

**Guelph Community Health Centre  
Financial Statements  
For the Year Ended March 31, 2020**

**Guelph Community Health Centre  
Financial Statements  
For the Year Ended March 31, 2020**

---

**Contents**

<b>Independent Auditor's Report</b>	<b>1 - 3</b>
<b>Financial Statements</b>	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Externally Restricted Net Assets - Statement of Revenues and Expenditures	7 - 8
Statement of Cash Flows	9
Notes to Financial Statements	10 - 19
<b>Schedules</b>	
Schedule of Operations - WWLHIN	20
Schedule of Operations by Program - County of Wellington	21
Internally Restricted Net Assets - Schedule of Financial Position	22
Internally Restricted Net Assets - Schedule of Operations	23



Tel: 519 824 5410  
Fax: 519 824 5497  
Toll-free: 877 236 4835  
www.bdo.ca

BDO Canada LLP  
512 Woolwich Street  
Guelph ON N1H 3X7 Canada

---

## Independent Auditor's Report

---

### To the Board of Directors of Guelph Community Health Centre

#### Qualified Opinion

We have audited the financial statements of Guelph Community Health Centre (the Centre), which comprise the statement of financial position as at March 31, 2020, the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2020, and its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### Basis for Qualified Opinion

In common with many charitable organizations, the Centre derives part of its revenue from the general public in the form of donations and other fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Centre. Therefore, we were unable to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the years ended March 31, 2020 and 2019, current assets as at March 31, 2020 and 2019, and net assets as at April 1 and March 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

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 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.

#### 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 Centre'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 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.

#### **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 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 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 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 identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Guelph, Ontario  
June 26, 2020

## Guelph Community Health Centre Statement of Financial Position

	Unrestricted and Externally Restricted	Internally Restricted	Total 2020	Total 2019
(Page 22)				
<b>Assets</b>				
<b>Current</b>				
Cash (Note 2)	\$ 1,172,048	\$ 8,799	\$ 1,180,847	\$ 459,653
Short-term investments (Note 3)	207,486	710,811	918,297	1,225,689
Accounts receivable	924,967	100,664	1,025,631	848,649
Prepaid expenses and deposits	73,400	13,678	87,078	103,339
Due from CHC / Early ON Fund	-	737,703	737,703	163,024
	2,377,901	1,571,655	3,949,556	2,800,354
<b>Restricted Cash</b>				
Ontario Midwifery Program (Note 14)	243,565	-	243,565	106,305
<b>Capital (Note 4)</b>	-	4,106,712	4,106,712	4,129,267
	\$ 2,621,466	\$ 5,678,367	\$ 8,299,833	\$ 7,035,926
<b>Liabilities and Net Assets</b>				
Accounts payable and accrued liabilities	\$ 724,052	\$ 132,668	\$ 856,720	\$ 819,209
Funding repayable (Note 6)	109,124	-	109,124	228
Ontario Midwifery Program (Note 14)	243,565	-	243,565	106,305
Deferred revenue	57,068	70,105	127,173	167,090
Due to Capital Fund	312,393	-	312,393	85,131
Due to Special Projects Fund	337,574	-	337,574	2,771
Due to Community Innovation Fund	87,736	-	87,736	75,122
	1,871,512	202,773	2,074,285	1,255,856
<b>Net Assets</b>				
Internally restricted net assets (Page 5)	-	5,475,594	5,475,594	5,350,371
Externally restricted net assets (Page 5)	736,304	-	736,304	407,890
Unrestricted net assets (Page 5)	13,650	-	13,650	21,809
	749,954	5,475,594	6,225,548	5,780,070
	\$ 2,621,466	\$ 5,678,367	\$ 8,299,833	\$ 7,035,926

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

## Guelph Community Health Centre Statement of Changes in Net Assets

March 31	Externally Restricted	Internally Restricted	Unrestricted	Total 2020	Total 2019
	(Pages 7 and 8)	(Page 6)	(Page 6)		
Balance, beginning of the year	\$ 407,890	\$ 5,350,371	\$ 21,809	\$ 5,780,070	\$ 5,661,152
Operating surplus (deficit)	447,929	(71,594)	215,642	591,977	184,146
Acquisition of capital assets	(119,515)	196,817	(77,302)	-	-
Funding repayable (Note 6)	-	-	(146,499)	(146,499)	(65,228)
<b>Balance, end of the year</b>	<b>\$ 736,304</b>	<b>\$ 5,475,594</b>	<b>\$ 13,650</b>	<b>\$ 6,225,548</b>	<b>\$ 5,780,070</b>

The accompanying notes are an integral part of these financial statements.

