

Financial Statements of

COMMUNITY FIRST HEALTH CO-OP

March 31, 2010

COMMUNITY FIRST HEALTH CO-OP
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March 31, 2010

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May 11, 2010

Nelson, B.C.

REVIEW ENGAGEMENT REPORT

To the Members
Community First Health Co-op
Nelson, B.C.

We have reviewed the statement of financial position of the Community First Health Co-op as at March 31, 2010 and the statement of operations and changes in net assets for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the cooperative.

A review does not constitute an audit and consequently, we do not express an audit opinion on these financial statements.

In common with similar charitable organizations, the co-operative derives a portion of its income from the general public in the form of donations over which there are limited accounting controls exercised prior to the initial entry of these donations in the accounting records of the cooperative. Accordingly, our review of these donations was limited to the amounts recorded in the accounting records of the cooperative. Had we been able to complete our review, we might have determined adjustments to be necessary to cash, revenue, excess of revenue over expenses.

Based on our review, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to complete our review of donations as described in the preceding paragraph, 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 generally accepted accounting principles.

Chartered Accountants

May 11, 2010

Nelson, B.C.

COMMUNITY FIRST HEALTH CO-OP
STATEMENT OF FINANCIAL POSITION
As At March 31, 2010
(Unaudited)

ASSETS	2010	2009
CURRENT ASSETS		
Cash	\$ 62,305	\$ 45,130
Accounts receivable	4,035	4,074
Prepaid expenses	907	4,333
	67,247	53,537
RESTRICTED INVESTMENTS		
Capital projects reserve (note 3)	-	1,526
CAPITAL ASSETS (note 4)	1,020,789	955,045
	\$ 1,088,036	\$ 1,010,108
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 9,862	\$ 9,801
Accrued liabilities	8,316	8,525
Deferred revenue	53,465	65,353
Current portion of long-term debt	30,300	15,400
	101,943	99,079
LONG-TERM DEBT (note 5)	781,414	694,157
	883,357	793,236
NET ASSETS		
An unlimited number of shares (note 6)		
Unrestricted	(4,396)	(30,142)
Invested in capital assets (note 7)	209,075	245,488
Restricted (note 3)	-	1,526
Net assets, balance end of year	204,679	216,872
	\$ 1,088,036	\$ 1,010,108

Approved by the Directors:

COMMUNITY FIRST HEALTH CO-OP
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31, 2010
(Unaudited)

	Unrestricted	Restricted for Capital Projects	Invested in Capital Assets	2010 Total	2009 Total
BALANCE, BEGINNING OF YEAR	\$(30,142)	\$ 1,526	\$ 245,488	\$ 216,872	\$ 197,826
Excess of revenues over expenses from general operations	(1,085)	-	-	(1,085)	(571)
Excess of revenues over expenses from rental operations	(11,108)	-	-	(11,108)	19,617
Investment in capital assets - transfers	37,939	(1,526)	(36,413)	-	-
BALANCE, END OF YEAR	\$(4,396)	\$ -	\$ 209,075	\$ 204,679	\$ 216,872

COMMUNITY FIRST HEALTH CO-OP
STATEMENT OF GENERAL OPERATIONS
For the Year Ended March 31, 2010
(Unaudited)

	2010	2009
REVENUE		
Membership fees	\$ 460	\$ 980
BC Housing grants	18,857	-
Interest earned on restricted investments	-	4
	19,317	984
EXPENSES		
Advertising	357	535
Bank charges and interest	93	24
Feasibility study expenses	17,826	-
Insurance	775	-
Meeting costs	1,351	876
Office and administration	-	120
	20,402	1,555
EXCESS OF REVENUE OVER EXPENSES	\$(1,085)	\$(571)

COMMUNITY FIRST HEALTH CO-OP
STATEMENT OF RENTAL OPERATIONS
For the Year Ended March 31, 2010
(Unaudited)

	2010	2009
REVENUE		
In kind donation from Nelson & District Credit Union	\$ 16,000	\$ 16,000
Grants from Nelson & District Credit Union	3,754	-
Rental income	178,139	160,183
Interest income	274	230
	198,167	176,413
EXPENSES		
Insurance	6,047	5,668
Interest on long-term debt	55,149	42,453
Legal and accounting	5,717	2,400
Property management and accounting services	16,000	16,000
Property tax	22,057	24,265
Repairs and maintenance	63,678	25,722
Telephone	888	997
Utilities	39,739	39,291
	209,275	156,796
EXCESS OF REVENUE OVER EXPENSES	\$(11,108)	\$ 19,617

COMMUNITY FIRST HEALTH CO-OP
STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2010
(Unaudited)

