

Financial Statements of

**WINDSOR ESSEX
COMMUNITY HEALTH
CENTRE**

And Independent Auditor's Report thereon

Year ended March 31, 2026



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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, 2026
- 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, 2026, 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 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.



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.



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- 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 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.

A handwritten signature in dark ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada

June 24, 2026

WINDSOR ESSEX COMMUNITY HEALTH CENTRE

Statement of Financial Position

March 31, 2026, with comparative information for 2025

	Operating Fund	Centre Fund	2026 Total	2025 Total
Assets				
Current assets:				
Cash	\$ 2,102,546	\$ 730,316	\$ 2,832,862	\$ 3,686,003
Trade receivable	62,632	-	62,632	562,018
HST recoverable	108,298	-	108,298	82,937
Prepaid expenses	222,232	-	222,232	226,308
Interfund balances (note 2)	108,589	(108,589)	-	-
Investments (note 3)	-	-	-	1,323,065
	2,604,297	621,727	3,226,024	5,880,331
Investments (note 3)	-	1,384,098	1,384,098	-
Tangible capital assets (note 4)	2,734,398	-	2,734,398	2,882,038
	\$ 5,338,695	\$ 2,005,825	\$ 7,344,520	\$ 8,762,369

Liabilities and Fund Balances

Current liabilities:				
Accounts payable and accrued liabilities (note 5)	\$ 595,297	\$ -	\$ 595,297	\$ 1,585,748
Due to provincial agencies (note 6)	2,069,831	-	2,069,831	2,564,935
	2,665,128	-	2,665,128	4,150,683
Deferred capital contributions (note 8)	2,615,066	-	2,615,066	2,701,518
Deferred contributions	60,588	1,883	62,471	1,883
	5,340,782	1,883	5,342,665	6,854,084
Fund balances	(2,087)	2,003,942	2,001,855	1,908,285
Commitments (note 9)				
Economic dependence (note 13)				
Contingencies (note 11)				
	\$ 5,338,695	\$ 2,005,825	\$ 7,344,520	\$ 8,762,369

See accompanying notes to financial statements.

WINDSOR ESSEX COMMUNITY HEALTH CENTRE

Statement of Revenue and Expenditures

Year ended March 31, 2026, with comparative information for 2025

	Operating Fund	Centre Fund	2026 Total	2025 Total
Revenue:				
Provincial agencies funding	\$ 19,189,015	\$ -	\$ 19,189,015	\$ 17,367,750
Interest income	93,556	81,051	174,607	225,151
Ministry of Children, Community, and Social Services	187,250	-	187,250	187,250
Donations and fundraising	-	66,951	66,951	86,845
Other community funding	1,418,361	33,336	1,451,697	1,065,575
Amortization of deferred capital contributions	267,328	-	267,328	307,374
	21,155,510	181,338	21,336,848	19,239,945
Expenditures:				
Paymaster expense	-	-	-	72
Salaries and benefits	17,020,332	19,165	17,039,497	15,331,681
Computer, furniture and equipment	596,192	-	596,192	332,626
Occupancy	1,076,347	-	1,076,347	1,382,222
Medical supplies	133,354	4,440	137,794	116,173
Office and general	1,170,546	8,485	1,179,031	945,196
Contracted out services	327,101	-	327,101	183,632
Amortization	304,698	23,818	328,516	332,075
Professional fees	123,748	-	123,748	82,230
Program	77,973	31,860	109,833	56,807
Insurance	71,021	-	71,021	70,420
Professional development	57,526	-	57,526	20,936
Travel	46,376	-	46,376	84,917
	21,005,214	87,768	21,092,982	18,938,987
Excess of revenue over expenditures before surplus repayable	150,296	93,570	243,866	300,958
Surplus repayable	150,296	-	150,296	213,614
Excess of revenue over expenditures	\$ -	\$ 93,570	\$ 93,570	\$ 87,344

See accompanying notes to financial statements.