## Guelph Community Health Centre Unrestricted and Internally Restricted - Statement of Operations

For the year ended March 31	Unrestricted	Internally Restricted	Total 2020	Total 2019
	(Pages 20 and 21)	(Page 23)		
<b>Revenue</b>				
Government funding				
- WWLHIN	\$ 6,912,135	\$ -	\$ 6,912,135	\$ 6,833,947
- County of Wellington	614,268	-	614,268	614,268
- Ministry of Health	-	73,976	73,976	83,260
Rent	-	356,118	356,118	319,700
Other	204,780	51,455	256,235	266,290
Corporate support	-	233,972	233,972	154,596
Donations	-	65,492	65,492	35,325
Medical fees and service	18,396	-	18,396	18,011
Shared CHC IT / IN support	-	4,896	4,896	14,896
	<b>7,749,579</b>	<b>785,909</b>	<b>8,535,488</b>	<b>8,340,293</b>
<b>Expenditures</b>				
Salaries (Note 5)	4,205,327	-	4,205,327	4,044,414
Benefits (Note 5)	931,520	-	931,520	902,011
Indigenous health and wellness	625,896	-	625,896	661,915
Overdose prevention site	590,077	-	590,077	255,400
Occupancy	313,993	-	313,993	322,755
Amortization	-	292,553	292,553	276,098
Rental property	-	288,149	288,149	318,235
Corporate support	-	212,713	212,713	155,759
Computer supplies	178,642	-	178,642	164,368
Program supplies	79,537	-	79,537	97,916
Purchased services	79,240	-	79,240	289,092
Other	9,887	57,823	67,710	86,117
Relief	62,001	-	62,001	70,772
Office expenses	61,121	-	61,121	140,643
Professional fees	54,360	-	54,360	23,989
Cultural interpretation	49,866	-	49,866	94,785
Staff development	42,512	-	42,512	44,421
Memberships	41,447	-	41,447	21,386
Medical supplies	41,079	-	41,079	33,850
Telephone	39,047	-	39,047	52,986
Consultants' fees	29,056	-	29,056	44,806
Travel and parking	22,165	-	22,165	27,250
Supportive recovery room	20,798	-	20,798	135,000
General insurance	14,405	-	14,405	6,303
Printing and photocopying	13,542	-	13,542	15,489
Postage	10,419	-	10,419	7,943
Meeting expenses	10,109	-	10,109	6,397
Board expenses	5,126	-	5,126	5,191
Shared CHC IT / IN support	-	3,387	3,387	15,346
Community innovation	-	2,878	2,878	23,686
Non-insured	1,837	-	1,837	1,238
Vehicle	599	-	599	2,020
Bank charges and interest	421	-	421	250
Recruitment	-	-	-	2,317
Clinical and professional insurance	(92)	-	(92)	608
	<b>7,533,937</b>	<b>857,503</b>	<b>8,391,440</b>	<b>8,350,756</b>
<b>Total expenditures</b>	<b>7,533,937</b>	<b>857,503</b>	<b>8,391,440</b>	<b>8,350,756</b>
<b>Operating surplus (deficit)</b>	<b>\$ 215,642</b>	<b>\$ (71,594)</b>	<b>\$ 144,048</b>	<b>\$ (10,463)</b>

The accompanying notes are an integral part of these financial statements.



## Guelph Community Health Centre Externally Restricted Net Assets - Statement of Revenues and Expenditures

March 31	Nurturing Neighbourhoods Fund	Guelph Early Years Fund	Drug Strategy Fund	Clinical Telemedicine Nursing Fund	The Seed Community Food Project Fund	2020 Subtotal
<b>Revenues</b>						
County of Wellington / City of Guelph	\$ -	\$ -	\$ 106,507	\$ -	\$ 7,645	\$ 114,152
Other	166,718	-	39,372	38,048	1,204,461	1,448,599
	166,718	-	145,879	38,048	1,212,106	1,562,751
<b>Expenditures</b>						
Salaries	122,180	2,058	101,235	30,918	348,121	604,512
Program supplies	14,767	-	22,329	568	568,985	606,649
Benefits	27,735	186	22,315	6,409	84,033	140,678
	164,682	2,244	145,879	37,895	1,001,139	1,351,839
Operating surplus (deficit)	2,036	(2,244)	-	153	210,967	210,912
Less: Acquisition of capital	-	-	-	-	(119,515)	(119,515)
Net surplus (deficit)	2,036	(2,244)	-	153	91,452	91,397
Net assets, beginning of year	10,828	5,476	114,229	(1,361)	97,561	226,733
<b>Net assets, end of year (Note 10)</b>	<b>\$ 12,864</b>	<b>\$ 3,232</b>	<b>\$ 114,229</b>	<b>\$ (1,208)</b>	<b>\$ 189,013</b>	<b>\$ 318,130</b>

