
Gabriola Health Care Foundation

Financial Statements

December 31, 2017

(Unaudited)

Gabriola Health Care Foundation

Financial Statements
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(Unaudited)

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K.D. BEAUSOLEIL & COMPANY INC.

CHARTERED PROFESSIONAL ACCOUNTANTS



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Independent Practitioner's Review Engagement Report

To the Directors of
Gabriola Health Care Foundation

We have reviewed the accompanying financial statements of Gabriola Health Care Foundation that comprise the statement of financial position as at December 31, 2017 and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Gabriola Health Care Foundation as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Nanaimo BC
March 26, 2018

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Gabriola Health Care Foundation
Statement of Financial Position
For the Year Ended December 31, 2017
(Unaudited)

	2017					2016				
	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	\$ 105,909	\$ 242,209	\$ 3,042	\$ 63,248	\$ 414,408	\$ 71,783	\$ 250,333	\$ 9,670	\$ 73,248	\$ 405,034
Accounts receivable and accrued income	6,701	58	24	-	6,783	8,849	4	27	-	8,880
Prepaid expenses	8,095	-	-	-	8,095	4,842	-	-	-	4,842
	120,705	242,267	3,066	63,248	429,286	85,474	250,337	9,697	73,248	418,756
Capital Assets (Note 5)	-	1,609,188	16,415	-	1,625,603	-	1,640,215	25,749	-	1,665,964
	\$ 120,705	\$ 1,851,455	\$ 19,481	\$ 63,248	\$ 2,054,889	\$ 85,474	\$ 1,890,552	\$ 35,446	\$ 73,248	\$ 2,084,720
Liabilities and Fund Balances										
Current										
Accounts payable and accrued liabilities	\$ 7,323	\$ -	\$ -	\$ -	\$ 7,323	\$ 6,212	\$ -	\$ 315	\$ -	\$ 6,527
Prepaid rent	1,541	-	-	-	1,541	1,917	-	-	-	1,917
	8,864	-	-	-	8,864	8,129	-	315	-	8,444
Deferred Contributions (Note 6)	-	1,381,455	19,481	63,248	1,464,184	-	1,420,552	35,131	73,248	1,528,931
	8,864	1,381,455	19,481	63,248	1,473,048	8,129	1,420,552	35,446	73,248	1,537,375
Fund Balances										
Unrestricted	111,841	-	-	-	111,841	77,345	-	-	-	77,345
Invested in Land	-	470,000	-	-	470,000	-	470,000	-	-	470,000
	\$ 120,705	\$ 1,851,455	\$ 19,481	\$ 63,248	\$ 2,054,889	\$ 85,474	\$ 1,890,552	\$ 35,446	\$ 73,248	\$ 2,084,720

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, 2017
(Unaudited)

