

Anishnawbe Health Foundation
Financial Statements
For the year ended December 31, 2017

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Independent Auditor's Report

To the Members of Anishnawbe Health Foundation

We have audited the accompanying financial statements of Anishnawbe Health Foundation, which comprise the statement of financial position as at December 31, 2017 and the statements of revenues and expenditures, 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 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.

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 Anishnawbe Health Foundation as at December 31, 2017 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.

Other Matter

The financial statements of Anishnawbe Health Foundation for the year ended December 31, 2016 were audited by another auditor who expressed an unmodified opinion on June 23, 2017.

BDO Canada LLP

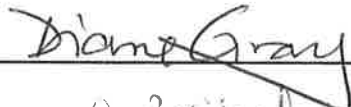
Chartered Professional Accountants, Licensed Public Accountants

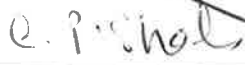
April 18, 2018
Toronto, Ontario

Anishnawbe Health Foundation Statement of Financial Position

December 31	2017	2016
Assets		
Current		
Cash and cash equivalents (Note 3)	\$ 658,867	\$ 801,522
Accounts receivable	5,768	-
Investments (Note 4)	255,716	-
Due from related party (Note 5)	-	10,213
	\$ 920,351	\$ 811,735
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 19,468	\$ 8,835
Deferred contributions (Note 7)	465,430	620,573
	484,898	629,408
Net Assets		
Capital project fund (Note 8)	444,894	-
Unrestricted fund	(9,441)	182,327
	435,453	182,327
	\$ 920,351	\$ 811,735

On behalf of the Board:


 _____ Director


 _____ Director

Anishnawbe Health Foundation Statement of Revenues and Expenditures

For the year ended December 31	Unrestricted Fund	Capital Project Fund	2017	2016
Revenue				
Contributions	\$ 304,307	\$ 215,095	\$ 519,402	\$ 180,539
Investment income	18,068	-	18,068	100
Change in fair value of investments	(5,624)	-	(5,624)	-
	316,751	215,095	531,846	180,639
Expenses				
Accounting fees	5,825	-	5,825	5,113
Communication and marketing	28,862	-	28,862	-
Consulting fees	7,271	-	7,271	24,924
Development	25,879	-	25,879	5,095
Insurance	1,792	-	1,792	1,557
Interest and bank charges	1,668	-	1,668	600
Office	11,430	-	11,430	4,390
Salaries and wages	172,993	-	172,993	88,949
	255,720	-	255,720	130,628
Excess of revenue over expenses before undernoted items	61,031	215,095	276,126	50,011
Grant to Anishnawbe Health Toronto (Note 6)	20,000	3,000	23,000	12,800
Excess of revenue over expenses for the year	\$ 41,031	\$ 212,095	\$ 253,126	\$ 37,211

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

**Anishnawbe Health Foundation
Statement of Changes in Net Assets**

For the year ended December 31	Unrestricted Fund	Capital Project Fund	Total 2017	Total 2016
Net assets, beginning of year	\$ 182,327	\$ -	\$ 182,327	\$ 145,116
Excess of revenues over expenses for the year	41,031	212,095	253,126	37,211
Transfer of funds (Note 8)	(232,799)	232,799	-	-
Net assets, end of year	\$ (9,441)	\$ 444,894	\$ 435,453	\$ 182,327

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

Anishnawbe Health Foundation Statement of Cash Flows

For the year ended December 31	2017	2016
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses for the year	\$ 253,126	\$ 37,211
Adjustments to reconcile excess of revenue over expenses for the year to cash provided by operating activities:		
Change in fair value of investments	5,624	-
Changes in non-cash working capital balances		
Accounts receivable	(5,768)	-
Accounts payable and accrued liabilities	10,633	6,575
Deferred contributions	(155,143)	356,573
	108,472	400,359
Investing activities		
Purchase of investments	(261,340)	-
Financing activity		
Proceeds from (advances to) related party	10,213	(93,176)
Increase (decrease) in cash during the year	(142,655)	307,183
Cash, beginning of year	801,522	494,339
Cash, end of year	\$ 658,867	\$ 801,522

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

Anishnawbe Health Foundation Notes to Financial Statements

December 31, 2017

1. Purpose of the Foundation

Anishnawbe Health Foundation (the "Foundation") is a non-profit corporation without share capital with a charitable registration number of 849991914RR0001 and as such, is exempt from income taxes. The mission of the Foundation is to inspire philanthropy to:

- (a) Support an environment where the urban Aboriginal community can heal spiritually, physically, emotionally and mentally by enhancing capital and program funding for Anishnawbe Health Toronto. and;
- (b) Foster the reclamation, preservation, research and application of traditional healing methods, including the sharing of these with all people.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies of the Foundation.

