



BROADMEAD CARE
Exceptional Care. Exceptional People.

BROADMEAD CARE SOCIETY

FINANCIAL STATEMENTS

MARCH 31, 2013

Operating the Lodge at Broadmead, Veterans Health Centre and Nigel Program for Adults with Disabilities

4579 Chatterton Way, Victoria BC V8X 4Y7 Phone 250-658-0311 Fax 250-658-0948

www.broadmeadcare.com



BROADMEAD CARE SOCIETY

FINANCIAL STATEMENTS

MARCH 31, 2013

INDEX

	<u>Page</u>
Independent Auditors' Report	1
Statement of Financial Position	3
Statement of Operations and Changes in Fund Balances	4
Statement of Cash Flows	5
Schedule of Special Purposes Fund and Federal Programs Fund	6
Notes to Financial Statements	7
Schedule 1 - Shelter Operations	15

INDEPENDENT AUDITORS' REPORT

To: The Members of the Broadmead Care Society

Report on Financial Statements

We have audited the accompanying financial statements of the Broadmead Care Society ("the Society"), which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of operations and changes in fund balances and cash flows for the years ended March 31, 2013 and March 31, 2012 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 controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian 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 auditors' 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of its operations and changes in fund balances and cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

DICKSON
DUSANJ
& WIRK

CHARTERED
ACCOUNTANTS

Other Matters

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied, after giving retrospective effect to the adoption of the new standards as explained in Note 2 to the financial statements, on a basis consistent with that of the preceding year.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedule 1 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Dickson Dusanj & Wirk

Victoria, B.C.
June 18, 2013

Chartered Accountants

**BROADMEAD CARE SOCIETY
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2013**

	March 31, 2013 \$			March 31, 2012 \$	April 1, 2011 \$	
	GENERAL FUND	CAPITAL FUND	SPECIAL PURPOSES FUND & FEDERAL PROGRAMS FUND	TOTAL	TOTAL	TOTAL
CURRENT ASSETS						
Cash	670,006	-	-	670,006	1,604,197	2,408,713
Accounts Receivable	952,902	-	-	952,902	786,412	488,290
Accrued Interest Receivable	9,994	-	-	9,994	50,128	50,209
Supply Inventories	1,909	-	-	1,909	1,659	1,712
Prepaid Expenses	101,866	-	-	101,866	112,048	42,457
Due (to)/from Other Funds	(503,454)	416,457	86,997	-	-	-
	1,233,223	416,457	86,997	1,736,677	2,554,444	2,991,381
RESTRICTED CASH						
Replacement Reserve	128,408	-	-	128,408	71,590	-
INVESTMENTS - Note 4						
General	7,180,508	-	-	7,180,508	6,664,064	6,431,894
Replacement Reserve	748,422	-	-	748,422	735,494	741,441
Capital Campaign	-	-	-	-	-	1,250
	7,928,930	-	-	7,928,930	7,399,558	7,174,585
PROPERTY AND EQUIPMENT - Note 5						
	-	21,201,982	-	21,201,982	21,701,379	21,987,732
	9,290,561	21,618,439	86,997	30,995,997	31,726,971	32,153,698
CURRENT LIABILITIES						
Accounts Payable and Accrued Liabilities	984,073	-	-	984,073	1,519,860	2,380,656
Accrued Employee Salaries and Benefits	1,132,521	-	-	1,132,521	1,124,954	913,430
Current Portion of Mortgages Payable - Note 6	-	51,361	-	51,361	49,282	40,136
Unearned Income	42,966	-	-	42,966	49,044	48,242
	2,159,560	51,361	-	2,210,921	2,743,140	3,382,464
MORTGAGES PAYABLE - Note 6						
	-	933,865	-	933,865	985,216	1,039,314
RESERVES						
Replacement Reserves - Note 10	876,830	-	-	876,830	807,084	741,441
Capital Campaign Reserve	-	-	-	-	-	1,250
	876,830	-	-	876,830	807,084	742,691
DEFERRED CONTRIBUTIONS - Note 14						
General	1,215,605	-	-	1,215,605	1,100,629	655,302
Capital	-	14,113,811	-	14,113,811	14,377,067	14,764,087
Donations	215,043	-	25,077	240,120	224,147	36,451
	1,430,648	14,113,811	25,077	15,569,536	15,701,843	15,455,840
FUND BALANCES						
Invested in Property and Equipment	-	6,519,402	-	6,519,402	6,297,341	6,151,710
Internally Restricted Net Assets - Note 11	1,401,153	-	61,920	1,463,073	1,401,088	1,658,789
Unrestricted Net Assets	3,422,370	-	-	3,422,370	3,791,259	3,722,890
	4,823,523	6,519,402	61,920	11,404,845	11,489,688	11,533,389
	9,290,561	21,618,439	86,997	30,995,997	31,726,971	32,153,698