## Guelph Community Health Centre Externally Restricted Net Assets - Statement of Revenues and Expenditures

For the year ended March 31	2020 Subtotal from page 7	Toward Common Ground Fund	Parent Child Place Fund	Welcoming Streets Fund	CMHA Fund	2020 Total	2019 Total
<b>Revenues</b>							
County of Wellington / City of Guelph	\$ 114,152	\$ 139,044	\$ 62,632	\$ 130,000	\$ -	\$ 445,828	\$ 390,458
Other	<u>1,448,599</u>	<u>126,993</u>	<u>4,041</u>	<u>61,000</u>	<u>192,418</u>	<u>1,833,051</u>	<u>1,195,391</u>
	<u>1,562,751</u>	<u>266,037</u>	<u>66,673</u>	<u>191,000</u>	<u>192,418</u>	<u>2,278,879</u>	<u>1,585,849</u>
<b>Expenditures</b>							
Salaries	604,512	85,445	51,673	92,127	129,871	963,628	761,350
Program supplies	606,649	9,627	3,906	12,277	24,927	657,386	469,273
Benefits	<u>140,678</u>	<u>20,466</u>	<u>8,054</u>	<u>9,215</u>	<u>31,523</u>	<u>209,936</u>	<u>160,617</u>
	<u>1,351,839</u>	<u>115,538</u>	<u>63,633</u>	<u>113,619</u>	<u>186,321</u>	<u>1,830,950</u>	<u>1,391,240</u>
Operating surplus (deficit)	210,912	150,499	3,040	77,381	6,097	447,929	194,609
Less: Acquisition of capital	<u>(119,515)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(119,515)</u>	<u>(4,840)</u>
Net surplus	91,397	150,499	3,040	77,381	6,097	328,414	189,769
Net assets, beginning of year	<u>226,733</u>	<u>143,476</u>	<u>(6,040)</u>	<u>-</u>	<u>43,721</u>	<u>407,890</u>	<u>218,121</u>
Net assets, end of year (Note 10)	<u>\$ 318,130</u>	<u>\$ 293,975</u>	<u>\$ (3,000)</u>	<u>\$ 77,381</u>	<u>\$ 49,818</u>	<u>\$ 736,304</u>	<u>\$ 407,890</u>

## Guelph Community Health Centre Statement of Cash Flows

For the year ended March 31	2020	2019
<b>Cash flows from operating activities</b>		
Operating surplus	\$ 591,977	\$ 184,146
Funding repayable	(146,499)	(65,228)
Items not affecting cash:		
Amortization of capital assets	292,553	276,098
	738,031	395,016
Changes in non-cash working capital:		
Accounts receivable	(176,982)	(162,418)
Prepaid expenses and deposits	16,261	16,757
Accounts payable and accrued liabilities	37,510	154,005
Funding repayable	108,896	(122,796)
Deferred revenue	(39,917)	12,851
Ontario Midwifery Program	137,260	(108,783)
	821,059	184,632
<b>Cash flows from investing activities</b>		
Purchase of capital assets	(269,998)	(146,072)
Proceeds on sale (purchase) of investments	307,392	(545,132)
	37,394	(691,204)
<b>Net increase (decrease) in cash</b>	<b>858,453</b>	<b>(506,572)</b>
Cash, beginning of the year	565,959	1,072,531
<b>Cash, end of the year</b>	<b>\$ 1,424,412</b>	<b>\$ 565,959</b>
<b>Represented by:</b>		
Cash - CHC and OEYC / Early ON	\$ 1,172,048	\$ 383,430
Cash - other	8,799	76,223
Restricted cash - Ontario Midwifery Program	243,565	106,306
	<b>\$ 1,424,412</b>	<b>\$ 565,959</b>

The accompanying notes are an integral part of these financial statements.

