

**GRAND RIVER COMMUNITY HEALTH CENTRE
FINANCIAL STATEMENTS**

For the year ended March 31, 2024

GRAND RIVER COMMUNITY HEALTH CENTRE

For the year ended March 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Directors of
Grand River Community Health Centre

Opinion

We have audited the financial statements of Grand River Community Health Centre (the 'Centre'), which comprise the statement of financial position as at March 31, 2024, and the statements of changes in net assets, operations 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 Centre as at March 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 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 Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The Annual Report is expected to be made available to us after the date of auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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 public sector accounting standards, 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 Centre's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

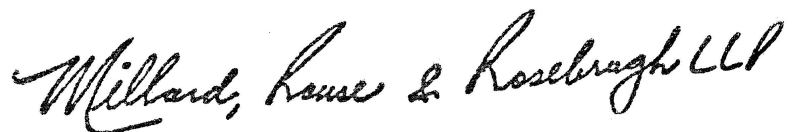
Auditors' Responsibilities for the Audit of the Financial Statements

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 auditors' 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 auditors' 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 auditors' 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 may identify during our audit.



June 19, 2024
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

GRAND RIVER COMMUNITY HEALTH CENTRE

STATEMENT OF FINANCIAL POSITION

As at March 31	2024	2023
ASSETS		
Current Assets		
Cash and bank (Notes 3 and 10)	2,644,982	4,390,242
Short-term investments (Note 8)	260,736	-
Accounts receivable	603,089	522,070
Prepaid expenses	118,492	73,299
	3,627,299	4,985,611
Capital Assets (Note 4)	1,071,212	1,463,141
Long Term Investments (Note 8)	260,639	-
	4,959,150	6,448,752
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	1,321,696	1,962,792
Surplus payable to MOH	142,832	132,786
Funding payable to MOH for capital projects (Note 9)	1,906	1,906
Deferred revenue and donations (Note 12)	609,286	699,118
Funds held for disbursement (Note 10)	1,663,936	2,100,726
	3,739,656	4,897,328
Deferred Contributions Related to Capital Assets (Note 5)	1,071,212	1,463,141
	4,810,868	6,360,469
Net Assets	148,282	88,283
	4,959,150	6,448,752

Approved on behalf of the Board:



Director



Director

See accompanying notes

GRAND RIVER COMMUNITY HEALTH CENTRE

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31	2024	2023
Balance, beginning of year	88,283	35,366
Excess of revenues over expenses	59,999	52,917
Balance, end of year	148,282	88,283

GRAND RIVER COMMUNITY HEALTH CENTRE

STATEMENT OF OPERATIONS

For the year ended March 31	2024	2023
Revenues		
Base OH revenue	5,872,271	5,109,791
One-time OH revenue	362,002	808,736
Less: grant allocated to deferred capital contributions (Note 5)	(50,524)	(365,768)
OH Revenue	6,183,749	5,552,759
Ontario Health Team Revenue (Note 11)	799,402	1,144,938
MOH - TPA fee income	134,485	110,518
Funded projects and community initiatives	915,653	1,164,975
Donations and other income	250,668	102,760
Recognition of deferred capital contributions (Note 5)	442,453	414,800
	8,726,410	8,490,750
Expenses		
Salaries and wages	3,076,308	2,810,634
Employee benefits	705,876	582,035
Medical staff remuneration	1,246,861	1,225,570
Medical and surgical supplies	36,565	35,232
Buildings and grounds	194,471	146,949
Equipment expenses	38,877	37,546
Contracted services	1,126,734	1,231,375
Supplies and sundry	548,064	505,836
Rent	233,125	232,927
Funded projects and community initiatives	915,653	1,164,975
Donations and other revenue expense	88,467	42,561
Amortization	442,453	414,800
	8,653,454	8,430,440
Excess of Revenues over Expenses Before the Undernoted	72,956	60,310
Surplus repayable to MOH	12,957	7,393
Excess of Revenues over Expenses	59,999	52,917

See accompanying notes

GRAND RIVER COMMUNITY HEALTH CENTRE

STATEMENT OF CASH FLOWS

For the year ended March 31	2024	2023
Cash Flows From Operating Activities		
Excess of revenues over expenses	59,999	52,917
Charges (credits) to income not involving cash		
Amortization	442,453	414,800
Deferred contributions relating to capital assets	(442,453)	(414,800)
Increase (decrease) in deferred lease liability	(41,213)	(45,212)
	18,786	7,705
Net change in non-cash working capital balances related to operations (Note 14)	(1,242,671)	(2,112,908)
	(1,223,885)	(2,105,203)
Cash Flows From Investing Activities		
Purchase of capital assets	(50,524)	(365,768)
Increase in investments	(521,375)	-
Deferred contributions - OH funded capital assets	50,524	365,768
	(521,375)	-
Net Decrease in Cash and Bank	(1,745,260)	(2,105,203)
Opening Cash and Bank	4,390,242	6,495,445
Closing Cash and Bank	2,644,982	4,390,242

See accompanying notes

GRAND RIVER COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

1. NATURE AND PURPOSE OF THE ORGANIZATION

Grand River Community Health Centre (the 'Centre') is incorporated without share capital under the laws of the Province of Ontario. The Centre is a not-for-profit organization and, as such, no income taxes are applicable. The Centre provides primary health care, health promotion, and illness prevention for Brantford and Brant County.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS) inclusive of PS 4200 through 4270, which apply only to government not-for-profit organizations.