CONTINGENT LIABILITY - Note 17

APPROVED BY THE BOARD:

_____, Director

_____, Director

See accompanying notes

BROADMEAD CARE SOCIETY
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2013

	2013				2012
	\$				\$
	GENERAL FUND	CAPITAL FUND	SPECIAL PURPOSES FUND & FEDERAL PROGRAMS FUND	TOTAL	TOTAL
REVENUES					
Vancouver Island Health Authority	13,579,602	-	-	13,579,602	13,387,427
Resident Co-insurance	5,539,241	-	-	5,539,241	5,247,708
Veterans Affairs Canada	52,150	-	2,273,318	2,325,468	2,428,361
Amortization of Deferred Contributions	-	875,379	-	875,379	851,148
Rent	324,285	-	-	324,285	315,343
Miscellaneous	239,703	-	69,171	308,874	261,766
Donations	267,631	-	-	267,631	-
Rental Assistance	207,480	-	-	207,480	214,610
Salary and Benefit Recoveries	73,051	-	-	73,051	89,506
Cafeteria Recoveries	52,763	-	-	52,763	56,331
Grant from Broadmead Care Foundation	-	948	-	948	22,281
	<u>20,335,906</u>	<u>876,327</u>	<u>2,342,489</u>	<u>23,554,722</u>	<u>22,874,481</u>
EXPENSES					
Salaries, Wages and Fees	14,446,532	-	1,763,027	16,209,559	15,934,963
Employee Benefits	3,117,089	-	362,552	3,479,641	3,326,754
Amortization	-	1,145,621	-	1,145,621	1,081,460
Food Services	822,858	-	-	822,858	812,598
Administrative and Support	581,841	-	28,956	610,797	429,950
Plant Operations	546,738	-	13,457	560,195	525,951
Supplies	294,186	-	167,987	462,173	498,483
Housekeeping and Maintenance	421,312	-	5,200	426,512	436,890
Replacement Reserve	63,696	-	-	63,696	63,696
Mortgage Interest	50,314	-	-	50,314	56,708
	<u>20,344,566</u>	<u>1,145,621</u>	<u>2,341,179</u>	<u>23,831,366</u>	<u>23,167,453</u>
EXCESS OF REVENUES OVER EXPENSES FROM CARE OPERATIONS	<u>(8,660)</u>	<u>(269,294)</u>	<u>1,310</u>	<u>(276,644)</u>	<u>(292,972)</u>
OTHER INCOME					
Investment income	191,801	-	-	191,801	249,271
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>183,141</u>	<u>(269,294)</u>	<u>1,310</u>	<u>(84,843)</u>	<u>(43,701)</u>
FUND BALANCES					
Fund Balances, beginning	5,131,737	6,297,341	60,610	11,489,688	11,533,389
Interfund Transfers - Note 12	(491,355)	491,355	-	-	-
FUND BALANCES, Ending	<u><u>4,823,523</u></u>	<u><u>6,519,402</u></u>	<u><u>61,920</u></u>	<u><u>11,404,845</u></u>	<u><u>11,489,688</u></u>

See accompanying notes

**BROADMEAD CARE SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2013**

	2013 \$	2012 \$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess of Revenues over Expenses	(84,843)	(43,701)
Charges to Income not Affecting Cash		
Amortization of Property and Equipment	1,145,621	1,081,460
Amortization of Deferred Contributions	(875,379)	(851,148)
Unrealized (Gain) Loss on Investments	(191,801)	125,756
	78,441	356,068
Changes in Components of Working Capital		
Accounts Receivable	(166,490)	(298,122)
Accrued Interest Receivable	40,134	81
Supply Inventories	(250)	53
Prepaid Expenses	10,182	(69,591)
Accounts Payable and Accrued Liabilities	(535,787)	(860,796)
Accrued Employee Salaries and Benefits	7,567	211,524
Unearned Income	(6,078)	802
Replacement Reserves	56,818	64,393
	(593,904)	(951,656)
NET CASH (USED IN) OPERATING ACTIVITIES	(600,306)	(639,289)
FINANCING AND INVESTING ACTIVITIES		
Decrease in long-term debt	(49,272)	(44,952)
Deferred Contributions - Capital	743,072	246,003
Purchase of Property & Equipment	(646,224)	(795,948)
Investment Activities	(692,171)	(241,431)
	(644,595)	(836,328)
NET CASH (USED IN) FINANCING & INVESTING ACTIVITIES	(644,595)	(836,328)
NET (DECREASE) IN CASH	(1,244,901)	(1,475,617)
CASH - BEGINNING OF YEAR	1,675,787	3,151,404
CASH - END OF YEAR	430,886	1,675,787
Cash is comprised of:		
Unrestricted cash	670,006	1,604,197
Restricted cash	128,408	71,590
	798,414	1,675,787

