

**WINDSOR ESSEX COMMUNITY HEALTH CENTRE**

**FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**WINDSOR ESSEX COMMUNITY HEALTH CENTRE**  
**INDEX TO FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

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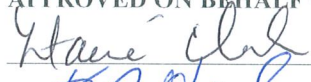
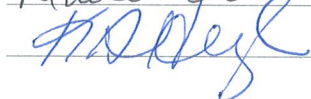
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**WINDSOR ESSEX COMMUNITY HEALTH CENTRE**  
**STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2016**

	Operating Fund \$	Centre Fund \$	Total 2016 \$	Total 2015 \$
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	1,874,281	822,175	2,696,456	4,246,203
Accounts receivable	23,647		23,647	60,561
Interfund balances	589,059	(589,059)		
Prepaid expenses	113,239	1,800	115,039	71,963
Due from Ministry of Children and Youth Services		1	1	
Due from Community Health Foundation of Windsor and Essex County		107,546	107,546	
	2,600,226	342,463	2,942,689	4,378,727
<b>CAPITAL ASSETS (note 4)</b>	827,372	428,732	1,256,104	1,370,096
<b>INVESTMENTS HELD IN TRUST (note 5)</b>				1,059,663
	3,427,598	771,195	4,198,793	6,808,486
<b>LIABILITIES AND FUND BALANCES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued liabilities	475,745	749	476,494	938,181
Government remittances payable	17,930		17,930	9,339
Due to Ministry of Health and Long-Term Care	1,194,067		1,194,067	2,142,468
Due to Ministry of Children and Youth Services				99
Due to Community Health Foundation of Windsor and Essex County				995,743
	1,687,742	749	1,688,491	4,085,830
<b>DEFERRED CONTRIBUTIONS</b>				
Future expenditures (note 6)	1,072,808	18,603	1,091,411	1,086,752
Property and equipment (note 6)	667,048		667,048	857,962
	1,739,856	18,603	1,758,459	1,944,714
	3,427,598	19,352	3,446,950	6,030,544
<b>FUND BALANCES</b>		751,843	751,843	777,942
	3,427,598	771,195	4,198,793	6,808,486

**APPROVED ON BEHALF OF THE BOARD:**

 Director  
 Director

**WINDSOR ESSEX COMMUNITY HEALTH CENTRE**  
**STATEMENT OF REVENUE AND EXPENDITURES**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	<b>Operating Fund (Schedule 1) \$</b>	<b>Centre Fund \$</b>	<b>Total 2016 \$</b>	<b>Total 2015 \$</b>
<b>REVENUE</b>				
Ministry of Health and Long-Term Care	14,786,084		14,786,084	13,813,388
Paymaster expense	(2,234,810)		(2,234,810)	(1,949,252)
Ministry of Children and Youth Services		183,379	183,379	183,379
Ministry of Health Promotion		67,200	67,200	67,200
Lakeshore community services	205,856		205,856	205,856
Maryvale		86,114	86,114	86,114
City of Windsor		117,407	117,407	91,560
Donations and fundraising		10,812	10,812	59,040
Interest	18,072	5,713	23,785	46,390
Other	149,075	86,366	235,441	92,212
Amortization of deferred contributions	190,914	12,228	203,142	159,143
	<b>13,115,191</b>	<b>569,219</b>	<b>13,684,410</b>	<b>12,855,030</b>
<b>EXPENDITURES</b>				
Salaries and benefits	10,261,821	456,652	10,718,473	9,620,005
Occupancy	811,656	6,265	817,921	950,314
Computers, furniture and equipment	279,538		279,538	188,983
Medical	67,116	40,361	107,477	72,221
Contracted out services	42,081	4,508	46,589	51,276
Sundry expenses:				
Office	595,544	33,823	629,367	648,965
Amortization	190,914	23,818	214,732	182,961
Travel	129,970	4,072	134,042	122,341
Professional development	124,044	2,349	126,393	127,602
Program	114,968	16,560	131,528	88,878
Insurance	33,225		33,225	33,959
Professional fees	29,766	756	30,522	2,126
Donations		6,154	6,154	50,330
Development				17,948
	<b>12,680,643</b>	<b>595,318</b>	<b>13,275,961</b>	<b>12,157,909</b>
<b>EXCESS (DEFICIENCY) BEFORE SURPLUS REPAYABLE</b>	434,548	(26,099)	408,449	697,121
<b>ADJUSTMENT TO PRIOR YEAR SURPLUS REPAYABLE</b>				(10,000)
<b>SURPLUS REPAYABLE</b>	(434,548)		(434,548)	(707,346)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>		(26,099)	(26,099)	(20,225)

