

HOSPICE CALGARY SOCIETY
Financial Statements
For the Years Ended March 31, 2022 and March 31, 2021

HOSPICE CALGARY SOCIETY
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For the Years Ended March 31, 2022 and March 31, 2021

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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, 2022 and 2021, 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, 2022 and 2021, 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 15, 2022

C&E LLP Chartered Professional Accountants

HOSPICE CALGARY SOCIETY

Statement of Financial Position

For the Years Ended March 31, 2022 and March 31, 2021

	Unrestricted Fund	Capital Asset Fund	Restricted Fund	Total 2022	Total 2021
ASSETS					
CURRENT					
Cash and cash equivalents	\$ 101,454	\$ -	\$ 1,642,627	\$ 1,744,081	\$ 2,192,873
Accounts receivable	11,170	-	25,000	36,170	18,647
Goods and services tax recoverable	7,216	-	-	7,216	5,949
Prepaid expenses	6,147	-	-	6,147	1,975
	125,987	-	1,667,627	1,793,614	2,219,444
CAPITAL ASSETS (Note 3)	-	3,412,882	-	3,412,882	3,623,498
	\$ 125,987	\$ 3,412,882	\$ 1,667,627	\$ 5,206,496	\$ 5,842,942
LIABILITIES AND FUND BALANCES					
CURRENT					
Accounts payable	\$ 43,773	\$ -	\$ 42,868	\$ 86,641	\$ 61,575
Wages payable	63,664	-	147,669	211,333	197,016
Deferred revenue	18,550	-	75,000	93,550	27,055
	125,987	-	265,537	391,524	285,646
FUND BALANCES					
Unrestricted	-	-	-	-	9,677
Restricted	-	-	1,402,090	1,402,090	1,924,121
Invested in capital assets	-	3,412,882	-	3,412,882	3,623,498
	-	3,412,882	1,402,090	4,814,972	5,557,296
	\$ 125,987	\$ 3,412,882	\$ 1,667,627	\$ 5,206,496	\$ 5,842,942

ON BEHALF OF THE BOARD



Director



Director

HOSPICE CALGARY SOCIETY

Statement of Operations and Changes in Fund Balances

For the Years Ended March 31, 2022 and March 31, 2021

	Unrestricted Fund	Capital Asset Fund	Restricted Fund	Total 2022	Total 2021
REVENUE					
Alberta Health Services grants <i>(Note 4)</i>	\$ -	\$ -	\$ 2,104,137	\$ 2,104,137	\$ 2,054,416
Donations	348,506	-	476,567	825,073	968,035
Grants	-	-	285,385	285,385	285,385
Special gifts	205,706	-	-	205,706	102,776
Canada emergency wage subsidy <i>(Note 5)</i>	68,027	-	72,569	140,596	369,051
Legacy gifts	-	-	134,566	134,566	36,330
Other	3,260	-	125,270	128,530	186,573
Memorials - Rosedale	-	-	74,854	74,854	42,091
Interest	12,453	-	-	12,453	25,841
Other - Rosedale	-	-	6,782	6,782	2,314
Memorials	5,610	-	-	5,610	25,464
	643,562	-	3,280,130	3,923,692	4,098,276
EXPENSES					
Salaries, wages and benefits	448,823	-	3,183,105	3,631,928	3,511,030
Administration and program administration costs	149,088	-	132,404	281,492	270,726
Amortization	-	247,522	-	247,522	260,095
Fees and contracts	49,584	-	187,009	236,593	126,170
Building costs	57,268	-	117,913	175,181	141,689
Direct program expenses	286	-	53,028	53,314	58,401
Special events	38,153	-	1,833	39,986	6,847
	743,202	247,522	3,675,292	4,666,016	4,374,958
NET DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR	(99,640)	(247,522)	(395,162)	(742,324)	(276,682)
FUND BALANCE - BEGINNING OF YEAR	9,677	3,623,498	1,924,121	5,557,296	5,833,978
INTERFUND TRANSFERS	89,963	36,906	(126,869)	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ 3,412,882	\$ 1,402,090	\$ 4,814,972	\$ 5,557,296

HOSPICE CALGARY SOCIETY

Statement of Cash Flows

For the Years Ended March 31, 2022 and March 31, 2021

	2022	2021
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (742,324)	\$ (276,682)
Item not affecting cash:		
Amortization	247,522	260,095
	<u>(494,802)</u>	<u>(16,587)</u>
Changes in non-cash working capital:		
Accounts receivable	(17,523)	(7,196)
Interest receivable	-	3,717
Accounts payable	25,066	(52,719)
Prepaid expenses	(4,172)	5,706
Goods and services tax recoverable	(1,267)	1,920
Wages payable	14,317	48,058
Deferred revenue	66,495	4,392
	<u>82,916</u>	<u>3,878</u>
Cash flow used by operating activities	<u>(411,886)</u>	<u>(12,709)</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>(36,906)</u>	<u>(134,066)</u>
Cash flow used by investing activity	<u>(36,906)</u>	<u>(134,066)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(448,792)	(146,775)
Cash and cash equivalents - beginning of year	<u>2,192,873</u>	<u>2,339,648</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,744,081	\$ 2,192,873
CASH CONSISTS OF:		
Cash	\$ 11,491	\$ 41,235
Restricted cash and cash equivalents	<u>1,732,590</u>	<u>2,151,638</u>
	<u>\$ 1,744,081</u>	<u>\$ 2,192,873</u>

HOSPICE CALGARY SOCIETY
Notes to Financial Statements
For the Years Ended March 31, 2022 and March 31, 2021

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

All 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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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	2022 Net book value	2021 Net book value
Buildings	\$ 4,807,266	\$ 1,983,015	\$ 2,824,251	\$ 2,941,930
Leasehold improvements	1,310,518	959,974	350,544	406,162
Equipment	981,099	829,934	151,165	159,400
Computer equipment	362,493	286,829	75,664	93,490
Computer software	134,464	123,206	11,258	22,516
	\$ 7,595,840	\$ 4,182,958	\$ 3,412,882	\$ 3,623,498

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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, 2022, funding received for Rosedale Hospice operations totalled \$1,604,137 (2021 - \$1,554,416), 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 2022 fiscal period (2021 - \$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 2022 fiscal year was significantly impacted by the pandemic, resulting in its eligibility for support through the Canada emergency wage subsidy program.

Given that 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>2022</u>	<u>2021</u>
Remuneration to employees whose principal duties involve fundraising	\$ 330,914	\$ 307,261
Direct expenses incurred for the purpose of soliciting contributions	\$ 156,134	\$ 68,367

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.
