COMMUNITY HEALTH CENTRES OF NORTHUMBERLAND
FINANCIAL STATEMENTS
AS AT MARCH 31, 2025

WILKINSON

COMMUNITY HEALTH CENTRES OF NORTHUMBERLAND
TABLE OF CONTENTS
AS AT MARCH 31, 2025

	Page
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenue and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7-14

WILKINSON
Integrity, Knowledge, Solutions

INDEPENDENT AUDITOR'S REPORT

To the Members of
Community Health Centres of Northumberland

Opinion

We have audited the financial statements of Community Health Centres of Northumberland (the Organization), which comprise the statement of financial position as at March 31, 2025 and the statements of revenue and expenditures, changes in net assets 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, 2025, and its financial performance 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 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 these 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.

Telephone 613-392-2592 • Toll Free 1-888-713-7283 • Fax 613-392-8512
P.O. Box 400, 50 Dundas Street West, Trenton, Ontario K8V 5R6 • www.wilkinson.net

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.

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.

Wilkinson + Company LLP

TRENTON, Canada
June 12, 2025

Chartered Professional Accountants
Licensed Public Accountants

COMMUNITY HEALTH CENTRES OF NORTHUMBERLAND
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2025

	2025 $	2024 $
ASSETS		
CURRENT		
Cash - Note 3	**339,088**	359,450
Accounts receivable - Note 4	**352,440**	213,066
HST recoverable	**130,719**	122,626
Medical supplies	**15,762**	28,214
Government remittances receivable	**-**	13,170
Prepaid expenses	**72,834**	69,463
	910,843	805,989
RESTRICTED CASH - Note 5	**856,985**	1,338,265
TANGIBLE CAPITAL ASSETS - Note 6	**164,852**	196,921
	1,932,680	2,341,175
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**705,900**	782,294
Government remittances payable	**12,322**	-
Grants repayable - Note 7	**212,228**	619,998
Deferred revenue - Other	**249,014**	338,812
Due to affiliated company - Note 15	**395,743**	379,455
	1,575,207	2,120,559
DEFERRED CAPITAL CONTRIBUTIONS - Note 9	**164,852**	196,921
	1,740,059	2,317,480
NET ASSETS		
General Fund - Notes 10 and 11	**192,621**	23,695
	1,932,680	2,341,175

COMMITMENTS - Note 13

APPROVED ON BEHALF OF THE BOARD

_____ Director

_____ Director

The accompanying notes form an integral part of these financial statements

COMMUNITY HEALTH CENTRES OF NORTHUMBERLAND
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2025

	General Fund $	Capital Fund $	2025 $	2024 $
REVENUE				
Ontario Health East - Note 8	**6,512,665**	**-**	**6,512,665**	6,346,299
Federal employment grant	**9,868**	**-**	**9,868**	5,005
Provincial grants	**462,882**	**-**	**462,882**	574,975
Municipal grants	**128,046**	**-**	**128,046**	16,005
Other grants	**83,464**	**-**	**83,464**	24,831
Dental fees - Note 11	**1,135,083**	**-**	**1,135,083**	853,329
Donations	**71,721**	**-**	**71,721**	39,034
Interest	**42,598**	**-**	**42,598**	51,576
Other	**81,008**	**-**	**81,008**	64,986
Deferred capital contributions - Note 9	**-**	**59,449**	**59,449**	67,081
	8,527,335	**59,449**	**8,586,784**	8,043,121
EXPENDITURES				
Advertising and promotion	**10,533**	**-**	**10,533**	9,309
Dues and fees	**31,028**	**-**	**31,028**	34,594
Information technology services and support	**166,551**	**-**	**166,551**	165,018
Insurance	**22,434**	**-**	**22,434**	20,706
Office	**198,630**	**-**	**198,630**	138,017
Professional fees	**177,018**	**-**	**177,018**	124,533
Rent	**471,688**	**-**	**471,688**	448,014
Repairs, maintenance and small equipment	**66,854**	**-**	**66,854**	109,723
Salaries and benefits	**6,594,742**	**-**	**6,594,742**	6,218,280
Supplies	**363,463**	**-**	**363,463**	404,487
Telephone	**27,642**	**-**	**27,642**	27,291
Training, conferences and travel	**58,235**	**-**	**58,235**	63,303
Utilities	**37,700**	**-**	**37,700**	34,898
Amortization	**-**	**59,449**	**59,449**	67,081
	8,226,518	**59,449**	**8,285,967**	7,865,254
EXCESS OF REVENUE OVER EXPENDITURES	**300,817**	**-**	**300,817**	177,867
AMOUNT DUE TO ONTARIO MINISTRY OF HEALTH AND LONG-TERM CARE - Note 8	**(131,891)**	**-**	**(131,891)**	(65,373)
EXCESS OF REVENUE OVER EXPENSES FOR YEAR	**168,926**	**-**	**168,926**	112,494