See accompanying notes

**BROADMEAD CARE SOCIETY
SPECIAL PURPOSES FUND AND FEDERAL PROGRAMS FUND
SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2013**

	2013			2012
	\$			\$
	SPECIAL PURPOSES FUND	FEDERAL PROGRAMS FUND	TOTAL	TOTAL
REVENUES				
Veterans Affairs Canada:				
Veterans Health Centre	-	1,405,939	1,405,939	1,493,994
Dementia Care Program	-	577,011	577,011	585,504
Creative Arts Program	-	242,659	242,659	243,373
Horticultural Therapy Program	-	26,649	26,649	26,602
Spiritual Care Program	-	15,304	15,304	17,558
Salary Recoveries	-	-	-	20,394
Sales Revenue - Creative Arts	-	4,385	4,385	4,940
Miscellaneous Revenue	-	1,371	1,371	6,483
Donations from the Broadmead Care Foundation - Note 15	-	-	-	7,943
Resident Activities Receipts (Misc.)	69,171	-	69,171	73,089
	<u>69,171</u>	<u>-</u>	<u>69,171</u>	<u>73,089</u>
	<u>69,171</u>	<u>2,273,318</u>	<u>2,342,489</u>	<u>2,479,880</u>
EXPENSES				
Salaries, Wages and Fees	-	1,763,027	1,763,027	1,878,042
Employee Benefits	-	362,552	362,552	361,105
Program Supplies	-	100,235	100,235	110,009
Administrative and Support	-	28,956	28,956	35,929
Housekeeping and Maintenance	-	5,200	5,200	5,202
Furniture and Equipment	-	5,320	5,320	551
Plant Operations	-	8,137	8,137	8,010
Restricted Donation Purchases	-	-	-	9,888
Resident Activities Supplies	67,752	-	67,752	67,983
	<u>67,752</u>	<u>-</u>	<u>67,752</u>	<u>67,983</u>
	<u>67,752</u>	<u>2,273,427</u>	<u>2,341,179</u>	<u>2,476,719</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>1,419</u>	<u>(109)</u>	<u>1,310</u>	<u>3,161</u>

See accompanying notes

**BROADMEAD CARE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013**

1. PURPOSE OF THE SOCIETY

Broadmead Care Society (the Society) is incorporated under the *Society Act* of British Columbia as a not-for-profit organization and is a registered charity under the *Income Tax Act* of Canada and as such, is not subject to taxation. The purpose of the Society is to operate The Lodge at Broadmead, Veterans Health Centre and the Nigel Program. The Lodge at Broadmead is a complex care residential facility for members of the community and veterans, and the Veterans Health Centre is a geriatric assessment and treatment program integrated into a social and recreational program for veterans living in the community. The Nigel Program provides two housing facilities, Nigel House and Harriet House, for adults with disabilities.

2. SIGNIFICANT ACCOUNTING POLICIES

Accounting Principles

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Basis of Presentation

Revenues and expenses related to program delivery and administrative activities are reported in the General Fund.

Property and equipment and related liabilities, amortization of deferred contributions, and amortization of property and equipment are reported in the Capital Fund.

Revenues and expenses for certain resident activities and restricted and unrestricted donations are reported in the Special Purposes Fund. Revenues and expenses related to the resident programs funded by Veterans Affairs Canada are reported in the Federal Programs Fund.

(b) Contributions / Revenue Recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate Fund in the year in which the related expenses are incurred. Unrestricted contributions and donations are recognized as revenue of the appropriate Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions of assets that are not amortized are recognized as a direct increase in net assets.

Revenue from rental subsidies is recognized as income for the appropriate operating period, only when received.

