

**CENTRE DE SANTÉ COMMUNAUTAIRE
CHIGAMIK COMMUNITY HEALTH CENTRE INC.**

Financial Statements

Year Ended March 31, 2024

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.
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Year Ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Centre de santé communautaire Chigamik Community Health Centre Inc.

Opinion

We have audited the financial statements of Centre de santé communautaire Chigamik Community Health Centre Inc. (the "Organization"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, 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 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with 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.

Other Matter

The financial statements for the year ended March 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 30, 2023.

We draw attention to the fact that the budget figures are presented for informational purposes and do not form part of the financial statements. We have not audited or reviewed these budgeted figures and, accordingly, we do not express an opinion, a review conclusion or any other form of assurance on these budgeted figures.

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.

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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.



Barrie, Ontario
August 8, 2024

RUMLEY HOLMES LLP
Chartered Professional Accountants
Licensed Public Accountants

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.
Statement of Financial Position
March 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 707,233	\$ 782,212
Accounts receivable (Note 3)	618,967	500,151
Prepaid expenses	46,309	27,891
	1,372,509	1,310,254
CAPITAL ASSETS (Note 4)	5,002,063	5,196,707
	\$ 6,374,572	\$ 6,506,961
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	\$ 772,142	\$ 719,378
Due to OH and MOH (Note 8)	343,756	344,474
Deferred revenue	136,380	93,912
Current portion of long term debt (Note 6)	12,111	11,669
	1,264,389	1,169,433
LONG TERM DEBT (Note 6)	514,108	526,219
DEFERRED CAPITAL CONTRIBUTIONS (Note 7)	4,421,757	4,623,457
	6,200,254	6,319,109
NET ASSETS		
Unrestricted	174,318	187,852
	\$ 6,374,572	\$ 6,506,961

ON BEHALF OF THE BOARD

Director

Director

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.
Statement of Operations and Changes in Net Assets
Year Ended March 31, 2024

	Budget (Unaudited) 2024	2024	2023
REVENUES			
OH - base funding (Note 8)	\$ 3,853,585	\$ 3,885,729	\$ 3,790,379
OH - one-time funding (Note 8)	-	401,800	461,184
Amortization of deferred capital contributions (Note 7)	-	201,700	201,006
Other revenues - funding type 2 (Note 9)	315,260	162,617	187,084
Other revenues - funding type 3 (Note 9)	4,500	74,027	108,036
CMHA funding	-	107,468	102,360
MOH - one-time funding (Note 8)	-	253,350	5,000
	4,173,345	5,086,691	4,855,049
EXPENSES			
Community Clinics/Programs			
Wages and benefits - excluding physicians	1,662,813	1,657,917	1,677,958
Wages and benefits - physician	713,100	647,075	602,547
Medical supplies	-	30,114	35,339
Supplies	55,000	10,619	6,813
Sundry	41,500	53,233	39,929
Minor equipment purchases / information management services	36,000	10,124	21,286
Contracted out	50,000	173,437	132,828
Amortization	-	8,136	9,120
	2,558,413	2,590,655	2,525,820
Health Promotion			
Wages and benefits	314,131	312,027	319,148
Supplies	11,800	6,847	3,014
Sundry	15,800	10,269	8,721
Contracted out	99,800	18,047	14,649
	441,531	347,190	345,532
Client Support Services			
Wages and benefits	46,357	28,273	47,516
Sundry	1,300	3,559	2,130
	47,657	31,832	49,646
Strong Women Strong Nation			
Wages and benefits	99,296	90,680	95,712
Supplies (SWSN)	1,500	367	-
Sundry	-	3,934	3,788
Contracted out	60,500	54,059	30,300
	161,296	149,040	129,800

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CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.
Statement of Operations and Changes in Net Assets *(continued)*
Year Ended March 31, 2024

