
Financial Statements of
COMMUNITY FIRST HEALTH CO-OP

March 31, 2011

COMMUNITY FIRST HEALTH CO-OP
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March 31, 2011

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May 30, 2011

Nelson, B.C.

REVIEW ENGAGEMENT REPORT

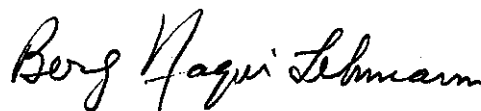
To the Members
Community First Health Co-op
Nelson, B.C.

We have reviewed the statement of financial position of the Community First Health Co-op as at March 31, 2011 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 Co-operative. 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 30, 2011

Nelson, B.C.

COMMUNITY FIRST HEALTH CO-OP
STATEMENT OF FINANCIAL POSITION
As At March 31, 2011
(Unaudited)

ASSETS	2011	2010
CURRENT ASSETS		
Cash	\$ 37,047	\$ 62,305
Accounts receivable	4,193	4,035
Prepaid expenses	1,189	907
	42,429	67,247
CAPITAL ASSETS (note 3)	1,107,059	1,020,789
	\$ 1,149,488	\$ 1,088,036
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 21,788	\$ 9,862
Accrued liabilities	9,034	8,316
Deferred revenue	39,875	53,465
Current portion of long-term debt	30,700	30,300
	101,397	101,943
LONG-TERM DEBT (note 4)	780,540	781,414
	881,937	883,357
NET ASSETS		
An unlimited number of shares (note 5)		
Unrestricted	(28,269)	(4,396)
Invested in capital assets (note 6)	295,820	209,075
	267,551	204,679
Net assets, balance end of year	\$ 1,149,488	\$ 1,088,036

Approved by the Directors:

COMMUNITY FIRST HEALTH CO-OP
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31, 2011
(Unaudited)

	Unrestricted	Restricted for Capital Projects	Invested in Capital Assets	2011 Total	2010 Total
BALANCE, BEGINNING OF YEAR	\$(4,396)	\$ -	\$ 209,075	\$ 204,679	\$ 216,872
Excess of revenues over expenses from general operations	(1,739)	-	-	(1,739)	(1,085)
Excess of revenues over expenses from rental operations	64,611	-	-	64,611	(11,108)
Investment in capital assets - transfers	(86,745)	-	86,745	-	-
BALANCE, END OF YEAR	\$(28,269)	\$ -	\$ 295,820	\$ 267,551	\$ 204,679

COMMUNITY FIRST HEALTH CO-OP
STATEMENT OF GENERAL OPERATIONS
For the Year Ended March 31, 2011
(Unaudited)

	2011	2010
REVENUE		
Membership fees	\$ 250	\$ 460
BC Housing grants	1,040	18,857
	1,290	19,317
EXPENSES		
Advertising	245	357
Bank charges and interest	286	93
Feasibility study expenses	-	17,826
Insurance	479	775
Meeting costs	1,010	1,351
Training and conferences	1,009	-
	3,029	20,402
DEFICIENCY OF REVENUE OVER EXPENSES	\$(1,739)	\$(1,085)

COMMUNITY FIRST HEALTH CO-OP
STATEMENT OF RENTAL OPERATIONS
For the Year Ended March 31, 2011
(Unaudited)

	2011	2010
REVENUE		
In kind donation from Nelson & District Credit Union	\$ 8,000	\$ 16,000
Grant revenue	28,586	3,754
Rental income	216,607	178,139
Interest income	245	274
	<u>253,438</u>	<u>198,167</u>
EXPENSES		
Insurance - property	6,144	6,047
Insurance - directors	1,317	-
Interest on long-term debt	41,096	55,149
Licenses, dues and fees	426	-
Office administration	2,527	-
Professional fees	3,258	5,717
Property management and accounting services	24,297	16,000
Property tax	26,054	22,057
Repairs and maintenance	21,992	63,678
Telephone	1,020	888
Utilities	60,696	39,739
	<u>188,827</u>	<u>209,275</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 64,611	\$ (11,108)

COMMUNITY FIRST HEALTH CO-OP
STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2011
(Unaudited)

	2011	2010
OPERATING ACTIVITIES		
Deficiency of revenue over expenses from general operations	\$(1,739)	\$(1,085)
Excess of revenue over expenses from rental operations	<u>64,611</u>	<u>(11,108)</u>
	62,872	(12,193)
Changes in non-cash working capital (note 7)	<u>(1,386)</u>	<u>(8,571)</u>
Cash Provided By (Used For) Operating Activities	<u>61,486</u>	<u>(20,764)</u>
FINANCING ACTIVITIES		
Proceeds from long-term debt	28,629	827,100
Repayment of long-term debt	<u>(29,103)</u>	<u>(724,943)</u>
Cash Provided By (Used For) Financing Activities	<u>(474)</u>	<u>102,157</u>
INVESTING ACTIVITIES		
Purchase of capital assets	<u>(86,270)</u>	-
Renovations and improvements	-	<u>(65,744)</u>
Transfer from restricted investments	-	<u>1,526</u>
Cash Used For Investing Activities	<u>(86,270)</u>	<u>(64,218)</u>
INCREASE (DECREASE) IN CASH	(25,258)	17,175
CASH, BEGINNING OF YEAR	62,305	45,130
CASH, END OF YEAR	\$ 37,047	\$ 62,305
 Supplemental Disclosure of Cash Flow Information:		
Interest paid	\$ 41,096	\$ 55,149

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-operative.
 - 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 \$86,270 (2010 - \$65,744).

Revenue Recognition

The Co-operative 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.

COMMUNITY FIRST HEALTH CO-OP
NOTES TO FINANCIAL STATEMENTS (Continued)
As At March 31, 2011
(Unaudited)

3. CAPITAL ASSETS, at cost

	2011	2010
Land	\$ 255,716	\$ 255,716
Building	839,615	758,911
Signs	3,566	3,566
Furniture and equipment	8,162	2,596
	\$ 1,107,059	\$ 1,020,789

4. LONG-TERM DEBT

	2011	2010
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.	\$ 811,240	\$ 811,714
Less: Current portion	30,700	30,300
	\$ 780,540	\$ 781,414

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

2012	\$ 30,700
2013	\$ 32,300
2014	\$ 33,900
2015	\$ 35,700
2016	\$ 37,500

COMMUNITY FIRST HEALTH CO-OP
NOTES TO FINANCIAL STATEMENTS (Continued)
As At March 31, 2011
(Unaudited)

5. 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.

6. INVESTED IN CAPITAL ASSETS

	2011	2010
Capital assets, end of year	\$ 1,107,059	\$ 1,020,789
Deduct: Related debt	811,240	811,714
Invested in capital assets, end of year	\$ 295,819	\$ 209,075

7. CHANGES IN NON-CASH WORKING CAPITAL

	2011	2010
Accounts receivable	\$(158)	\$ 39
Prepaid expenses	(282)	3,426
Accounts payable	11,926	61
Accrued liabilities	718	(209)
Deferred revenue	(13,590)	(11,888)
	\$(1,386)	\$(8,571)