

Gabriola Health Care Foundation
Financial Statements
Year Ended December 31, 2022

**Gabriola Health Care Foundation
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Year Ended December 31, 2022**

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Gabriola Health Care Foundation

We have reviewed the accompanying financial statements of Gabriola Health Care Foundation (the organization) that comprise the statement of financial position as at December 31, 2022, and the statement of operations and 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 (ASNPO), 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, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Nanaimo, BC
April 3, 2023

A handwritten signature in black ink, appearing to be a stylized name, located above the printed name of the firm.

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



Gabriola Health Care Foundation
Statement of Financial Position
(unaudited)
As at December 31, 2022

	2022					2021
	Operating Fund	Internally Restricted Funds (Note 7)	Externally Restricted Funds			Total
			Health Centre Fund	Medical Equipment Fund	Kitty Heller Fund (Note 9)	
Assets						
Current Assets						
Cash	118,182				118,182	17,036
Guaranteed Investment Certificates	33,773				33,773	49,351
Accounts receivable and accrued income	19,280				19,280	47,380
Prepaid expenses	8,738				8,738	9,777
Total current assets	179,973	-	-	-	179,973	123,544
Restricted assets						
Cash		(22,073)	64,338	(7,234)	13,107	48,138
Accounts receivable			-			49
Guaranteed Investment Certificates		435,000	283,133		20,000	738,133
Total restricted assets		412,927	347,471	(7,234)	33,107	786,271
Tangible capital assets (Note 5)			1,573,373	5,688	1,579,061	1,607,474
Total Assets	179,973	412,927	1,920,844	(1,546)	33,107	2,545,305
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities	31,391				31,391	12,899
Total current liabilities	31,391	-	-	-	31,391	12,899
Interfund transfer						
	-				-	-
Deferred contributions (Note 6)			1,450,844	(1,546)	33,107	1,526,750
Total liabilities and deferred contributions	31,391	-	1,450,844	(1,546)	33,107	1,513,796
Fund balances						
Invested in land			470,000			470,000
Internally restricted funds (Note 7)		412,927				400,000
Unrestricted funds	148,582					113,330
Total fund balances	148,582	412,927	470,000	-	-	983,330
Total	179,973	412,927	1,920,844	(1,546)	33,107	2,545,305

Approved on behalf of the Board of Directors



Gabiola Health Care Foundation
Statement of Operations and Changes in Fund Balances
(unaudited)
For the year ended December 31, 2022

	2022					2021
	Operating Fund	Internally Restricted Funds (Note 7)	Externally Restricted Funds			Total
			Health Centre Fund	Medical Equipment Fund	Kitty Heller Fund (Note 9)	
						Total
Revenue						
Rent	185,838					185,838
Donations (Note 8)	21,167		12,000	565		33,732
Less donations transferred to Deferred Contributions	(5,492)	-	(12,000)	(565)	-	(18,057)
Interest income	20,515					20,515
Deferred contributions taken into income	-		49,088	3,854	3,967	56,909
Revenue	222,029		49,088	3,854	3,967	278,938
Expenses						
Building operating costs						
Amortization of assets	-		49,088	3,854		52,942
Building maintenance administration	8,880					8,880
Building systems maintenance	14,130					14,130
Cleaning services & supplies	19,029					19,029
Groundskeeping	10,370					10,370
GST Expense net of refund	2,643					2,643
Insurance	10,675					10,675
Other	231					231
Real Property Tax	10,946					10,946
Utilities and services	25,573					25,573
WorksafeBC	190					190
Total Building operating costs	102,667	-	49,088	3,854	-	155,609
Community services						
Clinic equipment	65					65
Maintain HeliPad	3,994					3,994
Maintaining urgent care room	13,415					13,415
Other	1,294					1,294
Recruiting	33,134					33,134
Telemedicine unit	4,209					4,209
Video project						
Total community services	56,111	-	-	-	-	56,111
Donations to others	3,200	-	-	-	-	3,200
Foundation operating costs						
Administrator	990					990
Bank and credit card charges	579					579
Communications	886					886
Compliance costs	55					55
Director and officer Insurance	1,234					1,234
Meetings	348					348
Memberships	500					500
Office supplies	92					92
Other expenses	2,019				3,967	5,986
PO Box rental	177					177
Professional fees	3,965					3,965
Software	611					611
Strategic plan	210					210
WEB site	206					206
Total Foundation operating expenses	11,872	-	-	-	3,967	15,839
Total expenses	173,850	-	49,088	3,854	3,967	230,759
Excess of revenue over expenses for the year	48,179	-	-	-	-	48,179
Fund balances						
Fund balance, beginning of year	113,330	400,000	470,000	-	-	983,330
Transfer to internally restricted maintenance fund (Note 7)	(35,000)	35,000				-
Transfer to internally restricted recruiting fund (Note 7)	(10,000)	10,000				-
Transfer from internally restricted recruiting fund (Note 7)	32,073	(32,073)				-
Fund balances, end of year	148,582	412,927	470,000	-	-	1,031,509



