

Financial Statements of

**DE DWA DA DEHS NYE>S
ABORIGINAL HEALTH
CENTRE**

Year ended March 31, 2018



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INDEPENDENT AUDITORS' 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 Da Dehs Nye>s Aboriginal Health Centre, which comprise the statement of financial position as at March 31, 2018, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising 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 our 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, we consider 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.



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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 De Dwa da Dehs Nye>s Aboriginal Health Centre as at March 31, 2018 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
May 28, 2018

DE DWA DA DEHS NYE>S ABORIGINAL HEALTH CENTRE

Statement of Financial Position

March 31, 2018, with comparative information for 2017

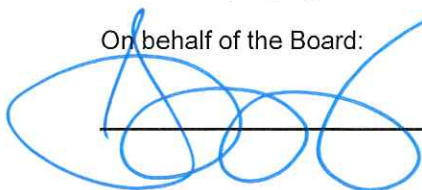
	2018	2017
Assets		
Current assets:		
Cash	\$ 950,939	\$ 893,891
Short-term investments (note 2)	257,341	256,316
Accounts receivable (note 3)	100,400	65,770
Prepaid expenses	43,442	56,265
	1,352,122	1,272,242
Capital assets (note 4)	1,393,797	1,378,095
Intangible assets (note 5)	13,318	15,584
	\$ 2,759,237	\$ 2,665,921

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 414,395	\$ 334,224
Current portion of long-term debt (note 7)	-	4,949
Deferred revenue (note 8)	300,050	287,409
Surpluses repayable (note 9)	220,647	211,220
	935,092	837,802
Long-term debt (note 7)	-	66,479
Deferred capital contributions (note 10)	1,127,890	1,096,595
	2,062,982	2,000,876
Net assets:		
Unrestricted	417,030	439,389
Invested in capital assets	279,225	225,656
	696,255	665,045
	\$ 2,759,237	\$ 2,665,921

See accompanying notes to financial statements.

On behalf of the Board:


 _____ Director


 _____ Director

DE DWA DA DEHS NYE>S ABORIGINAL HEALTH CENTRE

Statement of Operations

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Revenue:		
Ministry of Health and Long-term Care:		
Core programs	\$ 2,790,824	\$ 2,660,670
Diabetes to Education	316,189	292,008
Healthier You	248,900	248,900
Capital Planning and Design	66,455	192,048
Healthy Kids Community Challenge	175,000	167,002
Local Health Integration Network:		
Advocacy	529,639	554,358
Mental Health programs	623,983	479,863
One-time funding	75,000	75,000
City of Hamilton	994,770	779,887
Ministry of Child and Youth Services:		
Fetal Alcohol Spectrum Disorder	165,000	165,000
Child and Youth Mental Health Services	131,172	163,522
Amortization of deferred capital contributions	147,636	105,562
Fundraising and other	208,840	73,905
	6,473,408	5,957,725
Expenses:		
Ministry of Health and Long-term Care:		
Core programs	2,784,312	2,625,968
Diabetes to Education	308,096	291,998
Healthier You	248,643	248,756
Capital Planning and Design	66,455	45,052
Healthy Kids Community Challenge	174,832	160,921
Local Health Integration Network:		
Advocacy programs	529,284	553,976
Mental Health programs	609,271	449,038
One-time funding	75,000	75,000
City of Hamilton	994,151	779,712
Ministry of Child and Youth Services:		
Fetal Alcohol Spectrum Disorder	164,986	164,401
Child and Youth Mental Health Services	128,149	160,778
Amortization of capital and intangible assets	165,495	123,423
Fundraising and other	160,390	62,758
	6,409,064	5,741,781
Surplus before the undernoted	64,344	215,944
Transfer to surpluses payable (note 9):		
Ministry of Health and Long-term Care	15,030	41,036
Local Health Integration Network	15,067	31,107
Ministry of Child and Youth Services	3,037	3,343
Surplus, end of year	\$ 31,210	\$ 140,458

See accompanying notes to financial statements.

