Changes in non-cash working capital:		
Accounts receivable	(7,196)	5,934
Interest receivable	3,717	(3,717)
Accounts payable	(52,719)	5,836
Prepaid expenses	5,706	41,069
Goods and services tax recoverable	1,920	6,457
Wages payable	48,058	(2,889)
Deferred revenue	<u>4,392</u>	<u>(70,321)</u>
	<u>3,878</u>	<u>(17,631)</u>
Cash flow from operating activities	<u>(12,709)</u>	966,696
INVESTING ACTIVITY		
Purchase of capital assets	<u>(134,066)</u>	(166,176)
Cash flow used by investing activity	<u>(134,066)</u>	(166,176)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(146,775)	800,520
Cash and cash equivalents - beginning of year	<u>2,339,648</u>	1,539,128
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,192,873</u>	<u>\$ 2,339,648</u>

HOSPICE CALGARY SOCIETY
Notes to Financial Statements
For the Years Ended March 31, 2021 and March 31, 2020

1. PURPOSE OF THE SOCIETY

Hospice Calgary Society (the Society) is incorporated under the Societies' Act of Alberta. The Society is committed to providing programs and services dedicated to the care of the dying and the bereaved. The Society is a non-profit registered charity as defined under paragraph 149 of the Income Tax Act, and therefore is not subject to income taxes.

Included in these financial statements are the revenues and expenses of Rosedale Hospice and Sage Centre.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

Fund accounting

The Society follows the restricted fund method of accounting for contributions using the following funds:

The Unrestricted Fund reflects the activities associated with the Society's day-to-day operations and administrative activities.

The Capital Asset Fund reflects the activities related to capital assets and related expenditures, disposals, and amortization.

This Restricted Fund reflects the activities related to capital grants, donations and bequests made available to the Society under conditions specified by donors.

Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the Unrestricted Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the Restricted Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recognized as revenue of the Unrestricted Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted investment income is recognized as revenue in the Unrestricted Fund when earned.

Cash equivalents

Cash equivalents are investments in term deposits that are short-term, highly liquid and readily convertible to known amounts of cash.

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HOSPICE CALGARY SOCIETY
Notes to Financial Statements
For the Years Ended March 31, 2021 and March 31, 2020

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

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives using the following rates and methods:

Buildings	4%	declining balance method
Leasehold improvements		straight-line method over lease term
Equipment	20%	declining balance method
Computer equipment	20%	declining balance method
Computer software	50%	declining balance method

Measurement uncertainty

The preparation of financial statements in conformity with Canadian ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. It is management's opinion that no elements of the Society's financial statements are subject to material measurement uncertainty.

Donated materials and services

Donated materials and services are recorded in the financial statements at fair market value when fair market value can be reasonably estimated, and the materials or services are used in the normal course of business and would otherwise have been purchased. Services donated to the Society through volunteer work are not reflected in these financial statements.

Items donated for auction are not recorded as revenue until the items are sold. No accounting recognition occurs when the items are initially donated, as their values are more accurately measured by amounts raised at auction.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Buildings	\$ 4,807,266	\$ 1,865,336	\$ 2,941,930	\$ 2,974,151
Leasehold improvements	1,300,852	894,690	406,162	453,790
Equipment	954,827	795,427	159,400	187,920
Computer equipment	361,524	268,034	93,490	114,113
Computer software	134,464	111,948	22,516	19,553
	\$ 7,558,933	\$ 3,935,435	\$ 3,623,498	\$ 3,749,527

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4. ALBERTA HEALTH SERVICES GRANTS

On December 6, 2019, the Society entered into a 5 year funding agreement with Alberta Health Services (AHS) for Rosedale Hospice operations. The agreement provides for a minimum of \$1,409,434 in funding per year, and does not include an adjustment for occupancy.

For the year ended March 31, 2021, funding received for Rosedale Hospice operations totalled \$1,554,416 (2020 - \$1,542,801), which is included as revenue recognized in the Restricted Fund. The contract for the current five year cycle ends on December 6, 2024.

An additional AHS funding agreement became effective on April 1, 2018 that provided funding via Alberta Health, Child & Adolescent Addictions and Mental Health and Psychiatry Program (CAAMHPP) for the Society's Children's Grief Centre (formerly known as the Child and Family Grief services program) to March 31, 2023. The agreement provides for a maximum of \$500,000 in additional funding per year for the provision of Children's Grief Centre services for a three-year period ending March 31, 2023. \$500,000 of the additional funding was received in the Society's 2021 fiscal period (2020 - \$500,000), and is also included as revenue in the Restricted Fund.

Either party may terminate the funding agreements without penalty, upon six months prior written notice.

5. COVID-19

The COVID-19 pandemic has severely impacted economies around the world, including those in which the Society operates. Measures taken to contain the spread of the virus, including travel bans, social distancing mandates, and required closures of non-essential services have created significant disruptions in the operations of many businesses and not-for-profit organizations.

The Society's 2021 fiscal year was significantly impacted by the pandemic. Costs increased in relation to patient care provided at Rosedale Hospice (e.g. staffing, PPE, infection prevention and control) and technology to provide services virtually, while revenue decreased due to cancellation of fundraising events and fewer donors. As a result, the Society was eligible for support through the Canada Emergency Wage Subsidy.

Management expects that operations will continue to be affected while COVID-19 remains a significant public health risk. Because the total duration and economic severity of the pandemic remains unclear as at the date of the auditor's report, it is not possible to reliably estimate the impact on the financial position and operations of the Society's future periods.

6. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, accounts receivable, interest receivable, goods and services tax recoverable, term deposits, wages payable, and accounts payable. Management has elected to measure these financial instruments at fair value, which is approximated by their carrying values. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant market, liquidity, or credit risks arising from its financial instruments.

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7. FUNDRAISING EXPENSES

As required under Section 7(2) of the Charitable Fundraising Regulation in Alberta, the following amounts are disclosed:

	<u>2021</u>	<u>2020</u>
Remuneration to employees whose principal duties involve fundraising	\$ 307,261	\$ 267,306
Direct expenses incurred for the purpose of soliciting contributions	\$ 68,367	\$ 55,665

8. LINE OF CREDIT

The Society has secured a \$750,000 line of credit with ATB Financial effective June 2019. No funds have been drawn since establishment.

9. VOLUNTARY POLICY CHANGE

In the current fiscal period the Society adopted a voluntary policy change to present the expenses it incurs that comply with the terms of restricted contributions under the Restricted Fund in the Statement of Operations. These expenses were previously presented under the Unrestricted Fund, with an interfund transfer conducted annually to reimburse the Unrestricted Fund for the total value of expenses it reflected which complied with the terms of restricted contributions. Both methods of presentation result in the same ending fund balances; however, this policy change was adopted to provide users of the financial statements with additional relevant information regarding its various expenses.

The policy change has no effect on the comparative figures presented in the financial statements.
