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# **Gabriola Health Care Foundation**

**Financial Statements**

**December 31, 2013**

**(Unaudited)**

# Gabriola Health Care Foundation

Financial Statements  
December 31, 2013  
(Unaudited)

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## Review Engagement Report

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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, 2013 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.

Nanaimo BC  
March 31, 2014

**K.D. Beausoleil & Company Inc.**  
Certified General Accountant

# Gabriola Health Care Foundation

## Statement of Financial Position For the Year Ended December 31, 2013 (Unaudited)

	2013					2012				
	Operating Fund	Health Centre Fund	Medical Equipment Fund	Health Care Programmes Fund	Total	Operating Fund	Health Centre Fund	Medical Equipment Fund	Health Care Programmes Fund	Total
<b>Assets</b>										
<b>Current</b>										
Cash	\$ 8,592	\$ 267,267	\$ 15,796	\$ 100,000	\$ 391,655	\$ 44,945	\$ 366,267	\$ 13,101	\$ 50,000	\$ 474,313
Accounts receivable	4,794	1,385	1,014	-	7,193	1,433	12,424	-	-	13,857
Pledges receivable (Note 2)	-	6,000	-	-	6,000	-	12,440	-	-	12,440
Prepaid expenses	4,395	-	-	-	4,395	935	2,960	-	-	3,895
	17,781	274,652	16,810	100,000	409,243	47,313	394,091	13,101	50,000	504,505
<b>Capital Assets (Note 5)</b>	-	1,715,600	48,486	-	1,764,086	-	1,628,051	25,318	-	1,653,369
	\$ 17,781	\$ 1,990,252	\$ 65,296	\$ 100,000	\$ 2,173,329	\$ 47,313	\$ 2,022,142	\$ 38,419	\$ 50,000	\$ 2,157,874
<b>Liabilities</b>										
<b>Current</b>										
Accounts payable and accrued liabilities	\$ 8,018	\$ 368	\$ 1,289	\$ -	\$ 9,675	\$ 27,191	\$ 19,979	\$ 1	\$ -	\$ 47,171
Prepaid rent	1,536	-	-	-	1,536	-	-	-	-	-
	9,554	368	1,289	-	11,211	27,191	19,979	1	-	47,171
<b>Deferred Contributions (Note 6)</b>	-	1,519,884	64,007	100,000	1,683,891	-	1,532,163	38,418	50,000	1,620,581
	9,554	1,520,252	65,296	100,000	1,695,102	27,191	1,552,142	38,419	50,000	1,667,752
<b>Net Assets</b>										
<b>Fund Balances</b>										
Unrestricted	8,227	-	-	-	8,227	20,122	-	-	-	20,122
Invested in Land	-	470,000	-	-	470,000	-	470,000	-	-	470,000
	\$ 17,781	\$ 1,990,252	\$ 65,296	\$ 100,000	\$ 2,173,329	\$ 47,313	\$ 2,022,142	\$ 38,419	\$ 50,000	\$ 2,157,874

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, 2013

(Unaudited)

