

**VANCOUVER NATIVE HEALTH SOCIETY
FINANCIAL STATEMENTS
MARCH 31, 2012**

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INDEPENDENT AUDITOR'S REPORT

To the Directors of:
Vancouver Native Health Society

We have audited the accompanying financial statements of Vancouver Native Health Society which comprise the statement of financial position as at March 31, 2012, the statement of changes in net assets, statement of operations and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management 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 judgement, 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.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2012 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations. As required by the Society Act of British Columbia, we report that in our opinion, these principles have been applied on a basis consistent with the preceding year.

Burnaby, B.C. Canada
June 28, 2012



ENNS & COMPANY
Certified General Accountants

**VANCOUVER NATIVE HEALTH SOCIETY
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2012**

	General Fund	Capital Fund	Building Fund	2012 Total	2011 Total
ASSETS					
CURRENT					
Cash	\$ 790,642	\$ 69,157	\$ 27,923	\$ 887,722	\$ 811,062
Temporary investments (Note 3)	1,681,529	-	-	1,681,529	1,662,177
Accounts receivable (Note 4)	159,080	-	130,178	289,258	174,200
Prepaid expenses	60,508	-	-	60,508	74,312
	2,691,759	69,157	158,101	2,919,017	2,721,751
CAPITAL ASSETS (Note 5)	-	283,524	-	283,524	293,023
	\$2,691,759	\$ 352,681	\$ 158,101	\$3,202,541	\$3,014,774
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities (Note 6)	\$ 394,542	\$ -	\$ -	\$ 394,542	\$ 401,884
Deferred revenues (Note 7)	1,765,706	-	127,358	1,893,064	1,629,745
	2,160,248	-	127,358	2,287,606	2,031,629
Deferred revenue related to capital assets (Note 7)	-	40,535	-	40,535	67,571
FUNDS HELD IN TRUST (Note 10)					
NET ASSETS					
Invested in capital assets (Note 5)	-	242,989	-	242,989	225,452
Externally restricted (Note 8)	332,354	-	-	332,354	405,584
Internally restricted (Note 9)	-	69,157	30,743	99,900	99,802
Unrestricted	199,157	-	-	199,157	184,736
	531,511	312,146	30,743	874,400	915,574
	\$2,691,759	\$ 352,681	\$ 158,101	\$3,202,541	\$3,014,774

APPROVED ON BEHALF OF THE BOARD




The accompanying notes are an integral part of these financial statements.

**VANCOUVER NATIVE HEALTH SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2012**

	General Fund	Capital Fund	Building Fund	2012 Total	2011 Total
BALANCE, beginning of year	\$ 590,321	\$ 294,510	\$ 30,743	\$ 915,574	\$ 848,680
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	21,908	(63,082)	-	(41,174)	66,894
	612,229	231,428	30,743	874,400	915,574
INTERFUND TRANSFERS	(80,718)	80,718	-	-	-
BALANCE, end of year	\$ 531,511	\$ 312,146	\$ 30,743	\$ 874,400	915,574

The accompanying notes are an integral part of these financial statements.

**VANCOUVER NATIVE HEALTH SOCIETY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2012**

	General Fund	Capital Fund	Building Fund	2012 Total	2011 Total
REVENUES					
Province of British Columbia	\$3,982,932	\$ -	\$ -	\$3,982,932	\$3,781,059
Vancouver Coastal Health Authority	2,275,237	-	-	2,275,237	2,141,597
Other funding	770,600	-	-	770,600	795,682
Public Health Agency of Canada	50,000	-	-	50,000	50,000
Health Canada	124,982	-	-	124,982	20,833
Children's Hospital	51,896	-	-	51,896	51,896
Other federal funds	87,000	-	-	87,000	109,863
Gaming revenue	52,071	-	-	52,071	49,434
Amortization of deferred contributions	-	27,036	-	27,036	27,036
United Way	30,600	-	-	30,600	45,600
	7,425,318	27,036	-	7,452,354	7,073,000
EXPENSES					
Advertising and promotion	6,121	-	-	6,121	3,370
Amortization	-	90,076	-	90,076	81,382
Automobile	19,042	-	-	19,042	33,358
Bank charges and interest	7,875	-	-	7,875	7,809
Donations	8,161	-	-	8,161	3,321
Insurance	23,496	-	-	23,496	25,045
Meals and travel	41,839	-	-	41,839	49,255
Medical supplies	62,639	-	-	62,639	43,452
Office and general	181,153	-	-	181,153	148,812
Professional fees	32,386	-	-	32,386	26,467
Property taxes	16,464	-	-	16,464	15,450
Rent	254,814	-	-	254,814	251,709
Rent subsidies	152,842	-	-	152,842	150,656
Repairs and maintenance	35,405	-	-	35,405	36,326
Salaries and benefits	4,815,030	-	6,331	4,821,361	4,337,736
Subcontract	1,316,636	-	-	1,316,636	1,310,673
Supplies	497,660	-	-	497,660	510,659
Telephone	69,851	-	-	69,851	71,020
Training	19,114	-	-	19,114	12,010
Utilities	42,743	-	-	42,743	35,882
	7,603,271	90,076	6,331	7,699,678	7,154,392
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER ITEMS					
	\$ (177,953)	\$ (63,040)	\$ (6,331)	(247,324)	\$ (81,392)

The accompanying notes are an integral part of these financial statements.

