

Financial Statements of

**WINDSOR ESSEX  
COMMUNITY HEALTH  
CENTRE**

And Independent Auditor's Report thereon

Year ended March 31, 2023



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Windsor Essex Community Health Centre

### **Opinion**

We have audited the financial statements of Windsor Essex Community Health Centre (the Entity), which comprise:

- the statement of financial position as at March 31, 2023
- the statement of revenue and expenditures for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2023 and its results of operations, its changes in fund balances 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 auditor's report.

We are independent of the Entity 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 Matter - Comparative Information**

The financial statements as at and for the year ended March 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 22, 2022.

### **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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 Entity'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 Entity 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.
- 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.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada

June 28, 2023

# WINDSOR ESSEX COMMUNITY HEALTH CENTRE

## Statement of Financial Position

March 31, 2023, with comparative information for 2022


	Operating Fund	Centre Fund	2023 Total	2022 Total
<b>Assets</b>				
Current assets:				
Cash	\$ 4,171,278	\$ 419,563	\$ 4,590,841	\$ 3,431,944
Trade receivable	4,260	3,500	7,760	57,116
HST recoverable	127,592	-	127,592	68,890
Prepaid expenses	212,591	3,300	215,891	138,210
Interfund balances (note 2)	(146,710)	146,710	-	-
Investments (note 3)	-	1,208,875	1,208,875	1,222,827
	4,369,011	1,781,948	6,150,959	4,918,987
Tangible capital assets (note 4)	3,347,233	-	3,347,233	3,452,884
	\$ 7,716,244	\$ 1,781,948	\$ 9,498,192	\$ 8,371,871

## Liabilities and Fund Balances

Current liabilities:				
Accounts payable and accrued liabilities	\$ 1,397,249	\$ 3,913	\$ 1,401,162	\$ 1,235,799
Due to Ministry of Health	3,171,319	-	3,171,319	2,089,533
	4,568,568	3,913	4,572,481	3,325,332
Deferred contributions (note 9)	3,149,763	-	3,149,763	3,230,594
Deferred capital contributions	-	4,883	4,883	3,883
	7,718,331	8,796	7,727,127	6,559,809
Fund balances	(2,087)	1,773,152	1,771,065	1,812,062
	\$ 7,716,244	\$ 1,781,948	\$ 9,498,192	\$ 8,371,871

See accompanying notes to financial statements.

On behalf of the Board:

  
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 Justine Taylor  
 Board Chair

  
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 Katelyn Dryden  
 Board Treasurer

# WINDSOR ESSEX COMMUNITY HEALTH CENTRE

## Statement of Revenue and Expenditures

Year ended March 31, 2023, with comparative information for 2022

	Operating Fund	Centre Fund	2023 Total	2022 Total
<b>Revenue:</b>				
Ministry of Health	\$ 19,702,668	\$ -	\$ 19,702,668	\$ 19,707,228
Interest income	170,284	-	170,284	32,048
Ministry of Children, Community, and Social Services	192,579	-	192,579	192,579
Maryvale	-	86,114	86,114	86,114
Donations and fundraising	-	42,558	42,558	33,850
Other community funding	1,050,567	20,991	1,071,558	483,537
Dividend income	-	-	-	15,588
Unrealized (loss) gains on investments	-	(13,952)	(13,952)	50,919
Amortization of deferred capital contributions	241,219	-	241,219	365,768
	21,357,317	135,711	21,493,028	20,967,631
<b>Expenditures:</b>				
Paymaster expense	2,679,690	-	2,679,690	2,682,067
Salaries and benefits	13,946,133	85,669	14,031,802	13,268,003
Computer, furniture and equipment	452,529	-	452,529	456,771
Occupancy	1,013,486	-	1,013,486	1,031,385
Medical supplies	74,519	2,696	77,215	73,810
Office and general	915,900	28,341	944,241	740,571
Contracted out services	518,374	-	518,374	354,236
Amortization	242,222	23,818	266,040	321,683
Professional fees	116,933	1,000	117,933	233,641
Program	94,047	-	94,047	77,798
Insurance	66,760	-	66,760	76,660
Professional development	56,587	-	56,587	67,886
Travel	55,176	35,184	90,360	57,687
	20,232,356	176,708	20,409,064	19,442,198
Excess of revenue over expenditures before other expenses	1,124,961	(40,997)	1,083,964	1,525,433
Other expenses: Disposal of mobile unit	-	-	-	(67,903)
Excess of revenue over expenditures before surplus repayable	1,124,961	(40,997)	1,083,964	1,457,530
Surplus repayable	1,124,961	-	1,124,961	1,414,496
Excess (deficiency) of revenue over expenditures	\$ -	\$ (40,997)	\$ (40,997)	\$ 43,034

See accompanying notes to financial statements.

# WINDSOR ESSEX COMMUNITY HEALTH CENTRE

## Statement of Changes in Fund Balances

Year ended March 31, 2023, with comparative information for 2022

	Operating Fund	Centre Fund	2023 Total	2022 Total
Fund balances, beginning of year	\$ (2,087)	\$ 1,814,149	\$ 1,812,062	\$ 1,769,028
Excess (deficiency) of revenue over expenditures	-	(40,997)	(40,997)	43,034
Fund balances, end of year	\$ (2,087)	\$ 1,773,152	\$ 1,771,065	\$ 1,812,062

See accompanying notes to financial statements.

