
Gabriola Health Care Foundation

Financial Statements

December 31, 2015

(Unaudited)

Gabriola Health Care Foundation

Financial Statements
December 31, 2015
(Unaudited)

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K.D. BEAUSOLEIL & COMPANY INC.

CHARTERED PROFESSIONAL ACCOUNTANTS



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Review Engagement Report

To the Directors of
Gabriola Health Care Foundation

We have reviewed the statement of financial position of Gabriola Health Care Foundation as at December 31, 2015 and the statements of operations, changes in fund balances and cash flows for the year then ended. Our 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 us by the company.

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

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

Nanaimo BC
March 16, 2016

K.D. Beausoleil & Company Inc.
Chartered Professional Accountants

Gabriola Health Care Foundation

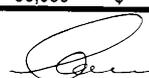
Statement of Financial Position For the Year Ended December 31, 2015 (Unaudited)

| | 2015 | | | | | 2014 | | | | |
|--|----------------|---------------------------------|------------------------|-----------------------------|--------------|----------------|---------------------------------|------------------------|-----------------------------|--------------|
| | Operating Fund | Health Centre Construction Fund | Medical Equipment Fund | Health Care Programmes Fund | Total | Operating Fund | Health Centre Construction Fund | Medical Equipment Fund | Health Care Programmes Fund | Total |
| Assets | | | | | | | | | | |
| Current | | | | | | | | | | |
| Cash and investment certificates | \$ 27,158 | \$ 244,915 | \$ 8,548 | \$ 83,248 | \$ 363,869 | \$ 23,367 | \$ 251,293 | \$ 15,046 | \$ 93,500 | \$ 383,206 |
| Accounts receivable and accrued income | 11,659 | 283 | 317 | - | 12,259 | 4,295 | 468 | 152 | - | 4,915 |
| Pledges receivable (Note 2) | - | - | - | - | - | - | 1,000 | - | - | 1,000 |
| Prepaid expenses | 5,286 | - | - | - | 5,286 | 3,669 | - | - | - | 3,669 |
| | 44,103 | 245,198 | 8,865 | 83,248 | 381,414 | 31,331 | 252,761 | 15,198 | 93,500 | 392,790 |
| Capital Assets (Note 5) | - | 1,674,827 | 36,420 | - | 1,711,247 | - | 1,698,711 | 40,841 | - | 1,739,552 |
| | \$ 44,103 | \$ 1,920,025 | \$ 45,285 | \$ 83,248 | \$ 2,092,661 | \$ 31,331 | \$ 1,951,472 | \$ 56,039 | \$ 93,500 | \$ 2,132,342 |
| Liabilities and Fund Balances | | | | | | | | | | |
| Current | | | | | | | | | | |
| Accounts payable and accrued liabilities | \$ 5,155 | \$ - | \$ 247 | \$ - | \$ 5,402 | \$ 6,202 | \$ 475 | \$ - | \$ - | \$ 6,677 |
| Prepaid rent | 1,525 | - | - | - | 1,525 | 1,536 | - | - | - | 1,536 |
| | 6,680 | - | 247 | - | 6,927 | 7,738 | 475 | - | - | 8,213 |
| Deferred Contributions (Note 6) | - | 1,450,025 | 45,038 | 83,248 | 1,578,311 | - | 1,480,997 | 56,039 | 93,500 | 1,630,536 |
| | 6,680 | 1,450,025 | 45,285 | 83,248 | 1,585,238 | 7,738 | 1,481,472 | 56,039 | 93,500 | 1,638,749 |
| Fund Balances | | | | | | | | | | |
| Unrestricted | 37,423 | - | - | - | 37,423 | 23,593 | - | - | - | 23,593 |
| Invested in Land | - | 470,000 | - | - | 470,000 | - | 470,000 | - | - | 470,000 |
| | \$ 44,103 | \$ 1,920,025 | \$ 45,285 | \$ 83,248 | \$ 2,092,661 | \$ 31,331 | \$ 1,951,472 | \$ 56,039 | \$ 93,500 | \$ 2,132,342 |

