

**GRAND RIVER COMMUNITY HEALTH CENTRE**

**FINANCIAL STATEMENTS**

**For the year ended March 31, 2021**

# **GRAND RIVER COMMUNITY HEALTH CENTRE**

**For the year ended March 31, 2021**

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## INDEPENDENT AUDITORS' REPORT

To the Directors of  
**Grand River Community Health Centre**

### Opinion

We have audited the financial statements of Grand River Community Health Centre (the 'Centre'), which comprise the statement of financial position as at March 31, 2021, and the statements of changes in net assets, operations 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 Centre as at March 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### 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 *Auditors' Responsibilities for the Audit of 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.

### Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The Annual Report is expected to be made available to us after the date of auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

### 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 public sector accounting standards, 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 relating 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.

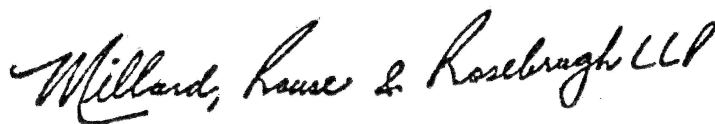
### **Auditors' Responsibilities for the Audit of the Financial Statements**

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 auditors' 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 auditors' 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 auditors' 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 may identify during our audit.



CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

May 19, 2021  
Brantford, Ontario

# GRAND RIVER COMMUNITY HEALTH CENTRE

## STATEMENT OF FINANCIAL POSITION

As at March 31	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and bank (Notes 3 and 9)	5,364,505	3,128,265
Accounts receivable	190,597	180,669
Prepaid expenses	58,340	56,057
	5,613,442	3,364,991
<b>Capital Assets (Note 4)</b>	1,757,039	1,775,782
	7,370,481	5,140,773
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	827,972	827,675
Surplus payable to MOHLTC	139,469	115,389
Funding payable to MOHLTC for capital projects (Note 8)	1,906	1,906
Deferred revenue and donations	408,221	308,047
Funds held for disbursement (Note 9)	4,215,248	2,091,348
	5,592,816	3,344,365
<b>Deferred Contributions Related to Capital Assets (Note 5)</b>	1,757,039	1,775,782
	7,349,855	5,120,147
<b>Net Assets</b>	20,626	20,626
	7,370,481	5,140,773

Approved on behalf of the Board:

 Director

 Director

**GRAND RIVER COMMUNITY HEALTH CENTRE**

**STATEMENT OF CHANGES IN NET ASSETS**

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<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
Balance, beginning of year	20,626	17,250
Excess of expenses over revenues	-	3,376
Balance, end of year	20,626	20,626

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# GRAND RIVER COMMUNITY HEALTH CENTRE

## STATEMENT OF OPERATIONS

For the year ended March 31	2021	2020
<b>Revenues</b>		
Grant - Local Health Integration Network	5,227,130	4,803,951
Less: grant allocated to deferred contributions (Note 5)	(302,915)	(40,810)
MOHLTC - TPA fee income (Note 9)	79,630	74,448
Funded projects and community initiatives	17,295	95,701
Donations and other income	66,156	127,391
Recognition of deferred capital contributions (Note 5)	333,078	330,581
	<b>5,420,374</b>	<b>5,391,262</b>
<b>Expenses</b>		
Salaries and wages	2,312,752	2,152,023
Employee benefits	484,255	460,338
Medical staff remuneration	1,119,678	1,035,722
Medical and surgical supplies	41,832	32,929
Buildings and grounds	94,591	86,524
Equipment expenses	29,218	68,570
Contracted services	340,542	379,048
Supplies and sundry	305,339	359,704
Rent	249,638	221,786
Funded projects and community initiatives	17,295	95,701
Donations and other revenue expense	66,156	124,014
Amortization	333,078	330,581
	<b>5,394,374</b>	<b>5,346,940</b>
<b>Excess of revenues over expenses before the undernoted</b>	<b>26,000</b>	<b>44,322</b>
Surplus repayable to MOHLTC	26,000	40,946
<b>Excess of expenses over revenues</b>	<b>-</b>	<b>3,376</b>

See accompanying notes

# GRAND RIVER COMMUNITY HEALTH CENTRE

## STATEMENT OF CASH FLOWS

<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>Cash Flows From Operating Activities</b>		
Excess of revenues over expenses	-	3,376
Charges (credits) to income not involving cash		
Amortization	333,078	330,581
Deferred contributions relating to capital assets	(333,078)	(330,581)
Increase (decrease) in deferred lease liability	(43,217)	7,464
	(43,217)	10,840
Net change in non-cash working capital balances related to operations (Note 11)	2,279,457	800,713
	2,236,240	811,553
<b>Cash Flows From Investing Activities</b>		
Purchase of capital assets	(314,335)	(40,810)
Deferred contributions - LHIN funded capital assets	302,915	40,810
Deferred contributions - other	11,420	-
	-	-
<b>Net Increase in Cash and Bank</b>	2,236,240	811,553
<b>Opening Cash and Bank</b>	3,128,265	2,316,712
<b>Closing Cash and Bank</b>	5,364,505	3,128,265