	Budget (Unaudited) 2024	2024	2023
Administration			
Wages and benefits	257,584	225,835	272,918
Supplies (Schedule 1)	5,000	10,591	10,176
Sundry (Schedule 1)	132,800	239,847	165,330
Minor equipment purchases / information management services	8,500	7,380	5,775
Interest on long-term debt	-	19,838	20,265
Contracted out	90,200	158,575	104,485
Building	470,364	453,968	437,678
Amortization	-	209,540	213,404
	964,448	1,325,574	1,230,031
One-Time Funding			
Wages and benefits - excluding physician	-	70,000	38,471
Wages and benefits - physician	-	-	6,100
Supplies	-	-	51,716
Sundry	-	145,966	170,563
Contracted out	-	439,184	199,334
	-	655,150	466,184
Funding Type 3			
Supplies	-	30	10,790
Sundry	-	754	302
	-	784	11,092
	4,173,345	5,100,225	4,758,105
NET EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	-	(13,534)	96,944
NET ASSETS - BEGINNING OF YEAR	-	187,852	90,908
NET ASSETS - END OF YEAR	\$ -	\$ 174,318	\$ 187,852

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.

**Statement of Cash Flows
Year Ended March 31, 2024**

	2024	2023
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (13,534)	\$ 96,944
Items not affecting cash:		
Amortization of capital assets	217,676	222,524
Amortization of deferred capital contributions	(201,700)	(201,006)
	2,442	118,462
Changes in non-cash working capital:		
Accounts receivable	(118,816)	(137,393)
Prepaid expenses	(18,418)	18,264
Accounts payable and accrued liabilities	52,767	(41,213)
Due to OH and MOH	(718)	166,174
Deferred revenue	42,468	74,906
	(42,717)	80,738
Cash flow (used by) from operating activities	(40,275)	199,200
INVESTING ACTIVITIES		
Purchase of capital assets	(23,035)	-
Deferred capital contributions	-	6,582
Proceeds from (purchase of) investments	-	72,332
Cash flow from (used by) investing activities	(23,035)	78,914
FINANCING ACTIVITY		
Repayment of long term debt	(11,669)	(11,243)
(DECREASE) INCREASE IN CASH	(74,979)	266,871
CASH - BEGINNING OF YEAR	782,212	515,341
CASH - END OF YEAR	\$ 707,233	\$ 782,212

See accompanying notes to financial statements

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2024

1. PURPOSE OF THE CENTRE

Centre de Santé Communautaire CHIGAMIK Community Health Centre Inc. (the "Centre") is a not-for-profit organization designed to equip, staff, maintain and operate a health facility for the purpose of providing primary care and public health education and research to the residents of the Towns of Midland and Penetanguishene, the Townships of Tiny and Tay, and Christian Island. The Centre was incorporated, without share capital, on August 22, 2007 under the laws of the Province of Ontario. The Centre is a registered charity and is exempt from income tax pursuant to paragraph 149(1)(l) of the Canadian Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations. The significant accounting policies followed in the preparation of these financial statements are summarized below:

Revenue Recognition

The Centre follows the deferral method of accounting for externally restricted contributions. Restricted contributions related to expenses of future periods are deferred and recognized as revenue in the year in which the related expenditures are incurred. 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. Contributions received which are restricted for the purchase of capital assets are deferred and recognized as revenue in the statement of operations on the same basis as the amortization of the underlying capital assets.

Fund type 2 revenues include the Centre's OH funded and/or MOH funded programs. Fund type 3 revenues consist of funds received from government bodies outside of the OH and MOH. It also includes revenues generated internally, including community funded revenue.

Rental income and cost recoveries are recognized as they are earned.

Deferred capital contributions

Deferred capital contributions represent contributions relating to the purchase of capital assets. Bank interest, investment interest and HST rebates relating to expenditures for the new building were recorded as deferred capital contributions until completion of the building (see Note 7).

Capital assets and amortization

Capital assets are recorded at cost less accumulated amortization and impairment. Amortization, based on the estimated useful lives of the assets, is calculated using the following annual rates and methods:

Computer equipment and software	3 years	straight-line method
Medical and office equipment	5 years	straight-line method
Leasehold improvements	30 years	straight-line method

Capital assets are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing their net carrying value to their fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported on the statement of operations. Any impairment recognized is not reversed.

