

GABRIOLA HEALTH CARE FOUNDATION

Financial Statements
(Unaudited)
December 31, 2010

Judy McPhee & Co Inc
Certified General Accountant

GABRIOLA HEALTH CARE FOUNDATION

December 31, 2010

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GABRIOLA HEALTH CARE FOUNDATION

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, 2010 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 society.

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 generally accepted accounting principles.

Gabriola, BC
March 22, 2011



CERTIFIED GENERAL ACCOUNTANT

GABRIOLA HEALTH CARE FOUNDATION

Statement of Financial Position
(Unaudited)
December 31, 2010

	2010				2009			
	Operating Fund	Proposed Clinic Fund	Urgent Care Equipment Fund	Total	Operating Fund	Proposed Clinic Fund <small>(as restated, see note 5)</small>	Urgent Care Equipment Fund	Total <small>(as restated, see note 5)</small>
Assets								
Current Assets								
Cash	\$ 25,925	\$ 457,897	27,633	511,455	\$ 8,896	\$ 74,208	19,359	102,463
Accounts receivable	1,202	5,949		7,151	1,195	-		1,195
Pledges receivable (note 2)		142,353		142,353	-	10,000		10,000
Prepaid expenses	1,721			1,721	1,443	-		1,443
Donated securities (note 2)				-		24,259		24,259
Total current assets	28,848	606,199	27,633	662,680	11,534	108,467	19,359	139,359
Capital assets (note 6)	1,673	4,724	10,692	17,089	2,810	1,495	14,520	18,825
Total Assets	\$ 30,521	\$ 610,923	\$ 38,325	\$ 679,769	\$ 14,344	\$ 109,962	\$ 33,879	158,184
Liabilities								
Current liabilities								
Accounts payable	\$ 3,820			3,820	\$ 744			744
Deferred contributions (note 7)		610,923	38,324	649,247	-	109,962	33,879	143,841
Net Assets				-				-
Operating fund	26,701	-	-	26,701	13,600			13,600
Total	\$ 30,521	\$ 610,923	\$ 38,324	\$ 679,768	\$ 14,344	\$ 109,962	33,879	158,185

Approved on behalf of the Board of Directors



 Director



 Director

GABRIOLA HEALTH CARE FOUNDATION

Statement of Operations
(Unaudited)
For the year ended December 31, 2010

	2010				2009			
	Operating Fund	Proposed Clinic Fund	Urgent Care Equipment Fund	Total	Operating Fund	Proposed Clinic Fund	Urgent Care Equipment Fund	Total
					(as restated, see note 5)	(as restated, see note 5)		(as restated, see note 5)
Revenue								
Fundraising events								
Revenue	\$ 47,105			47,105	\$ 10,074			10,074
Costs	(16,929)			(16,929)	(6,016)			(6,016)
Net fundraising events proceeds	30,176			30,176	4,058			4,058
Amortization of deferred contributions		1,046	3,828	4,874			3,828	3,828
Investment income	2,384			2,384	519			519
Operating revenue	32,560	1,046	3,828	37,434	4,577	-	3,828	8,405
Expenses								
Advertising	1,845			1,845	291			291
Amortization of fixed assets (notes 2 & 6)	1,137	1,046	3,828	6,011	3,176		3,828	7,004
Bank and credit card charges	773			773	42			42
Board and other meetings	297			297	117			117
Compliance costs	2,223			2,223	235			235
Disposition of donated shares	251			251				-
Fundraising supplies	1,322			1,322				-
GST (net of refundable portion)	927			927	449			449
Insurance	1,301			1,301	637			637
Memberships	225			225	96			96
Occupancy	2,758			2,758				-
Office supplies and expenses	1,740			1,740	69			69
Other	52			52				-
Postage	2,361			2,361				-
Printed material	1,685			1,685				-
Research database	189			189	325			325
WEB Site	375			375				-
Total expenses	19,459	1,046	3,828	24,333	5,437	-	3,828	9,265
Excess of revenue over expenses for the year	13,101	-	-	13,101	(860)	-	-	(860)
Operating fund, beginning of the year	13,600	-	-	13,600	14,460	-	-	14,460
Operating fund, end of year	\$ 26,701	\$ -	-	26,701	\$ 13,600	\$ -	-	13,600

