

# GABRIOLA HEALTH CARE FOUNDATION

FINANCIAL STATEMENTS  
(Unaudited)

DECEMBER 31, 2011

# GABRIOLA HEALTH CARE FOUNDATION

DECEMBER 31, 2011

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**GABRIOLA HEALTH CARE FOUNDATION**

**REVIEW ENGAGEMENT REPORT**

To the Directors of  
Gabriola Health Care Foundation

I have reviewed the statement of financial position of Gabriola Health Care Foundation as at December 31, 2011 and the statements of operations, changes in net assets and cash flows for the year then ended. My review was made in accordance with generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the company.

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

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

Gabriola B C  
June 28, 2012



CERTIFIED GENERAL ACCOUNTANT

# GABRIOLA HEALTH CARE FOUNDATION

## STATEMENT OF FINANCIAL POSITION (Unaudited)

AS AT DECEMBER 31, 2011

### ASSETS

	2011				2010			
	Operating Fund	New Clinic Fund	Urgent care Equipment Fund	Total	Operating Fund	New Clinic Fund	Urgent Care Equipment Fund	Total
<b>CURRENT</b>								
Cash (Note 5)	\$ 28,924	\$ 604,097	\$ 30,384	\$ 663,405	\$ 25,925	\$ 457,897	\$ 27,633	\$ 511,455
Accounts receivable	1,216	27,641	-	28,857	1,202	5,949	-	7,151
Pledges receivable (Note 2)	-	169,957	-	169,957	-	142,353	-	142,353
Prepaid expenses	1,032	-	-	1,032	1,721	-	-	1,721
	-	-	-	-	-	-	-	-
	31,172	801,695	30,384	863,251	28,848	606,199	27,633	662,680
<b>CAPITAL ASSETS (Note 6)</b>	5,264	569,875	7,302	582,441	1,673	4,724	10,691	17,088
	\$ 36,436	\$ 1,371,570	\$ 37,686	\$ 1,445,692	\$ 30,521	\$ 610,923	\$ 38,324	\$ 679,768

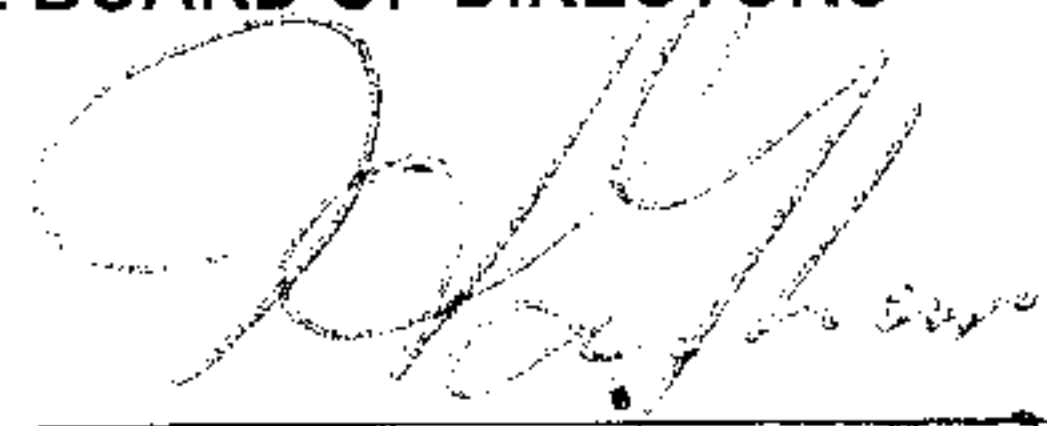
### LIABILITIES

<b>CURRENT</b>								
Accounts payable and accrued liabilities	\$ 1,999	\$ 194,692	\$ -	\$ 196,691	\$ 3,821	\$ -	\$ -	\$ 3,821
	-	-	-	-	-	-	-	-
<b>DEFERRED CONTRIBUTIONS (Note 7)</b>	-	1,176,878	37,686	1,214,564	-	610,923	38,324	649,247
	1,999	1,371,570	37,686	1,411,255	3,821	610,923	38,324	653,068

### NET ASSETS

<b>OPERATING FUND</b>	34,437	-	-	34,437	26,700	-	-	26,700
	\$ 36,436	\$ 1,371,570	\$ 37,686	\$ 1,445,692	\$ 30,521	\$ 610,923	\$ 38,324	\$ 679,768

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

  
\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

The accompanying notes are an integral part of these financial statements.

