

**VANCOUVER NATIVE HEALTH SOCIETY
FINANCIAL STATEMENTS
MARCH 31, 2015 AND 2014**

VANCOUVER NATIVE HEALTH SOCIETY

INDEX

MARCH 31, 2015 AND 2014

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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, 2015 and 2014, the statement of changes in net assets, statement of operations and statement of cash flows for the years 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.

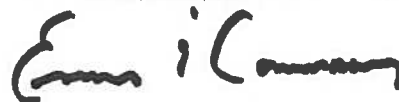
An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained 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, 2015 and 2014 and its financial performance and its cash flows for the years 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 25, 2015


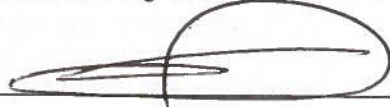


ENNS & COMPANY
Certified General Accountants

**VANCOUVER NATIVE HEALTH SOCIETY
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2015 AND 2014**

	General Fund	Capital Fund	Building Fund	2015 Total	2014 Total
ASSETS					
CURRENT					
Cash	\$ 401,309	\$ 69,659	\$ 7,817	\$ 478,785	\$ 709,638
Temporary investments (Note 3)	1,702,390	-	-	1,702,390	1,705,390
Accounts receivable (Note 4)	101,582	-	99,667	201,249	248,824
Prepaid expenses	75,880	-	-	75,880	66,902
	2,281,161	69,659	107,484	2,458,304	2,730,754
CAPITAL ASSETS (Note 5)	-	173,140	-	173,140	195,515
	\$2,281,161	\$ 242,799	\$ 107,484	\$2,631,444	\$2,926,269
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities (Note 6)	\$ 326,675	\$ -	\$ -	\$ 326,675	\$ 343,905
Deferred revenues (Note 7)	1,584,485	-	76,741	1,661,226	1,913,002
	1,911,160	-	76,741	1,987,901	2,256,907
FUNDS HELD IN TRUST (Note 10)					
NET ASSETS					
Invested in capital assets (Note 5)	-	173,140	-	173,140	195,515
Externally restricted (Note 8)	170,844	-	-	170,844	174,286
Internally restricted (Note 9)	-	69,659	30,743	100,402	100,402
Unrestricted	199,157	-	-	199,157	199,159
	370,001	242,799	30,743	643,543	669,362
	\$2,281,161	\$ 242,799	\$ 107,484	\$2,631,444	\$2,926,269

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 YEARS ENDED MARCH 31, 2015 AND 2014**

	General Fund	Capital Fund	Building Fund	2015 Total	2014 Total
BALANCE, beginning of year	\$ 373,445	\$ 265,174	\$ 30,743	\$ 669,362	\$ 764,558
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	26,327	(52,146)	-	(25,819)	(95,196)
	399,772	213,028	30,743	643,543	669,362
INTERFUND TRANSFERS	(29,771)	29,771	-	-	-
BALANCE, end of year	\$ 370,001	\$ 242,799	\$ 30,743	\$ 643,543	669,362

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

**VANCOUVER NATIVE HEALTH SOCIETY
STATEMENT OF OPERATIONS
FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

	General Fund	Capital Fund	Building Fund	2015 Total	2014 Total
REVENUES					
Province of British Columbia	\$3,790,003	\$ -	\$ -	\$3,790,003	\$3,705,166
Vancouver Coastal Health Authority	2,160,714	-	-	2,160,714	2,107,271
Other funding	793,307	-	-	793,307	786,764
Public Health Agency of Canada	50,000	-	-	50,000	50,000
Children's Hospital	51,896	-	-	51,896	51,896
Gaming revenue	53,861	-	-	53,861	57,286
Amortization of deferred contributions	-	-	-	-	13,499
	6,899,781	-	-	6,899,781	6,771,882
EXPENSES					
Advertising and promotion	936	-	-	936	2,110
Amortization	-	52,146	-	52,146	72,075
Automobile	12,017	-	-	12,017	14,238
Bank charges and interest	7,183	-	-	7,183	6,475
Donations	9,950	-	-	9,950	8,390
Insurance	28,305	-	-	28,305	27,854
Meals and travel	29,072	-	-	29,072	38,881
Medical supplies	43,375	-	-	43,375	64,004
Office and general	172,984	-	-	172,984	175,596
Professional fees	50,668	-	-	50,668	18,975
Property taxes	20,497	-	-	20,497	21,377
Rent	278,122	-	-	278,122	261,547
Rent subsidies	140,589	-	-	140,589	157,603
Repairs and maintenance	33,143	-	-	33,143	36,002
Salaries and benefits	4,616,301	-	-	4,616,301	4,665,257
Subcontract	988,377	-	-	988,377	973,779
Supplies	449,690	-	-	449,690	412,974
Telephone	59,019	-	-	59,019	62,070
Training	7,192	-	-	7,192	21,641
Utilities	51,118	-	-	51,118	49,191
	6,998,538	52,146	-	7,050,684	7,090,039
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER ITEMS					
	\$ (98,757)	\$ (52,146)	\$ -	(150,903)	\$ (318,157)

