

Montreal Urban Aboriginal Health Centre

Financial Statements

March 31, 2023

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Independent Auditor's Report

To the Directors of
Montreal Urban Aboriginal Health Centre

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Qualified opinion

We have audited the financial statements of Montreal Urban Aboriginal Health Centre (hereafter "the Organization"), which comprise the statement of financial position as at March 31, 2023, 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, 2023, 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 contributions, 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 contributions, excess of contributions over expenses and cash flows from operating activities for the year ended March 31, 2023, current assets as at March 31, 2023 and net assets as at April 1, 2022 and March 31, 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.

Other matter – unaudited comparative information

The financial statements of the Organization for the year ended March 31, 2022 and the statement of financial position as at April 1, 2021 have not been audited.

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 LLP¹

Montréal
October 26, 2023

¹ CPA auditor, public accountancy permit no. A131601

Montreal Urban Aboriginal Health Centre

Operations and Net Assets

Year ended March 31, 2023

	<u>2023-03-31</u>	<u>2022-03-31</u>
	\$	\$
Contributions		
Government grants – CIUSSS du Centre-Sud-de-l'Île-de-Montréal	290,959	17,250
Not-for-profit organizations	45,000	130,000
Private donations		
Companies	6,305	
Individuals	2,360	
Other	466	32,567
	<u>345,090</u>	<u>179,817</u>
Expenses		
Salaries and fringe benefits	38,860	
Professional fees	20,762	12,836
Consulting	20,560	5,000
Travel	3,332	
Meals	1,204	
Insurance	479	2,265
Office supplies and expenses	901	160
Data processing	1,865	
Bank charges	1,135	555
Amortization of tangible capital asset	297	
	<u>89,395</u>	<u>20,816</u>
Excess of contributions over expenses	255,695	159,001
Net assets, beginning of year	<u>200,897</u>	<u>41,896</u>
Net assets, end of year	<u><u>456,592</u></u>	<u><u>200,897</u></u>

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

Montreal Urban Aboriginal Health Centre Cash Flows

Year ended March 31, 2023

	<u>2023-03-31</u>	<u>2022-03-31</u>
	\$	\$
OPERATING ACTIVITIES		
Excess of contributions over expenses	255,695	159,001
Non-cash item		
Amortization of tangible capital asset	<u>297</u>	
	255,992	159,001
Net change in working capital items	<u>19,848</u>	<u>(19,272)</u>
Cash flows from operating activities	275,840	139,729
INVESTING ACTIVITIES		
Tangible capital asset and cash flows from investing activities	<u>(2,972)</u>	
Net increase in cash	272,868	139,729
Cash, beginning of year	<u>184,725</u>	<u>44,996</u>
Cash, end of year	<u><u>457,593</u></u>	<u><u>184,725</u></u>

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

Montreal Urban Aboriginal Health Centre Financial Position

March 31, 2023

	<u>2023-03-31</u>	<u>2022-03-31</u>	<u>2021-04-01</u>
	\$	\$	\$
ASSETS			
Current			
Cash	457,593	184,725	44,996
Government grants receivable		17,250	
Prepaid expenses	<u>2,710</u>		
	460,303	201,975	44,996
Long-term			
Tangible capital asset (Note 4)	<u>2,675</u>		
	<u>462,978</u>	<u>201,975</u>	<u>44,996</u>
LIABILITIES			
Current			
Trade payables and other operating liabilities (Note 5)	6,386	1,078	3,100
UNRESTRICTED NET ASSETS	<u>456,592</u>	<u>200,897</u>	<u>41,896</u>
	<u>462,978</u>	<u>201,975</u>	<u>44,996</u>

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

On behalf of the Board,

Original on file signed by Sean Yaphe

Director

Original on file signed by Jeannette Longchap

Director

November 7, 2023 signed by both directors above, approved electronically by the Board of Directors

Montreal Urban Aboriginal Health Centre

Notes to Financial Statements

March 31, 2023

1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

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.

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.

Montreal Urban Aboriginal Health Centre

Notes to Financial Statements

March 31, 2023

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

The computer equipment is amortized over its estimated useful life according to the straight-line method over a period of five 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 - FIRST-TIME ADOPTION OF CANADIAN ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

These financial statements are the Organization's first financial statements prepared using Canadian accounting standards for not-for-profit organizations (hereafter "the new accounting standards"). The date of transition to the new accounting standards is April 1, 2021.

The accounting policies presented in Note 2 and resulting from the application of the new accounting standards were used to prepare the financial statements for the year ended March 31, 2023, the comparative information and the opening statement of financial position as at the date of transition.

Exemptions relating to first-time adoption

Section 1501, First-time Adoption by Not-for-profit Organizations, contains exemptions to full retrospective application which the Organization may use upon transition. The Organization did not apply any optional exemptions.

Impact of transition on net assets as at April 1, 2021

The impact of the transition to the new accounting standards on the Organization's net assets at the date of transition, that is April 1, 2021, is not significant.

Montreal Urban Aboriginal Health Centre

Notes to Financial Statements

March 31, 2023

3 - FIRST-TIME ADOPTION OF CANADIAN ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS (Continued)

Reconciliation of excess of contributions over expenses as at March 31, 2022

The excess of contributions over expenses as at March 31, 2022 determined using the new accounting standards is approximately equivalent to that determined using the accounting policies used before the transition.

Statement of cash flows

Accounting standards regarding cash flows included in the new accounting standards require the presentation of a statement of cash flows.

4 - TANGIBLE CAPITAL ASSET

	2023-03-31		2022-03-31
	Cost	Accumulated amortization	Net carrying amount
	\$	\$	\$
Computer equipment	2,972	297	2,675

5 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	2023-03-31	2022-03-31
	\$	\$
Accounts payable and accrued liabilities	906	1,078
Salaries payable	5,480	
	6,386	1,078

Government remittances total \$1,190 as at March 31, 2023 (nil as at March 31, 2022).

6 - FINANCIAL RISK

Credit risk

The Organization is exposed to credit risk regarding the financial assets recognized in the statement of financial position. The Organization has determined that the financial assets with more credit risk exposure are government grants receivable since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Organization.

7 - COMMITMENT

The Organization has entered into a long-term lease agreement expiring on April 30, 2024 which calls for a lease payment of \$46,500 for the rental of premises.

The lease contains a renewal option for an additional period of two years which the Organization may exercise by giving a ninety-day notice.

The minimum lease payment for the next year is \$46,500.