

Management's Responsibility

To the Members and Directors of Kanesatake Health Center Inc.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP SENCRL, sri is appointed by the Board of Directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

July 2, 2014


Executive Director

Independent Auditors' Report

To the Members and Directors of Kanesatake Health Center Inc.:

We have audited the accompanying financial statements of Kanesatake Health Center Inc. which comprise the statement of financial position as at March 31, 2014, and the statements of operations and accumulated surplus, change in net debt 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 public sector accounting standards, 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.

Auditors' 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 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Kanesatake Health Center Inc. as at March 31, 2014 and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

Schedules 2 and 7-34 are for information purposes only and are unaudited.

Montréal, Québec

July 2, 2014

MNP¹ SENCRL, S.F.

¹ CPA auditor, CA permit no. A124849

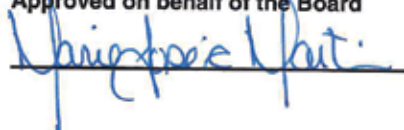


Kanesatake Health Center Inc.
Statement of Financial Position

As at March 31, 2014

	2014	2013
Financial assets		
Cash resources	279,678	236,464
Contributions and accounts receivable (Note 3)	26,294	96,747
Total financial assets	305,972	333,211
Liabilities		
Accounts payable and accrued liabilities (Note 4)	435,581	449,071
Deferred revenue (Note 5)	9,921	9,921
Total liabilities	445,502	458,992
Net debt	(139,530)	(125,781)
Commitment (Note 6)		
Non-financial assets		
Tangible capital assets (Note 7)	816,128	835,081
Prepaid expenses	16,530	1,134
Total non-financial assets	832,658	836,215
Accumulated surplus (Note 9)	693,128	710,434

Approved on behalf of the Board



Director



Director

The accompanying notes are an integral part of these financial statements

Kanesatake Health Center Inc.
Statement of Operations and Accumulated Surplus

For the year ended March 31, 2014

	<i>Schedules</i>	<i>2014 Budgeted</i>	<i>2014</i>	<i>2013</i>
Revenue				
Health Canada		2,070,312	2,070,312	1,922,530
Service Canada		-	-	18,100
		2,070,312	2,070,312	1,940,630
Le Centre jeunesse des Laurentides		-	-	169,902
Other revenue		-	14,000	5,207
Deferred revenue - prior year (Note 5)		9,921	9,921	171,000
Deferred revenue - current year (Note 5)		-	(9,921)	(9,921)
		2,080,233	2,084,312	2,276,818
Expenses				
Health Canada Transitional Funded programs	3	1,393,858	1,381,560	1,482,778
Health Canada Set Funded programs	4	687,882	590,057	519,344
Operations	5	-	(11,574)	222,273
Capital Fund	6	63,000	62,955	63,099
Total expenses (Schedule 1)		2,144,740	2,022,998	2,287,494
Surplus (deficit) before other items		(64,507)	61,314	(10,676)
Repayment of government funding		-	(78,620)	(147,557)
Deficit		(64,507)	(17,306)	(158,233)
Accumulated surplus, beginning of year		710,434	710,434	868,667
Accumulated surplus, end of year (Note 9)		645,927	693,128	710,434

The accompanying notes are an integral part of these financial statements

Kanesatake Health Center Inc.
Statement of Change in Net Debt

For the year ended March 31, 2014

	2014	2014	2013
	Budget		
Annual deficit	(64,507)	(17,306)	(158,233)
Purchases of tangible capital assets	-	(44,002)	(5,591)
Amortization of tangible capital assets	63,000	62,955	63,099
Acquisition of prepaid expenses	-	(15,396)	-
Use of prepaid expenses	-	-	15,077
Increase in net debt	(1,507)	(13,749)	(85,648)
Net debt, beginning of year	(125,781)	(125,781)	(40,133)
Net debt, end of year	(127,288)	(139,530)	(125,781)

The accompanying notes are an integral part of these financial statements

Kanesatake Health Center Inc.
Statement of Cash Flows

For the year ended March 31, 2014

2014 **2013**

Cash provided by (used for) the following activities

Operating activities

Cash receipts from contributors	2,076,145	1,984,066
Cash paid to suppliers	(548,377)	(529,370)
Cash paid to employees	(1,440,552)	(1,532,223)
	87,216	(77,527)

Capital activities

Purchases of tangible capital assets	(44,002)	(5,591)
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Increase (decrease) in cash resources

43,214 (83,118)

Cash resources, beginning of year

236,464 319,582

Cash resources, end of year

279,678 236,464

1. Operations

Kanesatake Health Center Inc. (the "Organization") was incorporated as a not-for-profit organization on August 15, 2006 under Part II of the Canada Business Corporations Act and is exempt from tax under Section 149 of the income tax act. The Organization serves to provide accessible health services to all members of the Kanesatake community.

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

Net debt

The Organization's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Organization is determined by its financial assets less its liabilities. Net debt is comprised of two components, non-financial assets and accumulated surplus.

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate and years
Buildings	straight-line	20 years
Leasehold improvements	straight-line	5 years
Vehicles	straight-line	3 years
Equipment	declining balance	20%

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Organization performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using discounted future cash flows. Any impairment is included in surplus for the year.

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition

Government Transfers

The Organization recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Organization recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Externally restricted revenue

The Organization recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the Organization records externally restricted inflows in deferred revenue.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Any amounts repayable to funding agencies are based on anticipated requirements, however, any repayments will be determined upon their review of the financial statements.

