

Financial Statements of

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

And Independent Auditors Report thereon

Year ended March 31, 2021



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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of De Dwa Da Dehs Nye>s Aboriginal Health Centre (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2021,
- the statement of operations for the year then ended,
- the statement of changes in net assets for the year then ended,
- the statement of cash flows for the year then ended,
- and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the applicable independence standards, and we have fulfilled our other ethical responsibilities in accordance with these standards.

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



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



Page 3

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditors report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
June 7, 2021

DE DWA DA DEHS NYE>S ABORIGINAL HEALTH CENTRE

Statement of Financial Position

March 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash	\$ 2,125,300	\$ 1,754,771
Accounts receivable (note 2)	326,361	117,392
Prepaid expenses	87,479	157,854
	<u>2,539,140</u>	<u>2,030,017</u>
Capital assets (note 3)	1,048,402	1,129,650
Intangible assets (note 4)	102,715	131,842
	<u>\$ 3,690,257</u>	<u>\$ 3,291,509</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 345,019	\$ 588,803
Deferred revenue (note 5)	924,332	375,156
Surpluses repayable (note 6)	695,822	532,070
	<u>1,965,173</u>	<u>1,496,029</u>
Deferred capital contributions (note 7)	925,472	1,017,985
	<u>2,890,645</u>	<u>2,514,014</u>
Net assets:		
Unrestricted	573,967	533,988
Invested in capital assets	225,645	243,507
	<u>799,612</u>	<u>777,495</u>
Commitments (note 9)		
COVID-19 (note 10)		
	<u>\$ 3,690,257</u>	<u>\$ 3,291,509</u>

See accompanying notes to the financial statements.

On behalf of the Board:




DE DWA DA DEHS NYE>S ABORIGINAL HEALTH CENTRE

Statement of Operations

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Ministry of Health:		
Core programs	\$ 3,370,417	\$ 3,072,977
Diabetes to Education	394,864	319,864
Healthier You	348,900	348,900
Child & Youth MHA Niagara	350,000	225,000
Capital Planning and Design	144,589	10,765
LHIN:		
Mental Health Programs (CMHP)	820,717	738,373
Community Support Services (CSS)	554,348	554,358
Substance Addictions Program (SAP)	375,386	168,020
One-time funding	223,500	123,500
City of Hamilton	1,055,809	1,095,709
Ministry of Child and Youth Services:		
Child and Youth Mental Health Services	178,522	141,074
Fetal Alcohol Spectrum Disorder	165,000	165,000
Social Planning and Research Council	89,800	89,800
Amortization of deferred capital contributions	197,952	193,493
Fundraising and other	156,315	206,386
Less: funds transferred to deferred revenue (note 5)	(100,000)	-
Less: funds transferred to deferred capital contributions (note 7)	(33,280)	(182,844)
	8,292,839	7,270,375
Expenses:		
Ministry of Health:		
Core programs	3,350,710	3,039,230
Diabetes to Education	297,492	294,865
Healthier You	348,851	324,044
Child & Youth MHA Niagara	347,012	30,562
Capital Planning and Design	144,589	10,765
LHIN:		
Mental Health Programs (CMHP)	755,192	680,821
Community Support Programs (CSS)	541,473	527,245
Substance Addiction Programs (SAP)	367,598	-
One-time funding	123,500	123,500
City of Hamilton	1,045,965	1,095,709
Ministry of Child and Youth Services:		
Child and Youth Mental Health Services	172,543	138,076
Fetal Alcohol Spectrum Disorder	165,000	165,000
Social Planning and Research Council	87,758	89,800
Amortization of capital and intangible assets	215,814	211,350
Fundraising and other	118,378	137,983
	8,081,875	6,868,950
Surplus before the undernoted	210,964	401,425
Transfer to surpluses payable (note 6):		
Ministry of Health	100,418	202,545
Local Health Integration Network	82,450	145,336
Ministry of Child and Youth Services	5,979	2,998
Surplus, end of year	\$ 22,117	\$ 50,546

See accompanying notes to the financial statements.

DE DWA DA DEHS NYE>S ABORIGINAL HEALTH CENTRE

Statement of Changes in Net Assets

Year ended March 31, 2021, with comparative information for 2020

March 31, 2021	Unrestricted	Invested in capital assets	Total
Net assets, beginning of year	\$ 533,988	\$ 243,507	\$ 777,495
Surplus (deficit)	39,979	(17,862)	22,117
Net assets, end of year	\$ 573,967	\$ 225,645	\$ 799,612

March 31, 2020	Unrestricted	Invested in capital assets	Total
Net assets, beginning of year	\$ 465,585	\$ 261,364	\$ 726,949
Surplus (deficit)	68,403	(17,857)	50,546
Net assets, end of year	\$ 533,988	\$ 243,507	\$ 777,495

See accompanying notes to the financial statements.

