

**Vaughan Community Health Centre Corporation**  
**Financial Statements**  
**For the Year Ended March 31, 2023**

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## Independent Auditor's Report

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To the Board of Directors of Vaughan Community Health Centre Corporation

### Opinion

We have audited the financial statements of Vaughan Community Health Centre Corporation (the Organization), which comprise the statement of financial position as at March 31, 2023, and 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, 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 report. We are independent of the Organization 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 these 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario  
June 27, 2023

## Vaughan Community Health Centre Corporation Statement of Financial Position

March 31	2023	2022
<b>Assets</b>		
<b>Current</b>		
Cash - internally restricted	\$ 56,641	\$ 55,159
- externally restricted	1,163,874	1,281,593
Accounts receivable (Note 5)	132,389	174,961
Prepaid expenses	41,729	38,394
	1,394,633	1,550,107
<b>Tangible capital assets (Note 6)</b>	<b>236,789</b>	<b>292,429</b>
	<b>\$ 1,631,422</b>	<b>\$ 1,842,536</b>
<b>Liabilities and Fund Balances</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 646,191	\$ 397,157
Due to Ontario Health - Core Operations (Note 2)	644,769	1,002,846
Due to Ontario Health - Diabetes Education Program (Note 3)	42,904	90,857
Due to other funders	2,365	2,365
	1,336,229	1,493,225
<b>Commitments (Note 9)</b>		
<b>Fund Balances</b>		
Capital Assets Fund	236,789	292,429
Growth and Development Fund	58,404	56,882
	295,193	349,311
	<b>\$ 1,631,422</b>	<b>\$ 1,842,536</b>

On behalf of the Board:

Daniel J. Ferman Director

[Signature] Director

## Vaughan Community Health Centre Corporation Statement of Changes in Fund Balances

For the year ended March 31	Core Operations Fund	Diabetes Education Program Fund	Northern York Region Fund	Other Externally Restricted Funds (Note 4)	Capital Assets Fund	Growth and Development Fund	2023 Total	2022 Total
Balance, beginning of the year	\$ -	\$ -	\$ -	\$ -	\$ 292,429	\$ 56,882	\$ 349,311	\$ 417,563
Excess (deficiency) of revenues over expenses	-	-	-	-	(55,640)	1,522	(54,118)	(68,252)
Balance, end of the year	\$ -	\$ -	\$ -	\$ -	\$ 236,789	\$ 58,404	\$ 295,193	\$ 349,311

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

## Vaughan Community Health Centre Corporation Statement of Operations

For the year ended March 31	Core Operations Fund	Diabetes Education Program Fund	Northern York Region Fund	Other Externally Restricted Funds (Note 4)	Capital Assets Fund	Total Restricted Funds	Growth and Development Fund	2023 Total	2022 Total
<b>Revenue</b>									
Ontario Health	\$ 5,667,222	\$ 987,059	\$ 770,558	\$ -	\$ -	\$ 7,424,839	\$ -	\$ 7,424,839	\$ 7,376,321
Miscellaneous	66,830	-	-	28,874	-	95,704	1,522	97,226	103,231
	<u>5,734,052</u>	<u>987,059</u>	<u>770,558</u>	<u>28,874</u>	<u>-</u>	<u>7,520,543</u>	<u>1,522</u>	<u>7,522,065</u>	<u>7,479,552</u>
<b>Expenses</b>									
Salaries, benefits and relief	3,974,416	903,405	581,605	28,874	-	5,488,300	-	5,488,300	5,348,402
General and operating	1,028,478	75,729	103,536	-	-	1,207,743	-	1,207,743	1,250,678
Occupancy costs	671,473	-	85,417	-	-	756,890	-	756,890	788,137
Medical supplies	59,685	7,925	-	-	-	67,610	-	67,610	89,894
Amortization	-	-	-	-	55,640	55,640	-	55,640	70,693
	<u>5,734,052</u>	<u>987,059</u>	<u>770,558</u>	<u>28,874</u>	<u>55,640</u>	<u>7,576,183</u>	<u>-</u>	<u>7,576,183</u>	<u>7,547,804</u>
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (55,640)</b>	<b>\$ (55,640)</b>	<b>\$ 1,522</b>	<b>\$ (54,118)</b>	<b>\$ (68,252)</b>