(c) Employee Future Benefits

The Society and its employees contribute to a multi-employer plan for group benefits. Defined contribution plan accounting is applied to multi-employer defined benefit plans and accordingly, contributions to these plans are expensed.

**BROADMEAD CARE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Inventories

Inventories are measured at the lower of cost and net realizable value, with cost being determined using the first-in, first-out basis.

(e) BC Housing Replacement Reserves

BC Housing replacement reserves are accounted for in accordance with the BC Housing Financial Responsibilities Guide. This requires that contributions from BC Housing for replacement reserves be recognized as revenue when they are received and then transferred to externally restricted replacement reserves. The replacement reserves are increased by interest earned on these funds and reduced by purchases of eligible items included in BC Housing's Standardized List of Replacement Reserve items.

(f) Financial Instruments

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include long-term debt, and accounts payable and accrued liabilities.

The organization's financial assets measured at fair value include investment in bonds and marketable securities.

(g) Property and Equipment

Purchased property and equipment are recorded at cost in the Capital Fund. Contributed property and equipment are recorded in the Capital Fund at fair market value at the date of contribution. Amortization is calculated on a straight-line basis over the property and equipment's estimated useful lives, which are:

Building	25 - 50 years
Land Improvements	10 - 25 years
Building Service Equipment	5 - 20 years
Major Equipment	3 - 15 years
Vehicles	5 years

Furniture and equipment purchases of a minor nature are not included in Property and Equipment and are expensed in the appropriate Fund. Artwork is not amortized.

**BROADMEAD CARE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Contributed Services and Materials

Volunteers contribute many hours each year to assist Broadmead Care Society in carrying out its mandate. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements. Contributed materials are recognized at fair market value in the financial statements.

(i) Use of Estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Actual results could differ from these estimates.

(j) Conversion to Canadian Accounting Standards for Not-For-Profit Organizations

Commencing with the 2013 fiscal year, the Society has adopted Canadian accounting standards for not-for-profit organizations issued by the Accounting Standards Board. These financial statements are the first financial statements for which the Society has applied Canadian accounting standards for not-for-profit organizations, which have been applied retrospectively.

The conversion to the Canadian accounting standards for not-for-profit organizations on April 1, 2011 did not result in adjustments to previously reported assets, liabilities or fund balances of the Society, and accordingly no adjustments have been recorded in the comparative statement of financial position, statement of operations, statement of changes in fund balances, or statement of cash flows.

3. FINANCIAL RISKS AND CONCENTRATION OF RISKS

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt approximate their fair values due to the short-term nature of these assets and liabilities.

Investments are measured at fair value based on quoted prices in an active market. Net gains and losses arising from changes in fair value are recognized in the Statement of Operations. For the year ended March 31, 2013, the unrealized loss was \$175,727 (2012 - \$125,756).

Financial instruments that potentially subject the Society to credit risk consist primarily of accounts receivable. Accounts receivable are not concentrated with any single party, and therefore the Society is not subject to any significant concentration of credit risk. It is management's opinion that the Society is not exposed to significant interest or currency risks arising from its financial instruments.

**BROADMEAD CARE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013**

4. INVESTMENTS

Investments are carried at fair value and consist of the following:

	<u>2013</u>	<u>2012</u>
Fixed income	4,624,803	5,274,360
Equities	568,125	1,291,999
Mutual funds	<u>1,987,580</u>	<u>97,705</u>
	<u>\$7,180,507</u>	<u>\$6,664,064</u>

5. PROPERTY AND EQUIPMENT

	<u>2013</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Land	\$ 4,463,476	\$ -	\$ 4,463,476
Work of art – Totem pole	44,514	-	44,514
Land improvements	24,266	18,643	5,623
Buildings	19,809,273	5,673,763	14,135,510
Vehicles	45,518	40,632	4,886
Building service equipment	8,177,144	6,646,779	1,530,365
Major equipment	<u>2,458,353</u>	<u>1,440,745</u>	<u>1,017,608</u>
	<u>\$35,022,544</u>	<u>\$13,820,562</u>	<u>\$21,201,982</u>

	<u>2012</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Land	\$ 4,428,059	\$ -	\$ 4,428,059
Work of art - Totem pole	44,514	-	44,514
Land improvements	24,266	17,579	6,687
Buildings	19,535,655	5,207,232	14,328,423
Vehicles	45,518	38,611	6,907
Building service equipment	8,113,479	6,167,177	1,946,302
Major equipment	<u>2,179,756</u>	<u>1,239,269</u>	<u>940,487</u>
	<u>\$34,371,247</u>	<u>\$12,669,868</u>	<u>\$21,701,379</u>