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CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Capital assets acquired during the year but not placed into use are not amortized until the year after they are placed in use.

Amortization is not recorded until one year after acquisition and is recorded at one-half the normal rate in the first year of amortization.

Measurement uncertainty

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to excess of revenue over expenses as appropriate in the year they become known.

Items subject to significant management estimate include the valuation of accounts receivable, useful lives of capital assets and accrued liabilities.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred. The Centre accounts for the following as financial instruments:

- cash
- accounts receivable
- accounts payable and accrued liabilities
- due to OH and MOH
- deferred funding and capital contributions
- long term debt

A financial asset or liability is recognized when the Centre becomes party to contractual provisions of the instrument.

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

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with the Centre is in the capacity of management in which case they are accounted for in accordance with financial instruments.

The Centre removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2024

3. ACCOUNTS RECEIVABLE

Included in accounts receivable is \$273,320 (2023 - \$159,954) receivable in respect to Harmonized Sales Tax rebates.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Medical and office equipment	\$ 192,831	\$ 192,523	\$ 308	\$ 8,445
Computer software	77,407	77,407	-	19,424
Leasehold improvements	5,723,777	722,022	5,001,755	5,168,838
	\$ 5,994,015	\$ 991,952	\$ 5,002,063	\$ 5,196,707

5. GOVERNMENT REMITTANCES PAYABLE

Included in accounts payable and accrued liabilities is \$79,448 (2023 - \$67,635) owing with respect to government liabilities.

6. LONG TERM DEBT

	2024	2023
Loan payable to Waypoint, bearing interest at 3.725%, repayable in blended monthly payments of \$2,982, maturing May 1, 2050.	\$ 526,219	\$ 537,888
Amounts payable within one year	(12,111)	(11,669)
	\$ 514,108	\$ 526,219

Principal repayment terms are approximately:

2025	\$ 12,111
2026	12,570
2027	13,046
2028	13,541
2029	14,054
Thereafter	460,897
	\$ 526,219

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2024

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of government funding or donations received for the purchase of capital assets. The changes in the deferred capital contributions are as follows:

	2024	2023
Opening balance	\$ 4,623,457	\$ 4,817,879
Add: contributions restricted for capital asset purchases	-	6,584
Less: amortization of deferred capital contributions included in revenue	(201,700)	(201,006)
	\$ 4,421,757	\$ 4,623,457

8. GOVERNMENT FUNDING

The base operating funding received from Ontario Health ("OH") for the 2024 fiscal year was \$3,885,704 (2023 - \$3,857,710). The total of the OH funded revenues plus cost recoveries, amortization of deferred capital contributions and other revenue for the 2024 fiscal year came to \$4,324,073 ((2023 - \$4,263,800). The Centre incurred eligible operating expenditures against this funding of \$4,337,607 (2023 - \$4,178,469) during the fiscal year. Unspent operational funds of \$Nil (2023 - \$85,331) will be returned to OH and are included in Due to OH and MOH in the statement of financial position.

The Centre received one-time funding from OH in the fiscal year of \$401,800 (2023 - \$542,027). The Centre incurred eligible operating expenditures against this funding of \$401,800 (2023 - \$461,184) during the fiscal year. Unspent funds of \$Nil (2023 - \$80,843) will be returned to OH and are included in Due to OH and MOH in the statement of financial position.

The Centre received funding from the Canadian Mental Health Association ("CMHA") for the Opioid Treatment Program which is funded by OH. The Centre received \$107,468 (2023 - \$102,360) which was spent during the fiscal year and has been recognized as revenue.

The Centre received \$253,350 (2023 - \$5,000) of funding from the Ministry of Health ("MOH") for which was spent during the fiscal year and has been recognized as revenue.

