

Indigenous Health Centre of Tiohtia:ke

Financial Statements

March 31, 2024

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Independent Auditor's Report

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To the Directors of
Indigenous Health Centre of Tiohtia:ke

Qualified opinion

We have audited the financial statements of Indigenous Health Centre of Tiohtia:ke (hereafter "the Organization"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations and net assets and cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the "Basis for qualified opinion" section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024, 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.

Basis for qualified opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these contributions was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations, excess (deficiency) of revenues over expenses and cash flows from operating activities for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023 and net assets as at March 31, 2024 and 2023.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 these 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 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization 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.

We 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.

*Raymond Chabot Grant Thornton LLP*¹

Montréal
July 10, 2024

¹ CPA auditor, public accountancy permit no. A131601

Indigenous Health Centre of Tiohtia:ke Operations and Net Assets

Year ended March 31, 2024

	<u>2024</u>	<u>2023</u>
	\$	\$
Contributions		
Government grants		
CIUSSS du Centre-Sud-de-l'Île-de-Montréal	393,918	290,959
Community Services Recovery Fund	88,309	
Not-for-profit organizations	32,150	45,000
Private donations		
Companies	19,000	6,305
Individuals	1,295	2,360
Other	2,153	466
	<u>536,825</u>	<u>345,090</u>
Expenses		
Salaries and fringe benefits	263,567	38,860
Professional fees	95,729	20,762
Consulting	67,808	20,560
Rental expense	54,542	
Office supplies and expenses	27,766	901
Data processing	23,861	1,865
Travel	16,612	3,332
Utilities	8,506	
Medical equipment and supplies	15,310	
Maintenance of tangible capital assets	6,285	
Meals	7,918	1,204
Insurance	4,915	479
Training	246	
Bank charges	3,457	1,135
Advertising	1,196	
Amortization of tangible capital assets	7,224	297
	<u>604,942</u>	<u>89,395</u>
Excess (deficiency) of revenues over expenses	(68,117)	255,695
Net assets, beginning of year	<u>456,592</u>	<u>200,897</u>
Net assets, end of year	<u>388,475</u>	<u>456,592</u>

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

Indigenous Health Centre of Tiohtia:ke

Cash Flows

Year ended March 31, 2024

	<u>2024</u>	<u>2023</u>
	\$	\$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	(68,117)	255,695
Non-cash item		
Amortization of tangible capital assets	<u>7,224</u>	<u>297</u>
	(60,893)	255,992
Net change in working capital items and deferred contributions related to current operations	<u>54,924</u>	<u>19,848</u>
Cash flows from operating activities	(5,969)	275,840
INVESTING ACTIVITIES		
Tangible capital assets and cash flows from investing activities	<u>(56,925)</u>	<u>(2,972)</u>
Net increase (decrease) in cash	(62,894)	272,868
Cash, beginning of year	<u>457,593</u>	<u>184,725</u>
Cash, end of year	<u><u>394,699</u></u>	<u><u>457,593</u></u>

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

Indigenous Health Centre of Tiohtia:ke

Financial Position

March 31, 2024

	<u>2024</u>	<u>2023</u>
	\$	\$
ASSETS		
Current		
Cash	394,699	457,593
Prepaid expenses	<u>15,268</u>	<u>2,710</u>
	409,967	460,303
Long-term		
Tangible capital assets (Note 3)	<u>52,376</u>	<u>2,675</u>
	<u>462,343</u>	<u>462,978</u>
LIABILITIES		
Current		
Trade payables and other operating liabilities (Note 4)	33,529	6,386
Long-term		
Deferred contributions related to current operations (Note 5)	<u>40,339</u>	<u> </u>
	73,868	6,386
UNRESTRICTED NET ASSETS	<u>388,475</u>	<u>456,592</u>
	<u>462,343</u>	<u>462,978</u>

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

On behalf of the Board,

Director

Director

Indigenous Health Centre of Tiohtia:ke

Notes to Financial Statements

March 31, 2024

1 - GOVERNING STATUTES, PURPOSE OF THE ORGANIZATION AND CHANGE IN NAME

The Organization was incorporated under Part III of the *Companies Act (Quebec)* for the purpose of providing health and social services for indigenous peoples, through a holistic and traditional approach. It is a registered charity under the *Income Tax Act*. During the year, the Organization obtained authorization to change its name, Montreal Urban Aboriginal Health Centre, to Indigenous Health Centre of Tiohtia:ke.

2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Organization's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's knowledge of current events and actions that the Organization may undertake in the future. Actual results may differ from these estimates.

Financial assets and liabilities

Initial measurement

Upon initial measurement, the Organization's financial assets and liabilities from transactions not concluded with related parties and those from transactions with parties whose sole relationship with the entity is in the capacity of management (and members of the immediate family) are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. The Organization's financial assets and liabilities from related party transactions are measured at cost.

