

**VANCOUVER NATIVE HEALTH SOCIETY  
FINANCIAL STATEMENTS  
MARCH 31, 2010**

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**AUDITORS' REPORT**

To the Directors of:  
Vancouver Native Health Society

We have audited the financial position of Vancouver Native Health Society as at March 31, 2010 and the statements of changes in net assets, operations and cash flows for the year then ended. These financial statements are the responsibility of the Society'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 statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2010 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the British Columbia Society Act, we report that in our opinion, these principles have been applied on a basis consistent with that of the previous year.



Burnaby, B.C. Canada  
June 24, 2010

ENNS & COMPANY  
Certified General Accountants

**VANCOUVER NATIVE HEALTH SOCIETY  
STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2010**

	General Fund	Capital Fund	Building Fund	2010 Total	2009 Total
<b>ASSETS</b>					
<b>CURRENT</b>					
Cash	\$ 745,915	\$ 69,058	\$ 65,055	\$ 880,028	\$ 525,741
Temporary investments (Note 3)	1,640,823	-	-	1,640,823	1,754,560
Accounts receivable (Note 4)	101,710	-	-	101,710	105,789
Prepaid expenses	57,497	-	-	57,497	63,917
	2,545,945	69,058	65,055	2,680,058	2,450,007
<b>CAPITAL ASSETS (Note 5)</b>	-	272,161	-	272,161	285,279
	\$2,545,945	\$ 341,219	\$ 65,055	\$2,952,219	\$2,735,286
<b>LIABILITIES</b>					
<b>CURRENT</b>					
Accounts payable and accrued liabilities (Note 6)	\$ 333,906	\$ -	\$ -	\$ 333,906	\$ 318,776
Deferred revenues (Note 7)	1,768,478	-	34,312	1,802,790	1,579,001
	2,102,384	-	34,312	2,136,696	1,897,777
Deferred revenue related to capital assets (Note 7)	-	94,607	-	94,607	121,643
<b>FUNDS HELD IN TRUST (Note 10)</b>					
<b>NET ASSETS</b>					
Invested in capital assets (Note 5)	-	177,554	-	177,554	163,636
Externally restricted (Note 8)	279,379	-	-	279,379	294,921
Internally restricted (Note 9)	-	69,058	30,743	99,801	99,802
Unrestricted	164,182	-	-	164,182	157,507
	443,561	246,612	30,743	720,916	715,866
	\$2,545,945	\$ 341,219	\$ 65,055	\$2,952,219	\$2,735,286

APPROVED ON BEHALF OF THE BOARD

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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, 2010**

	General Fund	Capital Fund	Building Fund	2010 Total	2009 Total
<b>BALANCE, beginning of year</b>	\$ 452,428	\$ 232,695	\$ 30,743	\$ 715,866	\$ 646,492
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	49,777	(44,727)	-	5,050	69,374
	502,205	187,968	30,743	720,916	715,866
<b>INTERFUND TRANSFERS</b>	(58,644)	58,644	-	-	-
<b>BALANCE, end of year</b>	\$ 443,561	\$ 246,612	\$ 30,743	\$ 720,916	715,866