**WINDSOR ESSEX COMMUNITY HEALTH CENTRE**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	<b>Operating Fund \$</b>	<b>Centre Fund \$</b>	<b>Total 2016 \$</b>	<b>Total 2015 \$</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>		777,942	777,942	798,167
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>		(26,099)	(26,099)	(20,225)
<b>BALANCE, END OF YEAR</b>		751,843	751,843	777,942

**WINDSOR ESSEX COMMUNITY HEALTH CENTRE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Non-cash items included in the determination of excess (deficiency) revenues over expenditures:		
Cash receipts from customers, members and funding agencies	13,577,511	13,050,706
Cash paid to suppliers and employees	(13,557,401)	(12,597,773)
Repayments to Ministry of Health and Long-Term Care	(1,382,973)	(368,591)
Repayments to Ministry of Health Promotion	(42,418)	(36,504)
Repayments to Ministry of Children and Youth Services	(100)	
	<hr/>	
	(1,405,381)	47,838
	<hr/>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of capital assets	(100,740)	(980,496)
Transfer of investments held in trust	1,059,663	
Repayments from (advances to) Community Health Foundation of Windsor and Essex County	(1,103,289)	(7,860)
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	(144,366)	(988,356)
	<hr/>	
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,549,747)	(940,518)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	4,246,203	5,186,721
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<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	2,696,456	4,246,203
	<hr/>	
<b>Cash and cash equivalents comprised of:</b>		
Cash	2,696,456	4,246,203
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**WINDSOR ESSEX COMMUNITY HEALTH CENTRE**  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2016

**1. NATURE OF OPERATIONS**

Windsor Essex Community Health Centre, incorporated without share capital under the laws of Ontario, is a registered charity exempt from income taxes under Section 149(1)(f) of the Income Tax Act of Canada. The organization provides health care facilities and programs to the community in Essex County.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of accounting**

These financial statements have been prepared in accordance with Canadian Accounting standards for not-for-profit organizations.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid and for which the original maturities are less than three months.

**Revenue recognition**

The organization follows the deferral method of accounting for contributions as described below.

Where the use of the contributions has been restricted, the revenue is deferred and recognized in the year in which the related expenses are incurred. Where a portion of a contribution relates to a future period, it is deferred and recognized in the subsequent period.

Contributions restricted for the purchase of property and equipment are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted interest income is recognized as revenue when earned.

**Donated services**

Donated services are not recorded in the accounts. Where the value is ascertainable, donated goods are recognized at their fair value.

**Fund accounting**

In accordance with the practice common to similar organizations, the organization follows the fund basis of accounting to recognize in its accounts the responsibility to utilize funds only for the purposes for which such funds were raised or contributed.

**Operating Fund**

Revenue and expenses related to program delivery and administrative activities funded and managed by the Ministry of Health and Long-Term Care (MOHLTC) and Local Health Integration Network (LHIN) in accordance with budget arrangements established by the MOHLTC are reported in the Operating Fund. The organization is the transfer payment agency for the Ontario Midwifery Program and the Southwest Ontario Aboriginal Health Access Centre.

**Centre Fund**

Funding from the MOHLTC outside of budget arrangements established by the agencies, funding from other sources, certain donations, and accumulated fundraising balances are recorded in the Centre Fund. These funds may be used at the discretion of the organization to provide additional funding for the required expenditures.