---

# Guelph Community Health Centre

## Notes to Financial Statements

March 31, 2020

---

### 1 . Significant Accounting Policies

<b>Nature of Operations</b>	<p>The Guelph Community Health Centre (the "Centre") was incorporated without share capital on October 14, 1987. The Centre is a not-for-profit organization providing health care services and health related activities to the City of Guelph and the County of Wellington. The Ontario Ministry of Health has designated the Centre as a Community Health Centre, with primary funding sources coming from the Waterloo Wellington Local Health Integration Network (WWLHIN) and the County of Wellington (CW), as well as the Ministry of Health, and multiple diversified granting sources.</p> <p>The Centre is a registered charity and, as such, is exempt from income tax.</p>
<b>Basis of Accounting</b>	<p>These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.</p>
<b>Fund Accounting</b>	<p>The Centre follows the restricted fund method of accounting for contributions using the following funds:</p> <p>The CHC / Early ON Fund is internally restricted and records funding received from the WWLHIN and County of Wellington for the delivery and administration of CHC and Early ON programs. This fund also reports restricted revenues from other sources that are required to be directly applied as an offset to the costs of CHC programming.</p> <p>The Community Innovation Fund is internally restricted and records funds raised through donations and various fundraising functions organized by the Centre's board and volunteers for the purpose of enhancing the services offered by the Centre.</p> <p>The Capital Fund is internally restricted and records the assets, liabilities, revenues and expenditures related to the Centre's capital assets.</p> <p>The Special Projects Fund is internally restricted and records administrative revenue received by the Centre, including from Ministry and granting streams, and is relied upon to support many of the Centre's administrative overhead costs. Revenues and expenditures recorded within this fund also include smaller scale programs within the Centre's operations (i.e. I.D Bank).</p> <p>The Parent Child Place Fund is externally restricted and records funding received from the Guelph Neighbourhood Support Coalition. From April to November, these funds were used for the purpose of providing drop-in programs for preschool children, their parents and/or caregivers at nine locations throughout the City of Guelph. In January 2020, with the agreement of the funders, these funds were reallocated to support the expansion of the Centre's Parent Outreach Worker program, with a wind-down of the neighbourhood-based drop in programs.</p>

---

# Guelph Community Health Centre

## Notes to Financial Statements

March 31, 2020

---

### 1. Significant Accounting Policies (continued)

The Drug Strategy Fund is externally restricted and records funding received from the County of Wellington and the City of Guelph to support the implementation and evaluation of the Guelph Wellington Drug Strategy Committee, with the lead staffing role being hosted by the Centre. This fund also includes the Changing Futures residual reserve fund from a previous Drug Strategy project.

The CMHA Fund is externally restricted and records funding received from the Canadian Mental Health Association, Waterloo Wellington, to ensure the effective provision of the Specialized Outreach Services program (SOS) in the City of Guelph.

The Nurturing Neighbourhoods Fund is externally restricted and records funding received from Family and Children's Services of Guelph and various other sources as part of a partnership with WDG Public Health and is administered by the Centre to provide the support for Parent Outreach Workers within priority neighbourhoods in the City of Guelph.

The Clinical Telemedicine Nursing Fund is externally restricted and records funding received from the WWLHIN and is administered by the Centre for the purpose of demonstrating increases in clinical telemedicine utilization, reduced wait times for specialist consultation and to facilitate patient flow across the healthcare continuum.

The Seed Community Food Project Fund is externally restricted and includes revenue from multiple grant-based funders, including but not limited to the Ontario Trillium Foundation and the Walmart Foundation, as well as expenditures from the project's social enterprise food distribution programs. The project will result in reducing food insecurity by increasing the quality and quantity of healthy food to low-income families, improving the health and well being of vulnerable citizens.

The Toward Common Ground Fund is externally restricted and is funded by the City of Guelph, University of Guelph, the United Way and multiple other partner contributions, with the lead staffing role being hosted by the Centre. It is focused on testing new and innovative ways of working together that better connects the dots, improves how data is gathered and used, improves the way organizations collectively measure impact, and builds sustainable collective planning and community building efforts.

The Guelph Early Years Fund is externally restricted and consists of one time funding received from the City of Guelph to support programs that reduce environmental barriers and provide nutritious snacks for parents and children between the ages of 2.5 and 6 years of age.

---

# Guelph Community Health Centre Notes to Financial Statements

March 31, 2020

---

## 1. Significant Accounting Policies (continued)

The Welcoming Streets Fund is externally restricted and consists of funding from the City of Guelph, United Way, the Guelph Downtown Business Association, and the Guelph Police Services Board. This initiative began as a pilot in the spring of 2018, as a partnership formed between the Centre, the Guelph Downtown Business Association and the Guelph Police Service to address safety concerns identified by business owners and the public related to at-risk street involved individuals. The program deploys street outreach workers to provide support to businesses, ensuring that street involved individuals are supported and linked with the services they need; and ensuring that downtown Guelph feels welcoming for everyone. In spring 2019, the program expanded to include two staff, with a multi-funder model. This innovative collective impact funding model brings together businesses, non-profit organizations, governments and impacted people together in a structured and deliberate way to achieve change.

### Revenue Recognition

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

Restricted contributions relating to internally restricted funds or unrestricted funds are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Restricted revenues where expenses have not been incurred are recorded as deferred revenue.

Restricted contributions relating to externally restricted funds are recognized as revenue of the appropriate fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assumed.

Investment income earned on restricted funds is recognized as revenue of the appropriate restricted fund. Other investment income is recognized as revenue when earned.

---

# Guelph Community Health Centre

## Notes to Financial Statements

March 31, 2020

---

### 1. Significant Accounting Policies (continued)

**Financial Instruments** Financial Instruments are recorded at fair value at initial recognition.

In subsequent periods, equities traded in an active market are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

**Capital Assets** Purchased capital assets are recorded at cost. Capital assets are amortized using the declining balance method basis, at rates indicated below. In the year of acquisition, one-half the normal rate is claimed. Amortization expense is reported in the Capital Fund.

