

**TWIN OAKS/BIRCHES HEALTH CARE  
CHARITABLE FOUNDATION**

**Financial Statements**

**Year Ended December 31, 2016**



Member of The AC Group of Independent Accounting Firms

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**INDEPENDENT AUDITOR'S REPORT**

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To the Members of Twin Oaks/Birches Health Care Charitable Foundation

We have audited the accompanying financial statements of Twin Oaks/Birches Health Care Charitable Foundation, which comprise the statement of financial position as at December 31, 2016 and the statements of revenues and expenditures, changes in net assets 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, 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.

**Auditor's Responsibility**

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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**TWIN OAKS/BIRCHES HEALTH CARE CHARITABLE FOUNDATION**

**Statement of Revenues and Expenditures**

**Year Ended December 31, 2016**

	2016	%	2015	%
<b>REVENUE</b>				
Investment income <i>(Note 4)</i>	\$ 20,544	52.68	\$ 26,195	55.81
Fundraising events	11,752	30.13	14,010	29.85
Donations and bequests	6,702	17.19	6,727	14.33
	<b>38,998</b>	<b>100.00</b>	<b>46,932</b>	<b>99.99</b>
<b>EXPENSES</b>				
Professional fees	5,053	12.96	4,407	9.39
Insurance	2,087	5.35	2,087	4.45
Office	1,090	2.80	581	1.24
Advertising and promotion	773	1.98	930	1.98
Interest and bank charges	768	1.97	844	1.80
Fundraising costs	188	0.48	185	0.39
	<b>9,959</b>	<b>25.54</b>	<b>9,034</b>	<b>19.25</b>
<b>EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>29,039</b>	<b>74.46</b>	<b>37,898</b>	<b>80.74</b>
<b>OTHER INCOME</b>				
Unrealized gains (losses) on marketable securities	43,047	110.38	(33,388)	(71.14)
Grants to Community Organizations <i>(Schedule 1)</i>	21,909	(56.18)	5,694	(12.13)
	<b>21,138</b>	<b>54.20</b>	<b>(39,082)</b>	<b>(83.27)</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 50,177</b>	<b>128.66</b>	<b>\$ (1,184)</b>	<b>(2.53)</b>

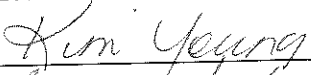
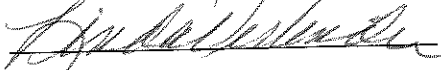
**TWIN OAKS/BIRCHES HEALTH CARE CHARITABLE FOUNDATION**

**Statement of Financial Position**

**December 31, 2016**

	2016	2015
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 2,376	\$ 12,079
Marketable securities (Note 5)	874,731	816,174
Accounts receivable	1,928	674
	<b>\$ 879,035</b>	<b>\$ 828,927</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 2,500	\$ 2,500
<b>NET ASSETS</b>		
General fund	873,994	823,817
Restricted fund (Note 8)	2,541	2,610
	<b>876,535</b>	<b>826,427</b>
	<b>\$ 879,035</b>	<b>\$ 828,927</b>

**ON BEHALF OF THE BOARD**

 Director  
 Director

See notes to financial statements  
**AC Hunter Tellier Belgrave Adamson**  
Chartered Professional Accountants

# TWIN OAKS/BIRCHES HEALTH CARE CHARITABLE FOUNDATION

## Notes to Financial Statements

Year Ended December 31, 2016

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### 1. DESCRIPTION OF OPERATIONS

Twin Oaks/Birches Health Care Charitable Foundation (the "Foundation") was incorporated under the Business Corporations Act of Nova Scotia on November 3, 1999. The purpose of the Foundation is to raise funds and provide support to the Twin Oaks Memorial Hospital, the Twin Oaks Senior Citizens Association and other community based worthy causes in Musquodoboit Harbour, Nova Scotia.

The organization is a non-profit organization under paragraph 149(1)(l) of the Income Tax Act and, as such, is not subject to federal or provincial income taxes.

Any accumulated net assets are to be used in promoting the organization's objectives and at no time will any dividends be paid.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### Revenue recognition

The Foundation 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 amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income includes dividends and interest income, and realized and unrealized gains and losses. Unrealized gains and losses on held-for-trading financial assets are recognized as revenue in the statement of operations, deferred, or reported directly in net assets, depending on the nature of any external restrictions imposed on the investment income. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Other unrestricted investment income is recognized as revenue when earned.

Non-monetary contributions for the purpose of resale at auction are not recognized as revenue when assets are received. Since the fair value of the assets cannot be reasonably estimated at the time of donation, the value at which the item is sold at auction is considered to be a more appropriate measure of fair value. Therefore, revenue is recognized in the year in which the items are sold and funds are collected or become collectable.

If donations are received for a specific event, the amount is recognized as revenue when the event is held.

#### Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

#### Cash

Cash includes cash less outstanding cheques plus outstanding deposits.

#### Fundraising costs

The Foundation expenses fundraising costs in the year in which they are incurred.

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**TWIN OAKS/BIRCHES HEALTH CARE CHARITABLE FOUNDATION**

**Notes to Financial Statements**

**Year Ended December 31, 2016**

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3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

Fair Value

The company's carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

When available, fair value of marketable securities is determined by reference to bid price at the end of the year in an active market. When the bid price is not available, or the market for a financial instrument is not active, fair value has been determined by reference to published price quotations and to the fair value of other financial instruments which bear similar risks and returns.

The Foundation does not enter into hedging activities and does not engage in derivative transactions.

Interest Rate

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the company manages exposure through its normal operating and financing activities. The company is exposed to interest rate risk primarily through the interest-bearing portion of its' investment portfolio..

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4. INVESTMENT INCOME

	2016	2015
Dividend income	\$ 13,986	\$ 11,618
Gain/loss on investments	5,756	12,846
Interest	802	1,731
	\$ 20,544	\$ 26,195

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5. MARKETABLE SECURITIES

	2016	2015
Investors Group Investments	\$ 874,731	\$ 816,174

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**TWIN OAKS/BIRCHES HEALTH CARE CHARITABLE FOUNDATION****Grants to Community Organizations***(Schedule 1)***Year Ended December 31, 2016**

	2016	2015
<b>Twin Oaks Memorial Hospital</b>		
Shockwave physiotherapy device	\$ 11,384	\$ -
Laryngoscope	2,109	-
	13,493	-
<b>Twin Oaks Senior Citizens Association</b>		
Furniture	\$ 6,926	\$ -
iPods	490	-
Gift bags	-	2,243
Bedspreads and throws	-	451
Fairy godmother fund	-	2,000
	7,416	4,694
<b>Grants</b>		
Bursary	1,000	1,000
<b>GRAND TOTAL</b>	<b>\$ 21,909</b>	<b>\$ 5,694</b>