Gabriola Health Care Foundation
Statement of Cash Flows
(unaudited)
For the year ended December 31, 2022

	2022					2021
	Operations	Internally Restricted Funds (Note 7)	Externally Restricted Funds			Total
Health Centre Fund			Medical Equipment Fund	Kitty Heller Fund (Note 9)		
Operations						
Revenue						
Rent	185,838				185,838	182,175
Donations (Note 8)	15,675				15,675	11,890
Decrease / (Increase) in accounts receivable	28,100		49		28,149	(30,050)
	<u>229,613</u>	<u>-</u>	<u>49</u>	<u>-</u>	<u>229,662</u>	<u>164,015</u>
Cash paid to suppliers						
Purchases	(173,850)				(173,850)	(141,233)
Grant						(71)
Decrease / (Increase) in prepaid expenses	1,039				1,039	2,198
(Decrease) / Increase in accts pay. and accrued liab.	18,493				18,493	(1,802)
	<u>(154,318)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(154,318)</u>	<u>(140,908)</u>
Interest income	20,515				20,515	18,682
Amortization of fixed assets			49,088	3,854	52,942	50,471
Amortization of deferred contributions			(49,088)	(3,854)	(52,942)	(50,471)
Total cash from operations	<u>95,810</u>	<u>-</u>	<u>49</u>	<u>-</u>	<u>95,859</u>	<u>41,789</u>
Investing activities						
Change in Guaranteed Investment Certificates	15,578	(35,000)	(160,000)		(179,422)	78,985
Video project					(3,967)	(7,861)
Additions to capital assets			(19,416)	(5,114)	(24,530)	(145,723)
Net investing activities	<u>15,578</u>	<u>(35,000)</u>	<u>(179,416)</u>	<u>(5,114)</u>	<u>(3,967)</u>	<u>(74,599)</u>
Financing activities						
Donations (Note 8)			12,000	565	12,565	226,405
Donations to charities					-	-
Interfund transfer	(10,242)	12,927		(2,685)	-	-
Net financing activities	<u>(10,242)</u>	<u>12,927</u>	<u>12,000</u>	<u>(2,120)</u>	<u>-</u>	<u>226,405</u>
Net cash increase (decrease) in the year	<u>101,146</u>	<u>(22,073)</u>	<u>(167,367)</u>	<u>(7,234)</u>	<u>(3,967)</u>	<u>193,595</u>
Cash on hand at the beginning of the year	<u>17,036</u>	<u>-</u>	<u>231,705</u>	<u>-</u>	<u>17,074</u>	<u>72,220</u>
Cash on hand at the end of the year	<u>118,182</u>	<u>(22,073)</u>	<u>64,338</u>	<u>(7,234)</u>	<u>13,107</u>	<u>265,815</u>



Gabriola Health Care Foundation
Notes to financial statements
(unaudited)
For the year ended December 31, 2022

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

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

(a) Fund accounting

The society reports its activities using the deferral method of accounting. The Foundation has established separate funds for amounts donated for the specific purpose of constructing the Health Centre, for the purchase of medical equipment, and for the offering of health care programmes to Gabriolans. These funds are shown under the heading "Externally Restricted Funds".

(b) Revenue recognition

Unrestricted contributions are recognized as revenue in 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 asset accounts in the year.

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

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. The amounts are taken into income as the funds are spent 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. If collection of a pledge becomes doubtful the doubtful amount is recognized as an expense at that time.

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.