	2010	2009
OPERATING ACTIVITIES		
Deficiency of revenue over expenses from general operations	\$(1,085)	\$(571)
Excess of revenue over expenses from rental operations	(11,108)	19,617
	(12,193)	19,046
Changes in non-cash working capital (note 8)	(8,571)	2,526
Cash Provided By (Used For) Operating Activities	(20,764)	21,572
FINANCING ACTIVITIES		
Proceeds from long-term debt	827,100	-
Repayment of long-term debt	(724,943)	(15,149)
Cash Provided By (Used For) Financing Activities	102,157	(15,149)
INVESTING ACTIVITIES		
Renovations and improvements	(65,744)	(8,825)
Transfer from (to) restricted investments	1,526	(4)
Cash Used For Investing Activities	(64,218)	(8,829)
INCREASE (DECREASE) IN CASH	17,175	(2,406)
CASH, BEGINNING OF YEAR	45,130	47,536
CASH, END OF YEAR	\$ 62,305	\$ 45,130
Supplemental Disclosure of Cash Flow Information:		
Interest paid	\$ 55,149	\$ 42,453

1. PURPOSE OF THE ORGANIZATION

The Community First Health Co-op was incorporated on February 27, 2003 under the B.C. Cooperative Association Act. Its purpose is to provide a variety of health care services to individuals, families and communities. It's mandate is:

- a) To operate without purpose of gain for its members and to use any profits or gain to promote the purposes and activities of the co-op.
 - b) To improve the efficiency and effectiveness of other registered charities and non-profit organizations by providing a facility, at below-market rates, to house the operations of other registered charities and non-profit organizations.
 - c) To benefit the community through the promotion of health by carrying out activities such as operating a community wellness centre and providing various educational programs.
 - d) To relieve poverty by providing housing for persons whose income is below the poverty line.
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2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the cooperative.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Capital Assets

Capital assets include land, building, signage and furniture and equipment.

Current year expenditures for property and equipment were \$65,744 (2009 - \$8,825)

Revenue Recognition

The cooperative follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amounts to be received can be reasonably estimated and collection is reasonably assured.

3. RESTRICTED INVESTMENTS

Restricted investments consist of term deposits held for capital projects. During the year \$1,526 was transferred to unrestricted funds to finance capital projects (2009 - \$nil).

COMMUNITY FIRST HEALTH CO-OP
NOTES TO FINANCIAL STATEMENTS (Continued)
As At March 31, 2010
(Unaudited)

4. CAPITAL ASSETS, at cost

	2010	2009
Land	\$ 255,716	\$ 255,716
Building	758,912	697,436
Signs	3,566	1,892
Furniture and equipment	2,595	-
	\$ 1,020,789	\$ 955,044

5. LONG-TERM DEBT

	2010	2009
Van City Savings mortgage, repaid in the year.	\$ -	\$ 709,557
Grand Forks Credit Union, repayable at \$5,850 per month, including interest at 5%, secured by a commercial mortgage on the land and building, maturing September 2014.	811,714	-
	811,714	709,557
Less: Current portion	30,300	15,400
	\$ 781,414	\$ 694,157

Estimated principal payments required over the next five years are as follows:

2011	\$ 30,300
2012	\$ 31,900
2013	\$ 33,500
2014	\$ 35,200
2015	\$ 37,000

COMMUNITY FIRST HEALTH CO-OP
NOTES TO FINANCIAL STATEMENTS (Continued)
As At March 31, 2010
(Unaudited)

6. MEMBERS' SHARES

Authorized

- Unlimited number of membership shares with a par value of \$10 each.
- Class A members are designated as individual or personal joint members and each member must, as a condition of membership, subscribe to at least one membership share.
- Class B members are designated as Corporate members and each corporation must, as a condition of membership, subscribe to at least ten membership shares.
- Class C members are designated as Founding members and may represent individual, joint, or corporate membership. As a condition of membership, at least ten membership shares must be subscribed to. Founding member subscriptions will cease being offered on adjournment of the 2nd annual meeting of the Association.
- Class D members are designated as Copper members and may represent individual, joint, or corporate membership. As a condition of membership, at least five membership shares must be subscribed to.
- Class E members are designated as Bronze members and may represent individual, joint, or corporate membership. As a condition of membership, at least ten membership shares must be subscribed to.
- Class F members are designated as Silver members and may represent individual, joint, or corporate membership. As a condition of membership, at least twenty membership shares must be subscribed to.
- Class G members are designated as Gold members and may represent individual, joint, or corporate membership. As a condition of membership, at least fifty membership shares must be subscribed to.
- Class H members are designated as Platinum members and may represent individual, joint, or corporate membership. As a condition of membership, at least one hundred membership shares must be subscribed to.

7. INVESTED IN CAPITAL ASSETS

	2010	2009
Capital assets, end of year	\$ 1,020,789	\$ 955,045
Deduct: Related debt	<u>811,714</u>	<u>709,557</u>
Invested in capital assets, end of year	<u>\$ 209,075</u>	<u>\$ 245,488</u>

COMMUNITY FIRST HEALTH CO-OP
NOTES TO FINANCIAL STATEMENTS (Continued)
As At March 31, 2010
(Unaudited)

8. CHANGES IN NON-CASH WORKING CAPITAL	2010	2009
Accounts receivable	\$(3,919)	\$ 1,651
Prepaid expenses	3,425	(622)
Accounts payable	61	8,014
Accrued liabilities	(209)	164
Grants payable	-	(2,100)
Deferred revenue	<u>(7,929)</u>	<u>(4,581)</u>
	<u>\$(8,571)</u>	<u>\$ 2,526</u>
