



Financial Statements

Centre de santé communautaire CHIGAMIK
Community Health Centre Inc.

March 31, 2023

**CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK
COMMUNITY HEALTH CENTRE INC.
Index to Financial Statements**

For the Year Ended March 31, 2023

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Independent Auditor's Report

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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 Centre"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, 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 **Centre de santé communautaire CHIGAMIK Community Health Centre Inc.** as at March 31, 2023, and its results of 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Centre 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.

Other matters

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.

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The supplementary information on page 12 is presented for purposes of additional information and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole.

Responsibilities of Management and Those Charged with Governance 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.

Independent Auditor's Report (continued)

In preparing the financial statements, management is responsible for assessing the Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre'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 Centre'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 Centre'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 Centre 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Midland, Ontario
June 30, 2023

Chartered Professional Accountants
Licensed Public Accountants

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.

Statement of Financial Position

March 31, 2023

	2023	2022
Assets		
Current assets		
Cash	\$ 782,212	\$ 515,341
Short-term investments	-	72,332
Accounts receivable	500,151	362,758
Prepaid expenses	27,891	46,155
	1,310,254	996,586
Capital assets (note 3)	5,196,707	5,419,229
	\$ 6,506,961	\$ 6,415,815
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	\$ 719,378	\$ 760,591
Due to OH and MOH	344,474	178,300
Deferred revenue	93,912	19,006
Current portion of long term debt (note 5)	11,669	11,243
	1,169,433	969,140
Deferred capital contributions (note 6)	4,623,457	4,817,879
Long term debt (note 7)	526,219	537,888
	6,319,109	6,324,907
Net assets		
Unrestricted	187,852	90,908
	\$ 6,506,961	\$ 6,415,815

See accompanying notes to the financial statements.

Approved on behalf of the Board:

Director

Director

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.

Statements of Operations and Changes in Net Assets

For the Year Ended March 31, 2023

	Budget (Unaudited) 2023	2023	Actual 2022
Revenue			
OH - base funding (note 7)	\$ 3,861,377	\$ 3,790,379	\$ 3,812,673
OH - one-time funding (note 7)	-	461,184	21,117
Other revenues - funding type 3 (note 8)	-	108,036	110,087
Other revenues - funding type 2 (note 8)	364,597	187,084	283,210
Amortization of deferred capital contributions (note 6)	196,300	201,006	196,671
CMHA funding	-	102,360	102,350
MOH - one-time funding (note 7)	-	5,000	2,400
	4,422,274	4,855,049	4,528,508
Expenses			
Community Clinics / Programs			
Wages and benefits - excluding physician	1,582,487	1,677,958	1,598,296
Wages and benefits - physician	592,306	602,547	596,443
Medical supplies	20,000	35,339	12,909
Supplies	12,000	6,813	2,695
Sundry	28,629	39,929	25,242
Minor equipment purchases / information management services	34,000	21,286	28,788
Contracted out	130,681	132,828	186,380
Amortization	6,436	9,120	9,950
	2,406,539	2,525,820	2,460,703
Health Promotion			
Wages and benefits	319,485	319,148	266,169
Supplies	11,814	3,014	13,707
Sundry	15,005	8,721	8,442
Contracted out	116,314	14,649	210,629
	462,618	345,532	498,947
Client Support Services			
Wages and benefits	44,877	47,516	46,622
Sundry	-	2,130	1,289
	44,877	49,646	47,911
Strong Women Strong Nation			
Wages and benefits	124,698	95,712	45,392
Supplies	-	-	6,938
Sundry	1,350	3,788	10,252
Contracted out	-	30,300	30,515
	126,048	129,800	93,097

(continues)

See accompanying notes to the financial statements.

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK

COMMUNITY HEALTH CENTRE INC.

