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# **Gabriola Health Care Foundation**

**Financial Statements**

**December 31, 2016**

**(Unaudited)**

# Gabriola Health Care Foundation

## Financial Statements

December 31, 2016

(Unaudited)

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# K.D. BEAUSOLEIL & COMPANY INC.

CHARTERED PROFESSIONAL ACCOUNTANTS



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## **Review Engagement Report**

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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, 2016 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 society.

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  
April 24, 2017

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

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# Gabriola Health Care Foundation

## Statement of Financial Position

For the Year Ended December 31, 2016

(Unaudited)

	2016					2015				
	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
<b>Assets</b>										
<b>Current</b>										
Cash and investment certificates	\$ 71,783	\$ 250,333	\$ 9,670	\$ 73,248	\$ 405,034	\$ 27,157	\$ 244,915	\$ 8,549	\$ 83,248	\$ 363,869
Accounts receivable and accrued income	8,849	4	27	-	8,880	11,659	283	317	-	12,259
Prepaid expenses	4,842	-	-	-	4,842	5,286	-	-	-	5,286
	85,474	250,337	9,697	73,248	418,756	44,102	245,198	8,866	83,248	381,414
<b>Capital Assets (Note 5)</b>	-	1,640,215	25,749	-	1,665,964	-	1,674,826	36,421	-	1,711,247
	\$ 85,474	\$ 1,890,552	\$ 35,446	\$ 73,248	\$ 2,084,720	\$ 44,102	\$ 1,920,024	\$ 45,287	\$ 83,248	\$ 2,092,661
<b>Liabilities and Fund Balances</b>										
<b>Current</b>										
Accounts payable and accrued liabilities	\$ 6,212	\$ -	\$ 315	\$ -	\$ 6,527	\$ 5,155	\$ -	\$ 247	\$ -	\$ 5,402
Prepaid rent	1,917	-	-	-	1,917	1,525	-	-	-	1,525
	8,129	-	315	-	8,444	6,680	-	247	-	6,927
<b>Deferred Contributions (Note 6)</b>	-	1,420,552	35,131	73,248	1,528,931	-	1,450,024	45,040	83,248	1,578,312
	8,129	1,420,552	35,446	73,248	1,537,375	6,680	1,450,024	45,287	83,248	1,585,239
<b>Fund Balances</b>										
<b>Unrestricted</b>	77,345	-	-	-	77,345	37,422	-	-	-	37,422
<b>Invested in Land</b>	-	470,000	-	-	470,000	-	470,000	-	-	470,000
	\$ 85,474	\$ 1,890,552	\$ 35,446	\$ 73,248	\$ 2,084,720	\$ 44,102	\$ 1,920,024	\$ 45,287	\$ 83,248	\$ 2,092,661

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, 2016

(Unaudited)