**VANCOUVER NATIVE HEALTH SOCIETY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2012**

	General Fund	Capital Fund	Building Fund	2012 Total	2011 Total
BALANCE FORWARD	\$ (177,953)	\$ (63,040)	\$ (6,331)	\$ (247,324)	\$ (81,392)
OTHER ITEMS					
Donations	180,442	-	6,331	186,773	127,722
Interest income	19,419	-	-	19,419	20,564
Gain on disposal of capital assets	-	(42)	-	(42)	-
	199,861	(42)	6,331	206,150	148,286
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 21,908	\$ (63,082)	\$ -	\$ (41,174)	\$ 66,894

The accompanying notes are an integral part of these financial statements.

**VANCOUVER NATIVE HEALTH SOCIETY
STATEMENT OF CASH FLOWS
MARCH 31, 2012**

	General Fund	Capital Fund	Building Fund	2012 Total	2011 Total
OPERATING ACTIVITIES					
Excess (deficiency) of revenues over expenses	\$ 21,908	\$ (63,082)	\$ -	\$ (41,174)	\$ 66,894
Items not requiring an outlay of cash:					
Amortization	-	90,076	-	90,076	81,382
Gain on disposal of capital assets	-	42	-	42	-
	21,908	27,036	-	48,944	148,276
CHANGES IN NON-CASH WORKING CAPITAL ITEMS					
Account receivable	8,308	-	(123,366)	(115,058)	(72,490)
Prepaid expenses	13,804	-	-	13,804	(16,815)
Accounts payable and accrued liabilities	(7,343)	-	-	(7,343)	67,968
Deferred revenues	219,818	-	43,501	263,319	(45,271)
NET CASH PROVIDED BY OPERATING ACTIVITIES	256,495	27,036	(79,865)	203,666	81,668
CASH FROM INVESTING ACTIVITIES					
Acquisition of capital assets		(80,718)		(80,718)	(102,244)
Deferred revenues relating to capital assets		(27,036)		(27,036)	(27,036)
Proceeds from disposal of capital assets	-	100	-	100	
Acquisition of temporary investments	(1,681,529)			(1,681,529)	(1,662,177)
Proceeds from redemption of temporary investments	1,662,177			1,662,177	1,639,461
CASH USED IN INVESTING ACTIVITIES	(19,352)	(107,654)	-	(127,006)	(151,996)
NET INCREASE (DECREASE) IN CASH	237,143	(80,618)	(79,865)	76,660	(70,328)
CASH, beginning of year	634,217	69,057	107,788	811,062	881,390
INTERFUND TRANSFERS	(80,718)	80,718	-	-	-
CASH, end of year	\$ 790,642	\$ 69,157	\$ 27,923	\$ 887,722	\$ 811,062

The accompanying notes are an integral part of these financial statements.

**VANCOUVER NATIVE HEALTH SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012**

1. GENERAL

Vancouver Native Health Society (the "Society") was incorporated under the British Columbia Society Act as a not-for-profit organization on April 12, 1990 and is a registered charity under the Income Tax Act. Its principal purpose is to improve the health status of Native people, to assist, support, and undertake programs or activities designed to promote health care of Native people, and to secure or acquire funds, real property or other assistance necessary to meet their objectives.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Fund accounting

The Society follows the deferral method of accounting for contributions.

The General Fund accounts for the Society's program delivery and administrative activities.

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Society's capital assets.

The Building Fund reports the assets, liabilities, revenues and expenses related to the Society's facility needs study.

(b) Revenue Recognition

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Financial instruments

The Society's financial instruments consist of cash, redeemable short term investments, accounts receivable, accounts payable and accrued liabilities.

In accordance with section 3855 (Financial instruments - Recognition and Measurement) of the CICA handbook, the Society has designated all financial instruments as available-for-sale and reports them at fair value. The carrying amounts of these financial instruments are reasonable estimates of their fair values due to the relatively short term to maturity.

(d) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at the fair value at the date of contribution. Amortization is provided annually using the declining balance method at the following rates:

Furniture and equipment	20%
Computer hardware	30%
Automotive	30%
Leasehold improvements	Straight line over 6 years

In the year of acquisition, amortization is recorded at one-half the normal rate.

**VANCOUVER NATIVE HEALTH SOCIETY
NOTES TO FINANCIAL STATEMENTS
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(e) Contributed Services

Volunteers contribute numerous hours per year to assist the Society in carrying out its services. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(f) Income Taxes

Income taxes are not reflected in these financial statements as the Society is a not-for-profit organization.

