

**CENTRAL COMMUNITY HEALTH CENTRE**

**Financial Statements**

**March 31, 2024**

# **CENTRAL COMMUNITY HEALTH CENTRE**

## **Financial Statements**

**For The Year Ended March 31, 2024**

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## **INDEPENDENT AUDITORS' REPORT**

To the Members of **Central Community Health Centre**:

### **Opinion**

We have audited the financial statements of **Central Community Health Centre**, which comprise the statement of financial position as at March 31, 2024, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the organization's 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 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 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 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.

### **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 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.



**INDEPENDENT AUDITORS' REPORT (CONTINUED)**

**Auditors' Responsibilities for the Audit of the Financial Statements (Continued)**

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.

St. Thomas, Ontario

June 26, 2024

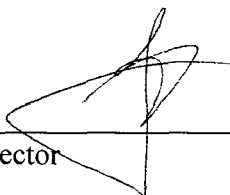
*Graham Scott Enns LLP*  
CHARTERED PROFESSIONAL ACCOUNTANTS

Central Community Health Centre

Statement of Financial Position  
As At March 31, 2024

	2024	2023
	\$	\$
<b><u>ASSETS</u></b>		
<b>CURRENT</b>		
Cash (Note 2)	876,342	870,493
Government remittances receivable	29,520	34,393
Accounts receivable	82,931	35,548
Prepays	<u>64,624</u>	<u>84,829</u>
	1,053,417	1,025,263
<b>TANGIBLE CAPITAL ASSETS (NOTE 3)</b>	<u>10,288</u>	<u>34,136</u>
<b>TOTAL ASSETS</b>	<u><u>1,063,705</u></u>	<u><u>1,059,399</u></u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	376,983	471,807
Deferred revenue (Note 4)	131,369	57,805
Funds recoverable by Ontario Health (Note 6)	395,314	394,019
Government remittances payable	48,072	33,699
Deferred tangible capital asset contributions (Note 5)	<u>10,288</u>	<u>34,136</u>
	962,026	991,466
<b>NET ASSETS</b>		
Unrestricted	<u>101,679</u>	<u>67,933</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>1,063,705</u></u>	<u><u>1,059,399</u></u>

Approved by the Board

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

See accompanying notes to the financial statements

**Central Community Health Centre**  
**Statement of Changes in Net Assets**  
**For The Year Ended March 31, 2024**

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	<b>2024</b>	<b>2023</b>
	<u><b>\$</b></u>	<u><b>\$</b></u>
<b>NET ASSETS BEGINNING OF YEAR</b>	<b>67,933</b>	223,018
Excess of revenues over expenditures	<b>51,696</b>	208,329
Repayment of prior year operating surplus (Note 6)	<u><b>(17,950)</b></u>	<u>(363,414)</u>
<b>NET ASSETS END OF YEAR</b>	<u><b>101,679</b></u>	<u>67,933</u>

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See accompanying notes to the financial statements

**Central Community Health Centre**  
**Statement of Operations**  
**For The Year Ended March 31, 2024**

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	2024	2023
	<u>\$</u>	<u>\$</u>
<b>REVENUES</b>		
Funding - Ministry of Health and Long-Term Care	3,683,383	3,843,213
Other funding and grants	93,222	46,156
Recoveries	89,360	61,869
Interest and donations	<u>47,121</u>	<u>25,362</u>
	<b><u>3,913,086</u></b>	<b><u>3,976,600</u></b>
 <b>EXPENDITURES</b>		
Staff wages and benefits	3,072,945	2,981,467
Rent	148,983	144,212
Professional fees - IT support, other consulting, training	137,313	148,768
Repairs and maintenance	95,213	130,216
Non- funded programs	87,388	46,156
Data processing and equipment charges	86,219	56,541
Insurance	40,135	35,535
Telephone and utilities	37,966	43,381
Dues and fees	26,370	28,327
Program supplies	23,703	25,898
Professional development and staff training	20,867	46,400
Meetings	19,869	10,262
Professional fees - legal and accounting	17,567	13,690
Ontario Health funded COVID-19 costs and supplies	14,169	15,525
General and sundry	9,136	11,460
Office supplies	8,244	14,283
Travel	8,032	1,960
Advertising and promotion	4,507	11,480
Bank charges and interest	<u>2,764</u>	<u>2,710</u>
	<b><u>3,861,390</u></b>	<b><u>3,768,271</u></b>
 <b>EXCESS OF REVENUES OVER EXPENDITURES</b>		
<b>BEFORE ADJUSTMENTS</b>	<b>51,696</b>	<b>208,329</b>
Amortization of tangible capital assets	<b>(23,848)</b>	<b>(37,264)</b>
Amortization of deferred tangible capital asset contributions	<u><b>23,848</b></u>	<u><b>37,264</b></u>
 <b>EXCESS OF REVENUES OVER EXPENDITURES FOR THE YEAR</b>	<b><u><u>51,696</u></u></b>	<b><u><u>208,329</u></u></b>