	2016					2015				
	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
<b>Revenue</b>										
Rent income	\$ 79,780	\$ -	\$ -	\$ -	\$ 79,780	\$ 73,724	\$ -	\$ -	\$ -	\$ 73,724
Fundraising (Note 7)	33,935	-	-	-	33,935	11,865	-	-	-	11,865
Deferred contributions (Note 6)	-	40,053	21,791	10,000	71,844	-	38,473	19,027	10,252	67,752
Investment income	5,106	-	-	-	5,106	4,864	-	-	-	4,864
<b>Operating revenue</b>	<b>118,821</b>	<b>40,053</b>	<b>21,791</b>	<b>10,000</b>	<b>190,665</b>	<b>90,453</b>	<b>38,473</b>	<b>19,027</b>	<b>10,252</b>	<b>158,205</b>
<b>Expenses</b>										
<b>Building operating costs</b>										
Amortization of assets (Notes 2 & 5)	\$ -	\$ 39,450	\$ 21,791	\$ -	\$ 61,241	\$ -	\$ 38,473	\$ 19,027	\$ -	\$ 57,500
Building insurance	6,637	-	-	-	6,637	5,469	-	-	-	5,469
Building systems maintenance	5,765	603	-	-	6,368	7,944	-	-	-	7,944
Cleaning services and supplies	15,845	-	-	-	15,845	16,163	-	-	-	16,163
General maintenance and supplies	1,791	-	-	-	1,791	1,974	-	-	-	1,974
Groundskeeping	1,674	-	-	-	1,674	938	-	-	-	938
GST/HST net of refundable	769	-	-	-	769	1,134	-	-	-	1,134
Miscellaneous	45	-	-	-	45	307	-	-	-	307
Real property tax	10,393	-	-	-	10,393	10,558	-	-	-	10,558
Utilities & services	18,560	-	-	-	18,560	16,920	-	-	-	16,920
<b>Total building operating costs</b>	<b>61,479</b>	<b>40,053</b>	<b>21,791</b>	<b>-</b>	<b>123,323</b>	<b>61,407</b>	<b>38,473</b>	<b>19,027</b>	<b>-</b>	<b>118,907</b>
<b>Community services</b>										
Maintaining urgent care room	10,229	-	-	-	10,229	8,329	-	-	-	8,329
Telemedicine unit	162	-	-	-	162	177	-	-	-	177
<b>Total community services</b>	<b>10,391</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,391</b>	<b>8,506</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,506</b>
<b>Foundation operating costs</b>										
Bank and credit card charges	2	-	-	-	2	-	-	-	-	-
Board & other meetings	-	-	-	-	-	236	-	-	-	236
Communications	884	-	-	-	884	533	-	-	-	533
Compliance costs	150	-	-	-	150	226	-	-	-	226
Director and officer insurance	1,060	-	-	-	1,060	1,062	-	-	-	1,062
Donor recognition signs	530	-	-	-	530	-	-	-	-	-
Fundraising costs	253	-	-	-	253	702	-	-	-	702
Membership	500	-	-	-	500	-	-	-	-	-
Miscellaneous expenses	421	-	-	-	421	911	-	-	-	911
Post office box rental	241	-	-	-	241	150	-	-	-	150
Professional fees	2,746	-	-	-	2,746	2,866	-	-	-	2,866
WEB site	241	-	-	-	241	24	-	-	-	24
<b>Total foundation operating expenses</b>	<b>7,028</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,028</b>	<b>6,710</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,710</b>
Donations to charities and others	-	-	-	10,000	10,000	-	-	-	10,252	10,252
<b>Total expenses</b>	<b>78,898</b>	<b>40,053</b>	<b>21,791</b>	<b>10,000</b>	<b>150,742</b>	<b>76,623</b>	<b>38,473</b>	<b>19,027</b>	<b>10,252</b>	<b>144,375</b>
<b>Excess of Revenue Over Expenses</b>	<b>\$ 39,923</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39,923</b>	<b>\$ 13,830</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,830</b>

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, 2016

(Unaudited)

	2016					2015				
	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	37,422	470,000	-	-	507,422	23,592	470,000	-	-	493,592
<b>Excess of Revenue Over Expenses</b>	\$ 39,923	\$ -	\$ -	\$ -	\$ 39,923	\$ 13,830	\$ -	\$ -	\$ -	\$ 13,830
<b>Fund Balances, end of year</b>	\$ 77,345	\$ 470,000	\$ -	\$ -	\$ 547,345	\$ 37,422	\$ 470,000	\$ -	\$ -	\$ 507,422

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, 2016  
(Unaudited)

	2016					2015				
	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
<b>Cash Provided By (Used for)</b>										
<b>Operations</b>										
Cash receipts from members and other income										
Grants, donations and other income	\$ 33,935	\$ -	\$ -	\$ -	\$ 33,935	\$ 11,865	\$ -	\$ -	\$ -	\$ 11,865
Rent	79,780	-	-	-	79,780	73,724	-	-	-	73,724
Net change in accounts receivable	2,810	-	-	-	2,810	(7,364)	-	-	-	(7,364)
Net change in prepaid expenses	444	-	-	-	444	(1,617)	-	-	-	(1,617)
	116,969	-	-	-	116,969	76,608	-	-	-	76,608
Cash paid to suppliers										
Purchases	(78,898)	-	-	-	(78,898)	(76,623)	-	-	-	(76,623)
Net change in accounts payable	1,449	-	-	-	1,449	(1,058)	-	-	-	(1,058)
	(77,449)	-	-	-	(77,449)	(77,681)	-	-	-	(77,681)
Interest income	5,106	-	-	-	5,106	4,864	-	-	-	4,864
<b>Cash from Operations</b>	<b>44,626</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,626</b>	<b>3,791</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,791</b>
<b>Investments</b>										
Additions to capital assets	-	(5,532)	(11,119)	-	(16,651)	-	(14,587)	(14,607)	-	(29,194)
<b>Cash from Investing</b>	<b>-</b>	<b>(5,532)</b>	<b>(11,119)</b>	<b>-</b>	<b>(16,651)</b>	<b>-</b>	<b>(14,587)</b>	<b>(14,607)</b>	<b>-</b>	<b>(29,194)</b>
<b>Financing</b>										
Donations to charities and others	-	90	-	(10,000)	(9,910)	-	-	-	(10,252)	(10,252)
Net change in accounts receivable	-	279	290	-	569	-	184	(164)	-	20
Net change in pledges receivable	-	-	-	-	-	-	1,000	-	-	1,000
	-	-	68	-	68	-	(475)	246	-	(229)
Net change in deferred contributions	-	10,581	11,882	-	22,463	-	7,500	8,027	-	15,527
<b>Cash from Financing</b>	<b>-</b>	<b>10,950</b>	<b>12,240</b>	<b>(10,000)</b>	<b>13,190</b>	<b>-</b>	<b>8,209</b>	<b>8,109</b>	<b>(10,252)</b>	<b>6,066</b>
<b>Increase/(Decrease) in Cash During the Year</b>	<b>44,626</b>	<b>5,418</b>	<b>1,121</b>	<b>(10,000)</b>	<b>41,165</b>	<b>3,791</b>	<b>(6,378)</b>	<b>(6,498)</b>	<b>(10,252)</b>	<b>(19,337)</b>
Cash, beginning of year	27,157	244,915	8,549	83,248	363,869	23,366	251,293	15,047	93,500	383,206
<b>Cash, end of year</b>	<b>\$ 71,783</b>	<b>\$ 250,333</b>	<b>\$ 9,670</b>	<b>73,248</b>	<b>\$ 405,034</b>	<b>\$ 27,157</b>	<b>\$ 244,915</b>	<b>\$ 8,549</b>	<b>83,248</b>	<b>\$ 363,869</b>
<b>Cash is defined as</b>										
Cash					\$ 100,210					\$ 63,869
Investment certificates					304,824					300,000
					\$ 405,034					\$ 363,869