# WINDSOR ESSEX COMMUNITY HEALTH CENTRE

## Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenditures	\$ (40,997)	\$ 43,034
Items not involving cash:		
Amortization	266,040	321,683
Disposal of mobile unit	-	67,903
Unrealized loss (gains) on investments	13,952	(50,919)
Amortization of deferred contributions	(241,219)	(365,768)
Changes in non-cash operating working capital:		
Trade receivable	49,356	(31,315)
Prepaid expenses	(77,681)	(19,186)
HST recoverable	(59,002)	344
Accounts payable and accrued liabilities	265,994	130,768
	176,443	96,544
Financing:		
Change in due to Ministry of Health	981,454	(24,749)
Deferred contributions	160,388	46
Deferred capital contributions	1,000	-
	1,142,842	(24,703)
Cash flows from investing activities:		
Purchase of tangible capital assets	(160,388)	-
Net purchase of investments	-	(10,711)
	(160,388)	(10,711)
Increase in cash	1,158,897	61,130
Cash, beginning of year	3,431,944	3,370,814
Cash, end of year	\$ 4,590,841	\$ 3,431,944

See accompanying notes to financial statements.

# WINDSOR ESSEX COMMUNITY HEALTH CENTRE

Notes to Financial Statements

Year ended March 31, 2023

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## Nature of operations:

Windsor Essex Community Health Centre (the "Centre"), incorporated without share capital under the laws of Ontario, is a registered charity exempt from income taxes under Section 149(l)(f) of the Income Tax Act of Canada. The Centre supports the health and wellness of our vulnerable population in everything we do. Vulnerable are those in need of care and system navigation due to identified risk factors.

## 1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Organization's significant accounting policies are as follows:

### (a) Cash:

Cash includes cash on hand and in financial institutions.

### (b) Revenue recognition:

The Centre 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 tangible 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.

Dividend income is recognized when the right to receive a dividend has been established.

Other types of revenue are recorded in the period in which they are earned and measurement and collectability is reasonably assured.

# WINDSOR ESSEX COMMUNITY HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2023

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## 1. Significant accounting policies (continued):

(c) Donated services:

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

(d) Fund accounting:

In accordance with the practice common to similar organizations, the Centre 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.

(e) 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 Ontario Health (formally known as Local Health Integration Network (LHIN)) in accordance with budget arrangements established by the MOHLTC are reported in the Operating Fund. The Centre is the transfer payment agency for the Ontario Midwifery Program and the Southwest Ontario Aboriginal Health Access Centre.

(f) Centre Fund:

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

# WINDSOR ESSEX COMMUNITY HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2023

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## 1. Significant accounting policies (continued):

### (g) Financial instruments in arm's length transactions:

The Centre considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Centre accounts for the following as financial instruments:

- Cash
- Accounts receivable
- Investments
- Accounts payable and accrued liabilities
- Due to Ministry of Health

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

Financial assets or liabilities are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

The Centre subsequently measures its financial assets and financial liabilities at amortized cost, except for equity securities quoted in an active market, which are subsequently measured at fair value.

A financial asset measured at cost or amortized cost are tested for impairment when there are indicators of impairment. Impairment losses are recognized in the statement of operations. 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 excess (deficiency) of revenue over expenditures.

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

# WINDSOR ESSEX COMMUNITY HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2023

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## 1. Significant accounting policies (continued):

### (h) 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.

Items subject to significant management estimates include valuation of allowances for accounts receivable and useful lives of property, plant and equipment. Actual results could differ from those estimates.

### (i) Employee future benefits:

Employees of the Centre 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 Centre has insufficient information to apply defined benefit plan accounting standards.

### (j) Tangible capital assets:

Purchased tangible 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 tangible capital asset no longer contributes to the organization's ability to provide service, its carrying amount is written down to its residual value.

The cost of the tangible capital assets with a finite life is amortized over its estimated life/useful life in a systematic manner appropriate to the nature of that item and its use by the Centre. Accordingly, the Centre uses the straight-line method whereby a fixed amount is periodically amortized into excess (deficiency) of revenue over expenditures over the asset's respective life/useful life.

# WINDSOR ESSEX COMMUNITY HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 1. Significant accounting policies (continued):

### (j) Tangible capital assets (continued):

The following rates applied on a straight line will apply the cost over the estimated useful lives of tangible capital assets:

Asset	Basis	Rate
Office furniture and equipment	Straight-line	5 years
Computer equipment	Straight-line	3 years
Leasehold improvements	Straight-line	5 to 10 years
Medical equipment	Straight-line	3 years

The carrying amount of an item of property, plant and equipment is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

### (k) Allocation of expenses:

The Centre allocates certain of its fundraising and general support expenses based on budget. Costs relating to specific programs in the Operating fund and 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.

## 2. Interfund balances:

Interfund amounts receivable/payable bear no interest and are not governed by terms of repayment.

## 3. Investments:

	2023	2022
Mutual funds and marketable securities	\$ 1,208,875	\$ 1,222,827

# WINDSOR ESSEX COMMUNITY HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 4. Tangible capital assets:

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 537,144	\$ 537,144	\$ -	\$ -
Leasehold improvements	4,887,582	1,698,013	3,189,570	3,452,884
Office furniture and equipment	1,385,741	1,228,078	157,663	-
Medical equipment	41,582	41,582	-	-
	<b>\$ 6,852,049</b>	<b>\$ 3,504,817</b>	<b>\$ 3,347,233</b>	<b>\$ 3,452,884</b>

## 5. Operating line of credit:

The Centre has an operating line of credit with RBC up to an amount of \$225,000 at an annual interest rate of prime plus 0.400%, secured by a general security agreement. As of March 31, 2023, the credit facility was not in use.

## 6. Commitments:

The Centre has entered into lease commitments for its premises and additional services.

Total commitments for the next five years are as follows:

2023	\$ 680,071
2024	680,071
2025	680,071
2026	549,854
2027	536,636
	<b>\$ 3,126,703</b>

## 7. Economic dependence:

Approximately 93% (2022 - 94%) of the Centre's funding was received from the Ministry of Health.