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

## Vaughan Community Health Centre Corporation Statement of Cash Flows

For the year ended March 31	2023	2022
<b>Cash flows from operating activities</b>		
Deficiency of revenues over expenses	\$ (54,118)	\$ (68,252)
Items not affecting cash:		
Amortization of tangible capital assets	55,640	70,693
	<u>1,522</u>	<u>2,441</u>
Changes in non-cash working capital:		
Accounts receivable	42,572	38,364
Prepaid expenses	(3,335)	1,144
Accounts payable and accrued liabilities	249,034	(135,026)
Due to Ontario Health - Core operations	(358,077)	442,610
Due to Ontario Health - Diabetes Education Program	(47,953)	39,756
Deferred revenue	-	(24,984)
	<u>(116,237)</u>	<u>364,305</u>
<b>Cash flows from financing activities</b>		
Payments for obligations under capital lease	-	(3,778)
<b>Net (decrease) increase in cash</b>	<b>(116,237)</b>	<b>360,527</b>
<b>Cash, beginning of the year</b>	<b>1,336,752</b>	<b>976,225</b>
<b>Cash, end of the year</b>	<b>\$ 1,220,515</b>	<b>\$ 1,336,752</b>
<b>Represented by:</b>		
Cash - internally restricted	\$ 56,641	\$ 55,159
- externally restricted	1,163,874	1,281,593
	<u>\$ 1,220,515</u>	<u>\$ 1,336,752</u>

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

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# Vaughan Community Health Centre Corporation

## Notes to Financial Statements

March 31, 2023

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### 1 . Significant Accounting Policies

#### Nature and Purpose of Organization

The Vaughan Community Health Centre Corporation (the "Community Health Centre") is a not-for-profit organization incorporated on August 17, 2006 with the Ministry of Consumer and Business Services of Ontario.

The objectives of the Community Health Centre are:

(a) to provide primary health care, health promotion, illness prevention services and community development services which focus on hard to reach groups and populations.

(b) to promote equity in access to health services and to strengthen the role of the individual and the community in health and health care delivery; and

(c) to encourage linkages among health services and with social and other community services.

The strategic directions for 2023 are:

(a) Facilitate positive impact on health outcomes

(b) Ensure timely access to services and resources

(c) Ensure quality and efficiency

The Community Health Centre receives 99% (2022 - 99%) of its funding from Ontario Health.

The Community Health Centre is registered under the Charities Act as of April 1, 2009 and, as such, is exempt from income taxes.

#### Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.



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# Vaughan Community Health Centre Corporation

## Notes to Financial Statements

March 31, 2023

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### 1. Significant Accounting Policies (continued)

#### Fund Accounting

The Community Health Centre follows the restricted fund method of accounting for contributions.

The Core Operations Fund, Diabetes Education Program Fund and Canada Summer Jobs Fund for the Community Health Centre's program delivery and administrative activities. These funds report restricted resources and restricted operating grants.

The Capital Assets Fund reports the assets, liabilities, revenues and expenses related to the Community Health Centre's tangible capital assets.

The Growth and Development Fund accounts for the Community Health Centre's internally restricted resources and internally restricted contributions.

#### Revenue Recognition

Restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. However, if no appropriate restricted fund is presented, then the restricted contribution is recognized as revenue of the Core Operations Fund in the year in which the related expenses are incurred.

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

Restricted net investment income is recognized as revenue of the Core Operations Fund when earned.

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# Vaughan Community Health Centre Corporation

## Notes to Financial Statements

March 31, 2023

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### 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 operations. 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 operations. 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 operations.

The Community Health Centre's financial instruments consist of cash which is recorded at fair value and accounts receivable, accounts payable and accrued liabilities and due to Ontario Health are recorded at amortized cost.

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# Vaughan Community Health Centre Corporation

## Notes to Financial Statements

March 31, 2023

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### 1. Significant Accounting Policies (continued)

**Tangible Capital Assets** Tangible capital assets are stated at cost less accumulated amortization.

Amortization based on the estimated useful life of the asset is calculated as follows:

	<b>Method</b>	<b>Rate</b>
Leasehold improvements	Straight-line	Term of lease
Artwork	Declining balance	10%
Office furniture and equipment	Declining balance	20%
Medical equipment	Declining balance	20%
Computer equipment	Declining balance	55%
Computer software	Declining balance	100%

Amortization expense is reported in the Capital Assets Fund.

When a tangible capital asset no longer has any long-term service potential to the Community Health Centre, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

When a tangible capital asset is disposed of, the difference between the net proceeds on disposition and the net carrying amount is recognized in the statement of operations.

### **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 for the year ended. The principal estimate used in the preparation of these financial statements is the estimate of useful life of tangible capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

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## Vaughan Community Health Centre Corporation Notes to Financial Statements

March 31, 2023

### 2. Core Operations

The core operations are funded by Ontario Health for the Community Health Centre's day-to-day operations, the High Priority Communities Strategy Program and Mental Health Access Fund. These operations include primary care, system navigation, various supports for the promotion of health and exercise, vaccinations, testing and wraparound supports. Any funding unspent at the end of the year and the interest received on these funds is refundable to Ontario Health.

	2023	2022
Approved funding	\$ 5,805,313	\$ 6,001,491
Less: Expenses eligible for program funding	5,734,052	5,602,268
Excess of revenue over expenses	71,261	399,223
Add: Other income, including interest	66,830	43,387
	\$ 138,091	\$ 442,610
2019/2020	\$ -	\$ 85,964
2020/2021	-	474,272
2021/2022	442,610	442,610
2022/2023	202,159	-
	\$ 644,769	\$ 1,002,846

### 3. Diabetes Education Program

The Diabetes Education Program, funded by Ontario Health, provides community based diabetes education services as well as individual assessment and follow-up support to adults with diabetes. Any unspent funding at the end of the year and the interest received on these funds is refundable to the Ontario Health.

