

BENNETT AND ALBERT COUNTY HEALTH CARE FOUNDATION, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2010

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AUDITORS' REPORT

**To Bennett and Albert County
Health Care Foundation Inc.**

We have audited the balance sheet of **Bennett and Albert County Health Care Foundation, Inc.** as at **December 31, 2010** and the statement of revenue and expenditures for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation.

In common with many charitable organizations, the Foundation derives revenue from gifts, donations and memoriums, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to gifts, donations and memoriums revenue, excess of expenditures over revenue, assets and unrestricted net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to complete our verification of gifts, donations and memoriums as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of **Bennett and Albert County Health Care Foundation, Inc.** as at **December 31, 2010** and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Riverview, NB
March 1, 2011

Chartered Accountants

BENNETT AND ALBERT COUNTY HEALTH CARE FOUNDATION, INC.
BALANCE SHEET
DECEMBER 31, 2010

ASSETS

	2010	2009
Cash	\$104,331	\$ 31,325
Investments (market value \$689,006)	<u>687,912</u>	<u>716,221</u>
	<u>\$792,243</u>	<u>\$747,546</u>

LIABILITIES

Accounts payable	\$ <u>9,119</u>	\$ <u>7,119</u>
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SURPLUS

General fund (Statement 2)	700,193	655,305
Education fund (Statement 2)	<u>82,931</u>	<u>85,122</u>
	<u>783,124</u>	<u>740,427</u>
	<u>\$792,243</u>	<u>\$747,546</u>

ON BEHALF OF THE BOARD:

 Director

 Director

BENNETT AND ALBERT COUNTY HEALTH CARE FOUNDATION, INC.
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010

	Education Fund	General Fund	Total
Revenue:			
Investment income	\$ 4,203	\$ 42,495	\$46,698
Donations and memorials	<u>--</u>	<u>42,321</u>	<u>42,321</u>
	<u>4,203</u>	<u>84,816</u>	<u>89,019</u>
Expenditures:			
Operating expenses --			
Bank, visa and interest charges	--	972	972
Conference	--	2,163	2,163
General supplies	--	834	834
Printing, postage and logo	--	762	762
Insurance	--	1,000	1,000
Professional fees	--	1,200	1,200
Donations -			
Friends of Moncton Hospital	--	10,000	10,000
Foods of Fundy Valley	--	7,000	7,000
Other equipment and programs	--	13,235	13,235
Albert County Action Team	--	2,000	2,000
Education grants	<u>6,394</u>	<u>762</u>	<u>7,156</u>
	<u>6,394</u>	<u>39,928</u>	<u>46,322</u>
Excess of revenue over expenditures (expenditures over revenue)	(2,191)	44,888	42,697
Surplus, beginning of year	<u>85,122</u>	<u>655,305</u>	<u>740,427</u>
Surplus, end of year	<u>\$82,931</u>	<u>\$700,193</u>	<u>\$783,124</u>

BENNETT AND ALBERT COUNTY HEALTH CARE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Description of major business activity:

Bennett and Albert County Health Care Foundation, Inc. is a charitable organization exempt from income taxes organized for the purpose of collecting gifts, donations and memoriums used to assist health care providers in the area.

1. Significant accounting policies:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires that management make estimates. These estimates affect the reported amount of assets and liabilities as well as the reported revenues and expenses during the reporting period of these financial statements. The significant accounting policies adopted by the foundation include the following:

a) Fund accounting

The foundation follows the fund method of accounting as allowed for not-for-profit organizations. The foundation has segregated its operations into two funds for financial statement purposes.

The General Fund accounts for the foundation's operations and day to day income and expenditure activity.

The Education Fund is used for education bursaries.

b) Revenue recognition -

Gifts

Revenue from gifts is recognized when the gift is received.

Others

Other revenue is recognized when earned.

c) Cash and cash equivalents -

Cash comprises of cash on hand and cash in banks not subject to compensating banking or other restrictions. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investing or other purposes. Bank overdrafts are considered cash equivalents when they are repayable on demand and the balance fluctuates frequently between positive and overdrawn.

d) Investments -

The company carries its investments at cost unless there has been a permanent impairment in value, whereby the asset is written down to its net realizable value.

BENNETT AND ALBERT COUNTY HEALTH CARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

2. Risk management and other risks

a) *Risk management*

Consistent with other similar entities, Bennett and Albert County Health Care Foundation, Inc.'s risk management policies are typically performed as part of the overall management of Bennett and Albert County Health Care Foundation, Inc.'s operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. Management's close involvement in operations identifies risks and variations from expectations leading to changes in risk management activities and requirements and actions. Management has not entered into hedging transactions or other derivatives to manage risk.

b) *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The foundation's exposure to interest rate risk is limited to investments.

3. Fair value of financial instruments

Financial instruments and Bennett and Albert County Health Care Foundation, Inc.

A financial instrument is a contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party. A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another party, a contractual right to exchange financial instruments with another party under conditions that are potentially favourable to the entity, or an equity instrument of another entity. A financial liability is a liability that is a contractual obligation to deliver cash or another financial asset to another party, or to exchange financial instruments with another party under conditions that are potentially unfavourable to the entity.

The following is a disclosure of how financial instruments have been classified by Bennett and Albert County Health Care Foundation, Inc., by category:

Held-for-trading

Accounting policy

Held-for-trading financial assets are those financial assets that are designated as held-for-trading upon initial recognition, or that are not classified as loans and receivables, held-to-maturity investments or available-for-sale assets. Held-for-trading financial assets are recorded at their fair value, with any change in fair value recorded in the statement of operations and changes in fund balances. Interest income on held-for-trading financial assets are included in the statement of income.

Classification

The following are financial instruments classified as held-for-trading financial assets.

Cash and cash equivalents (Statement 1) - This financial asset is recorded at its carrying amount because fair value would be the same due to the liquidity of the financial asset.

BENNETT AND ALBERT COUNTY HEALTH CARE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

3. Fair Value of Financial Instruments (continued):

Held-to-maturity

Accounting policy

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity that Bennett and Albert County Health Care Foundation, Inc. has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are recorded on an amortized cost basis. Interest income resulting from held-to-maturity financial assets is included in the statement of income.

Classification

The following are financial assets classified as held-to-maturity financial assets.

Investments (Statement 1) - Investments classified as held-to-maturity consist of investment in GICs and bonds. The fair value of these financial assets are as disclosed on Statement 1. The fair value for these financial assets were arrived at by using quoted market rates as of December 31, 2010.

4. Statement of cash flows:

Note that a Statement of cash flows has not been included in this set of financial statements since all relevant information related to cash flows is easily determinable from the information presented.