(g) Use of Estimates

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

3. TEMPORARY INVESTMENTS

	2012	2011
Guaranteed Investment Certificates at cost plus accrued interest	\$ 1,681,529	\$ 1,662,177

4. ACCOUNTS RECEIVABLE

	General Fund	Capital Fund	Building Fund	2012	2011
Grants receivable	\$ 56,876	\$ -	\$ -	\$ 56,876	\$ 68,315
GST/HST recoverable	64,654	-	-	64,654	48,237
Sundry receivable	37,550	-	130,178	167,728	57,648
	\$ 159,080	\$ -	\$ 130,178	\$ 289,258	\$ 174,200

**VANCOUVER NATIVE HEALTH SOCIETY
NOTES TO FINANCIAL STATEMENTS
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5. CAPITAL ASSETS

	Cost	Amortization	Net 2012	Net 2011
Leasehold improvements	\$ 565,204	\$ 508,235	\$ 56,969	\$ 90,418
Furniture and equipment	532,311	376,348	155,963	136,764
Computer hardware	311,944	259,285	52,659	53,760
Automotive	54,895	36,962	17,933	12,081
	\$ 1,464,354	\$ 1,180,830	\$ 283,524	\$ 293,023

Reconciliation

Net book value of capital assets	\$ 283,524	\$ 293,023
<u>Capital assets acquired with restricted funds</u>		
Deferred revenues related to capital assets	(40,535)	(67,571)
Invested in capital assets - non-restricted funds	\$ 242,989	\$ 225,452

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	General Fund	Capital Fund	Building Fund	2012	2011
Accounts payable	\$ 188,327	\$ -	\$ -	\$ 188,327	\$ 219,812
Accrued liabilities	164,582	-	-	164,582	144,255
Payroll deductions payable	41,633	-	-	41,633	37,817
	\$ 394,542	\$ -	\$ -	\$ 394,542	\$ 401,884

**VANCOUVER NATIVE HEALTH SOCIETY
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7. DEFERRED REVENUES

	2012	2011
Federal Government	\$ 59,700	\$ 42,107
Gaming Revenue	43,393	52,374
Ministry of Health	314,124	287,906
Ministry of Housing and Social Development	11,961	11,961
Ministry of Children and Family Development	273,399	315,007
Other deferred revenues	839,868	676,792
Rent subsidies	13,187	13,187
University of British Columbia	36,404	26,203
Vancouver Coastal Health Authority	251,211	118,594
Vancouver Foundation	29,671	65,000
YWCA	20,146	20,614
	\$ 1,893,064	\$ 1,629,745

Deferred revenues represent externally restricted contributions that are related to expenses of a future period.

Deferred revenues related to capital assets represent the unamortized portion of leasehold improvements funded with restricted contributions as follows:

Contributed leasehold improvements from Vancouver Coastal Health	\$ 162,195	\$ 162,195
Amount amortized to revenue	(121,660)	(94,624)
Balance, end of year	\$ 40,535	\$ 67,571

**VANCOUVER NATIVE HEALTH SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012**

8. EXTERNALLY RESTRICTED NET ASSETS

	2012	2011
Clinic program	\$ 3,682	\$ 3,682
Other programs	200,729	274,674
Positive Outlook program	54,847	66,275
Safehouse program	24,058	24,058
Sheway programs	49,038	36,895
	\$ 332,354	\$ 405,584

9. INTERNALLY RESTRICTED NET ASSETS AND INTERFUND TRANSFERS

The Board of Directors internally restricted funds to be used for future capital assets acquisition. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

During the year, \$80,718 (2011 - \$102,244) was transferred from the General Fund to the Capital Fund in order to fund the cash outlays for capital asset acquisitions.

10. FUNDS HELD IN TRUST

The Society maintains a trust fund on behalf of a client. As at March 31, 2012, the funds held in trust totalled \$1,388 (2011 - \$1,373).

**VANCOUVER NATIVE HEALTH SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012**

11. LEASE COMMITMENTS

The Society occupies premises at 717 Princess Avenue and at 3977 Dumfries Street under operating leases.

The leases for other premises have expired and the Society is continuing to lease them on a month to month basis. There is an option to renew them for a further period of five years at an amount to be mutually agreed upon.

The Society is also under obligation for various equipment and auto leases.

Future minimum lease payments for the next five years are as follows:

	Total	Premises	Equipment and auto
2013	35,801	26,040	9,761
2014	9,918	-	9,918
2015	3,912	-	3,912
2016	1,910	-	1,910
2017	1,910	-	1,910
	<u>\$ 53,451</u>	<u>\$ 26,040</u>	<u>\$ 27,411</u>

12. COMPARATIVE FIGURES

Certain comparative figures for 2011 have been reclassified where applicable to conform with the current year's presentation.