	2023	2022
Approved funding	\$ 990,206	\$ 984,421
Less: Expenses eligible for program funding	987,059	944,665
Excess of revenue over expenses	\$ 3,147	\$ 39,756
2019/2020	\$ -	\$ 4,206
2020/2021	-	46,894
2021/2022	39,757	39,757
2022/2023	3,147	-
	\$ 42,904	\$ 90,857

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## Vaughan Community Health Centre Corporation Notes to Financial Statements

March 31, 2023

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#### 4. Other Programs

##### Externally Restricted:

- (a) Canada Summer Jobs Program

Funded by the Ministry of Employment and Social Development, the program is designed to create summer job opportunities for young people who are full-time students intending to return to their studies in the next school year.

##### Internally Restricted:

- (a) Growth and Development Fund

The Growth and Development Fund includes funding internally restricted by the Community Health Centre to be used for special projects and programs for which alternative funding is not available.

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#### 5. Accounts Receivable

	<u>2023</u>	<u>2022</u>
Harmonized sales tax receivable	\$ 64,588	\$ 107,936
Receivable from other community programs	<u>67,801</u>	<u>67,025</u>
	<u>\$ 132,389</u>	<u>\$ 174,961</u>

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**Vaughan Community Health Centre Corporation**  
**Notes to Financial Statements**

March 31, 2023

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**6. Tangible Capital Assets**

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Leasehold improvements	\$ 2,006,895	\$ 1,842,521	\$ 2,006,895	\$ 1,809,089
Artwork	13,850	10,840	13,850	10,505
Office furniture and equipment	425,487	397,968	425,487	391,090
Medical equipment	307,639	281,830	307,639	275,377
Computer equipment	420,629	419,937	420,629	419,091
Computer equipment under capital lease	112,181	96,796	112,181	89,100
	<b>3,286,681</b>	<b>3,049,892</b>	<b>3,286,681</b>	<b>2,994,252</b>
Net Book Value		<b>\$ 236,789</b>		<b>\$ 292,429</b>

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# Vaughan Community Health Centre Corporation

## Notes to Financial Statements

March 31, 2023

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### 7. Pension Plan

HOOPP provides pension services to more than 357,000 active and retired members and approximately 570 employers. Substantially all of the full-time employees and some of the part-time employees of the Community Health Centre are members of HOOPP. The plan is a multi-employer plan and therefore the Community Health Centre's contributions are accounted for as if the plan were a defined contribution plan with the Community Health Centre's contributions being expensed in the period they come due.

Each year, an independent actuary determines the funding status of HOOPP by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date.

The results of the most recent valuation as at December 31, 2022 disclosed a surplus of \$10.95 billion (2022 - \$28.5 billion). The results of this valuation disclosed total liabilities and pension obligations of \$174.1 billion (2022 - \$188.6 billion) in respect of services accrued to December 31, 2022 and a value of actuarial assets at that date of \$185.1 billion (2022 - \$217.1 billion). HOOPP is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario member organizations and their employees. As a result, the Community Health Centre does not recognize any share of the HOOPP surplus or deficit. Contributions made by the Community Health Centre to HOOPP during the year amounted to \$615,136 (2022 - \$647,665).

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### 8. Bank Credit Facility

The Community Health Centre has an available credit facility of \$800,000 (2022 - \$800,000) that bears interest at the Royal Bank prime rate minus 0.25% and is secured by a general security agreement. No amounts have been drawn from the credit facility during the 2023 fiscal year. As of March 31, 2023, the Community Health Centre did not have an outstanding balance on the line of credit (2022 - \$Nil).

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### 9. Commitments

The Community Health Centre is committed to the following minimum annual lease payments under operating leases for its premises and equipment for the next year:

2024	<u>\$ 332,451</u>
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# Vaughan Community Health Centre Corporation

## Notes to Financial Statements

March 31, 2023

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### 10. Financial Instruments

#### 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 Community Health Centre's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. The majority of the Community Health Centre's receivables are from government sources and the Community Health Centre works to ensure it meets all eligibility criteria in order to qualify to receive the funding.

There have not been any changes in the risk from the prior year.

#### Liquidity risk

Liquidity risk is the risk that the Community Health Centre will encounter difficulty in meeting its obligations associated with financial liabilities. The Community Health Centre is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

The Community Health Centre's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The Community Health Centre maintains sufficient cash flows to provide for its obligations, and maintains a credit facility sufficient to cover its obligations.

There have not been any changes in the risk from the prior year.

#### 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 market interest rates. The Community Health Centre is exposed to interest rate risk primarily due to its credit facility.

The Community Health Centre mitigates interest rate risk on its credit facility by limiting the duration of any potential withdrawal on the facility.

There have not been any changes in the risk from the prior year.

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