

**De Dwa Da Dehs Nye>s
Aboriginal Health Centre
Financial Statements
For the year ended March 31, 2015**

De Dwa Da Dehs Nye>s Aboriginal Health Centre
Financial Statements
For the year ended March 31, 2015

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Independent Auditor's Report

To the Members of the Board of
De Dwa Da Dehs Nye>s Aboriginal Health Centre

We have audited the accompanying financial statements of De Dwa Dehs Nye>s Aboriginal Health Centre (the "Health Centre"), 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.

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 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 Health Centre'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 Health Centre'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 the Health Centre 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.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 12 of the financial statements, which explains that certain comparative information for the year ended March 31, 2014 has been restated.

Chartered Professional Accountants, Licensed Public Accountants
Burlington, Ontario
June 25, 2015

De Dwa Da Dehs Nye>s Aboriginal Health Centre Statement of Financial Position

March 31	2015	2014
		(Restated - Note 12)
Assets		
Current		
Cash (Note 2)	\$ 110,704	\$ -
Short-term investments (Note 3)	508,041	504,004
Accounts receivable	90,633	95,000
Prepaid expenses	20,708	66,325
	730,086	665,329
Capital assets (Note 4)	1,090,346	1,128,511
Intangible assets (Note 5)	37,751	60,517
	\$ 1,858,183	\$ 1,854,357
Liabilities		
Current		
Bank indebtedness (Note 2)	\$ -	\$ 61,351
Accounts payable and accrued liabilities	156,063	101,778
Current portion of long-term debt (Note 6)	4,445	4,180
Deferred revenue (Note 7)	23,397	11,272
Due to the Ministry of Health and Long-Term Care (Note 8)	176,608	189,482
	360,513	368,063
Long-term debt (Note 6)	76,500	81,181
Deferred capital contributions (Note 9)	806,764	853,058
	1,243,777	1,302,302
Net Assets		
Unrestricted	614,406	552,055
	\$ 1,858,183	\$ 1,854,357

On behalf of the Board:

_____ President

_____ Treasurer

De Dwa Da Dehs Nye>s Aboriginal Health Centre Statement of Operations and Changes in Net Assets

For the year ended March 31	2015	2014 (Restated - Note 12)
Revenue		
Grants	\$ 4,400,696	\$ 4,282,077
Rent	12,916	13,416
Interest	4,036	4,004
Fundraising and other	429	13,776
Amortization of deferred capital contributions (Note 9)	182,873	179,156
	<u>4,600,950</u>	<u>4,492,429</u>
Expenses		
Advertising and printing	28,666	61,036
Administration	58,375	107,583
Amortization	210,064	193,123
Bank charges	2,402	2,626
Building supplies and maintenance	79,260	86,327
Contract services	84,592	84,320
Facilitation fees	27,884	43,785
Health promotion	4,424	32,716
Insurance	21,565	17,841
Interest on long-term debt	4,573	5,554
Memberships	15,814	12,988
Office	120,441	78,628
Physician	652,030	642,338
Prescription drugs	5,470	-
Professional fees	55,339	82,671
Program costs	59,694	83,599
Property taxes	2,430	3,107
Rent	59,095	20,235
Salaries and benefits	2,676,257	2,375,445
Supplies and resource materials	83,477	81,080
Traditional healing	71,365	60,418
Travel and training	147,497	194,863
Utilities	67,885	63,570
	<u>4,538,599</u>	<u>4,333,853</u>
Excess of revenue over expenses before recoverable	62,351	158,576
Recoverable by the Ministry of Health and Long-Term Care	-	(30,143)
Excess of revenue over expenses for the year	62,351	128,433
Net assets, beginning of year	552,055	423,622
Net assets, end of year	\$ 614,406	\$ 552,055

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

De Dwa Da Dehs Nye>s Aboriginal Health Centre Statement of Cash Flows

For the year ended March 31	2015	2014 (Restated - Note 12)
Cash flows from operating activities		
Excess of revenue over expenses for the year	\$ 62,351	\$ 128,433
Adjustments to reconcile excess of revenue over expenses to net cash provided by operating activities		
Amortization of capital and intangible assets	210,064	193,123
Amortization of deferred capital contributions	(182,873)	(179,156)
Changes in non-cash working capital balances		
Accounts receivable	4,367	34,771
Prepaid expenses	45,617	(30,957)
Accounts payable and accrued liabilities	54,285	(296,104)
Deferred revenue	12,125	(60,930)
Due to Ministry of Health and Long-Term Care	(12,874)	(164,134)
	<u>193,062</u>	<u>(374,954)</u>
Cash flows from investing activities		
Purchase of capital and intangible assets	(149,133)	(105,585)
Change in short-term investments	(4,037)	(4,004)
	<u>(153,170)</u>	<u>(109,589)</u>
Cash flows from financing activities		
Change in bank indebtedness	(61,351)	61,351
Repayment of long-term debt	(4,416)	(16,134)
Capital contributions received	136,579	-
	<u>70,812</u>	<u>45,217</u>
Increase (decrease) in cash during the year	110,704	(439,326)
Cash, beginning of year	-	439,326
Cash, end of year	\$ 110,704	\$ -

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

De Dwa Da Dehs Nye>s Aboriginal Health Centre

Notes to Financial Statements

March 31, 2015

1. Significant Accounting Policies

Nature and Purpose of Organization

De Dwa Dehs Nye>s Aboriginal Health Centre (the "Health Centre") is incorporated under the laws of Ontario without share capital.

The Health Centre is a registered charity subject to the Charities Accounting Act and is exempt from income taxes.