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See accompanying notes to the financial statements

**Central Community Health Centre**  
**Statement of Cash Flow**  
**For The Year Ended March 31, 2024**

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	2024	2023
	<u>\$</u>	<u>\$</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	51,696	208,329
Adjustment for non-cash items:		
Amortization of tangible capital assets	23,848	37,264
Amortization of deferred tangible capital asset contributions	<u>(23,848)</u>	<u>(37,264)</u>
	51,696	208,329
Changes in non-cash working capital balances:		
Accounts receivable	(47,383)	(33,878)
Government remittances receivable	4,873	(8,197)
Prepays	20,205	(38,774)
Accounts payable and accrued liabilities	(94,824)	211,179
Government remittances payable	14,373	807
Deferred revenue	<u>73,564</u>	<u>(26,567)</u>
	<u>22,504</u>	<u>312,899</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repaid to Ontario Health	<u>(16,655)</u>	<u>(324,693)</u>
<b>NET CHANGE IN CASH</b>	<b>5,849</b>	<b>(11,794)</b>
<b>CASH, BEGINNING OF YEAR</b>	<u><b>870,493</b></u>	<u>882,287</u>
<b>CASH, END OF YEAR</b>	<u><u><b>876,342</b></u></u>	<u><u>870,493</u></u>
<b>CASH IS COMPRISED OF:</b>		
Cash	557,956	567,760
High interest savings account	<u>318,386</u>	<u>302,733</u>
	<u><u><b>876,342</b></u></u>	<u><u>870,493</u></u>

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See accompanying notes to the financial statements



# Central Community Health Centre

## Notes to the Financial Statements

As At March 31, 2024

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### PURPOSE OF THE ORGANIZATION

Central Community Health Centre (the "organization") is a local organization whose purpose is the delivery of primary healthcare to members of the communities of St. Thomas, Southwold and Central Elgin, with an emphasis on those people experiencing barriers to care. The organization's services complement existing healthcare in these communities, and includes primary healthcare, health promotion and illness prevention.

The organization is a not-for-profit organization and is a registered charity under the Income Tax Act. As such, it is exempt from income taxes and is able to issue donation receipts for income tax purposes.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In the opinion of management, the financial statements have been prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

#### Accounting Estimates

The preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. There are no significant estimates contained in these financial statements.

In particular, the organization uses estimates when accounting for certain items, including:

Useful lives of tangible assets

Accrued liabilities

#### Revenue Recognition

The deferral method of accounting for contributions is followed. Capital contributions for purpose of acquiring depreciable capital assets are deferred and amortized on the same basis and over the same periods as the related capital asset.

Unrestricted funding is recognized as revenue if the amount to be received can be estimated and collection is reasonable assured.

# Central Community Health Centre

## Notes to the Financial Statements

As At March 31, 2024

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Tangible Capital Assets

Tangible capital assets are recorded at cost. Maintenance and repair costs are recognized as an expense when incurred. Tangible capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives as follows:

Leasehold improvements	Straight-line over life of the lease
Mobile unit	10 years straight-line
Office and medical equipment	5 years straight-line
Vehicles	5 years straight-line
Computer equipment	3 years straight-line

#### Deferred Tangible Capital Asset Contributions

Any amounts received that are used to fund expenditures that are recorded as tangible capital assets are recorded as deferred capital contributions and are recognized over the useful life of the related asset.

#### Financial Instruments

##### *Measurement of financial instruments*

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market (if any), which are measured at fair value. Changes in fair value are recognized in income.

Financial assets measured at amortized cost include accounts receivable and financial assets measured at fair value include cash.

Financial liabilities measured at amortized cost include accounts payable.