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

For the Year Ended December 31, 2015

(Unaudited)

| | 2015 | | | | | 2014 | | | | |
|--------------------------------------|----------------|---------------------------------|------------------------|-----------------------------|-----------|----------------|---------------------------------|------------------------|-----------------------------|-----------|
| | Operating Fund | Health Centre Construction Fund | Medical Equipment Fund | Health Care Programmes Fund | Total | Operating Fund | Health Centre Construction Fund | Medical Equipment Fund | Health Care Programmes Fund | Total |
| Revenue | | | | | | | | | | |
| Rent income | \$ 73,724 | \$ - | \$ - | \$ - | \$ 73,724 | \$ 64,936 | \$ - | \$ - | \$ - | \$ 64,936 |
| Fundraising (Note 7) | 11,865 | - | - | - | 11,865 | 10,543 | - | - | - | 10,543 |
| Deferred contributions (Note 6) | - | 38,472 | 19,028 | 10,252 | 67,752 | - | 38,887 | 15,414 | 6,500 | 60,801 |
| Investment income | 4,864 | - | - | - | 4,864 | 3,967 | - | - | - | 3,967 |
| Operating revenue | 90,453 | 38,472 | 19,028 | 10,252 | 158,205 | 79,446 | 38,887 | 15,414 | 6,500 | 140,247 |
| Expenses | | | | | | | | | | |
| Building operating costs | | | | | | | | | | |
| Amortization of assets (Notes 2 & 5) | \$ - | \$ 38,472 | \$ 19,028 | \$ - | \$ 57,500 | \$ - | \$ 38,887 | \$ 15,414 | \$ - | \$ 54,301 |
| Building insurance | 5,468 | - | - | - | 5,468 | 6,130 | - | - | - | 6,130 |
| Building systems maintenance | 9,143 | - | - | - | 9,143 | 4,663 | - | - | - | 4,663 |
| Cleaning services and supplies | 16,163 | - | - | - | 16,163 | 18,587 | - | - | - | 18,587 |
| General maintenance and supplies | 1,974 | - | - | - | 1,974 | - | - | - | - | - |
| Groundskeeping | 938 | - | - | - | 938 | 1,328 | - | - | - | 1,328 |
| GST/HST net of refundable | 1,134 | - | - | - | 1,134 | 817 | - | - | - | 817 |
| Miscellaneous | 307 | - | - | - | 307 | 726 | - | - | - | 726 |
| Real property tax | 10,558 | - | - | - | 10,558 | 10,600 | - | - | - | 10,600 |
| Utilities & services | 15,722 | - | - | - | 15,722 | 13,277 | - | - | - | 13,277 |
| Total building operating costs | 61,407 | 38,472 | 19,028 | - | 118,907 | 56,128 | 38,887 | 15,414 | - | 110,429 |
| Community services | | | | | | | | | | |
| Maintaining urgent care room | 8,329 | - | - | - | 8,329 | - | - | - | - | - |
| Telemedicine unit | 177 | - | - | - | 177 | - | - | - | - | - |
| Total community services | 8,506 | - | - | - | 8,506 | - | - | - | - | - |
| Foundation operating costs | | | | | | | | | | |
| Board & other meetings | 236 | - | - | - | 236 | 731 | - | - | - | 731 |
| Communications | 533 | - | - | - | 533 | 150 | - | - | - | 150 |
| Compliance costs | 226 | - | - | - | 226 | 498 | - | - | - | 498 |
| Director and officer insurance | 1,062 | - | - | - | 1,062 | 1,060 | - | - | - | 1,060 |
| Fundraising costs | 702 | - | - | - | 702 | 198 | - | - | - | 198 |
| Miscellaneous expenses | 911 | - | - | - | 911 | 431 | - | - | - | 431 |
| Postage | 150 | - | - | - | 150 | 324 | - | - | - | 324 |
| Professional fees | 2,866 | - | - | - | 2,866 | 2,756 | - | - | - | 2,756 |
| Recruiting | - | - | - | - | - | 1,600 | - | - | - | 1,600 |
| WEB site | 24 | - | - | - | 24 | 204 | - | - | - | 204 |
| Total foundation operating expenses | 6,710 | - | - | - | 6,710 | 7,952 | - | - | - | 7,952 |
| Donations to charities and others | - | - | - | 10,252 | 10,252 | - | - | - | 6,500 | 6,500 |
| Total expenses | 76,623 | 38,472 | 19,028 | 10,252 | 144,375 | 64,080 | 38,887 | 15,414 | 6,500 | 124,881 |
| Excess of Revenue Over Expenses | \$ 13,830 | \$ - | \$ - | \$ - | \$ 13,830 | \$ 15,366 | \$ - | \$ - | \$ - | \$ 15,366 |