The objects of the Health Centre are to operate a community health centre for the benefit of the Aboriginal communities in the City of Hamilton and Brant County.

The Health Centre is funded by the Province of Ontario through the Ministry of Health and Long-Term Care, which represents 98% (2014 - 86%) of the total revenue for the year.

Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

The Health Centre follows the deferral method of accounting for revenue. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Rental revenue is recognized on the first day of every month.

Interest revenue is recognized when earned.

Fundraising and other revenue is recognized when received.

Deferred Capital Contributions

Deferred capital contributions represent restricted contributions used to acquire capital assets. These deferred capital contributions are amortized into revenue on the same basis as the related assets.

Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization is provided on a straight-line basis over the assets estimated useful lives as follows:

Buildings	- 25 years
Fence	- 10 years
Furniture and equipment	- 5 years
Vehicle	- 4 years

Intangible Assets

Computer software and website are recorded at cost, less accumulated amortization. All intangible assets are amortized over a period of 5 years on a straight line basis.

De Dwa Da Dehs Nye>s Aboriginal Health Centre

Notes to Financial Statements

March 31, 2015

1. Significant Accounting Policies (Continued)

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument for those measured at amortized cost.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Cash and Bank Indebtedness

The Health Centre has arranged a \$150,000 line of credit facility with TD Canada Trust, bearing interest at prime plus 1%. It is secured by the Health Centre's short-term investments. At year end, there has been nothing drawn on this facility.

3. Short-term Investments

The short-term investments are comprised of Guaranteed Investment Certificates earning interest of 0.5% (2014 - 0.8%) with maturity dates between February and March 2016 (2014 - January and March 2015).

De Dwa Da Dehs Nye>s Aboriginal Health Centre Notes to Financial Statements

March 31, 2015

4. Capital Assets

	2015		2014	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 180,526	\$ -	\$ 180,526	\$ -
Buildings	1,533,990	629,570	1,397,268	570,948
Fence	9,000	3,600	9,000	2,700
Furniture and equipment	588,508	588,508	587,367	472,002
Vehicle	97,857	97,857	97,857	97,857
	\$ 2,409,881	\$ 1,319,535	\$ 2,272,018	\$ 1,143,507
Net book value		\$ 1,090,346		\$ 1,128,511

5. Intangible Assets

	2015		2014	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer software	\$ 132,814	\$ 112,276	\$ 121,544	\$ 85,713
Website	37,366	20,153	37,366	12,680
	\$ 170,180	\$ 132,429	\$ 158,910	\$ 98,393
Net book value		\$ 37,751		\$ 60,517

De Dwa Da Dehs Nye>s Aboriginal Health Centre Notes to Financial Statements

March 31, 2015

6. Long-term Debt

	2015	2014
5.5% bank loan, repayable \$732 monthly including interest, maturing February 2028	\$ 80,945	\$ 85,361
Less: current portion	4,445	4,180
	\$ 76,500	\$ 81,181

The loan is secured by the property owned by the Health Centre at 36 King Street West, Brantford, Ontario.

Principal repayments over the next five years and thereafter are as follows:

2016	\$	4,445
2017		4,708
2018		4,973
2019		5,254
2020		5,542
Thereafter		56,023
	\$	80,945

7. Deferred Revenue

	2015	2014
Balance, beginning of year	\$ 11,272	\$ 72,202
Add: restricted contributions received and receivable	23,397	11,272
Less: restricted contributions recognized as revenue	(11,272)	(72,202)
Balance, end of year	\$ 23,397	\$ 11,272

8. Due to Ministry of Health and Long-Term Care

The amount due to the Ministry of Health and Long-Term Care represents the estimated amount repayable based on unspent funding relating to previous years. The Ministry of Health and Long-Term Care has not completed their review of this amount and adjustments arising from this review will be recorded as an adjustment to funding in the year completed.

De Dwa Da Dehs Nye>s Aboriginal Health Centre Notes to Financial Statements

March 31, 2015

9. Deferred Capital Contributions

	2015	2014
		(Restated - Note 12)
Balance, beginning of year, as previously reported	\$ 853,058	\$ 940,307
Correction as per note 12	-	91,907
Balance, beginning of year, as restated	853,058	1,032,214
Add: capital contributions received and receivable	136,579	-
Less: capital contributions amortized into revenue	<u>(182,873)</u>	<u>(179,156)</u>
Balance, end of year	<u>\$ 806,764</u>	<u>\$ 853,058</u>

10. Financial Instruments

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Health Centre is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations. The Health Centre's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable balances. This risk has not changed from the prior year.

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 market interest rates. The Health Centre's exposure to this risk arises primarily from long-term debt and short-term investments with fixed interest rates. This risk has not changed from the prior year.

11. Comparative Amounts

The comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.

De Dwa Da Dehs Nye>s Aboriginal Health Centre Notes to Financial Statements

March 31, 2015

12. Prior Period Adjustment

During the year, it was determined that \$156,000 of the Hamilton building cost was improperly included in the deferred capital contributions cost and amortized to operations. As the \$156,000 was provided through a loan, it should not have been treated as a deferred capital contribution.

As a result, the following amounts at April 1, 2013 and March 31, 2014 have been restated to reflect those adjustments:

	As previously reported	Adjustments	As restated
Net Assets, as at April 1, 2013	\$ 515,529	\$ (91,907)	\$ 423,622
Amortization of deferred capital contributions	185,396	(6,240)	179,156
Deferred capital contributions, as at March 31, 2014	754,911	98,147	853,058