**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**Financial instruments**

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations. Financial assets that are measured at fair value include: investments held in trust. Financial assets measured at amortized cost include: cash, accounts receivable, interfund balances, prepaid expenses and due from Ministry of Children and Youth Services. Financial liabilities measured at amortized cost include: accounts payable and accrued liabilities, government remittances payable, deferred contributions, due to Community Health Foundation of Windsor and Essex County and amounts due to Ministry of Health and Long-Term Care.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any resulting write-down is recognized in net income. A 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 net income.

The organization recognizes its transaction costs in the statement of operations in the year incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

**Use of estimates**

The preparation of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

**Employee future benefits**

Employees of the organization are members of the Healthcare of Ontario Pension Plan (HOOPP) which is a multi-employer final average pay contributory pension plan. Defined contribution plan accounting is applied to this plan as the organization has insufficient information to apply defined benefit plan accounting standards.

**Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the organization's ability to provide services, its carrying amount is written down to its residual value.

Amortization is calculated on a straight-line basis at the following annual rates:

Leasehold improvements	5 - 20 years
Office furniture and equipment	5 years
Computer equipment	3 years
Medical equipment	3 years

**3. ALLOCATION OF EXPENSES**

The organization allocates certain of its fundraising and general support expenses based on budget. Costs relating to specific programs in the Operating fund are allocated within the budgeted funding and any unfunded costs are absorbed in the Centre fund. Allocated fundraising and general support expenses include salaries and benefits, professional fees, occupancy costs, purchased services and development costs.

**WINDSOR ESSEX COMMUNITY HEALTH CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

**4. CAPITAL ASSETS**

The following is a summary of the capital assets and accumulated amortization.

	<b>Cost</b>	<b>Accumulated</b>	<b>Net</b>	<b>Net</b>
	<b>\$</b>	<b>Amortization</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Leasehold improvements	1,128,879	169,168	959,711	1,035,366
Office furniture and equipment	1,143,752	1,062,337	81,415	111,183
Computer equipment	383,056	328,401	54,655	163,964
Medical equipment	32,464	32,464		
Construction in progress	160,323		160,323	59,583
	<b>2,848,474</b>	<b>1,592,370</b>	<b>1,256,104</b>	<b>1,370,096</b>

**5. INVESTMENTS HELD IN TRUST**

In the prior year investments were held in trust for the Community Health Foundation of Windsor and Essex. These investments were transferred to the Community Health Foundation of Windsor-Essex County.

**6. DEFERRED CONTRIBUTIONS**

**Future Expenditures**

The balance represents funds available from the MOHLTC Health Capital Investment branch for the purpose of relocating the Sandwich Community Health Centre site. Funds spent in the year relating to this project have been capitalized as construction in progress. Amortization of the contributions will begin when the new facility is occupied by the organization.

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Opening balance	1,067,278	1,059,042
Interest earned on funds	5,530	8,236
Closing balance	<b>1,072,808</b>	<b>1,067,278</b>

**Property and equipment**

The balance represents the unamortized amount of grants received for the purchase of property and equipment. The amortization of the contributions is recorded as revenue in the statement of operations on a straight-line basis, at a rate corresponding with the amortization rate for the related property and equipment.

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Opening balance	857,962	556,105
Funding used for the purchase of property and equipment		461,000
Amounts amortized to revenue	(203,142)	(159,143)
Closing balance	<b>654,820</b>	<b>857,962</b>

**WINDSOR ESSEX COMMUNITY HEALTH CENTRE**  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2016

**7. COMMITMENTS**

The organization has entered into lease commitments for its premises. Total commitments for these lease payments for the next five years are as follows:

	\$
2017	601,523
2018	505,439
2019	505,439
2020	505,439
2021	449,312

The organization has entered into lease commitments for vehicles and equipment. Total commitments for these lease payments for the next three years are as follows:

	\$
2017	28,633
2018	27,513
2019	15,337

**8. ECONOMIC DEPENDENCE**

Approximately 96% (2015 - 97%) of the organization's funding was received from the Ministry of Health and Long-Term Care.