Statements of Operations and Changes in Net Assets (continued)

For the Year Ended March 31, 2023, with comparative figures for 2022

	Budget (unaudited) 2023	Actual 2023	Actual 2022
Administration			
Wages and benefits	260,886	272,918	301,599
Supplies (Schedule 1)	4,000	10,176	10,579
Sundry (Schedule 1)	188,429	165,330	197,380
Minor equipment purchases / information management services	8,692	5,775	28,218
Interest on long term debt	20,265	20,265	20,675
Contracted out	256,975	104,485	103,797
Building	420,797	437,678	421,538
Amortization	222,148	213,404	212,863
	1,382,192	1,230,031	1,296,649
One Time Funding			
Wages and benefits - excluding physician	-	38,471	-
Wages and benefits - physician	-	6,100	18,342
Supplies	-	51,716	-
Sundry	-	170,563	2,775
Contracted out	-	199,334	-
	-	466,184	21,117
Funding Type 3			
Wages and benefits	-	-	40,043
Supplies	-	10,790	48,810
Sundry	-	302	8,155
Contracted out	-	-	1,995
	-	11,092	99,003
	4,422,274	4,758,105	4,517,427
Excess of revenue over expenses for the year	\$ -	\$ 96,944	\$ 11,081
Net assets - beginning of year		\$ 90,908	\$ 79,827
Excess of revenue over expenses for the year		96,944	11,081
Net assets - end of year		\$ 187,852	\$ 90,908

See accompanying notes to the financial statements.

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.

Statement of Cash Flows

For the Year Ended March 31, 2023

	2023	2022
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	\$ 96,944	\$ 11,081
Items not affecting cash:		
Amortization of deferred capital contributions	(201,006)	(196,671)
Amortization of capital assets	222,524	222,813
	118,462	37,223
Changes in non-cash working capital balances:		
Accounts receivable	(137,393)	440,440
Prepaid expenses	18,264	(4,964)
Accounts payable and accrued liabilities	(41,213)	(396,934)
Due to OH and MOH	166,174	62,624
Deferred revenue	74,906	(43,781)
	199,200	94,608
Investing activities		
Purchase of capital assets	-	(151,069)
Deferred capital contributions	6,582	64,473
Proceeds from (purchase of) investments	72,332	(1,525)
	78,914	(88,121)
Financing activities		
Repayments of long term debt	(11,243)	(10,833)
	(11,243)	(10,833)
Increase (decrease) in cash during the year	266,871	(4,346)
Cash, beginning of the year	515,341	519,687
Cash, end of the year	\$ 782,212	\$ 515,341

See accompanying notes to the financial statements.

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.

Notes to Financial Statements

For the Year Ended March 31, 2023

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

Basis of accounting

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 6).

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 method:

Assets	Rates	Method
Computer equipment and software	3 years	straight-line
Office equipment	5 years	straight-line
Medical equipment	5 years	straight-line
Leasehold improvements	30 years	straight-line

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.

Notes to Financial Statements

For the Year Ended March 31, 2023

2. Significant accounting policies (continued)

Capital assets and amortization (continued)

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.

Use of estimates

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 assets or liabilities obtained in arm's length transactions are initially measured at their fair value. All financial instruments are subsequently measured at amortized cost less impairment. The initial fair value is adjusted for financing fees and transactions costs that are directly attributable to its origination, acquisition, issuance or assumption.

A financial asset (or group of similar financial assets) measured at cost or amortized cost is tested for impairment when there are indicators of impairment. Impairment losses are recognized in the statement of operations. The amounts of any write-downs or reversals are recognized in net income.

Financial instruments include cash, accounts receivable, accounts payable, Due to OH and MOH, and long-term debt.

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.

Notes to Financial Statements

For the Year Ended March 31, 2023

3. Capital assets

			2023	2022
	Cost	Accumulated Amortization	Net book value	Net book value
Computer equipment and software	\$ 77,407	\$ 57,983	\$ 19,424	\$ 42,658
Office equipment	101,355	101,355	-	-
Medical equipment	91,476	83,031	8,445	17,565
Leasehold improvements	5,700,743	531,905	5,168,838	5,359,006
	\$ 5,970,981	\$ 774,274	\$ 5,196,707	\$ 5,419,229

4. Government remittances payable

Included in accounts payable and accrued liabilities is \$67,635 (2022 - \$62,296) owing with respect to government liabilities.