# GABRIOLA HEALTH CARE FOUNDATION

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (Unaudited)

FOR THE YEAR ENDED DECEMBER 31, 2011

	2011				2010			
	Operating Fund	New Clinic Fund	Urgent care Equipment Fund	Total	Operating Fund	New Clinic Fund	Urgent Care Equipment Fund	Total
<b>REVENUE</b>								
Fundraising events Revenue	\$ 28,440	\$ -	\$ -	\$ 28,440	\$ 47,105	\$ -	\$ -	\$ 47,105
Fundraising costs	(6,782)	-	-	(6,782)	(16,929)	-	-	(16,929)
Net proceeds from fundraising	21,658	-	-	21,658	30,176	-	-	30,176
Amortization of deferred contributions	-	-	3,938	3,938	-	1,046	3,828	4,874
Investment income	6,846	-	-	6,846	2,384	-	-	2,384
Operating revenue	28,504	-	3,938	32,442	32,560	1,046	3,828	37,434
<b>EXPENSES</b>								
<b>Fundraising</b>								
Advertising	\$ 1,171	\$ -	\$ -	\$ 1,171	\$ 1,845	\$ -	\$ -	\$ 1,845
Bank and credit card charges	731	-	-	731	773	-	-	773
Memberships	90	-	-	90	225	-	-	225
Disposition of donated shares	513	-	-	513	251	-	-	251
Fundraising supplies	530	-	-	530	1,322	-	-	1,322
Postage	1,436	-	-	1,436	2,018	-	-	2,018
Printed material	-	-	-	-	1,685	-	-	1,685
Research database	-	-	-	-	189	-	-	189
Other	249	-	-	249	-	-	-	-
Total fundraising expenses	4,720	-	-	4,720	8,308	-	-	8,308
<b>Operating</b>								
Amortization (Notes 2 & 6)	1,752	-	3,938	5,690	1,137	1,046	3,828	6,011
Board & other meetings	-	-	-	-	297	-	-	297
Compliance costs	641	-	-	641	-	-	-	-
GST/HST net of refundable	942	-	-	942	927	-	-	927
Insurance	1,787	-	-	1,787	1,301	-	-	1,301
Occupancy	3,850	-	-	3,850	2,758	-	-	2,758
Office supplies & expenses	209	-	-	209	1,740	-	-	1,740
Other	206	-	-	206	52	-	-	52
Telephone	1,014	-	-	1,014	-	-	-	-
Web site	-	-	-	-	375	-	-	375
Professional fees	5,158	-	-	5,158	2,223	-	-	2,223
Postage	490	-	-	490	343	-	-	343
Total operating expenses	16,049	-	3,938	19,987	11,153	1,046	3,828	16,027
Total expenses	20,769	-	3,938	24,707	19,461	1,046	3,828	24,335
<b>EXCESS OF REVENUE OVER EXPENSES</b>	7,735	-	-	7,735	13,099	-	-	13,099
<b>FUND BALANCES,</b>								
beginning of the year	26,702	-	-	26,702	13,601	-	-	13,601
<b>FUND BALANCES, end of year</b>	\$ 34,437	\$ -	\$ -	\$ 34,437	\$ 26,700	\$ -	\$ -	\$ 26,700

The accompanying notes are an integral part of these financial statements.