(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:

- (i) Electronic office equipment - 3 years
- (ii) Generator and Fire pump Batteries - 4 years
- (iii) Medical equipment - 5 years
- (v) Furniture and fixtures - 10 years
- (vi) Telephone system - 10 years
- (vii) Electricity generator - 20 years
- (viii) Fire pump - 20 years
- (ix) Kitchen and laundry equipment - 10 years
- (x) Land improvements - 20 years
- (xi) Building - 50 years

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



Gabriola Health Care Foundation

Notes to financial statements

(unaudited)

For the year ended December 31, 2022

3. Tax status

The Foundation is exempt from income tax 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. Tangible capital assets

	2022			2021
	Cost	Accumulated amortization	Net book value	Net book value
Health Construction fund				
Benches	12,502	12,502	-	1,083
Buildings	1,048,088	226,121	821,967	842,929
Electronic office equipment	13,855	6,976	6,878	-
Furniture & fixtures	24,280	19,735	4,545	5,527
Kitchen and laundry equipment	2,732	2,184	548	822
Land	470,000	-	470,000	470,000
Land improvements	368,174	131,194	236,980	246,290
Machinery and equipment	65,521	36,243	29,278	32,747
Telephone system	10,172	6,996	3,177	3,648
	<u>2,015,324</u>	<u>441,951</u>	<u>1,573,373</u>	<u>1,603,046</u>
Medical equipment fund				
Electronic office equipment	7,894	6,546	1,348	2,138
Furniture & fixtures	34,949	34,949	-	1,918
Medical equipment	92,408	88,069	4,339	372
	<u>135,251</u>	<u>129,564</u>	<u>5,687</u>	<u>4,428</u>
Total	<u>2,150,575</u>	<u>571,515</u>	<u>1,579,061</u>	<u>1,607,474</u>

6. Deferred contributions

The deferred contributions fund represents contributions set aside to be used or that have been used to acquire capital assets, less

	2022				2021
	Health Centre Fund	Medical Equipment fund	Kitty Heller Fund (Note 10)	Total	Total
Deferred contributions					
Balance brought forward	1,487,932	1,743	37,075	1,526,750	1,358,677
Donations, grants & other	12,000	565	-	12,565	226,405
Total	1,499,932	2,308	37,075	1,539,315	1,585,082
Less amounts taken into income	(49,088)	(3,854)	(3,968)	(56,910)	(58,332)
Closing balance	<u>1,450,844</u>	<u>(1,546)</u>	<u>33,107</u>	<u>1,482,405</u>	<u>1,526,750</u>

7. Internally restricted funds

The internally restricted funds are funds set aside by the Board of Directors of the Foundation for specific purposes. These funds may not be used for any other purpose without specific permission from the Foundation Board of Directors. The balances of the funds established by the Foundation directors are:

	2022				2021
	Health Centre Fund	Recruiting and Retention Fund	Foundation Operations Fund	Total	Total
Balance brought forward	300,000	50,000	50,000	400,000	370,000
Amounts transferred from operations	35,000	10,000		45,000	30,000
Donations		140		140	-
Amounts used in the year		(32,213)		(32,213)	-
Closing balance	<u>335,000</u>	<u>27,927</u>	<u>50,000</u>	<u>412,927</u>	<u>400,000</u>



Gabriola Health Care Foundation
Notes to financial statements
(unaudited)
For the year ended December 31, 2022

8. Donations by source

	2022					2021	
	Operations	Health Centre Fund	Medical Equipment fund	Kitty Heller Fund (Note 6)	Internally restricted		Total
Charities	9,430		565			9,995	6,730
Individuals and other	11,737	12,000				23,737	231,565
Total donations received	21,167	12,000	565	-	-	33,732	238,295
Less restricted donations transferred to							
Deferred Contributions		(12,000)	(565)		-	(12,565)	(226,405)
Other	(5,492)					(5,492)	
Net donations taken into income	15,676	-	-	-	-	15,676	11,890

9. Kitty Heller Fund

In 2012 and 2013 GHCF received two donations totaling \$100,000 from the estate of the late Katherine ("Kitty") J. Heller. The donor required that the "donation must be used for funding your [GHCF's] health programs" Since 2013, a net of \$66,893 has been used to support a number of health programs on Gabriola. As at December 31, 2022 a balance of \$33,107 remains in the fund.

10. Financial Instruments

The Foundation's financial instruments consist of cash, accounts receivable, guaranteed investment certificates and accounts payable. It is management's opinion that the Foundation is not exposed to significant interest, currency, or credit risk from these financial instruments. The fair value of the instruments approximates their carrying values unless otherwise noted.

11. Comparative Figures

Certain of the prior year's figures in the Statement of Operations have been reclassified to conform to the current year's presentation. The reclassification had no effect on the total operating costs.