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

Gabriola Health Care Foundation

Statement of Changes in Fund Balances

For the Year Ended December 31, 2015

(Unaudited)

| | 2015 | | | | | 2014 | | | | |
|--|-------------------|---------------------------------------|------------------------------|-----------------------------------|-------------------|-------------------|---------------------------------------|------------------------------|-----------------------------------|-------------------|
| | Operating Fund | Health Centre Construction Fund | Medical Equipment Fund | Health Care Programmes Fund | Total | Operating Fund | Health Centre Construction Fund | Medical Equipment Fund | Health Care Programmes Fund | Total |
| Balances, beginning of the year | 23,593 | 470,000 | - | - | 493,593 | 8,227 | 470,000 | - | - | 478,227 |
| Excess of Revenue Over Expenses | \$ 13,830 | \$ - | \$ - | \$ - | \$ 13,830 | \$ 15,366 | \$ - | \$ - | \$ - | \$ 15,366 |
| Fund Balances, end of year | \$ 37,423 | \$ 470,000 | \$ - | \$ - | \$ 507,423 | \$ 23,593 | \$ 470,000 | \$ - | \$ - | \$ 493,593 |

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

Gabriola Health Care Foundation

Statement of Cash Flows
For the Year Ended December 31, 2015
(Unaudited)