**BROADMEAD CARE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013**

6. MORTGAGES PAYABLE

	<u>2013</u>	<u>2012</u>
British Columbia Housing Management Commission		
The mortgage is payable at \$4,647 per month, principal and interest at 8%, due November 1, 2027. The mortgage is secured by the Society's land and building at 846 Nigel Avenue (Nigel House).	\$ 484,323	\$ 501,242
British Columbia Housing Management Commission		
The mortgage is payable at \$3,666 per month, principal and interest at 2.26%, due May 1, 2026. The mortgage is secured by the Society's land and building at 3272 Harriet Street (Harriet House).	<u>500,903</u>	<u>533,256</u>
	985,226	1,034,498
Less: Current portion	<u>(51,361)</u>	<u>(49,282)</u>
	<u>\$933,865</u>	<u>\$985,216</u>

The estimated principal payments over the next five years are:

2014:	51,361
2015:	53,606
2016:	55,969
2017:	58,478
2018:	61,174

7. RENTAL ASSISTANCE

Rental assistance is provided by Canada Mortgage and Housing Corporation ("C.M.H.C.") on behalf of the Provincial Government. Nigel and Harriet Houses are funded jointly by C.M.H.C. and BC Housing under Section 44 of the National Housing Act.

8. SUBSIDY ADJUSTMENTS

BC Housing conducts an annual review of the financial statements and may adjust for any operating surplus or deficit. Prior years' funding adjustments are recognized in the fiscal year they are determined. The subsidy adjustment received from BC Housing for the current fiscal year was nil (2012 - \$785).

9. INCOME VERIFICATION OF TENANTS AND RENT CALCULATION

The Society is required by BC Housing to have on file verification of the income and assets of tenants. The Society is required by BC Housing to charge tenants Rent-Geared-to-Income by annually reviewing tenant rent contributions.

**BROADMEAD CARE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013**

10. REPLACEMENT RESERVES

	<u>Nigel</u>	<u>Harriet</u>	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$744,055	\$ 63,029	\$807,084	\$741,441
Provision (current year reserve)	53,004	10,692	63,696	63,696
Interest	12,716	1,295	14,011	9,030
Reserve expenses	<u>(7,961)</u>	<u>-</u>	<u>(7,961)</u>	<u>(7,083)</u>
Ending balance	<u>\$801,814</u>	<u>\$ 75,016</u>	<u>\$876,830</u>	<u>\$807,084</u>

Under the terms of the agreement with BC Housing, the Replacement Reserve accounts are to be credited in the amount determined by the budget provision per annum plus interest earned. These funds along with the accumulated interest must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or the Credit Union Deposit Insurance Corporation; in investments guaranteed by a Canadian government; or in other investment instruments as agreed upon with BC Housing.

11. INTERNALLY RESTRICTED NET ASSETS

Internally Restricted Net Assets reported in the General Fund of \$1,401,153 (2012 - \$1,340,478) are comprised of the Capital Plan (\$182,200) and funds deferred for renovation to Nigel House (\$1,218,953).

12. INTERFUND TRANSFERS

The amount of \$491,355 was transferred from the General Fund to the Capital Fund to fund the acquisitions of property and equipment during the year.

13. RESIDENTS' TRUST FUNDS

Trust funds held for residents amounting to \$84,885 at March 31, 2013 (March 31, 2012 - \$91,370) and the related liabilities are not included in these financial statements.

14. DEFERRED CONTRIBUTIONS

Deferred contributions reported in the General Fund relate to unspent restricted funding received from the Vancouver Island Health Authority and the Ministry of Health, Government of British Columbia. Deferred contributions in the Special Purposes Fund relate to unspent donations of \$25,077. Deferred contributions reported in the Capital Fund relate to contributions received from the Vancouver Island Health Authority and Veterans Affairs Canada restricted donations received for property and equipment and funds dedicated to the renovation or replacement of the Nigel House building.

**BROADMEAD CARE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013**

14. DEFERRED CONTRIBUTIONS (Continued)

The changes for the year in deferred contributions are as follows:

	<u>2013</u>	<u>2012</u>
Beginning balance	\$15,701,843	\$15,455,840
Contributions received	920,745	778,199
Contributions for equipment	118,816	378,818
Contributions recognized as revenue	(296,489)	(59,866)
Amounts amortized as revenue	<u>(875,379)</u>	<u>(851,148)</u>
Ending balance	<u>\$15,569,536</u>	<u>\$15,701,843</u>

15. BROADMEAD CARE FOUNDATION

Amounts due to/from the Foundation are non-interest bearing and due on demand.