The Centre has been approved for a capital grant up to the amount of \$4,894,384 (2023 - \$4,894,384) from the Ministry of Health for the construction of a building where the Centre leases space for its clinic and offices. As of March 31, 2024, \$4,649,680 (2023 - \$4,649,680) has been received and \$244,704 (2023 - \$244,704) has been accrued in accounts receivable. These amounts have been recorded as deferred capital contributions. The deferred capital contribution is being recognized into income on the same basis as the amortization of the leasehold improvements.

It is management's opinion that the Centre has met all conditions attached to the government funding received during the year.

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2024

9. OTHER REVENUES

	2024	2023
<u>Funding Type 3:</u>		
North Simcoe Ontario Health Team (NSOHT)	\$ -	\$ 64,300
Huronian Community Foundation	60,000	-
Metis Nation of Ontario	8,153	-
Community funded	-	37,245
Donations	5,874	6,491
Total Other revenues - funding type 3	\$ 74,027	\$ 108,036
<u>Funding Type 2:</u>		
Rent recovery	\$ 34,768	\$ 52,125
Canada student employment	9,274	9,340
Cost recovery	118,575	125,619
Total Other revenues - funding type 2	\$ 162,617	\$ 187,084

10. FUNDING COMMITMENTS

The Organization entered into an agreement with the Government of Quebec whereby \$30,000 of funding will be received as part of the Canadian Francophonie Support Program over a period of 3 years starting with fiscal 2024. As of March 31, 2024 \$10,000 of this funding has been received.

11. LEASE COMMITMENTS

The Centre entered into a 30-year lease agreement on May 31, 2018 with Waypoint Centre for Mental Health Care. The minimum annual lease payments for each of the next 5 years is \$447,313.

12. ECONOMIC DEPENDENCE

The operations of the Centre are funded 93% (2023 - 92%) by Ontario Health which is normal for the Centre and the industry in which it operates.

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2024

13. FINANCIAL INSTRUMENTS

The Organization 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 Organization's risk exposure and concentration as of March 31, 2024.

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 Centre is exposed to credit risk primarily with respect to its receivables. It is management's opinion that the Centre is not exposed to significant credit risk due to the natures of its receivables and policies implemented by management to reduce the risk of non-collection. As at March 31, 2024, the Centre has recorded an allowance for doubtful accounts of \$Nil (2023 - \$Nil).

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 Centre is exposed to interest rate risk on its fixed interest rate financial instruments. Given the current composition of long-term debt and short term investments, fixed-rate instruments subject the Centre to a fair value risk. There was no significant change in exposure from prior year.

Liquidity risk

Liquidity risk is the risk that the Centre will encounter difficulty in meeting the obligations associated with its financial liabilities. The Centre is therefore exposed to liquidity risk with respect to its accounts payable and accrued liabilities and amounts due to the OH and MOH. The Centre reduces its exposure to liquidity risk by ensuring that it has sufficient cash and investments to meet its obligations when due.

There have been no changes in risk exposure from the previous period.

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.
Administration - Supplies and Sundry
(Schedule 1)
Year Ended March 31, 2024

	Budget (Unaudited) 2024	2024	2023
SUPPLIES			
Office supplies	\$ 5,000	\$ 10,591	\$ 10,176
SUNDRY			
Advertising	\$ 3,500	\$ 1,932	\$ 4,477
Bank service charges	2,500	4,847	10,385
Board travel	1,000	2,374	1,043
Course registration fees	2,000	10,319	506
Data communication charges	24,000	29,285	21,815
Insurance	22,000	31,523	20,440
Meeting expense	500	1,274	680
Membership fees	18,000	13,800	16,095
Other sundry	8,500	63,999	6,613
Postage	800	305	633
Professional fees - audit	20,000	25,473	25,378
Professional fees - legal	8,000	1,834	11,153
Professional fees - other	6,000	15,051	11,620
Software license fees	10,000	28,534	32,070
Staff travel	1,500	528	1,715
Telephone	4,500	8,769	707
	\$ 132,800	\$ 239,847	\$ 165,330