5. Long-term debt

	2023	2022
Loan payable to Waypoint, bearing interest at 3.725%, repayable in blended monthly payments of \$2,982, maturing May 1, 2050.	\$ 537,888	\$ 549,131
Less: current portion	11,669	11,243
Long-term portion	\$ 526,219	\$ 537,888
Principal repayments will be as follows:		
2024	\$ 11,669	
2025	12,111	
2026	12,570	
2027	13,046	
Thereafter	488,492	
	\$ 537,888	

6. 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:

	2023	2022
Opening balance	\$ 4,817,879	\$ 4,950,077
Add: contributions restricted for capital asset purchases	6,584	64,473
Less: amortization of deferred capital contributions included in revenue	(201,006)	(196,671)
Closing balance	\$ 4,623,457	\$ 4,817,879

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.

Notes to Financial Statements

For the Year Ended March 31, 2023

7. Government funding

The base operating funding received from Ontario Health ("OH") for the 2023 fiscal year was \$3,875,710. The total of the OH funded revenues plus cost recoveries, amortization of deferred capital contributions and other revenue for the 2023 fiscal year came to \$4,263,800. The Centre incurred eligible operating expenditures against this funding of \$4,178,469 during the fiscal year. Unspent operational funds of \$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 \$542,027. The Centre incurred eligible operating expenditures against this funding of \$461,184 during the fiscal year. Unspent funds of \$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 \$102,360 which was spent during the fiscal year and has been recognized as revenue.

The Centre received \$5,000 of funding from the Ministry of Health ("MOH") 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 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, 2023, \$4,649,680 (2022 - \$4,649,680) has been received and \$244,704 (2022 - \$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.

8. Other revenues

	2023	2022
Funding Type 3:		
Local Poverty Reduction	\$ -	\$ 60,094
North Simcoe Ontario Health Team (NSOHT)	64,300	-
Community funded	37,245	7,646
Indigenous Youth (OTF)	-	7,274
Registered Nurses' Association of Ontario (RNAO)	-	31,386
Donations	6,491	3,687
Total Other revenues - funding type 3	\$ 108,036	\$ 110,087
Funding Type 2:		
Rent recovery	\$ 52,125	\$ 62,113
Cost recovery	125,619	208,651
Donations	-	4,355
Other funding	-	87
Canada Student Employment	9,340	8,004
Total Other revenues - funding type 2	\$ 187,084	\$ 283,210

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.

Notes to Financial Statements

For the Year Ended March 31, 2023

9. 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.

10. Economic dependence

The operations of the Centre are funded 92% (2022 - 89%) by Ontario Health which is normal for the Centre and the industry in which it operates.

11. Financial instruments

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, 2023, the Centre has recorded an allowance for doubtful accounts of \$Nil (2022 - \$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.

Schedule 1 - Administration - Supplies and Sundry

For the Year Ended March 31, 2023

	Budget (unaudited) 2023	Actual 2023	Actual 2022
Supplies			
Office supplies	\$ 4,000	\$ 10,176	\$ 10,579
Sundry			
Advertising	\$ 3,000	\$ 4,477	\$ 14,045
Bank service charges	3,150	10,385	2,850
Board travel	-	1,043	1,679
Course registration fees	2,000	506	2,285
Data communication charges	8,300	21,815	8,715
Insurance	21,000	20,440	17,928
Meeting expense	500	680	286
Membership fees	15,000	16,095	22,629
Other sundry	8,100	6,613	7,789
Postage	1,379	633	1,041
Professional fees - audit	20,000	25,378	19,220
Professional fees - legal	8,000	11,153	6,718
Professional fees - other	51,700	11,620	46,982
Public relations	-	-	-
Software licence fees	37,000	32,070	28,026
Staff travel	500	1,715	396
Telephone	8,800	707	16,791
	\$ 188,429	\$ 165,330	\$ 197,380

See accompanying notes to the financial statements.