	<b>Method</b>	<b>Rate</b>
Buildings	Diminishing balance	4%
Furniture and equipment	Diminishing balance	20%
Computer equipment	Diminishing balance	30%
Vehicle	Diminishing balance	30%
Leasehold improvements	Straight line	5 years

**Contributions Receivable** Contributions receivable are recognized as an asset when the amounts to be received can be reasonably estimated and ultimate collection is reasonably assured.

**Contributed Services** Volunteers contribute many hours per year to assist the Centre in carrying out its activities. Due to the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

**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 amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from management's best estimates as additional information becomes available in the future. Estimates in these financial statements include amortization.

---

# Guelph Community Health Centre

## Notes to Financial Statements

March 31, 2020

---

### 1. Significant Accounting Policies (continued)

**Allocation of Expenses** Certain expenses of the Centre involve program and administrative functions. The distribution of these expenses between program and administrative expenditures is based on time tracked in these functions by certain employees and management.

---

### 2. Cash

The Centre's bank accounts are held at one credit union. The bank accounts earn interest monthly at interest rates from 0.10% to 2.75% (2019 - 0.10% to 2.45%).

The Centre has access to an operating line of credit facility with a maximum limit of \$50,000. The line of credit bears interest at the credit union's prime lending rate and is secured by a general security agreement. The line of credit was not accessed at March 31, 2020.

---

### 3. Short-Term Investments

Short-term investments are comprised of the following:

	<u>2020</u>	<u>2019</u>
Guaranteed investment certificates	\$ 755,044	\$ 1,046,048
Pooled fund investments	<u>163,253</u>	<u>179,641</u>
	<u>\$ 918,297</u>	<u>\$ 1,225,689</u>

Guaranteed investment certificates bear interest at rates from 2.13% to 2.75% (2019 - 2.10% to 2.45%) and have maturity dates from April 4, 2020 to May 3, 2021 (2019 - April 1, 2019 to August 23, 2019) respectively. Pooled fund investments are managed by the Guelph Community Foundation and are recorded at market value.

---



## Guelph Community Health Centre Notes to Financial Statements

March 31, 2020

### 4. Capital Assets

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 150,000	\$ -	\$ 150,000	\$ -
Buildings	6,235,561	2,865,947	6,235,561	2,725,547
Furniture and equipment	1,320,438	1,126,786	1,252,452	1,086,871
Computer equipment	914,285	802,924	873,089	764,026
Vehicle	124,278	45,174	46,272	27,988
Leasehold improvements	326,191	132,839	266,734	90,409
Renovations in progress	9,629	-	-	-
	<b>9,080,382</b>	<b>4,973,670</b>	<b>8,824,108</b>	<b>4,694,841</b>
		<b>\$ 4,106,712</b>		<b>\$ 4,129,267</b>

During the current year the Centre commenced renovations for use by the Overdose Prevention site. The cost to date of \$9,629 is included in renovations in progress above but no amortization has been recorded since the renovations were not complete at year-end.

### 5. Public Sector Salary Disclosure Act

During the December 31, 2019 calendar year, the following employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996 of \$100,000 or more:

Name	Position	Salary Paid	Taxable Benefits
Benjamin, Sophorn	Nurse Practitioner	\$ 119,003	\$ -
Bluhm, Melanie	Physician	191,439	123
Bryant, Nicola	Nurse Practitioner	107,782	60
Devereaux, Raechelle	Executive Director	141,415	2,497
Hasulo, Lori	Physician	230,720	161
Kampen, Nathan	Nurse Practitioner	115,494	66
Khehra, Savi	Physician	133,449	-
Kwiatkowski, Melissa	Director	104,475	1,931
Mehta, Darshana	Physician	175,776	-
Renaud, Julie	Physician	259,029	-
Rumball, Jacqueline	Nurse Practitioner	116,708	75

---

## Guelph Community Health Centre Notes to Financial Statements

**March 31, 2020**

---

### 6. Funding Repayable

Excess funding repayable to WWLHIN by fiscal year of origin is as follows:

	<u>2020</u>	<u>2019</u>
2019 - WWLHIN	\$ 228	\$ 228
2020 - WWLHIN	150	-
2020 - Overdose Prevention Site	108,684	-
2020 - Indigenous Health and Wellness	62	-
	<u>\$ 109,124</u>	<u>\$ 228</u>

---

### 7. Commitments

The Centre has entered into various operating leases for space. These leases have expiry dates between April 2021 and April 2031.