# GABRIOLA HEALTH CARE FOUNDATION

## STATEMENT OF CASH FLOWS (Unaudited)

FOR THE YEAR ENDED DECEMBER 31, 2011

	2011				2010			
	Operating Fund	New Clinic Fund	Urgent care Equipment Fund	Total	Operating Fund	New Clinic Fund	Urgent Care Equipment Fund	Total
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>								
Cash receipts from members and other income								
Grants, donations and other income	\$ 28,440	\$ -	\$ 3,938	\$ 32,378	\$ 47,105	\$ 1,046	\$ 3,828	\$ 51,979
Net change in accounts receivable	(12)	(49,297)	-	(49,309)	1,038	(139,348)	-	(138,310)
Net change in deferred contributions	-	565,955	(638)	565,317	-	500,961	4,446	505,407
	28,428	516,658	3,300	548,386	48,143	362,659	8,274	419,076
Cash paid to suppliers								
Purchases	(25,798)	-	-	(25,798)	(35,251)	-	-	(35,251)
Net change in accounts payable	(1,134)	194,693	-	193,559	2,798	-	-	2,798
	(26,932)	194,693	-	167,761	(32,453)	-	-	(32,453)
Interest received								
Interest income	6,846	-	-	6,846	2,384	-	-	2,384
	6,846	-	-	6,846	2,384	-	-	2,384
<b>CASH FROM OPERATIONS</b>	<b>8,342</b>	<b>711,351</b>	<b>3,300</b>	<b>722,993</b>	<b>18,074</b>	<b>362,659</b>	<b>8,274</b>	<b>389,007</b>
<b>INVESTING ACTIVITIES</b>								
Additions to capital assets	(5,343)	(565,151)	(549)	(571,043)	(1,047)	(3,228)	-	(4,275)
<b>CASH FROM INVESTING</b>	<b>(5,343)</b>	<b>(565,151)</b>	<b>(549)</b>	<b>(571,043)</b>	<b>(1,047)</b>	<b>(3,228)</b>	<b>-</b>	<b>(4,275)</b>
<b>INCREASE (DECREASE) IN CASH DURING THE YEAR</b>	<b>2,999</b>	<b>146,200</b>	<b>2,751</b>	<b>151,950</b>	<b>17,027</b>	<b>359,431</b>	<b>8,274</b>	<b>384,732</b>
<b>CASH, beginning of year</b>	<b>25,925</b>	<b>457,897</b>	<b>27,633</b>	<b>511,455</b>	<b>8,898</b>	<b>98,466</b>	<b>19,359</b>	<b>126,723</b>
<b>CASH, end of year</b>	<b>\$ 28,924</b>	<b>\$ 604,097</b>	<b>\$ 30,384</b>	<b>\$ 663,405</b>	<b>\$ 25,925</b>	<b>\$ 457,897</b>	<b>\$ 27,633</b>	<b>\$ 511,455</b>
<b>CASH is defined as</b>								
Cash				\$ 663,405				\$ 511,455
				\$ 663,405				\$ 511,455

The accompanying notes are an integral part of these financial statements.

# GABRIOLA HEALTH CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
(Unaudited)

DECEMBER 31, 2011

## 1. NATURE OF THE ENTITY

The Gabriola Health Care Foundation is a British Columbia not-for-profit society incorporated under the British Columbia Societies Act on March 28, 2007 and is a registered charity for Canadian Income Tax purposes. Its registration number is 85193 0586 RR0001.

## 2. SUMMARY OF ACCOUNTING POLICIES

(a) The association reports its activities on the fund accounting basis and follows the deferred method of recognition of externally designated contributions which matches the revenue to the related expenditure. In addition, in 2008, in accordance with an agreement with the Gabriola Lions Club, the Ambulance Society and certain other donors, the Board established a separate fund for amounts donated for the specific purpose of acquiring equipment for, or related to, the operation of the urgent care room. Amounts donated for the construction of the proposed clinic are recorded in the New Clinic Fund.

### (b) Revenue recognition

Unrestricted contributions are recognized as revenue of the operating fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are deferred and recognized as revenue of the year in which the related expenditures are incurred. Restricted contributions used to acquire capital assets are recognized as revenue in amounts equal to the amortization charged to the particular assets accounts in the year.

The main purpose of the Foundation's activities at this time is the raising of funds for the construction and equipping of a medical facility. It is the Board's view that contributions received by the Foundation in excess of current operating needs are received on the understanding that they will be used for that purpose. It is therefore the Board's view that such contributions are to be treated as restricted contributions as set out above. Amounts received at fundraising events, other than donations with respect to which receipts for income tax purposes are issued, will be taken into income in the year received or receivable.

To be included in income in a year, contributions must have been received or, if mailed, must bear a post mark date in the particular year.

Pledges of the contribution of cash and in-kind contributions of assets are recognized at their estimated value at the time of the contribution.

Investment income including income realized on restricted funds is recognized as income in the operating fund when earned.

### (c) Contributed securities

Contributed securities are recorded at their receipted value, which is the closing market value of the securities the day the donation is received. They are sold at the first opportunity. Any gain or loss on the disposition, and the cost of the disposition, is recorded as income or expense at the time of the disposition.