	2013					2012				
	Operating Fund	Health Centre Fund	Medical Equipment Fund	Health Care Programmes Fund	Total	Operating Fund	Health Centre Fund	Medical Equipment Fund	Health Care Programmes Fund	Total
<b>Revenue</b>										
Rent income	\$ 42,492	\$ -	\$ -	\$ -	\$ 42,492	\$ 13,400	\$ -	\$ -	\$ -	\$ 13,400
Fundraising	14,373	-	-	-	14,373	8,829	470,000	-	-	478,829
Amortization of deferred contributions (Note 6)	-	38,064	15,411	-	53,475	-	33,977	8,268	-	42,245
Investment income	4,677	-	-	-	4,677	5,843	-	-	-	5,843
Operating revenue	61,542	38,064	15,411	-	115,017	28,072	503,977	8,268	-	540,317
<b>Expenses</b>										
<b>Building operating costs</b>										
Amortization of assets (Notes 2 & 5)	\$ -	\$ 38,064	\$ 15,411	\$ -	\$ 53,475	\$ 622	\$ 33,609	\$ 8,150	\$ -	\$ 42,381
Building insurance	7,259	-	-	-	7,259	4,242	-	-	-	4,242
Building systems maintenance	4,620	-	-	-	4,620	941	-	-	-	941
Cleaning services and supplies	17,133	-	-	-	17,133	7,859	-	-	-	7,859
General maintenance	94	-	-	-	94	-	-	-	-	-
GST/HST net of refundable	1,574	-	-	-	1,574	1,188	-	-	-	1,188
Miscellaneous	523	-	-	-	523	-	-	-	-	-
Real property tax	10,554	-	-	-	10,554	2,561	-	-	-	2,561
Utilities & services	11,658	-	-	-	-	6,385	-	-	-	-
Total building operating costs	53,415	38,064	15,411	-	106,890	23,798	33,609	8,150	-	65,557
<b>Foundation operating costs</b>										
Advertising	774	-	-	-	774	-	-	-	-	-
Bank and credit card charges	308	-	-	-	308	-	-	-	-	-
Board & other meetings	850	-	-	-	850	593	-	-	-	593
Building opening	-	-	-	-	-	6,012	-	-	-	6,012
Compliance costs	348	-	-	-	348	589	-	-	-	589
Director and officer Insurance	1,058	-	-	-	1,058	1,157	-	-	-	1,157
Fundraising costs	-	-	-	-	-	1,467	-	-	-	1,467
Miscellaneous	522	-	-	-	522	-	-	-	-	-
Office supplies & expenses	663	-	-	-	663	1,031	-	-	-	1,031
Professional fees	2,750	-	-	-	2,750	3,209	-	-	-	3,209
Recruiting	12,296	-	-	-	12,296	-	-	-	-	-
Travel	316	-	-	-	316	-	-	-	-	-
WEB site	137	-	-	-	137	256	-	-	-	256
Loss (gain) on retirement of assets	-	-	-	-	-	4,274	368	118	-	4,760
Total operating expenses	20,022	-	-	-	20,022	18,588	368	118	-	19,074
Total expenses	73,437	38,064	15,411	-	126,912	42,386	33,977	8,268	-	84,631
Excess of Revenue Over Expenses	\$ (11,895)	\$ -	\$ -	\$ -	\$ (11,895)	\$ (14,314)	\$ 470,000	\$ -	\$ -	\$ 455,686

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

# Gabriola Health Care Foundation

## Statement of Changes in Net Assets For the Year Ended December 31, 2013 (Unaudited)

	2013					2012				
	Operating Fund	Health Centre Fund	Medical Equipment Fund	Health Care Programmes Fund	Total	Operating Fund	Health Centre Fund	Medical Equipment Fund	Health Care Programmes Fund	Total
<b>Fund Balances</b>										
Balances, beginning of the year	20,122	470,000	-	-	490,122	34,436	-	-	-	34,436
Excess/(Deficit) of Revenue Over Expenses	\$ (11,895)	\$ -	\$ -	\$ -	\$ (11,895)	\$ (14,314)	\$ 470,000	\$ -	\$ -	\$ 455,686
Balances, end of year	\$ 8,227	\$ -	\$ -	\$ -	\$ 8,227	\$ 20,122	\$ -	\$ -	\$ -	\$ 20,122
Invested in Land	\$ -	\$ 470,000	\$ -	\$ -	\$ 470,000	\$ -	\$ 470,000	\$ -	\$ -	\$ 470,000
<b>Fund Balances, end of year</b>	<b>\$ 8,227</b>	<b>\$ 470,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 478,227</b>	<b>\$ 20,122</b>	<b>\$ 470,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 490,122</b>

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, 2013  
(Unaudited)