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

**VANCOUVER NATIVE HEALTH SOCIETY  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2010**

	General Fund	Capital Fund	Building Fund	2010 Total	2009 Total
<b>REVENUES</b>					
Province of British Columbia	\$3,518,337	\$ -	\$ -	\$3,518,337	\$2,519,956
Vancouver Coastal Health Authority	1,990,664	-	-	1,990,664	1,929,182
Other funding	700,092	-	1,184	701,276	560,091
Public Health Agency of Canada	116,600	-	-	116,600	136,545
Health Canada	66,667	-	-	66,667	100,000
Children's Hospital	51,896	-	-	51,896	51,896
Other federal funds	26,829	-	-	26,829	33,248
Gaming revenue	56,557	-	-	56,557	21,424
Amortization of deferred contributions	-	27,036	-	27,036	27,036
	<b>6,527,642</b>	<b>27,036</b>	<b>1,184</b>	<b>6,555,862</b>	<b>5,379,378</b>
<b>EXPENSES</b>					
Advertising and promotion	3,759	-	-	3,759	4,443
Amortization	-	71,763	-	71,763	69,700
Automobile	30,816	-	-	30,816	30,553
Bank charges and interest	5,968	-	-	5,968	5,168
Donations	4,610	-	-	4,610	3,227
Insurance	22,411	-	-	22,411	23,026
Meals and travel	39,669	-	31	39,700	46,632
Medical supplies	36,437	-	-	36,437	34,988
Office and general	124,721	-	-	124,721	132,779
Professional fees	21,597	-	-	21,597	17,663
Property taxes	15,830	-	-	15,830	16,296
Rent	231,673	-	-	231,673	216,716
Rent subsidies	166,341	-	-	166,341	178,024
Repairs and maintenance	20,158	-	-	20,158	12,311
Salaries and benefits	3,733,152	-	-	3,733,152	3,274,704
Subcontract	1,478,089	-	-	1,478,089	764,200
Supplies	486,416	-	1,153	487,569	454,708
Telephone	62,992	-	-	62,992	66,243
Training	25,212	-	-	25,212	18,822
Utilities	37,427	-	-	37,427	40,622
	<b>6,547,278</b>	<b>71,763</b>	<b>1,184</b>	<b>6,620,225</b>	<b>5,410,825</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER ITEMS</b>					
	<b>\$ (19,636)</b>	<b>\$ (44,727)</b>	<b>\$ -</b>	<b>(64,363)</b>	<b>\$ (31,447)</b>

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

**VANCOUVER NATIVE HEALTH SOCIETY  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2010**

	General Fund	Capital Fund	Building Fund	2010 Total	2009 Total
<b>BALANCE FORWARD</b>	\$ (19,636)	\$ (44,727)	\$ -	\$ (64,363)	\$ (31,447)
<b>OTHER ITEMS</b>					
Donations	57,854	-	-	57,854	66,955
Interest income	11,559	-	-	11,559	33,614
Rental income	-	-	-	-	252
	69,413	-	-	69,413	100,821
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ 49,777</b>	<b>\$ (44,727)</b>	<b>\$ -</b>	<b>\$ 5,050</b>	<b>\$ 69,374</b>

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

**VANCOUVER NATIVE HEALTH SOCIETY  
STATEMENT OF CASH FLOWS  
MARCH 31, 2010**

	General Fund	Capital Fund	Building Fund	2010 Total	2009 Total
<b>OPERATING ACTIVITIES</b>					
Excess (deficiency) of revenues over expenses	\$ 49,777	\$ (44,727)	\$ -	\$ 5,050	\$ 69,374
<b>Items not requiring an outlay of cash:</b>					
Amortization	-	71,762	-	71,762	69,700
	49,777	27,035	-	76,812	139,074
<b>CHANGES IN NON-CASH WORKING CAPITAL ITEMS</b>					
Account receivable	4,079	-	-	4,079	(4,371)
Prepaid expenses	6,420	-	-	6,420	14,364
Accounts payable and accrued liabilities	15,130	-	-	15,130	37,114
Deferred revenues	224,973	-	(1,184)	223,789	346,148
	300,379	27,035	(1,184)	326,230	532,329
<b>CASH FROM INVESTING ACTIVITIES</b>					
Acquisition of capital assets		(58,644)		(58,644)	(42,880)
Deferred revenues relating to capital assets		(27,036)		(27,036)	(27,036)
Acquisition of temporary investments	(1,640,823)			(1,640,823)	(1,754,560)
Proceeds from redemption of temporary investments	1,754,560			1,754,560	1,667,279
	113,737	(85,680)	-	28,057	(157,197)
<b>NET INCREASE (DECREASE) IN CASH</b>	414,116	(58,645)	(1,184)	354,287	375,132
<b>CASH, beginning of year</b>	390,443	69,059	66,239	525,741	150,609
<b>INTERFUND TRANSFERS</b>	(58,644)	58,644	-	-	-
<b>CASH, end of year</b>	\$ 745,915	\$ 69,058	\$ 65,055	\$ 880,028	\$ 525,741