### (d) Capital Assets

Property and equipment is recorded at cost (or receipted value in the case of contributed items) and is amortized over the estimated useful life of the assets on a straight line basis using the following useful lives:

Backup electricity generator	- 5 years
Electronic office equipment	- 3 years
Medical equipment	- 5 years
Office equipment & furnishings	- 10 years

Full amortization is claimed in the year that the asset is acquired and no amortization is taken in the year of disposition.

### (e) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates 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 expenses during the period. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary they are recorded in the financial statements in the period they become known.

The accompanying notes are an integral part of these financial statements.

# GABRIOLA HEALTH CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
(Unaudited)

DECEMBER 31, 2011

### 3. TAX STATUS

The Foundation is tax-exempt under paragraph 149(1)(f) of the Income Tax Act (Canada).

### 4. DONATED SERVICES

The Foundation is managed and administered by many valued and dedicated volunteers. The value of their services is not recognized in the financial statements due to the difficulty in determining its fair value.

### 5. CASH

The Foundation has provided a Letter of Credit issued by the Coastal Community Credit Union in the amount of \$69,650 to the British Columbia Ministry of Transportation and Infrastructure to provide the Ministry sufficient funds to complete the extension of Church Street, Gabriola, to the new medical clinic should the Foundation be unable to do so, or not do so to Ministry standards. The letter of Credit will be cancelled once the Church Street extension has been completed and approved by the Ministry. The Foundation has pledged \$69,650 of the cash on deposit with the Credit Union as security for the letter of credit.

### 6. CAPITAL ASSETS

	2011			2010		
	Cost	Amortization	Value	Cost	Amortization	Value
<b>Clinic fund</b>						
Church Street Clinic	569,875	-	569,875	4,724	-	4,724
	569,875	-	569,875	4,724	-	4,724
<b>Urgent Care Equipment fund</b>						
Medical equipment	12,802	8,255	4,547	12,253	5,695	6,558
Generator	6,888	4,133	2,755	6,888	2,755	4,133
	19,690	12,388	7,302	19,141	8,450	10,691
<b>Operating fund</b>						
Office furniture and equipment	613	245	368	613	184	429
Electronic office equipment	1,360	1,360	-	1,360	1,360	-
Medical equipment	3,111	2,489	622	3,111	1,866	1,245
Fundraising cart	5,343	1,069	4,274	-	-	-
	10,427	5,163	5,264	5,084	3,410	1,674
	\$ 599,992	\$ 17,551	\$ 582,441	\$ 28,949	\$ 11,860	\$ 17,089

The accompanying notes are an integral part of these financial statements.



# GABRIOLA HEALTH CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
(Unaudited)

DECEMBER 31, 2011

## 7. DEFERRED CONTRIBUTIONS FOR CAPITAL ASSETS

The deferred contributions for capital assets fund represents contributions set aside to be used, or that have been used to acquire capital assets, less the accumulated amortization of those assets.

	2011			2010		
	Cost	Amortization	Value	Cost	Amortization	Value
	Clinic Fund	Urgent care Equipment Fund	Total	Clinic Fund	Urgent Care Equipment Fund	Total
<b>DEFERRED RESTRICTED CONTRIBUTIONS</b>						
Donations, grants & pledges	\$ 414,298	\$ 3,300	\$ 417,598	\$ 446,421	\$ 8,274	\$ 454,695
Gifts of securities and other in-kind	151,657	-	151,657	55,586	-	55,586
Total restricted contributions	565,955	3,300	569,255	502,007	8,274	510,281
Balance brought forward	610,923	38,324	649,247	109,962	33,878	143,840
Total	1,176,878	41,624	1,218,502	611,969	42,152	654,121
Less amounts taken into income	-	(3,938)	(3,938)	(1,046)	(3,828)	(4,874)
Closing balance	\$ 1,176,878	\$ 37,686	\$ 1,214,564	\$ 610,923	\$ 38,324	\$ 649,247

## 8. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, accounts receivables and accounts payable. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency, or credit risk arising from these financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

## 9. SUBSEQUENT EVENTS

On January 23, 2012, ownership of the land which the clinic is being constructed on was transferred to the Foundation. The transfer is being recorded at its fair market value of \$470,000.