GABRIOLA HEALTH CARE FOUNDATION

Statement of Cash Flows
(Unaudited)
For the year ended December 31, 2010

	2010				2009			
	Operating Fund	Proposed Clinic Fund	Urgent Care Equipment Fund	Total	Operating Fund <small>(as restated, see note 5)</small>	Proposed Clinic Fund <small>(as restated, see note 5)</small>	Urgent Care Equipment Fund <small>(as restated, see note 5)</small>	Total <small>(as restated, see note 5)</small>
Cash Provided by (used in) Operating Activities								
Cash receipts from members and other income			-	-				
Net Change in accounts receivable	(8)	(138,302)		(138,310)	1,956	(10,000)		(8,044)
Net Change in deferred contributions	-	500,962	4,446	505,408	-	89,678	18,500	108,178
Grants, donations and other income	47,104	1,046	3,828	51,978	10,074	-	3,828	13,902
	47,096	363,706	8,274	419,076	12,030	79,678	22,328	114,036
Cash Paid to Suppliers								
Net change in accounts payable	2,798			2,798	(3,218)	-		(3,218)
Purchases	(35,251)			(35,251)	(8,276)	-		(8,276)
	(32,453)			(32,453)	(11,494)			(11,494)
Interest received								
Interest income	2,384			2,384	519			519
	17,027	363,706	8,274	389,007	1,055	79,678	22,328	103,061
Cash Flow from Operations								
	17,027	363,706	8,274	389,007	1,055	79,678	22,328	103,061
Investing Activities								
Additions to capital assets	-	(4,275)	-	(4,275)	-	(495)	(15,175)	(15,670)
Cash Flow from Investing	-	(4,275)	-	(4,275)	-	(495)	(15,175)	(15,670)
Increase (decrease) in cash	17,027	359,431	8,274	384,732	1,055	79,183	7,153	87,391
Cash balance at beginning of period	8,898	98,466	19,359	126,723	7,843	19,283	12,206	39,332
Cash on hand at end of year	\$ 25,925	\$ 457,897	27,633	511,455	\$ 8,898	\$ 98,466	19,359	126,723
Cash as defined as:								
Cash				511,455				102,465
Marketable Securities				-				24,258
				\$ 511,455				\$ 126,723

GABRIOLA HEALTH CARE FOUNDATION

Notes to the Financial Statements
(Unaudited)
December 31, 2010

1. Nature of 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

Fund accounting

The Foundation follows the deferral method of accounting for contributions. 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 proposed clinic fund.

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.

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.

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:

- (i) Office furniture and equipment - 10 years
- (ii) Backup electricity generator - 5 years
- (iii) Medical equipment - 5 years
- (iv) Electronic office equipment - 3 years

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

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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.

GABRIOLA HEALTH CARE FOUNDATION

Notes to the Financial Statements
(Unaudited)
December 31, 2010

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. Restatement of prior period

In prior periods donations received at fundraising events were taken into income when received. The change in accounting policy to consider these amounts to be restricted contributions has been applied retrospectively. The effect is to reduce revenue earned in 2009 by \$5,658 to \$10,074 and to reduce the balance of the excess of revenue over expenses at the beginning of 2009 by \$7,363 to \$14,460. As a result the balance of the operating fund at the end of 2009 was reduced by \$13,021 to \$13,600 and the amount of the deferred contributions fund at the end of 2009 was increased by the same amount to \$143,841.

6. Capital assets

	2010			2009		
	Cost	amortization	value	Cost	amortization	value
Operating Fund						
Office furniture and equipment	\$ 613	184	429	\$ 613	123	490
Electronic office equipment	1,360	1,360	-	1,360	906	453
Medical equipment	3,111	1,866	1,244	3,111	1,244	1,866
	5,083	3,410	1,673	5,083	2,273	2,810
Urgent care equipment fund						
Medical equipment	12,253	5,695	6,559	12,253	3,244	9,010
Generator	6,888	2,755	4,133	6,888	1,378	5,510
	19,141	8,450	10,692	19,141	4,621	14,520
New Clinic fund						
Planning	\$ 4,724	-	4,724	\$ 1,495	-	1,495
Total	\$ 28,948	\$ 11,859	\$ 17,089	\$ 25,719	\$ 6,895	\$ 18,825

The accompanying notes are an integral part of these financial statements

GABRIOLA HEALTH CARE FOUNDATION

7. Deferred contributions for capital assets

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

	2010			2009		
	Proposed Clinic	Urgent Care Equipment	Total	Proposed Clinic <small>(as restated, see note 5)</small>	Urgent Care Equipment <small>(as restated, see note 5)</small>	Total
Deferred restricted contributions						
Gabriola Ambulance Society				\$ 20,000	5,000	25,000
Gabriola Lions Club	\$ 18,700	6,000	24,700		10,000	10,000
Mid Island Co-op	16,000		16,000			
Windsor Plywood Foundation	10,000		10,000			
Other	401,721	2,274	403,995	45,420	3,500	48,920
Gifts of securities and other in-kind	55,586		55,586	24,259		24,259
Total restricted contributions	502,007	8,274	510,281	89,678	18,500	108,178
Balance brought forward	109,962	33,879	143,841	20,284	19,207	39,491
Total	611,969	42,153	654,121	109,962	37,707	147,669
Less amounts taken into income	(1,046)	(3,828)	(4,874)		(3,828)	(3,828)
Closing balance	\$ 610,923	38,324	649,247	\$ 109,962	33,879	143,841

8. Prior Period Figures

Prior year figures have not been audited or reviewed and are presented for comparative purposes only. Readers are cautioned that they may not be appropriate for their purposes.