On July 1, 2015, the Centre entered into an agreement for shared IT services ending June 30, 2018. This agreement was subsequently extended to June 30, 2020. Only the Centre's portion of the total IT services has been included in the minimum lease payments below.

The minimum annual lease and support payments for the next five years are as follows:

2021	\$ 108,358
2022	38,641
2023	34,008
2024	34,008
2025	34,008
	<u>\$ 249,023</u>

---

### 8. Economic Dependence

The Centre receives 97.17% (2019 - 98.11%) of its eligible funding for its core operations from WWLHIN and the County of Wellington. The future of the Centre is reliant on these organizations providing sufficient ongoing funding to continue to manage future programs.

---

---

# Guelph Community Health Centre

## Notes to Financial Statements

**March 31, 2020**

---

### **9. Employee Future Benefits**

The Centre is a member of the Healthcare of Ontario Pension Plan (HOOPP), a multi-employer defined benefit pension plan. The member organizations are unable to identify their share of the underlying assets and liabilities. As a result, the benefit plan has been accounted for following the recommendations for defined contribution plans. The pension expense for this plan for the year was \$498,692 (2019 - \$426,967).

HOOPP is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of participating Centres in Ontario and their employees. As a result, the Centre does not recognize any share of the HOOPP pension surplus or deficit. The plan has reported a \$20.6 billion actuarial surplus at the end of December 2019 (2019 - \$13.9 billion surplus), based on actuarial liabilities of \$73.5 billion (2019 - \$65.1 billion) and actuarial net assets of \$94.1 billion (2019 - \$79.0 billion).

---

### **10. Externally Restricted Fund Balances**

The externally restricted fund balances have been reported in the financial statements in accordance with Canadian accounting standards for not-for-profit organizations and as such are recorded based on the Centre's March 31, 2020 fiscal year-end. The related funding agreements may have differing reporting periods and therefore the individual funds may report a deficit or surplus at March 31, 2020. For greater clarity, it should be noted that funding intended to cover expenditures in the last nine months of calendar year 2020 is included in the amounts showing as surplus at March 31, 2020 for the Drug Strategy initiative.

---

### **11. Measurement Uncertainty - COVID-19**

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy has increased significantly. Since the onset of COVID-19, the Centre has funding commitments from all funders. In the early phases of the pandemic, donations to the Centre increased when compared to the same period in the prior year. The Centre has adapted program delivery models and has continued to deliver programming through other innovative virtual means. The Community Markets and the Centre's evening clinics were discontinued. The Centre has been able to reallocate funding to support COVID-19 related expenses up to the end of March 31. As the impacts of COVID-19 continue, there could be further impact on the Centre, its funders and community partners. Management is actively monitoring the affect on the Centre's financial condition and liquidity. In addition, if the impacts of COVID-19 continue, there could be further impact on the Centre that could impact the timing and amounts of cash flows received and future operations. At this time, the full potential impact of COVID-19 on the Centre is not known.

---

### **12. COVID-19 Expenses**

COVID-19 has contributed to several areas of unanticipated expenditure at the Centre, including additional cleaning and staff screening costs to enable effective Infection Prevention and Control (IPAC) standards. Additionally, one-time expenditures on emergency food purchases were executed in order to support growing food insecurity pressures in the community, resulting from the pandemic.

---

---

# Guelph Community Health Centre

## Notes to Financial Statements

March 31, 2020

---

### 13. Financial Instruments

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Centre is exposed to changes in interest rates related to its investments in guaranteed investment certificates. The interest rate risk related to the Centre's investments in guaranteed investment certificates has increased due to the impact of COVID-19, which could lead to declines in investment income.

#### Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Centre is exposed to normal credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty. The Centre's financial instruments that are exposed to concentrations of credit risk relate primarily to accounts receivable. At year-end, the credit risk related to the Centre's accounts receivable has increased due to the impact of COVID-19, which could lead to potential losses. Subsequent to year-end, accounts receivable balances were collected.

#### Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Centre is exposed to other price risks on its pooled fund investments, which include investments in shares and bonds. At year-end, the other price risk related to the Centre's Investments has increased due to the impact of COVID-19.

At year end, due to the volatility in the markets caused by the global impacts of COVID-19, the fair market value of the Centre's pooled fund investments had declined by approximately 11.18% from their value at January 1, 2020. Subsequent to year end, the fair market value of these investments increased by approximately 7.63% from the March 31, 2020 year end to the audit report date.

---

# Guelph Community Health Centre

## Notes to Financial Statements

**March 31, 2020**

### 14. Ontario Midwifery Program

As the Transfer Payment Agency for the Guelph Midwives, Family Midwifery Care of Guelph and Grand Valley Midwives, these funds are received from the Ministry of Health (Ontario Midwifery Program), and transferred to the three practices in accordance with the regulations contained in the agreement between the Ministry of Health and Long-term Care and Guelph Community Health Centre.