	2017					2016				
	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	\$ 80,246	\$ -	\$ -	\$ -	\$ 80,246	\$ 79,780	\$ -	\$ -	\$ -	\$ 79,780
Fundraising (Note 7)	32,096	-	-	-	32,096	33,935	-	-	-	33,935
Deferred contributions (Note 6)	-	39,097	18,319	10,000	67,416	-	40,053	21,791	10,000	71,844
Investment income	4,446	-	-	-	4,446	5,106	-	-	-	5,106
Operating revenue	116,788	39,097	18,319	10,000	184,204	118,821	40,053	21,791	10,000	190,665
Expenses										
Building operating costs										
Amortization of assets (Notes 2 & 5)	\$ -	\$ 39,097	\$ 18,319	\$ -	\$ 57,416	\$ -	\$ 39,450	\$ 21,791	\$ -	\$ 61,241
Building insurance	5,592	-	-	-	5,592	6,637	-	-	-	6,637
Building systems maintenance	4,079	-	-	-	4,079	5,765	603	-	-	6,368
Cleaning services and supplies	15,656	-	-	-	15,656	15,845	-	-	-	15,845
General maintenance and supplies	3,303	-	-	-	3,303	1,791	-	-	-	1,791
Groundskeeping	3,879	-	-	-	3,879	1,674	-	-	-	1,674
GST/HST net of refundable	1,194	-	-	-	1,194	769	-	-	-	769
Miscellaneous	461	-	-	-	461	45	-	-	-	45
Real property tax	10,516	-	-	-	10,516	10,393	-	-	-	10,393
Utilities & services	18,963	-	-	-	18,963	18,560	-	-	-	18,560
Total building operating costs	63,643	39,097	18,319	-	121,059	61,479	40,053	21,791	-	123,323
Community services										
Maintaining urgent care room	9,779	-	-	-	9,779	10,229	-	-	-	10,229
Telemedicine unit	1,306	-	-	-	1,306	162	-	-	-	162
Total community services	11,085	-	-	-	11,085	10,391	-	-	-	10,391
Foundation operating costs										
Bank and credit card charges	220	-	-	-	220	2	-	-	-	2
Communications	1,550	-	-	-	1,550	884	-	-	-	884
Compliance costs	70	-	-	-	70	150	-	-	-	150
Director and officer insurance	1,060	-	-	-	1,060	1,060	-	-	-	1,060
Donor recognition signs	-	-	-	-	-	530	-	-	-	530
Fundraising costs	-	-	-	-	-	253	-	-	-	253
Membership	-	-	-	-	-	500	-	-	-	500
Miscellaneous expenses	1,071	-	-	-	1,071	421	-	-	-	421
Office	237	-	-	-	237	-	-	-	-	-
Post office box rental	162	-	-	-	162	241	-	-	-	241
Professional fees	2,996	-	-	-	2,996	2,746	-	-	-	2,746
WEB site	198	-	-	-	198	241	-	-	-	241
Total foundation operating expenses	7,564	-	-	-	7,564	7,028	-	-	-	7,028
Donations to charities and others	-	-	-	10,000	10,000	-	-	-	10,000	10,000
Total expenses	82,292	39,097	18,319	10,000	149,708	78,898	40,053	21,791	10,000	150,742
Excess of Revenue Over Expenses	\$ 34,496	\$ -	\$ -	\$ -	\$ 34,496	\$ 39,923	\$ -	\$ -	\$ -	\$ 39,923

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, 2017

(Unaudited)

	2017					2016				
	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	77,345	470,000	-	-	547,345	37,422	470,000	-	-	507,422
Excess of Revenue Over Expenses	\$ 34,496	\$ -	\$ -	\$ -	\$ 34,496	\$ 39,923	\$ -	\$ -	\$ -	\$ 39,923
Fund Balances, end of year	\$ 111,841	\$ 470,000	\$ -	\$ -	\$ 581,841	\$ 77,345	\$ 470,000	\$ -	\$ -	\$ 547,345

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, 2017
(Unaudited)

	2017					2016				
	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	\$ 32,096	\$ -	\$ -	\$ -	\$ 32,096	\$ 33,935	\$ -	\$ -	\$ -	\$ 33,935
Rent	80,246	-	-	-	80,246	79,780	-	-	-	79,780
Net change in accounts receivable	2,148	-	-	-	2,148	2,810	-	-	-	2,810
Net change in prepaid expenses	(3,253)	-	-	-	(3,253)	444	-	-	-	444
	111,237	-	-	-	111,237	116,969	-	-	-	116,969
Cash paid to suppliers										
Purchases	(82,292)	-	-	-	(82,292)	(78,898)	-	-	-	(78,898)
Net change in accounts payable	735	-	-	-	735	1,449	-	-	-	1,449
	(81,557)	-	-	-	(81,557)	(77,449)	-	-	-	(77,449)
Interest income	4,446	-	-	-	4,446	5,106	-	-	-	5,106
Cash from Operations	34,126	-	-	-	34,126	44,626	-	-	-	44,626
Investments										
Additions to capital assets	-	(8,070)	(8,985)	-	(17,055)	-	(5,532)	(11,119)	-	(16,651)
Cash from Investing	-	(8,070)	(8,985)	-	(17,055)	-	(5,532)	(11,119)	-	(16,651)
Financing										
Donations to charities and others	-	-	-	(10,000)	(10,000)	-	90	-	(10,000)	(9,910)
Net change in accounts receivable	-	(54)	3	-	(51)	-	279	290	-	569
Net change in accounts payable	-	-	(315)	-	(315)	-	-	67	-	67
Net change in deferred contributions	-	-	2,669	-	2,669	-	10,581	11,883	-	22,464
Cash from Financing	-	(54)	2,357	(10,000)	(7,697)	-	10,950	12,240	(10,000)	13,190
Increase/(Decrease) in Cash During the Year	34,126	(8,124)	(6,628)	(10,000)	9,374	44,626	5,418	1,121	(10,000)	41,165
Cash, beginning of year	71,783	250,333	9,670	73,248	405,034	27,157	244,915	8,549	83,248	363,869
Cash, end of year	\$ 105,909	\$ 242,209	\$ 3,042	63,248	\$ 414,408	\$ 71,783	\$ 250,333	\$ 9,670	73,248	\$ 405,034
Cash is defined as										
Cash					\$ 54,731					\$ 100,210
Investment certificates					359,677					304,824
					\$ 414,408					\$ 405,034