Subsequent measurement

At each reporting date, the Organization measures its financial assets and liabilities from transactions not concluded with related parties at amortized cost (including any impairment in the case of financial assets), whereas those from related party transactions are measured using the cost method (including any impairment in the case of financial assets).

With respect to financial assets measured at amortized cost or using the cost method, the Organization assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Organization determines that, during the year, there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost or using the cost method is recognized in operations in the year the reversal occurs.

Indigenous Health Centre of Tiohtia:ke

Notes to Financial Statements

March 31, 2024

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received if the amount to be received can be reasonably estimated and collection is reasonably assured.

Tangible capital assets

Tangible capital assets acquired are recorded at cost. When the Organization receives contributions of tangible capital assets, their cost is equal to their fair value at the contribution date plus all costs directly attributable to the acquisition of the tangible capital assets, or at a nominal value if fair value cannot be reasonably determined.

Amortization

Tangible capital assets are amortized over their estimated useful lives according to the straight-line method over the following periods:

	<u>Periods</u>
Leasehold improvements	3 years
Furniture and fixtures, medical equipment and computer equipment	5 years

Write-down

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset is written down to the tangible capital asset's fair value or replacement cost. The write-down is accounted for in the statement of operations and cannot be reversed.

3 - TANGIBLE CAPITAL ASSETS

	<u>2024</u>			<u>2023</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net carrying amount</u>	<u>Net carrying amount</u>
	\$	\$	\$	\$
Leasehold improvements	14,060	2,343	11,717	
Furniture and fixtures	17,116	2,306	14,810	2,675
Medical equipment	15,392	1,539	13,853	
Computer equipment	13,329	1,333	11,996	
	<u>59,897</u>	<u>7,521</u>	<u>52,376</u>	<u>2,675</u>

4 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	<u>2024</u>	<u>2023</u>
	\$	\$
Accounts payable and accrued liabilities	23,244	906
Salaries and vacation payable	10,285	5,480
	<u>33,529</u>	<u>6,386</u>

Government remittances total \$966 as at March 31, 2024 (\$1,190 as at March 31, 2023).

Indigenous Health Centre of Tiohtia:ke

Notes to Financial Statements

March 31, 2024

5 - DEFERRED CONTRIBUTIONS RELATED TO CURRENT OPERATIONS

	<u>2024</u>	<u>2023</u>
	\$	\$
Amount received related to the following year	<u>40,339</u>	<u> </u>

Deferred contributions represent unused resources which, as a result of external restrictions, are intended to cover operating expenses for the coming year.

6 - FINANCIAL RISK

Liquidity risk

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized on the statement of financial position.

7 - COMMITMENTS

The Company has entered into long-term lease agreements which call for lease payments of \$57,193 for the rental of premises and equipment.

The leases for premises expire at various dates between November 30, 2024 and April 30, 2025 and contain a renewal option for an additional period of two years which the Company may exercise by giving a ninety-day notice. The leases for equipment expire on May 15, 2029.

Minimum lease payments for the next five years are \$48,452 in 2025, \$5,131 in 2026, and \$1,140 in 2027, 2028 and 2029.

Indigenous Health Centre of Tiohtia:ke Schedule

Year ended March 31, 2024
(Unaudited)

	2024					
	Private donation	Urgent care	Navigator 1	Navigator 2	Community Services Recovery Fund	Total
	\$	\$	\$	\$	\$	\$
Contributions	54,598	253,918	80,000	60,000	88,309	536,825
Expenses						
Salaries and fringe benefits	15,256	138,565	75,412	4,131	30,203	263,567
Professional fees	51,698	31,491	6,920	4,255	1,365	95,729
Consulting	3,025	14,070	4,433		46,280	67,808
Rental expense	17,371	19,745	8,792	3,273	5,361	54,542
Office supplies and expenses	7,462	12,096	3,596	3,112	1,500	27,766
Data processing	2,506	11,654	3,347	2,754	3,600	23,861
Travel	1,992	9,265	3,166	2,189		16,612
Utilities	7,690	376	440			8,506
Medical equipment and supplies	1,115	9,150	2,883	2,162		15,310
Maintenance of tangible capital assets	787	4,345	1,153			6,285
Meals	1,047	4,871	1,593	407		7,918
Insurance	3,250	461	877	327		4,915
Training	30	139	44	33		246
Bank charges	3,176	66	51	164		3,457
Advertising	168	782	246			1,196
Amortization of tangible capital assets	879	4,090	1,289	966		7,224
	117,452	261,166	114,242	23,773	88,309	604,942
Excess (deficiency) of revenues over expenses	(62,854)	(7,248)	(34,242)	36,227	–	(68,117)