DE DWA DA DEHS NYE>S ABORIGINAL HEALTH CENTRE

Statement of Changes in Net Assets

Year ended March 31, 2018, with comparative information for 2017

March 31, 2018	Unrestricted	Invested in capital assets	Total
Net assets, beginning of year	\$ 439,389	\$ 225,656	\$ 665,045
Surplus (deficit)	49,069	(17,859)	31,210
Invested in capital assets	(71,428)	71,428	-
Net assets, end of year	\$ 417,030	\$ 279,225	\$ 696,255

March 31, 2017	Unrestricted	Invested in capital assets	Total
Net assets, beginning of year	\$ 286,602	\$ 237,985	\$ 524,587
Surplus (deficit)	158,319	(17,861)	140,458
Invested in capital assets	(5,532)	5,532	-
Net assets, end of year	\$ 439,389	\$ 225,656	\$ 665,045

See accompanying notes to financial statements.

DE DWA DA DEHS NYE>S ABORIGINAL HEALTH CENTRE

Statement of Cash Flows

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operations:		
Surplus before the undernoted	\$ 31,210	\$ 140,458
Items not involving cash:		
Amortization of capital and intangible assets	165,495	123,423
Amortization of deferred capital contributions	(147,636)	(105,562)
	49,069	158,319
Changes in non-cash operating working capital:		
Accounts receivable	(34,630)	57,853
Prepaid expenses	12,823	(17,998)
Accounts payable and accrued liabilities	80,171	(16,783)
Deferred revenue	12,641	268,102
Surpluses repayable	9,427	69,924
	129,501	519,417
Cash flows from investing activities:		
Purchase of capital and intangible assets	(178,931)	(256,492)
Purchase of short-term investments	(1,025)	-
Sale of short-term investments	-	254,273
	(179,956)	(2,219)
Cash flows from financing activities:		
Repayment of long-term debt	(71,428)	(5,072)
Capital contributions received	178,931	256,032
	107,503	250,960
Increase in cash during the year	57,048	768,158
Cash, beginning of year	893,891	125,733
Cash, end of year	\$ 950,939	\$ 893,891

See accompanying notes to financial statements.

DE DWA DA DEHS NYE>S ABORIGINAL HEALTH CENTRE

Notes to Financial Statements

Year ended March 31, 2018

De Dwa Da Dehs Nye>s Aboriginal Health Centre (the "Health Centre") is a Not-for-Profit Organization incorporated without share capital under the laws of the Province of Ontario.

The Health Centre operates under the Ontario Charitable Institutional Act and is a registered charity under the Income Tax Act.

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

1. Significant accounting policies:

(a) Basis of accounting:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit Standards in Part III of the CPA Handbook.

(b) Revenue recognition:

The Health Centre follows the deferral method of accounting for contributions which include government grants.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Revenue related to programs which have not yet occurred are recorded as deferred revenue and recognized as revenue when the program occurs.

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.

Deferred capital contributions related to capital assets represent the unamortized and unallocated amount of grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations on the same basis as the related assets.

Fundraising and other revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

DE DWA DA DEHS NYE>S ABORIGINAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2018

1. Significant accounting policies (continued):

(c) Capital assets:

Capital assets are recorded at cost. When a capital asset no longer contributes to the Health Centre's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis over the assets estimated useful lives as follows:

Asset	Rate
Buildings	25 years
Fence	10 years
Furniture and Equipment	5 years
Vehicle	4 years

(d) Intangible assets:

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

(e) Use of estimates:

The preparation of financial statements 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 year. Items subject to such estimates and assumptions include the carrying amount of capital assets and intangible assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

DE DWA DA DEHS NYE>S ABORIGINAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2018

1. Significant accounting policies (continued):

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Health Centre has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

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 Health Centre determines if there is a significant adverse change in the expected amount of timing of future cash flows from the financial assets. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Health Centre 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.

(g) Allocation of expenses:

The Health Centre records a number of its expenses by program. The costs of each program includes the costs of personnel, premises and other expenses that are directly related to providing the program.

The Health Centre allocates certain of its general support expenses by identifying the appropriate basis of allocating each expense. Administration and corporate governance are not allocated.

2. Short-term investments:

The short-term investments are comprised of Guaranteed Investment Certificates earning interest of 0.4% (2017 - 0.4%) with maturity dates between February and March 2019 (2017 - February and March 2018).