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



**VANCOUVER NATIVE HEALTH SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2010**

**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**

	<b>2010</b>	<b>2009</b>
Guaranteed Investment Certificates at cost plus accrued interest	\$ 1,640,823	\$ 1,754,560

**4. ACCOUNTS RECEIVABLE**

	<b>General Fund</b>	<b>Capital Fund</b>	<b>Building Fund</b>	<b>2010</b>	<b>2009</b>
Grants receivable	\$ 63,515	\$ -	\$ -	\$ 63,515	\$ 70,316
Goods and services tax recoverable	19,914	-	-	19,914	17,471
Sundry receivable	18,281	-	-	18,281	18,002
	\$ 101,710	\$ -	\$ -	\$ 101,710	\$ 105,789

**VANCOUVER NATIVE HEALTH SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2010**

**5. CAPITAL ASSETS**

	Cost	Amortization	Net 2010	Net 2009
Leasehold improvements	\$ 561,039	\$ 441,081	\$ 119,958	\$ 150,388
Furniture and equipment	410,195	318,430	91,765	98,074
Computer hardware	268,878	222,905	45,973	34,402
Automotive	65,922	51,457	14,465	2,415
	<u>\$ 1,306,034</u>	<u>\$ 1,033,873</u>	<u>\$ 272,161</u>	<u>\$ 285,279</u>

**Reconciliation**

Net book value of capital assets	\$ 272,161	\$ 285,279
<u>Capital assets acquired with restricted funds</u>		
Deferred revenues related to capital assets	(94,607)	(121,643)
Invested in capital assets - non-restricted funds	<u>\$ 177,554</u>	<u>\$ 163,636</u>

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	General Fund	Capital Fund	Building Fund	2010	2009
Accounts payable	\$ 192,692	\$ -	\$ -	\$ 192,692	\$ 134,238
Accrued liabilities	141,104	-	-	141,104	184,538
Payroll deductions payable	110	-	-	110	-
	<u>\$ 333,906</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 333,906</u>	<u>\$ 318,776</u>

**VANCOUVER NATIVE HEALTH SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
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**7. DEFERRED REVENUES**

	<b>2010</b>	<b>2009</b>
Federal Government	\$ 25,000	\$ 5,516
Gaming Revenue	46,671	56,843
Human Resources Social Development	28,539	13,895
Ministry of Health	304,856	193,579
Ministry of Housing and Social Development	60,147	80,023
Ministry of Children and Family Development	251,194	223,063
Other deferred revenues	666,638	578,319
Rent subsidies	13,187	13,187
United Way	15,000	22,500
University of British Columbia	31,597	31,159
Vancouver Coastal Health Authority	201,148	171,650
Vancouver Foundation	126,162	99,742
YWCA	32,651	89,525
	<b>\$ 1,802,790</b>	<b>\$ 1,579,001</b>

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	(67,588)	(40,552)
Balance, end of year	<b>\$ 94,607</b>	<b>\$ 121,643</b>

**VANCOUVER NATIVE HEALTH SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
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**8. EXTERNALLY RESTRICTED NET ASSETS**

	<b>2010</b>	<b>2009</b>
Clinic program	\$ (92,546)	\$ (92,546)
Other programs	241,550	257,092
Positive Outlook program	68,226	68,226
Safehouse program	24,058	24,058
Sheway programs	38,091	38,091
	<b>\$ 279,379</b>	<b>\$ 294,921</b>

**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, \$58,644 (2009 - \$42,882) 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, 2010, the funds held in trust totalled \$1,366 (2009 - \$1,362).

**VANCOUVER NATIVE HEALTH SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2010**

**11. LEASE COMMITMENTS**

The Society occupies premises at 717 Princess Avenue under an operating lease.

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:

	<b>Total</b>	<b>Premises</b>	<b>Equipment and auto</b>
2011	77,726	49,200	28,526
2012	74,154	49,200	24,954
2013	29,772	20,500	9,272
2014	8,009	-	8,009
2015	2,002	-	2,002
	<b>\$ 191,663</b>	<b>\$ 118,900</b>	<b>\$ 72,763</b>

**12. COMPARATIVE FIGURES**

Certain comparative figures for 2009 have been reclassified where applicable to conform with the current year's presentation.