(a) Basis of Accounting

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

(b) Fund Accounting

The Foundation follows the restricted fund method of accounting for contributions.

The unrestricted fund accounts for the general contributions, investment income and administrative activities, including activities related to the campaign.

The capital project fund accounts for the contributions received which are donor restricted and are to be granted to Anishnawbe Health Toronto ("AHT") towards its capital project for a new facility.

(c) Cash and Cash Equivalents

Cash includes cash and cash equivalents. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

(d) Investments

Investments are measured at their fair value. Realized and unrealized gains (losses) are recorded in the statement of revenue and expenditures. The Foundation accounts for its investments on a settlement basis and transactions costs associated with investment activities are included in the statement of revenue and expenditures.

Anishnawbe Health Foundation Notes to Financial Statements

December 31, 2017

2. Summary of Significant Accounting Policies (continued)

(e) Financial Instruments

Unless otherwise noted, the Foundation initially measures its other financial assets and liabilities at fair value and subsequently measures its other financial assets and liabilities at amortized costs.

(f) Revenue Recognition

Restricted contributions related to general operations for which no corresponding restricted fund is established, are recognized as revenue of the unrestricted fund in the period in which the related expense are incurred (deferral method). All other restricted contributions are recognized as revenue of the appropriate restricted fund as received or receivable.

Unrestricted contributions are recognized as revenue in the unrestricted fund in the period received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(g) 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 the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The estimates are reviewed periodically and as adjustments become necessary they are reported in the year in which they become known. Actual results could differ from those estimates.

3. Cash and cash equivalents

Included in cash equivalents are funds of \$615,980 (2016 - \$nil) held in a high interest savings account with an effective yield of approximately 1.50%.

4. Investments

Included in investments are funds of \$255,716 (2016 - \$nil) invested in pooled funds with a cost of \$261,217 and fair value of \$255,716.

5. Due from Related Party

In October 2016, the Board of Directors of the Foundation and AHT signed a Memorandum of Understanding where it was agreed that all charitable donations be received, receipted and stewarded by the Foundation. Under this agreement, \$10,300 in donations received in December 2016 by AHT were transferred to the Foundation resulting in receivable for the Foundation of \$10,213 at December 31, 2016. The donation was received by the Foundation during year ended December 31, 2017.

The Foundation and AHT are each governed by a separate Board of Directors, but are related as AHT's Executive Director is also a director on Foundation's Board of Directors.

Anishnawbe Health Foundation Notes to Financial Statements

December 31, 2017

6. Related Party Transactions

During the year, the Board of Directors approved a grant of \$23,000 from the Foundation to AHT in order to meet the CRA disbursement quota requirements for registered charities. \$20,000 of this grant was to support a new mobile-friendly website to meet accessibility guidelines and \$3,000 was to support the planning for the new capital project (2016 - \$12,800 for the O Ta Ti Baen Program).

Transactions are in the normal course of operations and are measured at the exchange amount.

7. Deferred Contributions

The changes to deferred contributions consist of the following:

	2017	2016
Balance, beginning of year	\$ 620,573	\$ 264,000
Revenue recognized during the year	(155,143)	(143,427)
Contributions received during the year	-	500,000
Balance, end of year	<u>\$ 465,430</u>	<u>\$ 620,573</u>

In 2016, the Foundation received a donation from Waasagamik for \$500,000 to assist the Foundation in its campaign to raise capital funding for the new facility for AHT.

8. Capital Project Fund

Capital project fund includes \$212,095 (2016 - \$nil) relating to contributions received which are donor restricted and \$232,799 (2016 - \$nil) relating to funds approved by the Board of Directors in the current year and transferred from the Pedhabun Lodge Fund. These funds are to be granted to AHT towards its capital project for a new facility.

9. Financial Instrument Risk

The Foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Foundation's risk exposure as at December 31, 2017. The risks have not changed from prior year, unless noted.

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 Foundation's financial instruments that are exposed to credit risk are cash, accounts receivable and investments.

Anishnawbe Health Foundation Notes to Financial Statements

December 31, 2017

9. Financial Instrument Risk (continued)

Liquidity Risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting its obligations as they fall due. Liquidity risks arises from accounts payable and accrued liabilities.

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 Foundation is exposed to this risk through its high interest savings account. The risk has changed from prior year.

Market Risk

Market risk is the risk the value of investments will fluctuate as a result of changes in market prices or other factors affecting the values of the investments. The Foundation is exposed to this risk through its investment in pooled funds. The risk has changed from prior year.