DE DWA DA DEHS NYE>S ABORIGINAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2018

3. Accounts receivable:

	2018		2017	
Trade accounts receivables	\$	33,258	\$	7,194
HST receivable		67,142		58,576
Balance, end of year	\$	100,400	\$	65,770

4. Capital assets:

	2018		
	Cost	Accumulated amortization	Net book value
Land	\$ 180,526	\$ -	\$ 180,526
Buildings	1,616,856	816,774	800,082
Furniture and equipment	1,083,867	728,113	355,754
Vehicles	154,866	100,131	54,735
Fence	9,000	6,300	2,700
	\$ 3,045,115	\$ 1,651,318	\$ 1,393,797

	2017		
	Cost	Accumulated amortization	Net book value
Land	\$ 180,526	\$ -	\$ 180,526
Buildings	1,556,604	752,393	804,211
Furniture and equipment	989,907	646,400	343,507
Vehicles	130,147	83,896	46,251
Fence	9,000	5,400	3,600
	\$ 2,866,184	\$ 1,488,089	\$ 1,378,095

DE DWA DA DEHS NYE>S ABORIGINAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2018

5. Intangible assets:

	2018		
	Cost	Accumulated amortization	Net book value
Computer software	\$ 154,306	\$ 140,988	\$ 13,318
Website	37,366	37,366	-
	\$ 191,672	\$ 178,354	\$ 13,318
	2017		
	Cost	Accumulated amortization	Net book value
Computer software	\$ 154,306	\$ 140,988	\$ 13,318
Website	37,366	35,100	2,266
	\$ 191,672	\$ 176,088	\$ 15,584

6. Line of credit:

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. As at March 31, 2018, the amount drawn on the facility agreement was \$nil (2017 - \$nil).

7. Long-term debt:

	2018	2017
Bank loan, bearing interest at 5.5% per annum, repayable principal and interest of \$732 monthly, secured by the property at 36 King Street West, Brantford, Ontario, repaid in full	\$ -	\$ 71,428
Less current portion long-term debt	-	4,949
	\$ -	\$ 66,479

Interest of \$2,071 (2017 - \$4,074) has been recorded in Core programs expense on the Statement of Operations.

DE DWA DA DEHS NYE>S ABORIGINAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2018

8. Deferred revenue:

	2018	2017
Balance, beginning of year	\$ 287,409	\$ 19,307
Add: Restricted contributions received and receivable	108,553	461,457
Less: Restricted contributions recognized as revenue	(95,912)	(193,355)
Balance, end of year	\$ 300,050	\$ 287,409

9. Surpluses repayable:

The surpluses repayable represent the estimated amount repayable based on unspent funding for the current and previous years. The below funders have not completed their review of these amounts and adjustments arising from this review will be recorded as an adjustment to funding in the year completed.

	2018	2017
Due to Ministry of Health and Long-term Care	\$ 160,821	\$ 152,016
Due to Local Health Integration Network	46,174	31,425
Due to Ministry of Child and Youth Services	13,652	27,779
	\$ 220,647	\$ 211,220

10. Deferred capital contributions:

	2018	2017
Balance, beginning of year	\$ 1,096,595	\$ 946,125
Add: MOHLTC capital contributions received	63,721	45,152
Add: MCYS capital contributions received	84,084	157,163
Add: City of Hamilton capital contributions received	6,408	27,636
Add: LHIN capital contributions received	24,718	3,421
Add: Other one-time capital contributions received	-	22,660
Less: Capital contributions amortized into revenue	(147,636)	(105,562)
Balance, end of year	\$ 1,127,890	\$ 1,096,595

DE DWA DA DEHS NYE>S ABORIGINAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2018

11. Financial risks and concentration of risk:

(a) 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 balance. There has been no change to the risk exposures from 2017.

(b) Liquidity risk:

Liquidity risk is the risk that the Health Centre will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Health Centre manages its liquidity risk by monitoring its operating requirements. The Health Centre prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2017.

(c) 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. There has been no change to the risk exposures from 2017.

12. Comparative information:

The financial statements have been reclassified to conform to the presentation used in the current year.