WINDSOR ESSEX COMMUNITY HEALTH CENTRE

Statement of Changes in Fund Balances

Year ended March 31, 2026, with comparative information for 2025

		Operating Fund	Centre Fund	2026 Total	2025 Total
Fund balances, beginning of year	\$	(2,087) \$	1,910,372 \$	1,908,285 \$	1,820,941
Excess of revenue over expenditures		-	93,570	93,570	87,344
Fund balances, end of year	\$	(2,087) \$	2,003,942 \$	2,001,855 \$	1,908,285

See accompanying notes to financial statements.

WINDSOR ESSEX COMMUNITY HEALTH CENTRE

Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in):		
Cash flows from operating activities:		
Excess of revenue over expenditures	\$ 93,570	\$ 87,344
Items not involving cash:		
Amortization	328,516	332,075
Amortization of deferred contributions	(304,698)	(307,374)
Changes in non-cash operating working capital:		
Trade receivable	499,386	(246,267)
Prepaid expenses	4,076	23,186
HST recoverable	(25,361)	12,328
Accounts payable and accrued liabilities	(990,451)	734,102
Due to provincial agencies	(457,734)	(167,803)
	(852,696)	467,591
Cash flows from financing activities:		
Deferred capital contributions	180,876	97,087
Deferred contributions	60,588	(2,000)
	241,464	95,087
Cash flows from investing activities:		
Purchase of tangible capital assets	(180,876)	(92,287)
Net change in investments	(61,033)	(56,368)
	(241,909)	(148,655)
Increase (decrease) in cash	(853,141)	414,023
Cash, beginning of year	3,686,003	3,271,980
Cash, end of year	\$ 2,832,862	\$ 3,686,003

See accompanying notes to financial statements.

WINDSOR ESSEX COMMUNITY HEALTH CENTRE

Notes to Financial Statements

Year ended March 31, 2026

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 provides inclusive access to primary care, prevention, and wellness services in the neighbourhoods in need.

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, 2026

1. Significant accounting policies (continued):

(c) Contributed material and services:

Contributed services are not recorded in the accounts. Where the value is ascertainable, contributable materials 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 (MOH) and Ontario Health in accordance with budget arrangements established are reported in the Operating Fund.

(f) Centre Fund:

Funding from other agencies and other sources, certain donations, and accumulated fundraising balances are recorded in the unrestricted 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, 2026

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
- Trade receivable
- HST recoverable
- Investments
- Deferred capital contributions
- Deferred contributions
- Accounts payable and accrued liabilities
- Due to provincial agencies

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, 2026

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. 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.

The most recent actuarial valuation for accounting purposes of the Plan was completed as at December 31, 2025. As at December 31, 2025, the Plan disclosed actuarial assets of \$132 billion (2024 - \$123 billion) with accrued pension liabilities of \$121 billion (2024 - \$113 billion) resulting in a surplus of \$11 billion (2024 - \$10 billion). This filing valuation also confirmed that the plan was fully funded on a solvency basis as at December 31, 2025 based on assumptions and methods adopted for the valuation.

(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, 2026

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 20 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:

	2026	2025
Guaranteed Investment Certificate, maturing March 16, 2026, rate of 4.45%	\$ -	\$ 1,323,065
Guaranteed investment certificate, maturing September 13, 2027, rate of 3.5%	1,384,098	-
	\$ 1,384,098	\$ 1,323,065

WINDSOR ESSEX COMMUNITY HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2026

4. Tangible capital assets:

			2026	2025
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 580,982	\$ 555,998	\$ 24,984	\$ 24,549
Leasehold improvements	4,684,737	2,142,921	2,541,816	2,722,783
Office furniture and equipment	1,404,389	1,332,702	71,687	107,494
Medical equipment	206,621	110,710	95,911	27,212
	\$ 6,876,729	\$ 4,142,331	\$ 2,734,398	\$ 2,882,038

Cost and accumulated amortization of capital assets as at March 31, 2025 amounted to \$7,028,244 and \$4,416,206 respectively.

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$nil (2025 - \$230,318), which includes amounts payable for payroll related taxes.

