

GRAND RIVER COMMUNITY HEALTH CENTRE

FINANCIAL STATEMENTS

For the year ended March 31, 2014

GRAND RIVER COMMUNITY HEALTH CENTRE

For the year ended March 31, 2014

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INDEPENDENT AUDITORS' REPORT

To the Directors of
Grand River Community Health Centre

We have audited the accompanying financial statements of Grand River Community Health Centre, which comprise the statement of financial position as at March 31, 2014, and the statements of changes in net assets, operations, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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.

Auditors' Responsibility

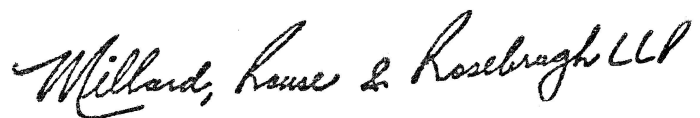
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Grand River Community Health Centre as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



May 28, 2014

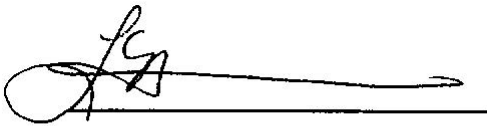
CHARTERED ACCOUNTANTS
Licensed Public Accountants

GRAND RIVER COMMUNITY HEALTH CENTRE

STATEMENT OF FINANCIAL POSITION

As at March 31	2014	2013
ASSETS		
Current Assets		
Cash and bank (Note 3)	1,150,637	2,547,635
Accounts receivable	141,709	367,590
Prepaid expenses	24,581	8,492
	1,316,927	2,923,717
Capital Assets (Note 4)	3,279,044	3,500,548
	4,595,971	6,424,265
LIABILITIES		
Accounts payable and accrued liabilities	673,259	1,481,864
Funding advanced for capital projects (Note 8)	71,030	221,123
Deferred revenue and donations	94,162	116,814
Funds held for disbursement (Note 9)	473,116	1,094,215
	1,311,567	2,914,016
Deferred Contributions Related to Capital Assets (Note 5)	3,279,044	3,500,548
	4,590,611	6,414,564
Net Assets	5,360	9,701
	4,595,971	6,424,265

Approved on behalf of the board:





GRAND RIVER COMMUNITY HEALTH CENTRE

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31	2014	2013
Balance, beginning of year	9,701	16,715
Excess of revenues over expenses	1,026	253
Less: Ministry of Health and Long-Term Care settlement of prior years	(5,367)	(7,267)
Balance, end of year	5,360	9,701

GRAND RIVER COMMUNITY HEALTH CENTRE

STATEMENT OF OPERATIONS

For the year ended March 31	2014	2013
Revenues		
Grant-Local Health Integration Network	2,991,111	2,909,205
Less grant allocated to deferred contributions (Note 5)	(50,453)	(77,290)
Recognition of deferred contributions (Note 5)	441,135	341,063
Other income	330,440	227,629
Interest	219	182
	3,712,452	3,400,789
Expenses		
Salaries and wages	1,501,005	1,363,702
Employee benefits	315,590	326,532
Medical staff remuneration	488,894	566,224
M&S supplies	12,018	10,058
Drugs	6,109	5,643
Other supplies	107,249	56,675
Contracted services	265,185	148,512
Other expenses	392,079	319,203
Amortization	441,135	341,063
Rent	182,162	262,924
	3,711,426	3,400,536
Excess of Revenues over Expenses	1,026	253

See accompanying notes

GRAND RIVER COMMUNITY HEALTH CENTRE

STATEMENT OF CASH FLOWS

For the year ended March 31	2014	2013
Cash Flows From Operating Activities		
Excess of revenues over expenses	1,026	253
Ministry of Health and Long-Term Care Settlement of prior years	(5,367)	(7,267)
Charges (credits) to income not involving cash		
Amortization	441,135	341,063
	436,794	334,049
Net change in non-cash working capital balances related to operations	(1,392,657)	938,994
	(955,863)	1,273,043
Cash Flows From Investing Activities		
Purchase of capital assets	(219,631)	(2,576,444)
Deferred contributions relating to capital assets	(221,504)	2,235,381
	(441,135)	(341,063)
Net Decrease in Cash and Cash Equivalents	(1,396,998)	931,980
Opening Cash and Cash Equivalents	2,547,635	1,615,655
Closing Cash and Cash Equivalents	1,150,637	2,547,635

See accompanying notes

GRAND RIVER COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2014

1. NATURE AND PURPOSE OF THE ORGANIZATION

Grand River Community Health Centre is a not-for-profit organization that provides primary health care, health promotion, and illness prevention for Brantford and Brant County. The organization is incorporated without share capital.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Public Sector Accounting Standards inclusive of PS 4200 through 4270, which apply only to government not-for-profit organizations.

(a) Basis of Accounting

These financial statements were prepared using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Revenue Recognition

The organization follows the deferral method of revenue recognition. Grants from the Ministry of Health and Long-Term Care, Local Health Integration Network are recorded on the accrual basis of accounting. Grant amounts not received at the year end are recorded as receivable.