DE DWA DA DEHS NYE>S ABORIGINAL HEALTH CENTRE

Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Surplus before the undernoted	\$ 22,117	\$ 50,546
Items not involving cash:		
Amortization of capital and intangible assets	215,814	211,350
Amortization of deferred capital contributions	(197,952)	(193,493)
	39,979	68,403
Changes in non-cash operating working capital:		
Accounts receivable	(208,969)	(36,336)
Prepaid expenses	70,375	(103,887)
Accounts payable and accrued liabilities	(243,784)	13,160
Deferred revenue	549,176	134,419
Surpluses repayable	163,752	319,017
	370,529	394,776
Cash flows from investing activities:		
Proceeds from disposal of capital assets	–	20,647
Purchase of capital and intangible assets	(105,439)	(206,845)
Sale of short-term investments	–	155,021
	(105,439)	(31,177)
Cash flows from financing activities:		
Capital contributions received	105,439	186,198
	105,439	186,198
Increase in cash during the year	370,529	549,797
Cash, beginning of year	1,754,771	1,204,974
Cash, end of year	\$ 2,125,300	\$ 1,754,771

See accompanying notes to the financial statements.

DE DWA DA DEHS NYE>S ABORIGINAL HEALTH CENTRE

Notes to Financial Statements

Year ended March 31, 2021

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 and Indigenous 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, 2021

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, 2021

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.

DE DWA DA DEHS NYE>S ABORIGINAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2021

2. Accounts receivable:

	2021	2020
Trade accounts receivables	\$ 49,898	\$ 19,400
HST receivable	276,463	97,992
	\$ 326,361	\$ 117,392

3. Capital assets:

	Cost	Accumulated amortization	Net book value
Land	\$ 180,526	\$ –	\$ 180,526
Buildings	1,651,156	1,046,579	604,577
Furniture and equipment	1,181,531	1,028,765	152,766
Vehicles	182,081	71,548	110,533
Fence	9,000	9,000	–
	\$ 3,204,294	\$ 2,155,892	\$ 1,048,402

	Cost	Accumulated amortization	Net book value
Land	\$ 180,526	\$ –	\$ 180,526
Buildings	1,651,156	965,404	685,752
Furniture and equipment	1,148,252	935,778	212,474
Vehicles	109,921	59,923	49,998
Fence	9,000	8,100	900
	\$ 3,098,855	\$ 1,969,205	\$ 1,129,650

DE DWA DA DEHS NYE>S ABORIGINAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2021

4. Intangible assets:

			2021	
	Cost	Accumulated amortization	Net book value	
Computer software	\$ 176,165	\$ 73,450	\$ 102,715	
Website	37,366	37,366	–	
	\$ 213,531	\$ 110,816	\$ 102,715	
			2020	
	Cost	Accumulated amortization	Net book value	
Computer software	\$ 176,165	\$ 44,323	\$ 131,842	
Website	37,366	37,366	–	
	\$ 213,531	\$ 81,689	\$ 131,842	

5. Deferred revenue:

	2021	2020
Balance, beginning of year	\$ 375,156	\$ 240,737
Add: restricted contributions received and receivable	730,855	162,270
Add: LHIN restricted contributions received and receivable	100,000	–
Less: restricted contributions recognized as revenue	(281,679)	(27,851)
Balance, end of year	\$ 924,332	\$ 375,156

DE DWA DA DEHS NYE>S ABORIGINAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2021

6. 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.

	2021	2020
Due to Ministry of Health	\$ 444,157	\$ 353,765
Due to Local Health Integration Network	229,036	161,655
Due to Ministry of Child and Youth Services	22,629	16,650
	\$ 695,822	\$ 532,070

7. Deferred capital contributions:

	2021	2020
Balance, beginning of year	\$ 1,017,985	\$ 1,011,242
Add: MOH capital contributions received	19,698	75,495
Add: LHIN capital contributions received	3,738	107,349
Add: City of Hamilton capital contributions received	9,844	–
Add: other one-time capital contributions received	72,159	–
Add: proceeds on disposal of capital assets	–	24,001
Less: capital contributions amortized into revenue	(197,952)	(193,493)
Less: disposal of capital assets	–	(6,609)
Balance, end of year	\$ 925,472	\$ 1,017,985

8. 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 2020.

DE DWA DA DEHS NYE>S ABORIGINAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2021

8. Financial risks and concentration of risk (continued):

(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 2020.

(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 2020.

9. Commitments:

The Health Centre is committed to minimum lease payments under various operating leases for premises and equipment as follows:

2022	\$	74,700
2023		60,660
2024		17,532
2025		2,922
2026 and thereafter		—

DE DWA DA DEHS NYE>S ABORIGINAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2021

10. COVID-19:

On March 11, 2020, the World Health Organization declared the Coronavirus COVID-19 ("COVID-19") outbreak a pandemic. This has resulted in significant financial, market and societal impacts in Canada and around the world.

From the declaration of the pandemic to the date of approval of these financial statements, the Health Centre implemented the following actions in relation to the COVID-19 pandemic:

- The closure of certain facilities to the general public, with temporary facilities opened to deal with screening and testing activities;
- Revisions to the delivery of a number of services in order to create capacity for pandemic response and limit the potential for transmission within the Health Centre; and
- The implementation of working from home requirements for certain employees.

The ultimate duration and magnitude of the COVID-19 pandemic's impact on the Health Centre's operations and financial position is not known at this time. These impacts could include a decline in future cash flows, changes to the value of assets and liabilities, and the use of accumulated net assets to sustain operations. An estimate of the financial effect of the pandemic on the Health Centre is not practicable at this time.