The Foundation provided grants totalling \$172,730 (2012 - \$238,471) to the Society for capital and operating expenditures. Capital expenditures of \$110,199 were comprised of: \$59,263 for the Bathing Room Renovations, \$49,988 towards equipment, and an equipment donation of \$948. Operating expenditures of \$24,135 supported resident wellness and client activities at The Lodge at Broadmead, Nigel House and Harriet House. \$38,396 was also provided to fund training.

16. PENSION AND RETIREMENT BENEFITS

The Society and its employees contribute to the Public Service Pension Plan in accordance with the British Columbia *Public Sector Pension Plans Act*. The Public Service Pension Plan is a multi-employer contributory defined benefit pension plan and is available to substantially all employees of the Society. The British Columbia Pension Corporation, on behalf of employers, administers the Plan, including payment of pension benefits to eligible employees. The most recent actuarial valuation (March 31, 2011) has determined that the plan has an unfunded liability for basic account pension benefits of \$275 million. The next full actuarial valuation will be completed no later than March 31, 2014.

The Society also contributes through the provincial government payroll system for specific termination benefits as provided for under collective agreements and conditions of employment. The Society discharges its obligations for employee future benefits by making regular payments to the provincial government based upon an agreed flat rate. Specifically, the Society's contributions to the Public Service Pension Plan are a component of this flat rate. Under this arrangement, the specific amounts related to pension contributions are not specified. These costs are expensed on an accrual basis. The Society has only a few employees with an accumulated sick leave balance and has fully provided for this liability in these financial statements.

**BROADMEAD CARE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013**

17. CONTINGENT LIABILITY

The Nigel – Services for Adults with Disabilities Society (Nigel Society) terminated its coverage with the Healthcare Benefit Trust effective December 31, 2010 as the employees transferred to Broadmead Care Society with benefit coverage through the Province of British Columbia. Healthcare Benefit Trust has notified Nigel Society that there is an unfunded liability associated with the long-term disability coverage provided under the plan of \$133,557. The amount of this liability is in dispute; therefore the \$133,557 has not been recorded in these financial statements. Under the terms of the Nigel Society Asset Transfer Agreement, any potential liability determined transfers to the Broadmead Care Society.

18. COMPARATIVE FIGURES

Comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

**BROADMEAD CARE SOCIETY
SCHEDULE 1 - SHELTER OPERATIONS
MARCH 31, 2013**

SHELTER COMPONENT OF OPERATIONS

	<u>Nigel House</u>	<u>Harriet House</u>	<u>March 2013</u>	<u>March 2012</u>
Revenues				
Rental assistance	161,712	45,768	207,480	213,825
Resident contributions	<u>105,320</u>	<u>65,365</u>	<u>170,685</u>	<u>165,118</u>
	<u>267,032</u>	<u>111,133</u>	<u>378,165</u>	<u>378,943</u>
Expenses				
Mortgage				
Interest	38,734	11,580	50,314	56,707
Principal	16,919	32,353	49,272	44,952
Replacement reserve	53,004	10,692	63,696	63,696
Repairs and maintenance				
Salaries	25,600	2,300	27,900	27,900
Building	12,994	7,455	20,449	21,385
Grounds	2,010	2,975	4,985	3,670
Service contracts	25,016	7,162	32,178	34,410
Equipment	4,700	3,101	7,801	10,520
Utilities	45,727	13,422	59,149	57,400
Insurance	-	4,620	4,620	4,620
Administration				
Allocated	14,200	2,400	16,600	16,600
Audit and legal	5,200	2,800	8,000	17,346
Property taxes	<u>-</u>	<u>5,937</u>	<u>5,937</u>	<u>8,568</u>
	<u>244,104</u>	<u>106,797</u>	<u>350,901</u>	<u>367,774</u>
Revenues over (less than) expenditures	22,928	4,336	27,264	11,169
Surplus beginning of period	<u>4,818</u>	<u>2,971</u>	<u>7,789</u>	<u>(4,165)</u>
	27,746	7,307	35,053	7,004
BCHMC surplus/deficit adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>785</u>
Rent subsidy surplus (deficit) end of year	<u>27,746</u>	<u>7,307</u>	<u>35,053</u>	<u>7,789</u>