WINDSOR ESSEX COMMUNITY HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2026

6. Due to provincial agencies:

As of March 31, 2026, the Centre reports a balance of \$2,069,831 as payable to the Ministry of Health and other transfer payment agencies. This represents a decrease from the prior year's balance of \$2,564,935 as of March 31, 2025. The amounts payable reflects unspent funding subject to return or reconciliation in accordance with funding agreements. Any adjustment upon reconciliation is recorded in the year of reconciliation.

7. 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, 2026, the credit facility was not in use (2025 - \$nil).

8. Deferred capital contributions:

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.

	2026	2025
Opening balance	\$ 2,701,518	\$ 2,911,805
Funding used for the purchase of property and equipment	180,876	97,087
Amounts amortized to revenue	(267,328)	(307,374)
Closing balance	\$ 2,615,066	\$ 2,701,518

WINDSOR ESSEX COMMUNITY HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2026

9. Commitments:

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

Total commitments for the next five years are as follows:

2027	\$	566,932
2028		507,792
2029		507,792
2030		507,792
2031		507,792
		\$ 2,598,100

10. Pension contributions:

Substantially all of the employees of the Centre are members of the Health Care of Ontario Pension (the "Plan"), which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the Ontario Hospital Association. The Plan specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions to the Plan made during the year by the Corporation on behalf of its employees amounted to \$1,140,903 (2025 - \$1,019,750) and are included as a component of salaries and benefits expense on the Statement of Revenue and Expenditures.

Pension expense is based on Plan management's best estimates, in consultation with its actuaries, of the amount, required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by the Plan. The funding objective is for employer contributions to the Plan to remain a constant percentage of employees' contributions.

Variances between actuarial funding estimates and actual experience may be material and any differences are generally to be funded by the participating members. The Plan's 2025 Annual Report as at December 31, 2025 indicates the plan is fully funded at 109%.

WINDSOR ESSEX COMMUNITY HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2026

11. Contingent liabilities:

During the normal course of operations, the Centre may be subject to various legal actions. In the opinion of management, the ultimate resolution of any current lawsuits, disputes, and/or grievances which are not covered by insurance, would not have a material effect on the financial position or results of operations.

On July 1, 1987, a group of health care organizations, ("subscribers"), formed Healthcare Insurance Reciprocal of Canada ("HIROC"). HIROC is registered as a Reciprocal pursuant to Provincial Insurance Acts, which permits persons to exchange with other persons reciprocal contracts of indemnity insurance. HIROC facilitates the provision of liability insurance coverage of health care organizations in the provinces of Ontario, Manitoba, Saskatchewan and Newfoundland. Subscribers pay annual premiums, which are actuarially determined, and are subject to assessment for losses in excess of such premiums, if any, experienced by the group of subscribers for the years in which they were a subscriber. No such assessments have been made to March 31, 2026.

Since its inception in 1987, HIROC has accumulated an un-appropriated surplus, which is the total of premiums paid by all subscribers plus investment income less the obligation for claims reserves and expenses and operating expenses. Each subscriber which has an excess of premium plus investment income over the obligation for their allocation of claims reserves and expenses and operating expenses may be entitled to receive distributions of their share of the un-appropriated surplus at the time such distributions are declared by the Board of Directors of HIROC. There are no distributions receivables from HIROC as of March 31, 2026.

WINDSOR ESSEX COMMUNITY HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2026

12. Financial risks and concentration of risk:

The company is exposed to various risks through its financial instruments. The following analysis provides a measure of the Centre's risk exposure as of March 31, 2026:

(a) Market risk:

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Centre's investments include equity securities whose value is exposed to fluctuations in the market. No significant change in risk from 2025.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Centre is exposed to credit risk with respect to the trade receivables. The Centre assesses, on a continuous basis, trade receivables and provides for any amounts that are not considered collectible in the allowance for doubtful accounts. No significant change in risk from 2025.

(c) Interest rate risk:

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Centre is exposed to interest rate risk primarily through its line of credit which is at a variable prime rate. No significant change in risk from 2025.

13. Economic dependence:

Approximately 90% (2025 - 90%) of the Centre's funding was received from the Ministry of Health.

14. Comparative figures:

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2026 financial statements.