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

Gabriola Health Care Foundation

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(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. The mission of the Gabriola Health Care Foundation ("GHCF") is to help improve the primary health care services provided to the residents of and the visitors to Gabriola. As a landlord, GHCF is responsible to ensure that the Gabriola Community Health Centre is managed in a way that facilitates efficient and appropriate use of the facilities by health care professionals to meet those health care needs.

2. Summary of Significant 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

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(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.

Gabriola Health Care Foundation

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Unaudited)

5. Capital Assets

	2017			2016		
	Cost	Amortization	Value	Cost	Amortization	Value
Health Centre Construction Fund						
Land	\$ 470,000	\$ -	\$ 470,000	\$ 470,000	\$ -	\$ 470,000
Land improvements	216,340	62,381	153,959	216,340	51,564	164,776
Building	1,041,313	121,184	920,129	1,035,583	100,358	935,225
Machinery & equipment	65,406	19,805	45,601	65,406	16,365	49,041
Electronic office equipment	5,716	3,346	2,370	5,716	2,774	2,942
Telephone system	4,231	4,231	-	4,231	4,231	-
Furniture & fixtures	19,973	9,903	10,070	17,633	7,905	9,728
Benches	12,502	6,418	6,084	12,502	5,168	7,334
Laundry & other equipment	1,949	974	975	1,949	780	1,169
	1,837,430	228,242	1,609,188	1,829,360	189,145	1,640,215
Medical Equipment Fund						
Medical equipment	86,673	84,779	1,894	86,673	76,222	10,451
Electronic office equipment	30,353	21,127	9,226	21,367	12,154	9,213
Furniture & fixtures	7,894	2,599	5,295	7,894	1,809	6,085
	124,920	108,505	16,415	115,934	90,185	25,749
	\$1,962,350	\$ 336,747	\$1,625,603	\$1,945,294	\$ 279,330	\$1,665,964

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.

	2017				2016			
	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	\$ -	\$ 2,669	\$ -	\$ 2,669	\$ 10,581	\$ 11,882	\$ -	\$ 22,463
Total contributions	-	2,669	-	2,669	10,581	11,882	-	22,463
Balance brought forward	1,420,552	35,131	73,248	1,528,931	1,450,024	45,040	83,248	1,578,312
Total	1,420,552	37,800	73,248	1,531,600	1,460,605	56,922	83,248	1,600,775
Less amounts taken into income	(39,097)	(18,319)	(10,000)	(67,416)	(40,053)	(21,791)	(10,000)	(71,844)
Closing balance	\$ 1,381,455	\$ 19,481	\$ 63,248	\$ 1,464,184	\$ 1,420,552	\$ 35,131	\$ 73,248	\$ 1,528,931

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

Gabriola Health Care Foundation

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Unaudited)

7. Donations by Source

	2017	2016
Corporations	\$ 1,811	\$ 50
Foundations	5,749	7,687
Charities	1,046	1,974
Government and related bodies	-	18,884
Individuals and other	26,159	34,882
Total donations received	34,765	63,477
Less restricted donations	(2,669)	(29,542)
Net donations taken into income	32,096	\$ 33,935

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.