	2020	2019
<b>Ontario Midwifery Program - Revenues</b>		
MOHLTC - Midwifery program payments	\$ 5,073,336	\$ 4,931,293
Interest income	17,320	15,383
<b>Total OMP revenues</b>	<b>5,090,656</b>	<b>4,946,676</b>
<b>Midwifery Program Expenses</b>		
<b>Fees</b>		
Base fees	3,061,974	2,802,096
New registrant fees	151,968	314,103
<b>Total fees</b>	<b>3,213,942</b>	<b>3,116,199</b>
<b>Disbursements</b>		
<b>General Registrants</b>		
Base travel	108,460	97,720
Base liability insurance	768,881	706,356
Base benefits	475,861	434,376
Clinical equipment midwives	17,791	16,624
Home birth kit	14,157	18,603
<b>Sub-total general registrants</b>	<b>1,385,150</b>	<b>1,273,679</b>
<b>New Registrants</b>		
New registrant travel	6,520	14,640
New registrant liability insurance	118,093	127,058
New registrant benefits	20,167	44,528
<b>Sub-total new registrants expenses</b>	<b>144,780</b>	<b>186,226</b>
<b>Practice Group</b>		
Clinical equipment practice group	18,024	16,624
Administrative support	1,247	1,995
<b>Sub-total practice group expenses</b>	<b>19,271</b>	<b>18,619</b>
<b>Total Disbursements</b>	<b>1,549,201</b>	<b>1,478,524</b>
<b>Special Schedules</b>		
O - Midwifery Services for Physician Clients	1,519	3,622
<b>One-Time Funding</b>		
NR clinical equipment grant	22,238	15,400
Special equipment and furniture	-	5,000
Infection prevention and control (IPAC)	-	-
IT equipment replacement	10,650	10,806
Leasehold improvements	-	-
<b>Total One-Time</b>	<b>32,888</b>	<b>31,206</b>
<b>Other</b>		
TPA operations fee	37,834	37,834
Uninsured clients third party payment	11,590	11,681
Other applicable	117	1,310
<b>Total Other</b>	<b>49,541</b>	<b>50,825</b>
<b>Total Midwifery Program Expenses</b>	<b>4,847,091</b>	<b>4,680,376</b>
<b>Excess of Revenues over Midwifery Program Expenses</b>	<b>243,565</b>	<b>266,300</b>
<b>Accumulated surplus, beginning of fiscal year</b>	<b>106,305</b>	<b>215,088</b>
<b>Amounts paid to the MOHLTC - Current year</b>	<b>(106,305)</b>	<b>(375,083)</b>
<b>Accumulated surplus, end of fiscal year</b>	<b>\$ 243,565</b>	<b>\$ 106,305</b>
Number of Base Courses of Care	910	828
Number of New Registrant (New and Ongoing) Courses of Care	49	110
<b>Total Courses of Care</b>	<b>959</b>	<b>938</b>

## Guelph Community Health Centre Schedule of Operations - WWLHIN

For the year ended March 31, 2020

<b>Revenue</b>	
Government funding - base budget funding	\$ 5,557,028
- Overdose prevention site	733,018
- Indigenous health and wellness (Guelph)	422,097
- Indigenous health and wellness (Kitchener)	199,992
Other	200,820
Medical fees and services	18,396
<b>Total WWLHIN - CHB Revenue</b>	<b>7,131,351</b>
<b>Expenditures</b>	
<b>Salaries, Benefits and Relief</b>	
Salaries	3,855,147
Benefits	836,053
Relief	52,181
<b>Total Salaries, Benefits and Relief</b>	<b>4,743,381</b>
<b>Operating</b>	
Indigenous health and wellness	625,896
Overdose prevention site	590,077
Occupancy	235,680
Computer supplies	178,642
Program supplies	72,490
Purchased services	64,184
Office expenses	53,949
Professional fees	52,848
Cultural interpretation	49,866
Memberships	41,447
Medical supplies	41,079
Staff development	39,065
Telephone	31,726
Consultants' fees	29,056
Supportive recovery room	20,798
Travel and parking	19,690
General insurance	14,405
Printing and photocopying	13,053
Postage	10,419
Meeting expenses	10,109
Board expenses	5,126
Non-insured	1,837
Bank charges and interest	421
Clinical and professional insurance	(92)
<b>Total Operating</b>	<b>2,201,771</b>
<b>Total Expenditures</b>	<b>6,945,152</b>
<b>Operating surplus</b>	<b>186,199</b>
<b>Less: Acquisition of capital assets</b>	<b>(77,302)</b>
<b>Surplus before base funding repayable</b>	<b>108,897</b>
<b>Less: Funding repayable</b>	<b>(108,897)</b>
<b>Net deficit for the year</b>	<b>\$ -</b>