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

**Gabriola Health Care Foundation**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016**  
(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, 2016

(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
Generator and fire pump batteries	- 4 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, 2016

(Unaudited)

### 5. Capital Assets

	2016			2015		
	Cost	Amortization	Value	Cost	Amortization	Value
<b>Health Centre Construction Fund</b>						
Land	\$ 470,000	\$ -	\$ 470,000	\$ 470,000	\$ -	\$ 470,000
Land improvements	216,340	51,564	164,776	208,297	39,942	168,355
Building	1,035,583	100,358	935,225	1,040,614	80,028	960,586
Machinery & equipment	65,406	16,365	49,041	65,406	13,081	52,325
Electronic office equipment	5,716	2,774	2,942	4,231	3,951	280
Telephone system	4,231	4,231	-	5,526	2,203	3,323
Furniture & fixtures	17,633	7,905	9,728	16,151	6,142	10,009
Benches	12,502	5,168	7,334	12,502	3,918	8,584
Laundry & other equipment	1,949	780	1,169	1,949	585	1,364
	1,829,360	189,145	1,640,215	1,824,676	149,850	1,674,826
<b>Medical Equipment Fund</b>						
Medical equipment	86,673	76,222	10,451	86,644	61,832	24,812
Electronic office equipment	21,367	12,154	9,213	11,660	5,542	6,118
Furniture & fixtures	7,894	1,809	6,085	6,511	1,020	5,491
	115,934	90,185	25,749	104,815	68,394	36,421
	\$1,945,294	\$ 279,330	\$1,665,964	\$1,929,491	\$ 218,244	\$1,711,247

### 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.

	2016				2015			
	Health Centre Construction Fund	Medical Equipment Fund	Health Care Programmes Fund	Total	Health Centre Construction Fund	Medical Equipment Fund	Health Care Programmes Fund	Total
<b>Deferred Restricted Contributions</b>								
Donations, grants & pledges	\$ 10,581	\$ 11,882	\$ -	\$ 22,463	\$ 7,500	\$ 8,027	\$ -	\$ 15,527
Total contributions	10,581	11,882	-	22,463	7,500	8,027	-	15,527
Balance brought forward	1,450,024	45,040	83,248	1,578,312	1,480,997	56,040	93,500	1,630,537
Total	1,460,605	56,922	83,248	1,600,775	1,488,497	64,067	93,500	1,646,064
Less amounts taken into income	(40,053)	(21,791)	( 10,000)	(71,844)	(38,473)	(19,027)	(10,252)	(67,752)
Closing balance	\$ 1,420,552	\$ 35,131	\$ 73,248	\$ 1,528,931	\$ 1,450,024	\$ 45,040	\$ 83,248	\$ 1,578,312

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

# Gabriola Health Care Foundation

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

(Unaudited)

### 7. Donations by Source

	2016	2015
Corporations	\$ 50	\$ 1,798
Foundations	7,687	2,500
Charities	1,974	5,958
Government and related bodies	18,884	5,490
Individuals and other	34,882	11,646
Total donations received	63,477	27,392
Less restricted donations	(29,542)	(15,527)
Net donations taken into income	33,935	\$ 11,865

### 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.

### 9. Comparative Figures

Certain prior year figures have been reclassified for comparative purposes to conform with current year presentation.

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