| | 2015 | | | | | 2014 | | | | |
|--|---------------------|---------------------------------|------------------------|-----------------------------|------------------|------------------|---------------------------------|------------------------|-----------------------------|-------------------|
| | Operating Fund | Health Centre Construction Fund | Medical Equipment Fund | Health Care Programmes Fund | Total | Operating Fund | Health Centre Construction Fund | Medical Equipment Fund | Health Care Programmes Fund | Total |
| Cash Provided By (Used for) | | | | | | | | | | |
| Operations | | | | | | | | | | |
| Cash receipts from members and other income | | | | | | | | | | |
| Grants, donations and other income | \$ 85,589 | \$ - | \$ - | \$ - | \$ 85,589 | \$ 75,477 | \$ - | \$ - | \$ - | \$ 75,477 |
| Net change in accounts receivable | (7,364) | - | - | - | (7,364) | 499 | - | - | - | 499 |
| Net change in prepaid expenses | (1,617) | - | - | - | (1,617) | 726 | - | - | - | 726 |
| | 76,608 | - | - | - | 76,608 | 76,702 | - | - | - | 76,702 |
| Cash paid to suppliers | | | | | | | | | | |
| Purchases | (76,623) | - | - | - | (76,623) | (64,081) | - | - | - | (64,081) |
| Net change in accounts payable | (1,058) | - | - | - | (1,058) | (1,813) | - | - | - | (1,813) |
| | (77,681) | - | - | - | (77,681) | (65,894) | - | - | - | (65,894) |
| Interest income | 4,864 | - | - | - | 4,864 | 3,967 | - | - | - | 3,967 |
| | 4,864 | - | - | - | 4,864 | 3,967 | - | - | - | 3,967 |
| Cash from Operations | 3,791 | - | - | - | 3,791 | 14,775 | - | - | - | 14,775 |
| Investments | | | | | | | | | | |
| Additions to capital assets | - | (14,587) | (14,607) | - | (29,194) | - | (21,998) | (7,769) | - | (29,767) |
| Purchase of investment certificates | (300,000) | - | - | - | (300,000) | - | - | - | - | - |
| Cash from Investing | (300,000) | (14,587) | (14,607) | - | (329,194) | - | (21,998) | (7,769) | - | (29,767) |
| Financing | | | | | | | | | | |
| Donations to charities and others | - | - | - | (10,252) | (10,252) | - | - | - | (6,500) | (6,500) |
| Net change in accounts receivable | - | 184 | (164) | - | 20 | - | 918 | 861 | - | 1,779 |
| Net change in pledges receivable | - | 1,000 | - | - | 1,000 | - | 5,000 | - | - | 5,000 |
| Net change in accounts payable | - | (475) | 246 | - | (229) | - | 106 | (1,288) | - | (1,182) |
| Net change in deferred contributions | - | 7,500 | 8,027 | - | 15,527 | - | - | 7,446 | - | 7,446 |
| Cash from Financing | - | 8,209 | 8,109 | (10,252) | 6,066 | - | 6,024 | 7,019 | (6,500) | 6,543 |
| Increase/(Decrease) in Cash During the Year | (296,209) | (6,378) | (6,498) | (10,252) | (319,337) | 14,775 | (15,974) | (750) | (6,500) | (8,449) |
| Cash, beginning of year | 23,367 | 251,293 | 15,046 | 93,500 | 383,206 | 8,592 | 267,267 | 15,796 | 100,000 | 391,655 |
| Cash, end of year | \$ (272,842) | \$ 244,915 | \$ 8,548 | 83,248 | \$ 63,869 | \$ 23,367 | \$ 251,293 | \$ 15,046 | 93,500 | \$ 383,206 |
| Cash is defined as | | | | | | | | | | |
| Cash | | | | | \$ 63,869 | | | | | \$ 383,206 |
| Investment certificates | | | | | 300,000 | | | | | - |
| | | | | | \$ 363,869 | | | | | \$ 383,206 |

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

Gabriola Health Care Foundation
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015
(Unaudited)

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

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(a) Fund Accounting

The Foundation reports its activities using the deferral method of accounting for contributions. In addition, the Foundation has established separate funds for amounts donated for specific purposes such as constructing the Health Centre, the purchase of medical equipment, and for the offering of health care programmes to Gabriolans.

(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.

Restricted contributions for the purchase of capital assets that will not be amortized, such as land, are recognized as revenue in the appropriate fund.

Grants received for a particular purpose which are refundable to the donor if the funds are not used for that purpose by a particular date are deferred and recorded as a liability until the funds are used for the specified purpose.

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.

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

Gabriola Health Care Foundation

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Unaudited)

(d) Capital Assets

Property and equipment is recorded at cost (or received 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:

| | |
|-----------------------------|------------|
| Electronic office equipment | - 3 years |
| Medical equipment | - 5 years |
| Furniture and fixtures | - 10 years |
| Telephone system | - 10 years |
| Electricity generator | - 20 years |
| Fire pump | - 20 years |
| Land improvements | - 20 years |
| Building | - 50 years |
| Laundry equipment | - 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.

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.