(c) Capital Assets

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

Leasehold improvements - Permanent site	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	10 years straight line

(d) Income Taxes

Grand River Community Health Centre is a not-for-profit organization and, as such, no income taxes are applicable.

(e) Harmonized Sales Tax

Due to the organization's non-profit status, 83% of the GST portion and 87% of the PST portion of HST paid is refundable to the organization.

GRAND RIVER COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

(g) Financial Instruments

The organization utilizes various financial instruments which include cash, accounts receivable and accounts payable and accrued liabilities.

All transactions related to financial instruments are recorded on a settlement date basis.

Held-for-Trading

Financial assets and liabilities classified as held-for-trading are measured at fair value with changes in fair value recorded in the statement of operations. The organization has classified cash as held-for-trading.

Loans and receivables

Loans and receivables are initially recorded at fair value plus transaction costs that are directly attributable to their acquisition or issue. Subsequently these are carried at amortized cost, using the effective interest rate method, less any impairment losses. The organization has classified accounts receivable as loans and receivables.

Other financial liabilities

Other financial liabilities include accounts payable and accrued liabilities. These liabilities are initially recognized at fair value and subsequently carried at amortized cost using the effective interest rate method. Transaction costs related to other financial liabilities are expensed as incurred. The organization has classified accounts payable and accrued liabilities as other financial liabilities.

3. CASH AND BANK

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

GRAND RIVER COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2014

4. CAPITAL ASSETS	Cost	Accumulated Amortization	2014	2013
Building service equipment	43,112	11,065	32,047	27,277
Leasehold improvements	3,434,669	391,183	3,043,486	3,235,725
Computer equipment and software	206,057	174,565	31,492	46,416
Major equipment	401,949	229,930	172,019	191,130
	4,085,787	806,743	3,279,044	3,500,548

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:

	2014	2013
Balance, beginning of year	3,500,548	1,265,167
Add: allocation to deferred contributions	50,453	77,290
Add: additions to permanent site in the year	150,096	2,495,554
Add: capital donations received for equipment	19,082	3,600
Deduct amortized portion of contributions	(441,135)	(341,063)
Balance, end of year	3,279,044	3,500,548

6. LEASE COMMITMENT

The organization is committed to the following future minimum lease payments, under terms of an operating lease for office premises which expires April 2025.

Years ended March 31,	2015	177,356
	2016	202,692
	2017	202,692
	2018	202,692
	2019	202,692

7. ECONOMIC DEPENDENCE

Grand River Community Health Centre is primarily funded by the Local Health Integration Network 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, 2014

8. COMMITMENT

The organization is committed to the construction of a new facility that is estimated to cost \$3,811,000. The Ministry of Health and Long-Term Care has committed to provide a capital grant of up to \$3,550,000 for the project of which, in the current year, \$nil was received (2013 - \$2,232,998). In the event the Centre does not expend all of the funding received, it will be returned to the Ministry of Health and Long-Term Care. The construction of of the building is close to completion.

	2014	2013
Cumulative cost for permanent site	3,620,795	3,470,702
Cumulative Non-MOHLTC funding for permanent site	393,831	393,831
Net cumulative permanent site costs	3,226,964	3,076,871
Cumulative MOHLTC funding advanced for permanent site	3,297,994	3,297,994
Funding advanced for capital projects	71,030	221,123

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For the year ended March 31, 2014

9. FUNDS HELD FOR DISBURSEMENT

The organization 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 Period Ended March 31	2014	2013
Ontario Midwifery Program - Revenues		
MOHLTC - Midwifery Program Payments	7,278,000	2,887,500
Interest Income	125	-
Total OMP Revenues	7,278,125	2,887,500
Midwifery Program Expenses		
<u>Fees</u>		
Base Fees	3,634,547	1,097,877
New Registrant Fees	535,222	159,026
Subtotal Fees	4,169,769	1,256,903
<u>Caseload Variables</u>		
Base CV Fees	175,055	162,196
<u>Disbursements</u>		
Base Travel	118,040	39,240
Second Attendant	410	1,467
Home Birth Kit	16,530	-
Base Liability Insurance	1,114,661	16,519
Base Other	579,789	191,453
Subtotal Base Disbursements	1,829,430	248,679
New Registrant Travel	19,760	6,100
New Registrant Liability Insurance	382,668	11,134
New Registrant Other	78,582	23,026
Subtotal New Registrant Disbursements	481,010	40,260
<u>Grants</u>		
Office Equipment	52,820	38,598
New Registrant Grants	53,415	23,833
Subtotal Grants	106,235	62,431
<u>Other</u>		
TPA Operations Fee	43,510	22,816
Total Midwifery Expenses	6,805,009	1,793,285
Excess of Revenues over Midwifery Program Expenses	473,116	1,094,215

The excess of revenues over expenditures 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 MOHLTC.

10. FINANCIAL INSTRUMENTS

Credit Risk

The organization's exposure to credit risk relates to its accounts receivable. The risk of significant credit loss is considered remote.