##### *Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

# Central Community Health Centre

## Notes to the Financial Statements

As At March 31, 2024

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### 2. OPERATING LOANS

The organization has available a \$200,000 operating line of credit that bears interest at prime minus 0.60% and a \$400,000 non-revolving demand installment capital expenditure line of credit available at prime minus 0.40%. At year end there were no amounts drawn on these two facilities.

### 3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	2024	2023
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Leasehold improvements	818,292	812,068	6,224	9,959
Mobile unit	140,967	140,967	-	-
Office and medical equipment	322,279	318,215	4,064	4,848
Vehicles	54,606	54,606	-	-
Computer equipment	<u>100,289</u>	<u>100,289</u>	<u>-</u>	<u>19,329</u>
	<u>1,436,433</u>	<u>1,225,567</u>	<u>10,288</u>	<u>34,136</u>

### 4. DEFERRED REVENUE

Deferred revenue represents the remaining portion of externally restricted contributions for expenditures to be incurred in future years. Changes in the deferred revenue balance are as follows:

	2024	2023
	<u>\$</u>	<u>\$</u>
Donations - specific	36,766	35,161
The Canada Red Cross Society	22,670	-
Queens University at Kingston	39,844	-
Provincial grants	27,612	22,644
Other	<u>4,477</u>	<u>-</u>
	<u>131,369</u>	<u>57,805</u>

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# Central Community Health Centre

## Notes to the Financial Statements

As At March 31, 2024

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### 5. DEFERRED TANGIBLE CAPITAL ASSET CONTRIBUTIONS

	2024	2023
	<u>\$</u>	<u>\$</u>
Opening balance	34,136	71,400
Amortization	<u>(23,848)</u>	<u>(37,264)</u>
Ending balance	<u>10,288</u>	<u>34,136</u>

### 6. SERVICE CONTRACT

The organization has a contract for funding with the Ontario Health (formerly the Ministry of Health and Long-Term Care). The organization is required to file various quarterly and annual reports to ensure compliance with the funding agreement. At year end the organization was in compliance with this agreement.

During the year, the organization was required to repay \$395,314 (2023 - \$394,019) for Fund 2 surpluses. The organization has accrued the expected 2024 repayable of \$17,950 (2023 - \$363,414).

### 7. COMMITMENTS

The organization currently leases its facilities month to month and has an agreement for information technology services. The payments over the next two years for facilities and information technology are as follows:

	<u>\$</u>
2025	91,306
2026	12,904

# Central Community Health Centre

## Notes to the Financial Statements

As At March 31, 2024

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### 8. PENSION AND BENEFITS

During the year, the organization offered employees either a defined contribution pension plan or a defined benefit plan with the Healthcare of Ontario Pension Plan (HOOPP), which is a multi-employer plan

For the defined contribution plan, the organization contributes pension benefits at 6.90% and 9.20% over year's maximum pensionable earnings, of all eligible employees. In the year the organization paid \$18,433 (2023 - \$24,470) in employer contributions to this plan.

For the defined benefit plan, the organization contributed \$177,096 (2023 - \$185,110) in employer contributions to this plan. As it is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay, each year an independent actuary determines the funding status of HOOPP by comparing the actuarial value of invested assets to the estimated present value of all pension benefits the members have earned to date. The most recent actuarial valuation of HOOPP was conducted for December 31, 2023, and the results of this valuation disclosed actuarial liabilities of \$97.9 billion in respect of benefits accrued for service with actuarial assets at that date of \$112.6 billion leaving an actuarial surplus of \$14.70 billion. Since any surpluses or deficits are a joint responsibility of all member organizations and their employees, the organization does not recognize any share of the HOOPP surplus or deficit in these financial statements.

The organization also offers employee medical and dental benefits.

### 9. FINANCIAL INSTRUMENT RISKS

The organization is exposed to various risks related to these financial instruments as described in the following sections. There were no changes in these assessments from the prior year.

#### Interest Rate Risk

The organization has no interest bearing liabilities and doesn't view interest rate risk as a significant risk to the organization.

#### Credit Risk

The organization has limited customers and is mainly dependent upon various levels of government for support and as such is not exposed to any credit risk.

#### Liquidity Risk

Liquidity risk is the risk that an organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. No financial liabilities of the organization were in default during the period and management doesn't consider liquidity risk to be a significant risk.