3. Contributions and accounts receivable

	2014	2013
Mohawk Council of Kanesatake	1,688	9,750
Health Canada	7,865	47,266
Other accounts receivable	6,571	6,446
Sales tax receivables	10,170	24,892
Le Centre jeunesse des Laurentides	-	8,393
	26,294	96,747

4. Accounts payable and accrued liabilities

	2014	2013
Accounts payable and accrued liabilities	120,550	270,921
Accrued salaries and benefits	176,884	118,623
Unspent government funding	138,147	59,527
	435,581	449,071

Kanesatake Health Center Inc.
Notes to the Financial Statements

For the year ended March 31, 2014

5. Deferred revenue

Deferred revenue consists of contributions received under various government programs which the organization did not fully expend during the year. The total unexpended contributions relate to contributions received from the following contributor:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Amount recorded as revenue</i>	<i>Balance, end of year</i>
Service Canada	9,921	-	-	9,921
	9,921	-	-	9,921

6. Commitment

The Organization has entered into a long-term lease agreement for the rental of office equipment for the period ending September 2018. The minimum annual lease payments are as follows: 2014 to 2017 - \$11,000 per year; 2018 - \$6,000.

7. Tangible capital assets

	<i>Cost</i>	<i>Additions</i>	<i>Disposals</i>	<i>Accumulated amortization</i>	<i>2014 Net book value</i>
Buildings	1,082,313	-	-	331,630	750,683
Leasehold improvements	14,080	-	-	14,080	-
Vehicles	68,000	38,707	-	68,000	38,707
Equipment	87,623	5,295	-	66,180	26,738
	1,252,016	44,002	-	479,890	816,128

	<i>Cost</i>	<i>Additions</i>	<i>Disposals</i>	<i>Accumulated amortization</i>	<i>2013 Net book value</i>
Buildings	1,082,313	-	-	277,514	804,799
Leasehold improvements	14,080	-	-	11,264	2,816
Vehicles	68,000	-	-	68,000	-
Equipment	82,032	5,591	-	60,157	27,466
	1,246,425	5,591	-	416,935	835,081

Amortization expense of \$62,955 (2013 - \$63,099) was recorded in the Capital Fund. Total amortization expense comprises \$54,116 amortization for buildings, \$2,816 for leasehold improvements and \$6,023 for equipment.

Vehicles include a new addition with a carrying value of \$38,707 (2013 - \$Nil). No amortization of this asset has been recorded during the year because it was not put into use during the year.

Kanesatake Health Center Inc.
Notes to the Financial Statements
For the year ended March 31, 2014

8. Economic dependence

Kanesatake Health Center Inc. receives 100% of its revenue from Health Canada. The ability of the Organization to continue operations is dependent upon the Government of Canada's continued financial commitments.

9. Accumulated surplus

Accumulated surplus consists of the following:

	2014	2013
Equity in tangible capital assets		
Balance, beginning of year	835,081	892,589
Additions to tangible capital assets	44,002	5,591
Amortization	(62,955)	(63,099)
	816,128	835,081
Unrestricted surplus (deficit)		
Balance, beginning of year	(124,647)	(23,922)
Annual surplus (deficit)	1,647	(100,725)
	(123,000)	(124,647)
	693,128	710,434

10. Supplementary schedules

Schedules 2 and 7 - 34 of the supplementary schedules of revenue and expenses are attached for information purposes only and are unaudited.

11. Budget information

The disclosed budget information has been approved by the Board of Directors and presented to the members of Kanesatake Health Center Inc.

12. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

Kanesatake Health Center Inc.
Schedule 1 - Schedule of Expenses by Object

For the year ended March 31, 2014

	<i>2014</i>	<i>2014</i>	<i>2013</i>
	<i>Budget</i>		
Expenses by object			
Administration fee	-	-	2,936
Amortization	63,000	62,955	63,099
Audit and accounting fees	29,241	38,191	44,654
Computer equipment and software	-	7,495	3,735
Computer technician	-	4,282	18,412
Electricity	19,661	19,016	18,031
Equipment leasing	-	16,967	15,089
Equipment repairs and maintenance	11,193	9,035	5,219
First aid courses	-	1,365	-
Honorarium	-	1,550	2,723
Insurance	18,000	9,240	11,332
Interest and bank charges	-	1,731	1,518
Janitorial supplies	7,000	6,112	6,964
Medical supplies	13,895	17,350	11,024
Membership fees	1,500	1,482	831
Nutritional supplies	-	4,837	1,645
Office	-	16,484	26,708
Overhead	189,249	-	(297)
Payroll service fees	-	1,978	1,798
Postage	-	3,991	4,960
Printing and translation	-	1,350	206
Professional development	22,529	18,517	6,556
Professional fees	47,141	70,476	71,485
Professional fees - nurses	-	10,308	6,691
Program activities	108,279	114,773	233,419
Purchases of tangible capital assets	115,113	-	-
Recreation activities	9,000	2,100	-
Recreation supplies	1,638	995	1,046
Rental of premises	-	-	23,000
Resource material/subscriptions	2,000	300	6,024
Salaries and benefits	1,363,918	1,440,552	1,532,223
Service contracts	5,000	4,061	4,619
Snow removal	3,500	3,500	3,500
Specialized materials	1,000	1,971	4,934
Telecommunications	-	23,981	30,318
Travel	48,391	30,183	44,321
Vehicle	64,492	75,870	78,771
	2,144,740	2,022,998	2,287,494