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

**VANCOUVER NATIVE HEALTH SOCIETY
STATEMENT OF OPERATIONS
FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

	General Fund	Capital Fund	Building Fund	2015 Total	2014 Total
BALANCE FORWARD	\$ (98,757)	\$ (52,146)	\$ -	\$ (150,903)	\$ (318,157)
OTHER ITEMS					
Donations	101,939	-	-	101,939	197,045
Interest income	23,145	-	-	23,145	26,092
Gain (loss) on disposal of capital assets	-	-	-	-	(176)
	125,084	-	-	125,084	222,961
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 26,327	\$ (52,146)	\$ -	\$ (25,819)	\$ (95,196)

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

**VANCOUVER NATIVE HEALTH SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

	General Fund	Capital Fund	Building Fund	2015 Total	2014 Total
OPERATING ACTIVITIES					
Excess (deficiency) of revenues over expenses	\$ 26,327	\$ (52,146)	\$ -	\$ (25,819)	\$ (95,196)
Items not requiring an outlay of cash:					
Amortization	-	52,146	-	52,146	72,075
Loss on disposal of capital assets	-	-	-	-	176
	26,327	-	-	26,327	(22,945)
CHANGES IN NON-CASH WORKING CAPITAL ITEMS					
Account receivable	64,477	-	(16,902)	47,575	66,277
Prepaid expenses	(8,978)	-	-	(8,978)	983
Accounts payable and accrued liabilities	(17,052)	-	(180)	(17,232)	(25,494)
Deferred revenues	(246,465)	-	(5,309)	(251,774)	(117,292)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(181,691)	-	(22,391)	(204,082)	(98,471)
CASH FROM INVESTING ACTIVITIES					
Acquisition of capital assets		(29,771)		(29,771)	(42,343)
Deferred revenues relating to capital assets					(13,497)
Proceeds from disposal of capital assets	-	-	-	-	500
Acquisition of temporary investments	(1,702,390)			(1,702,390)	(1,705,390)
Proceeds from redemption of temporary investments	1,705,390			1,705,390	1,705,901
CASH USED IN INVESTING ACTIVITIES	3,000	(29,771)	-	(26,771)	(54,829)
NET INCREASE (DECREASE) IN CASH	(178,691)	(29,771)	(22,391)	(230,853)	(153,300)
CASH, beginning of year	609,771	69,659	30,208	709,638	862,938
INTERFUND TRANSFERS	(29,771)	29,771	-	-	-
CASH, end of year	\$ 401,309	\$ 69,659	\$ 7,817	\$ 478,785	\$ 709,638

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

**VANCOUVER NATIVE HEALTH SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015**

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 its objectives.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for not-for-profit organizations.

(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.

Interest income from cash and cash equivalents, short-term investments including fixed income investments is recognized over the terms of the respective investments using the effective interest method.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash and investments which are readily convertible into cash or have a maturity date of 90 days or less from date of acquisition and are not subject to significant risk of changes in value.

(d) Temporary investments

Temporary investments represent guaranteed investment certificates and other savings deposits with maturity dates ranging from 91 days to twelve months from date of acquisition.

(e) Investments

Investments are fixed income investments with maturity dates greater than twelve months from date of acquisition.

**VANCOUVER NATIVE HEALTH SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Financial instruments

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

Short term investments are stated at cost plus accrued interest.

Equity instruments, if any that are quoted in an active market are stated at fair value.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the recoverable amount that could be realized from selling the financial asset or the amount that the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Financial liabilities, including accounts payable and accrued liabilities are measured at amortized cost.