*See accompanying notes*



# GRAND RIVER COMMUNITY HEALTH CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

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### 1. NATURE AND PURPOSE OF THE ORGANIZATION

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Grand River Community Health Centre (the 'Centre') is incorporated without share capital under the laws of the Province of Ontario. The Centre is a not-for-profit organization and, as such, no income taxes are applicable. The Centre provides primary health care, health promotion, and illness prevention for Brantford and Brant County.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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These financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS) inclusive of PS 4200 through 4270, which apply only to government not-for-profit organizations.

#### (a) Revenue Recognition

The Centre follows the deferral method of accounting for contributions, which include donations and government grants for capital assets.

Operating grants are recorded as revenue in the year to which they relate. Grants approved but not received at the end of an accounting year are accrued. Where a portion of grants relates to a future year, it is deferred and recognized in that subsequent year. Where a portion of a grant is repayable as a result of not meeting performance measurements, best estimates of the repayment amount are made and accrued at year-end.

Contributions restricted for the purchase of property and equipment are deferred and amortized to revenue over the same year as the related asset is amortized to expense.

#### (b) Capital Assets

Purchased capital assets are stated at cost. Amortization is provided for in the accounts as follows:

Leasehold improvements	13 years straight line
Computer software	3 - 5 years straight line
Computer equipment	3 - 5 years straight line
Major equipment	4 - 20 years straight line
Building service equipment	5 - 10 years straight line

#### (c) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

# GRAND RIVER COMMUNITY HEALTH CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (d) Financial Instruments

The Centre initially measures its financial instruments at fair value. The Organization subsequently measures all its financial instruments at amortized cost, unless management has elected to carry the instruments at fair value.

Financial assets and financial liabilities measured at amortized cost include cash, accounts receivable, accounts payable and accrued liabilities and surplus payable to the Ministry of Health and Long-Term Care (MOHLTC).

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment.

### 3. CASH AND BANK

The Centre's bank account is held at one chartered bank and earns interest at a nominal rate.

4. CAPITAL ASSETS	Cost	Accumulated Amortization	2021	2020
Building service equipment	252,410	129,556	122,854	146,420
Leasehold improvements	3,530,507	2,269,286	1,261,221	1,477,196
Computer equipment and software	237,997	177,433	60,564	76,778
Major equipment	533,034	220,634	312,400	75,388
	4,553,948	2,796,909	1,757,039	1,775,782

### 5. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions relate to the unamortized portion of capital assets. The balance represents contributions received for capital assets that have been deferred and are being amortized and recognized as revenue at the same rate as the related capital assets are amortized. Changes in the deferred contributions balance for the year are as follows:

	2021	2020
Balance, beginning of year	1,775,782	2,065,553
Add: allocation to deferred contributions - LHIN funding	302,915	40,810
Add: additions deferred contributions - other funds	11,420	-
Deduct: amortized portion of contributions	(333,078)	(330,581)
Balance, end of year	1,757,039	1,775,782

# GRAND RIVER COMMUNITY HEALTH CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

### 6. LEASE COMMITMENT

The Centre is committed to the following future minimum lease payments, under terms of operating leases for office premises, which will expire in April 2025 and July 2026.

Years ended March 31,	2022	267,925
	2023	267,925
	2024	267,925
	2025	267,925
	2026	14,560
		<u>1,086,260</u>

### 7. ECONOMIC DEPENDENCE

The Centre is primarily funded by the Local Health Integration Network (LHIN) and its ongoing existence is dependent upon continued funding by the agency.

### 8. CAPITAL PROJECTS

The Centre committed to the construction of a new facility (the project) with an estimated cost of \$3,811,000. The Ministry of Health and Long-Term Care (MOHLTC) committed to provide a capital grant of up to \$3,550,000 for the project. In the event the Centre does not expend all of the funding received, it will be returned to the MOHLTC. The construction of the building was completed in a prior year for a total cost of \$3,689,919 resulting in the following repayable to MOHLTC, which is outstanding at March 31, 2021 and 2020:

	2021	2020
Cumulative cost for permanent site	3,689,919	3,689,919
Cumulative Non-MOHLTC funding for permanent site	393,831	393,831
Net cumulative permanent site costs	3,296,088	3,296,088
Cumulative MOHLTC funding advanced for permanent site	(3,297,994)	(3,297,994)
Funding advanced for capital projects	(1,906)	(1,906)

# GRAND RIVER COMMUNITY HEALTH CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

### 9. FUNDS HELD FOR DISBURSEMENT

The Centre serves as a midwifery program transfer payment agency (TPA). The revenues and expenses of the midwifery practice groups are not reflected in these financial statements. Activity for the year consisted of:

<b>For the Year Ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>Ontario Midwifery Program - Revenues</b>		
MOHLTC - Midwifery Program payments	15,016,203	12,858,084
Interest income	11,369	48,539
	<b>15,027,572</b>	<b>12,906,623</b>
<b>Midwifery Program Expenses</b>		
<u>Fees</u>		
Base fees	7,514,785	5,937,533
New registrant fees	758,824	650,000
	<b>8,273,609</b>	<b>6,587,533</b>
<u>Caseload Variables</u>		
Base CV fees	-	265,714
	-	<b>265,714</b>
<u>Disbursements</u>		
Base travel	205,390	197,820
Base liability insurance	1,723,329	1,802,811
Clinical equipment for midwives	45,031	45,906
Home birth kit	41,418	31,941
Base benefits	1,205,951	956,143
	<b>3,221,119</b>	<b>3,034,621</b>
New registrant travel	24,900	23,620
New registrant liability insurance	441,145	475,544
New registrant other	116,202	94,629
	<b>582,247</b>	<b>593,793</b>
Clinical equipment for practice group	45,031	45,906
Administrative support	20,000	20,000
Second attendant supplement	18,000	18,000
	<b>83,031</b>	<b>83,906</b>
<u>Other</u>		
Office equipment	-	1,000
NR clinic equipment grant	30,778	-
Special equipment and furniture	10,943	1,000
Ministry approved adjustments	439,250	-
IT software	19,909	23,891
Midwifery services for physician clients	6,008	-
New practice group fees	3,183	-
Leasehold improvements	92,129	40,000
Uninsured clients third party payment	50,536	-
TPA support for uninsured clients	5,184	53,141
TPA operations fee	74,446	74,446
New registrant equipment	-	53,894
Other Applicable Expenses	11,300	2,336
	<b>743,666</b>	<b>249,708</b>
<b>Total Midwifery Expenses</b>	<b>12,903,672</b>	<b>10,815,275</b>
<b>Excess of Revenues over Expenses</b>	<b>2,123,900</b>	<b>2,091,348</b>

# GRAND RIVER COMMUNITY HEALTH CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

### 9. FUNDS HELD FOR DISBURSEMENT (Continued)

For the Year Ended March 31	2021	2020
Accumulated surplus - Beginning of Year	2,091,348	1,577,271
Less: Amounts paid to MOHLTC	-	(1,577,271)
Add: Excess of revenues over expenses	2,123,900	2,091,348
<b>Funds held for disbursement</b>	<b>4,215,248</b>	<b>2,091,348</b>

The excess of revenues over expenses will be advanced to the midwifery practice groups in the subsequent fiscal year. If all of the funds are not advanced, they will be returned to the MOHLTC.

### 10. EMPLOYEE FUTURE BENEFITS

Substantially all of the full-time employees of the Centre are eligible to be members of the Healthcare of Ontario Pension Plan (HOOPP), which is a multi-employer average of the best five years' pay contributory pension plan, and employees are entitled to certain post-employment benefits. HOOPP is a defined benefit pension plan; however, as the Organization has insufficient information to apply defined benefit plan accounting, it is accounted for as a defined contribution plan, whereby contributions are expensed when due.

Contributions made during the year to HOOPP by the Centre amounted to \$236,911 (2020 - \$218,056). These amounts are included in employee benefits expense in the statement of operations.

11. CASH FLOW FROM OPERATIONS	2021	2020
Accounts receivable	(9,928)	87,955
Prepaid expenses	(2,283)	23,017
Accounts payable and accrued liabilities	43,495	(27,127)
Surplus payable to MOHLTC	24,080	46,786
Deferred revenue and donations	100,174	156,005
Funds held for disbursement	2,123,919	514,077
	<b>2,279,457</b>	<b>800,713</b>

# GRAND RIVER COMMUNITY HEALTH CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

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### 12. FINANCIAL INSTRUMENTS

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The Centre has identified the following financial risks:

#### **Credit Risk**

The Centre's exposure to credit risk relates to its accounts receivable. The risk of significant credit loss is considered remote as the receivables are mainly derived and outstanding from government agencies.

#### **Liquidity Risk**

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. Trade accounts payable and accrued liabilities are generally paid within 30 days.

### 13. COVID-19 PANDEMIC

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During and subsequent to year end, the Centre has been impacted by the effects of the world-wide coronavirus pandemic. The Centre is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impacts of this unprecedented situation. The Centre claimed \$25,000 related to the Temporary Wage Subsidy for Employers (TWS).

The impacts to expenses and revenues will carry over to fiscal 2022 and it is not possible to determine the ultimate financial impact to the Centre at this time.

### 14. COMPARATIVE FIGURES

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Certain of the prior year figures, provided for purposes of comparison, have been reclassified to conform with the current year presentation.