	2013					2012				
	Operating Fund	Health Centre Fund	Medical Equipment Fund	Health Care Programmes Fund	Total	Operating Fund	Health Centre Fund	Medical Equipment Fund	Health Care Programmes Fund	Total
<b>Cash Provided By (Used for)</b>										
<b>Operations</b>										
Cash receipts from members and other income										
Grants, donations and other income	\$ 56,865	\$ -	\$ -	\$ -	\$ 56,865	\$ 22,597	\$ -	\$ -	\$ -	\$ 22,597
Net change in accounts receivable	(3,361)	-	-	-	(3,361)	(217)	-	-	-	(217)
Net change in prepaid expenses	(3,460)	-	-	-	(3,460)	98	-	-	-	98
	50,044	-	-	-	50,044	22,478	-	-	-	22,478
Cash paid to suppliers										
Purchases	(73,435)	-	-	-	(73,435)	(37,490)	-	-	-	(37,490)
Net change in accounts payable	(17,639)	-	-	-	(17,639)	25,190	-	-	-	25,190
	(91,074)	-	-	-	(91,074)	(12,300)	-	-	-	(12,300)
Interest income	4,677	-	-	-	4,677	5,843	-	-	-	5,843
	4,677	-	-	-	4,677	5,843	-	-	-	5,843
<b>Cash from Operations</b>	<b>(36,353)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(36,353)</b>	<b>16,021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,021</b>
<b>Investments</b>										
Additions to capital assets	-	(125,615)	(38,579)	-	(164,194)	-	(603,197)	(21,515)	-	(624,712)
Proceeds on disposal of assets	-	-	-	-	-	-	-	3,500	-	3,500
<b>Cash from Investing</b>	<b>-</b>	<b>(125,615)</b>	<b>(38,579)</b>	<b>-</b>	<b>(164,194)</b>	<b>-</b>	<b>(603,197)</b>	<b>(18,015)</b>	<b>-</b>	<b>(621,212)</b>
<b>Financing</b>										
Restricted grants, donations & other income	-	-	-	-	-	-	15,021	-	-	15,021
Net change in accounts receivable	-	11,039	(1,014)	-	10,025	-	15,217	-	-	15,217
Net change in pledges receivable	-	6,440	-	-	6,440	-	157,517	-	-	157,517
Net change in prepaid expenses	-	2,960	-	-	2,960	-	(2,960)	-	-	(2,960)
Net change in accounts payable	-	(19,609)	1,288	-	(18,321)	-	(174,713)	-	-	(174,713)
Net change in deferred contributions	-	25,785	41,000	50,000	116,785	-	355,285	732	50,000	406,017
<b>Cash from Financing</b>	<b>-</b>	<b>26,615</b>	<b>41,274</b>	<b>50,000</b>	<b>117,889</b>	<b>-</b>	<b>365,367</b>	<b>732</b>	<b>50,000</b>	<b>416,099</b>
<b>Increase/(Decrease) in Cash During the Year</b>	<b>(36,353)</b>	<b>(99,000)</b>	<b>2,695</b>	<b>50,000</b>	<b>(82,658)</b>	<b>16,021</b>	<b>(237,830)</b>	<b>(17,283)</b>	<b>50,000</b>	<b>(189,092)</b>
Cash, beginning of year	44,945	366,267	13,101	50,000	474,313	28,924	604,097	30,384	-	663,405
<b>Cash, end of year</b>	<b>\$ 8,592</b>	<b>\$ 267,267</b>	<b>\$ 15,796</b>	<b>100,000</b>	<b>\$ 391,655</b>	<b>\$ 44,945</b>	<b>\$ 366,267</b>	<b>\$ 13,101</b>	<b>50,000</b>	<b>\$ 474,313</b>
<b>Cash is defined as</b>										
Cash					\$ 391,655					\$ 474,313
					\$ 391,655					\$ 474,313

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

# Gabriola Health Care Foundation

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

(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.