(g) Prepaid expenses

Prepaid expenses primarily comprise advance payments made to vendors in the current fiscal year for goods and services to be recognized in the next fiscal year.

(h) 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.

(i) 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.

(j) Income Taxes

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

**VANCOUVER NATIVE HEALTH SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) 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

	2015	2014
Guaranteed Investment Certificates at cost plus accrued interest at approximately 1.3% per annum	\$ 1,702,390	\$ 1,705,390

4. ACCOUNTS RECEIVABLE

	General Fund	Capital Fund	Building Fund	2015	2014
Grants receivable	\$ 65,953	\$ -	\$ -	\$ 65,953	\$ 100,026
GST/HST recoverable	24,818	-	-	24,818	29,428
Sundry receivable	10,811	-	99,667	110,478	119,370
	\$ 101,582	\$ -	\$ 99,667	\$ 201,249	\$ 248,824

Included in sundry receivables is an amount due from a related party, Vancouver Native Health Community Foundation of \$99,667 (2014:\$82,865) that is interest free, unsecured and has no fixed terms of repayment.

**VANCOUVER NATIVE HEALTH SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015**

5. CAPITAL ASSETS

	Cost	Amortization	Net 2015	Net 2014
Leasehold improvements	\$ 569,815	\$ 566,014	\$ 3,801	\$ 7,888
Furniture and equipment	568,532	460,950	107,582	120,913
Computer hardware	356,175	305,278	50,897	51,200
Automotive	37,995	27,135	10,860	15,514
	\$ 1,532,517	\$ 1,359,377	\$ 173,140	\$ 195,515

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	General Fund	Capital Fund	Building Fund	2015	2014
Accounts payable	\$ 138,242	\$ -	\$ -	\$ 138,242	\$ 164,603
Accrued liabilities	188,145	-	-	188,145	179,302
Payroll deductions payable	288	-	-	288	-
	\$ 326,675	\$ -	\$ -	\$ 326,675	\$ 343,905

**VANCOUVER NATIVE HEALTH SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015**

7. DEFERRED REVENUES

	2015	2014
Gaming Revenue	\$ 53,636	\$ 53,747
Ministry of Health	281,605	338,049
Ministry of Housing and Social Development	2,211	4,249
Ministry of Children and Family Development	264,429	240,369
Other deferred revenues	719,368	996,311
Rent subsidies	35,389	41,131
Provincial Health Services Authority	2,500	62,170
University of British Columbia	20,652	26,769
Vancouver Coastal Health Authority	202,141	87,611
Vancouver Foundation	48,871	29,671
YWCA	30,425	32,925
	\$ 1,661,227	\$ 1,913,002

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

8. EXTERNALLY RESTRICTED NET ASSETS

	2015	2014
Clinic program	\$ (74)	\$ (74)
Other programs	66,463	54,845
Positive Outlook program	27,419	46,388
Safehouse program	24,058	24,058
Sheway programs	52,978	49,069
	\$ 170,844	\$ 174,286

**VANCOUVER NATIVE HEALTH SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015**

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, \$29,771 (2014 - \$42,343) 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, 2015, the funds held in trust totaled \$1,421 (2014 - \$1,410).

11. LEASE COMMITMENTS

The Society occupies premises at 717 Princess Avenue and at 441 and 1726 East Hastings 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 four years are as follows:

	Total	Premises	Equipment and auto
2016	131,391	125,444	5,947
2017	121,591	115,644	5,947
2018	48,350	48,185	165
	\$ 301,332	\$ 289,273	\$ 12,059

VANCOUVER NATIVE HEALTH SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

12. FINANCIAL RISKS

The Society, as part of its operations, carries a number of financial instruments. It is management's opinion that the Society is not exposed to any significant risk as a result of these financial instruments.

Credit risk

The Society is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The Society does not obtain collateral to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and accordingly, does not anticipate significant loss for non-performance.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Society is not exposed to such currency risk as all its transactions are conducted in Canadian dollar.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate. The Society is exposed to interest risk on its fixed income securities (Note 3) and manages that risk by using a portfolio with varying terms to maturity.

Liquidity risk

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis. The Society manages its liquidity risk by monitoring its operating requirements and by preparation of a budget to ensure that it has sufficient funds to fulfill its obligations.

13. COMPARATIVE FIGURES

Certain comparative figures for 2014 have been reclassified where applicable to conform with the current year's presentation.