**9. FINANCIAL INSTRUMENTS**

**Risks and concentrations**

The company is exposed to various risks through its financial instruments. The following analysis provides a measure of the company's risk exposure as of March 31, 2016:

**Interest rate risk**

Interest rate risk refers to the risk that the fair value of a financial instrument might be adversely affected by a change in interest rates. The organization is exposed to interest rate risk primarily through its guaranteed investment certificates and term deposits which are included in cash and invested cash.

**10. ASSET RETIREMENT OBLIGATION**

Under a lease agreement, the organization will have to dismantle certain leasehold improvements at the end of the lease. No adjustment has been made to reflect the obligation as at March 31, 2016.

During the year, no payment was made to settle the asset retirement obligation because the lease ends in 1 year. None of the assets are legally restricted for the purposes of settling the obligation.

**11. COMPARATIVE FIGURES**

The presentation of certain accounts of the previous year has been changed to conform with the presentation adopted for the current year.

**WINDSOR ESSEX COMMUNITY HEALTH CENTRE**  
**SCHEDULE 1 - SUPPLEMENTARY FINANCIAL INFORMATION**  
**MINISTRY OF HEALTH AND LHIN MANAGED PROGRAMS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	<b>CHC</b>	<b>Diabetes</b>	<b>Eating</b>	<b>Subtotal</b>	<b>Other</b>	<b>Total</b>
	<b>\$</b>	<b>Education</b>	<b>Disorders</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
		<b>\$</b>	<b>\$</b>			
<b>REVENUE</b>						
Base funding	8,997,140	1,943,346	189,651	11,130,137	726,765	11,856,902
One time Funding	306,500			306,500		306,500
Paymaster funding	366,117			366,117	2,256,565	2,622,682
<b>FUNDING PER PAY NOTICE</b>	<b>9,669,757</b>	<b>1,943,346</b>	<b>189,651</b>	<b>11,802,754</b>	<b>2,983,330</b>	<b>14,786,084</b>
Other	139,350			139,350	9,725	149,075
Interest	12,016			12,016	6,056	18,072
Paymaster funding	205,856			205,856		205,856
Paymaster expense	(366,117)			(366,117)	(1,868,693)	(2,234,810)
<b>TOTAL REVENUE FOR SETTLEMENT PURPOSES</b>	<b>9,660,862</b>	<b>1,943,346</b>	<b>189,651</b>	<b>11,793,859</b>	<b>1,130,418</b>	<b>12,924,277</b>
Amortization of deferred contributions	190,914			190,914		190,914
<b>TOTAL REVENUE</b>	<b>9,851,776</b>	<b>1,943,346</b>	<b>189,651</b>	<b>11,984,773</b>	<b>1,130,418</b>	<b>13,115,191</b>
<b>EXPENDITURES</b>						
Salaries and benefits	7,841,141	1,751,397	177,278	9,769,816	492,005	10,261,821
Occupancy	748,875	31,418		780,293	31,363	811,656
Computers, furniture and equipment	245,581	26,418		271,999	7,539	279,538
Medical supplies	57,538	9,025		66,563	553	67,116
Contracted out services	36,871	5,210		42,081		42,081
Sundry Expenses	721,112	119,878	12,373	853,363	174,154	1,027,517
<b>TOTAL EXPENDITURES FOR SETTLEMENT PURPOSES</b>	<b>9,651,118</b>	<b>1,943,346</b>	<b>189,651</b>	<b>11,784,115</b>	<b>705,614</b>	<b>12,489,729</b>
Amortization	190,914			190,914		190,914
<b>TOTAL EXPENDITURES</b>	<b>9,842,032</b>	<b>1,943,346</b>	<b>189,651</b>	<b>11,975,029</b>	<b>705,614</b>	<b>12,680,643</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>9,744</b>			<b>9,744</b>	<b>424,804</b>	<b>434,548</b>