Until the funds required to complete the Gabriola Community Health Centre were received, the main purpose of the Foundation was the raising of funds for that purpose. 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 was therefore the Board's view that contributions received by the Foundation prior to that time in excess of current operating needs were received on the understanding that they be used for that purpose and that all such contributions, unless otherwise restricted, were to be treated as contributions restricted to the construction of the Health Centre. The Board has determined that contributions received subsequent to October 17, 2012, are not restricted unless it can be reasonably concluded that the donor intended the donation to be restricted to a particular purpose. Donations not so restricted are taken into income in the year received or receivable. Restricted donations are added to the appropriate fund.

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, 2013

(Unaudited)

(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:

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, 2013

(Unaudited)

### 5. Capital Assets

	2013			2012		
	Cost	Amortization	Value	Cost	Amortization	Value
<b>Health Centre Fund</b>						
Land	\$ 470,000	\$ -	\$ 470,000	\$ 470,000	\$ -	\$ 470,000
Land improvements	205,979	19,229	186,750	178,594	8,930	169,664
Building	1,008,687	38,649	970,038	923,746	18,475	905,271
Machinery & equipment	65,406	(6,541)	65,406	65,406	3,270	62,136
Electronic office equipment	3,392	2,452	940	3,145	1,593	1,552
Telephone system	5,526	1,098	4,428	5,450	545	4,905
Furniture & fixtures	14,652	2,912	11,740	14,464	1,446	13,018
Memorial benches	12,502	1,417	(1,417)	1,672	167	1,505
Laundry & other equipment	1,949	195	1,754	-	-	-
	1,788,093	72,493	1,715,600	1,662,477	34,426	1,628,051
<b>Medical Equipment Fund</b>						
Medical equipment	79,746	33,319	46,427	43,860	18,542	25,318
Electronic office equipment	1,560	520	1,040	-	-	-
Furniture & fixtures	1,132	113	1,019	-	-	-
	82,438	33,952	48,486	43,860	18,542	25,318
	\$1,870,531	\$ 106,445	\$1,764,086	\$1,706,337	\$ 52,968	\$1,653,369

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

# Gabriola Health Care Foundation

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

(Unaudited)

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

	2013				2012			
	Health Centre Fund	Medical Equipment Fund	Health Care Programmes Fund	Total	Health Centre Fund	Medical Equipment Fund	Health Care Programmes Fund	Total
<b>Deferred Restricted Contributions</b>								
Donations, grants & pledges	\$ 25,785	\$ 41,000	\$ 50,000	\$ 116,785	\$ 362,406	\$ 9,000	\$ 50,000	\$ 421,406
Gifts of securities and other in-kind	-	-	-	-	26,856	-	-	26,856
Total restricted contributions	25,785	41,000	50,000	116,785	389,262	9,000	50,000	448,262
Balance brought forward	1,532,163	38,418	50,000	1,620,581	1,176,878	37,686	-	1,214,564
Total	1,557,948	79,418	100,000	1,737,366	1,566,140	46,686	50,000	1,662,826
Less amounts taken into income	(38,064)	(15,411)	-	(53,475)	(33,977)	(8,268)	-	(42,245)
Closing balance	\$ 1,519,884	\$ 64,007	\$ 100,000	\$ 1,683,891	\$ 1,532,163	\$ 38,418	\$ 50,000	\$ 1,620,581

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

# Gabriola Health Care Foundation

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

(Unaudited)

### 7. Donations by Source

	2013	2012
Corporations	\$ 7,002	\$ 503,275
Foundations	2,000	51,000
Charities	3,101	6,603
Government	24,900	106,290
Individuals and other	94,155	243,923
	<hr/>	<hr/>
	\$ 131,158	\$ 911,091

### 8. Donation of Land

In January 2012, the Foundation received a donation of 1.65 ha (4.1 acres) of land located at 695 Church Street, Gabriola Island, BC. The land was valued at \$470,000 in accordance with an appraisal prepared for the Foundation by Cunningham & Rivard Appraisals Ltd.

### 9. 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.

### 10. Prior Year Comparative Figures

The prior year accounting figures were reviewed by Judy McPhee & Co Inc, Certified General Accountant.

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