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

Gabriola Health Care Foundation

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Unaudited)

5. Capital Assets

| | 2015 | | | 2014 | | |
|--|-------------|--------------|-------------|-------------|--------------|-------------|
| | Cost | Amortization | Value | Cost | Amortization | Value |
| Health Centre Construction Fund | | | | | | |
| Land | \$ 470,000 | \$ - | \$ 470,000 | \$ 470,000 | \$ - | \$ 470,000 |
| Land improvements | 208,297 | 39,942 | 168,355 | 205,979 | 29,528 | 176,451 |
| Building | 1,040,615 | 80,028 | 960,587 | 1,028,346 | 59,216 | 969,130 |
| Machinery & equipment | 65,406 | 13,081 | 52,325 | 65,406 | 9,811 | 55,595 |
| Electronic office equipment | 4,231 | 3,951 | 280 | 4,231 | 3,589 | 642 |
| Telephone system | 5,526 | 2,203 | 3,323 | 5,526 | 1,650 | 3,876 |
| Furniture & fixtures | 16,151 | 6,142 | 10,009 | 16,151 | 4,527 | 11,624 |
| Benches | 12,502 | 3,918 | 8,584 | 12,502 | 2,668 | 9,834 |
| Laundry & other equipment | 1,949 | 585 | 1,364 | 1,949 | 390 | 1,559 |
| | 1,824,677 | 149,850 | 1,674,827 | 1,810,090 | 111,379 | 1,698,711 |
| Medical Equipment Fund | | | | | | |
| Medical equipment | 89,754 | 64,943 | 24,811 | 84,216 | 47,333 | 36,883 |
| Electronic office equipment | 11,660 | 5,542 | 6,118 | 3,435 | 1,665 | 1,770 |
| Furniture & fixtures | 6,511 | 1,020 | 5,491 | 2,557 | 369 | 2,188 |
| | 107,925 | 71,505 | 36,420 | 90,208 | 49,367 | 40,841 |
| | \$1,932,602 | \$ 221,355 | \$1,711,247 | \$1,900,298 | \$ 160,746 | \$1,739,552 |

6. Deferred Contributions

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, or other funds that have been donated for specific purposes, less amounts spent in that regard.

| | 2015 | | | | 2014 | | | |
|--|---------------------------------------|------------------------------|-----------------------------------|--------------|---------------------------------------|------------------------------|-----------------------------------|--------------|
| | Health Centre Construction Fund | Medical Equipment Fund | Health Care Programmes Fund | Total | Health Centre Construction Fund | Medical Equipment Fund | Health Care Programmes Fund | Total |
| Deferred Restricted Contributions | | | | | | | | |
| Donations, grants & pledges | \$ 7,500 | \$ 8,027 | \$ - | \$ 15,527 | \$ - | \$ 7,446 | \$ - | \$ 7,446 |
| Total contributions | 7,500 | 8,027 | - | 15,527 | - | 7,446 | - | 7,446 |
| Balance brought forward | 1,480,997 | 56,039 | 93,500 | 1,630,536 | 1,519,884 | 64,007 | 100,000 | 1,683,891 |
| Total | 1,488,497 | 64,066 | 93,500 | 1,646,063 | 1,519,884 | 71,453 | 100,000 | 1,691,337 |
| Less amounts taken into income | (38,472) | (19,028) | (10,252) | (67,752) | (38,887) | (15,414) | (6,500) | (60,801) |
| Closing balance | \$ 1,450,025 | \$ 45,038 | \$ 83,248 | \$ 1,578,311 | \$ 1,480,997 | \$ 56,039 | \$ 93,500 | \$ 1,630,536 |

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

Gabriola Health Care Foundation

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Unaudited)

7. Donations by Source

| | 2015 | 2014 |
|---------------------------------|----------|-----------|
| Corporations | \$ 1,798 | \$ 4,660 |
| Foundations | 2,500 | 3,563 |
| Charities | 5,958 | 400 |
| Government and related bodies | 5,490 | - |
| Individuals and other | 11,646 | 9,366 |
| Total donations received | 27,392 | 17,989 |
| Less restricted donations | (15,527) | (7,446) |
| Net donations taken into income | 11,865 | \$ 10,543 |

8. Financial Instruments

The Foundation's financial instruments consist of cash, accounts receivables, guaranteed investment certificates and accounts payable. Unless otherwise noted, it is management's opinion that the Foundation 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.

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