(a) Revenue Recognition

The Centre follows the deferral method of accounting for contributions, which include donations and government grants for capital assets.

Operating grants are recorded as revenue in the year to which they relate. Grants approved but not received at the end of an accounting year are accrued. Where a portion of grants relates to a future year, it is deferred and recognized in that subsequent year. Where a portion of a grant is repayable as a result of not meeting performance measurements, best estimates of the repayment amount are made and accrued at year-end.

Contributions restricted for the purchase of property and equipment are deferred and amortized to revenue over the same year as the related asset is amortized to expense.

(b) Capital Assets

Purchased capital assets are stated at cost. Amortization is provided in the accounts as follows:

Leasehold improvements	13 years straight line
Computer software	3 - 5 years straight line
Computer equipment	3 - 5 years straight line
Major equipment	4 - 20 years straight line
Building service equipment	5 - 10 years straight line

(c) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

GRAND RIVER COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments

The Centre initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Centre is in the capacity of management, are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The Centre subsequently measures all its financial instruments at amortized cost, unless management has elected to carry the instruments at fair value.

Financial assets and financial liabilities measured at amortized cost include cash, accounts receivable, accounts payable and accrued liabilities and surplus payable to the Ministry of Health (MOH).

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment.

3. CASH AND BANK

The Centre's bank account is held at one chartered bank and earns interest at a nominal rate.

4. CAPITAL ASSETS	Cost	Accumulated Amortization	2024	2023
Building service equipment	258,095	193,267	64,828	79,882
Leasehold improvements	3,586,124	3,147,387	438,737	739,507
Computer equipment and software	462,823	324,451	138,372	185,585
Major equipment	804,782	375,507	429,275	458,167
	5,111,824	4,040,612	1,071,212	1,463,141

GRAND RIVER COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2024

5. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions relate to the unamortized portion of capital assets. The balance represents contributions received for capital assets that have been deferred and are being amortized and recognized as revenue at the same rate as the related capital assets are amortized. Changes in the deferred contributions balance for the year are as follows:

	2024	2023
Balance, beginning of year	1,463,141	1,512,173
Add: allocation to deferred contributions - OH funding	50,524	365,768
Deduct: amortized portion of contributions	(442,453)	(414,800)
Balance, end of year	1,071,212	1,463,141

6. LEASE COMMITMENT

The Centre is committed to the following future minimum lease payments, under terms of operating leases for office premises, which will expire in April 2025 and July 2026.

Years ended March 31,	2025	267,925
	2026	14,560
	2027	<u>4,853</u>
		<u>287,338</u>

7. ECONOMIC DEPENDENCE

The Centre is primarily funded by the Ontario Health agency (OH) and its ongoing existence is dependent upon continued funding by the agency.

GRAND RIVER COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

8. INVESTMENTS	2024	2023
Short-term		
Guaranteed Investment Certificate	260,736	-
Long-term		
Guaranteed Investment Certificate	260,639	-
	521,375	-

Investments consist of two guaranteed investment certificates. The guaranteed investment certificates are as follows:

- \$260,736 with an effective interest rate of 5.50% per annum and matures July 2024.
- \$260,639 with an effective interest rate of 5.45% per annum and matures June 2025.

9. CAPITAL PROJECTS

The Centre committed to the construction of a new facility (the project) with an estimated cost of \$3,811,000. The Ministry of Health (MOH) committed to provide a capital grant of up to \$3,550,000 for the project. In the event the Centre does not expend all of the funding received, it will be returned to the MOH. The construction of the building was completed in a prior year for a total cost of \$3,689,919 resulting in the following repayable to MOH, which is outstanding at March 31, 2024 and 2023:

	2024	2023
Cumulative cost for permanent site	3,689,919	3,689,919
Cumulative Non-MOH funding for permanent site	393,831	393,831
Net cumulative permanent site costs	3,296,088	3,296,088
Cumulative MOH funding advanced for permanent site	(3,297,994)	(3,297,994)
Funding advanced for capital projects	(1,906)	(1,906)

GRAND RIVER COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

10. FUNDS HELD FOR DISBURSEMENT

The Centre serves as a midwifery program transfer payment agency (TPA). The revenues and expenses of the midwifery practice groups are not reflected in these financial statements. Activity for the year consisted of:

For the Year Ended March 31	2024	2023
Ontario Midwifery Program - Revenues		
MOH - Midwifery Program payments	16,500,000	16,151,755
Interest income	200,802	161,352
	16,700,802	16,313,107
Midwifery Program Expenses		
<u>Fees</u>		
Base fees	8,985,960	8,587,582
New registrant fees	928,795	697,499
	9,914,755	9,285,081
<u>Caseload Variables</u>		
Base CV fees	-	-
	-	-
<u>Disbursements</u>		
Base travel	241,559	229,500
Base liability insurance	2,160,435	2,454,330
Clinical equipment for midwives	52,329	50,922
Home birth kit	42,930	41,184
Base benefits	1,436,942	1,388,756
	3,934,195	4,164,692
New registrant travel	29,552	22,060
New registrant liability insurance	524,277	309,250
New registrant other	141,138	108,016
	694,967	439,326
Clinical equipment for practice group	52,329	50,922
Administrative support	12,000	10,000
Second attendant supplement	18,679	18,000
	83,008	78,922
<u>Other</u>		
NR clinic equipment grant	69,285	69,288
Special equipment and furniture	85,828	16,000
IT equipment replacement	36,011	23,757
IT software	-	-
Midwifery services for physician clients	-	141
One-time accommodation special funding	2,126	-
Leasehold improvements	10,000	3,838
Uninsured clients third party payment	95,936	44,498
TPA support for uninsured clients	4,797	2,225
TPA operations fee	74,446	74,446
Other Applicable Expenses	31,512	10,167
	409,941	244,360
Total Midwifery Expenses	15,036,866	14,212,381
Excess of Revenues over Expenses	1,663,936	2,100,726

GRAND RIVER COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

10. FUNDS HELD FOR DISBURSEMENT (Continued)

For the Year Ended March 31	2024	2023
Accumulated surplus - Beginning of Year	2,100,726	4,634,511
Less: Amounts paid to MOH	(2,100,726)	(4,634,511)
Add: Excess of revenues over expenses	1,663,936	2,100,726
Funds held for disbursement	1,663,936	2,100,726

The excess of revenues over expenses will be advanced to the midwifery practice groups in the subsequent fiscal year. If all of the funds are not advanced, they will be returned to the MOH.

11. BRANTFORD BRANT NORFOLK ONTARIO HEALTH TEAM

Continuing in the current year, the Centre acted as a Transfer Payment Agency (TPA) for the Brantford Brant Norfolk Ontario Health Team (BBN OHT). The Centre is also responsible to report the results of the BBN OHT operations to the MOH through its routine reporting deliverables. In the current year, \$799,402 (2023 - \$1,144,938) of revenue was managed on behalf of the BBN OHT.

In the current year, a prior year revenue deferral of \$nil (2023 - \$332,438) is included in the reported revenue total. In the current year, \$6,851 (2023 - \$388) is recoverable by the MOH.

12. DEFERRED REVENUE AND DONATIONS

Deferred revenue and donations represent the unspent amount of donations and grants received for various ongoing projects. The balance is comprised of as follows:

	2024	2023
Balance - beginning of year	699,118	1,063,341
Amounts received during the year	647,904	222,110
Amounts recognized as revenue	(737,736)	(586,333)
	609,286	699,118

GRAND RIVER COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

13. EMPLOYEE FUTURE BENEFITS

Substantially all of the full-time employees of the Centre are eligible to be members of the Healthcare of Ontario Pension Plan (HOOPP), which is a multi-employer average of the best five years' pay contributory pension plan, and employees are entitled to certain post-employment benefits. HOOPP is a defined benefit pension plan; however, as the Organization has insufficient information to apply defined benefit plan accounting, it is accounted for as a defined contribution plan, whereby contributions are expensed when due.

Contributions made during the year to HOOPP by the Centre amounted to \$366,329 (2023 - \$328,423). These amounts are included in employee benefits expense in the statement of operations. The most recent valuation for financial reporting purposes completed by HOOPP as at December 31, 2023 disclosed net assets available for benefits of \$112,635,000 with accrued benefits obligations of \$102,454,000, resulting in a going concern surplus of \$10,181,000.

14. CASH FLOW FROM OPERATIONS	2024	2023
Accounts receivable	(80,706)	(295,934)
Prepaid expenses	(45,193)	6,828
Accounts payable and accrued liabilities	(600,196)	1,066,813
Surplus payable to MOH	10,046	7,393
Deferred revenue and donations	(89,832)	(364,223)
Funds held for disbursement	(436,790)	(2,533,785)
	(1,242,671)	(2,112,908)

15. FINANCIAL INSTRUMENTS

The Centre has identified the following financial risks:

Credit Risk

The Centre's exposure to credit risk relates to its accounts receivable. The risk of significant credit loss is considered remote as the receivables are mainly derived and outstanding from government agencies.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. Trade accounts payable and accrued liabilities are generally paid within 30 days.