---

**Guelph Community Health Centre  
Schedule of Operations by Program - County of Wellington**

For the year ended March 31, 2020	Early ON
<b>Revenue</b>	
County of Wellington	\$ 614,268
Other	3,960
	618,228
<b>Expenditures</b>	
Salaries	350,180
Benefits	95,467
Occupancy	78,313
Purchased services	15,056
Recovery of prior year surplus repayable	9,887
Relief	9,820
Telephone	7,321
Office expenses	7,172
Program supplies	7,047
Staff development	3,447
Travel and parking	2,475
Professional fees	1,512
Vehicle	599
Printing and photocopying	489
	588,785
<b>Surplus before funding repayable</b>	29,443
<b>Less: Funding repaid</b>	(37,602)
<b>Net deficit for the year</b>	<b>\$ (8,159)</b>

**Guelph Community Health Centre**  
**Internally Restricted Net Assets - Schedule of Financial Position**

<b>March 31</b>	Community Innovation Fund	Capital Fund	Special Projects Fund	Total 2020	Total 2019
<b>Assets</b>					
<b>Current</b>					
Cash (Note 2)	\$ -	\$ 7,738	\$ 1,061	\$ 8,799	\$ 76,223
Short-term investments (Note 3)	-	277,052	433,759	710,811	1,022,394
Accounts receivable	50,000	50,664	-	100,664	57,660
Prepaid expenses and deposits	-	13,678	-	13,678	10,675
Due from CHC and OEYC Fund	87,736	312,393	337,574	737,703	163,024
	<u>137,736</u>	<u>661,525</u>	<u>772,394</u>	<u>1,571,655</u>	<u>1,329,976</u>
<b>Capital (Note 4)</b>	<u>-</u>	<u>4,106,712</u>	<u>-</u>	<u>4,106,712</u>	<u>4,129,267</u>
	<b>\$ 137,736</b>	<b>\$ 4,768,237</b>	<b>\$ 772,394</b>	<b>\$ 5,678,367</b>	<b>\$ 5,459,243</b>
<b>Liabilities and Net Assets</b>					
<b>Current</b>					
Accounts payable and accrued liabilities	\$ -	\$ 132,102	\$ 566	\$ 132,668	\$ 76,572
Deferred revenue	-	47,805	22,300	70,105	32,300
	<u>-</u>	<u>179,907</u>	<u>22,866</u>	<u>202,773</u>	<u>108,872</u>
<b>Net Assets</b>					
Internally restricted net assets	<u>137,736</u>	<u>4,588,330</u>	<u>749,528</u>	<u>5,475,594</u>	<u>5,350,371</u>
	<b>\$ 137,736</b>	<b>\$ 4,768,237</b>	<b>\$ 772,394</b>	<b>\$ 5,678,367</b>	<b>\$ 5,459,243</b>



**Guelph Community Health Centre  
Internally Restricted Net Assets - Schedule of Operations**

For the year ended March 31	Community Innovation Fund	Capital Fund	Special Projects Fund	Total 2020	Total 2019
<b>Revenues</b>					
Rent	\$ -	\$ 356,118	\$ -	\$ 356,118	\$ 319,700
Corporate support	-	-	233,972	233,972	154,596
Ministry of Health	-	73,976	-	73,976	83,260
Donations	65,492	-	-	65,492	35,325
Other	-	(12,558)	64,013	51,455	140,996
Shared CHC IT/ IN support	-	-	4,896	4,896	14,896
	<b>65,492</b>	<b>417,536</b>	<b>302,881</b>	<b>785,909</b>	<b>748,773</b>
<b>Expenditures</b>					
Amortization	-	292,553	-	292,553	276,098
Rental	-	288,149	-	288,149	318,235
Corporate support	-	-	212,713	212,713	155,759
Other	-	-	57,823	57,823	103,229
Shared CHC / IT / IN support	-	-	3,387	3,387	15,346
Community innovation	2,878	-	-	2,878	23,686
	<b>2,878</b>	<b>580,702</b>	<b>273,923</b>	<b>857,503</b>	<b>892,353</b>
Operating surplus (deficit)	62,614	(163,166)	28,958	(71,594)	(143,580)
Add: Interfund transfers of capital assets	-	196,817	-	196,817	58,130
Net surplus (deficit) for the year	62,614	33,651	28,958	125,223	(85,450)
Net assets, beginning of the year	75,122	4,554,679	720,570	5,350,371	5,435,821
Funding repayable (Note 6)	-	-	-	-	-
<b>Net assets, end of year</b>	<b>\$ 137,736</b>	<b>\$ 4,588,330</b>	<b>\$ 749,528</b>	<b>\$ 5,475,594</b>	<b>\$ 5,350,371</b>