

## Independent Auditors' Report

To the Directors of CANADEM:

We have audited the accompanying financial statements of CANADEM, which comprise the statement of financial position as at March 31, 2015 and the statements of operations and changes in net assets 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 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.

### *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 statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### *Basis for Qualified Opinion*

Note 2 describes the accounting policy with respect to the Organization's capital assets. The note indicates that the Organization, in common with other non governmental organizations, does not capitalize and amortize its purchased capital assets on the grounds that it must identify as an expense all items that are to be funded in the year of purchase. In this respect, the financial statements are not in accordance with Canadian accounting standards for not for profit organizations. The effect of this departure from Canadian accounting standards for not for profit organizations on the audited financial statements has not been determined.

### *Qualified Opinion*

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly in all material respects the financial position of CANADEM as at March 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Other Matter*

The financial statements of CANADEM for the year ended March 31, 2014 were audited by another firm of Chartered Professional Accountants and expressed a qualified opinion on those statements on October 20, 2015.

Ottawa, Ontario

October 3, 2015

**MNP LLP**

Chartered Professional Accountants

Licensed Public Accountants