The accompanying notes form an integral part of these financial statements

COMMUNITY HEALTH CENTRES OF NORTHUMBERLAND
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2025

	General Fund $	Capital Fund $	2025 $	2024 $
BALANCE - BEGINNING OF YEAR	**23,695**	**-**	**23,695**	(88,799)
EXCESS OF REVENUE OVER EXPENSES	**168,926**	**-**	**168,926**	112,494
BALANCE - END OF YEAR - Note 10	**192,621**	**-**	**192,621**	23,695

The accompanying notes form an integral part of these financial statements

COMMUNITY HEALTH CENTRES OF NORTHUMBERLAND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2025

	2025 $	2024 $
OPERATING ACTIVITIES		
Excess of revenue over expenses	**168,926**	112,494
Item not affecting cash:		
Amortization of tangible capital assets	**59,449**	67,081
Deferred capital contributions	**(59,449)**	(67,081)
	168,926	112,494
Changes in non-cash working capital:		
Accounts receivable	**(139,374)**	(73,245)
HST recoverable	**(8,093)**	10,889
Medical supplies	**12,452**	(1,319)
Government remittances receivable	**13,170**	(13,170)
Prepaid expenses	**(3,371)**	(28,787)
Accounts payable and accrued liabilities	**(76,394)**	148,266
Government remittances payable	**12,322**	(3,834)
Deferred revenue	**(89,798)**	120,446
CASH FLOWS PROVIDED FROM (USED IN) OPERATING ACTIVITIES	**(110,160)**	271,740
INVESTING ACTIVITIES		
Increase in amounts due to affiliated company	**16,288**	30,921
Purchase of tangible capital assets	**(27,381)**	(16,275)
CASH FLOWS PROVIDED FROM (USED IN) INVESTING ACTIVITIES	**(11,093)**	14,646
FINANCING ACTIVITIES		
Grants repayable	**131,891**	65,373
Grants repaid	**(539,661)**	-
Grants received to purchase capital assets	**27,381**	16,275
CASH FLOWS PROVIDED FROM (USED IN) FINANCING ACTIVITIES	**(380,389)**	81,648
INCREASE (DECREASE) IN CASH	**(501,642)**	368,034
CASH - BEGINNING OF YEAR	**1,697,715**	1,329,681
CASH - END OF YEAR	**1,196,073**	1,697,715
REPRESENTED BY:		
Cash - Unrestricted	**339,088**	359,450
Cash - Restricted	**856,985**	1,338,265
	1,196,073	1,697,715

The accompanying notes form an integral part of these financial statements

COMMUNITY HEALTH CENTRES OF NORTHUMBERLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

1. NATURE OF OPERATIONS

Community Health Centres of Northumberland, a registered charity is a non-profit, community governed organization that provides primary health care, health promotion and other services delivered by inter-disciplinary teams of clinicians including physicians, nurse practitioners, dieticians, health promoters, counsellors, dentists, hygienists and others. The mandate of the Centre is to provide effective primary health care treatment and prevention services to our community while respecting the differing needs of the individual. The Centre serves Port Hope, Cobourg, and their neighbouring communities. It was incorporated by Letters Patent dated March 7, 2007 as a corporation without share capital and is exempt from the payment of income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Tangible Capital Assets

Tangible capital assets are stated at cost less accumulated amortization. Equipment and leasehold improvements are amortized on a straight-line method over their estimated useful lives:

Medical equipment	5 years
Office equipment	5 years
Automotive equipment	5 years
Computer equipment	3 years
Leasehold improvements	10 years

The Centre regularly reviews its tangible capital assets to eliminate obsolete items.

(c) Pension and Employee Benefits

The Centre accounts for its participation in a multi-employer private pension fund, as a defined benefit plan. The Health Care of Ontario Pension Plan specifies the retirement benefits to be received by employees based on length of service and pay rates.

Employee benefits include vacation entitlement and banked time benefits. These entitlements are accrued as earned and recorded in accounts payable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont'd)

(d) Revenue Recognition

The Centre follows the deferral method of accounting for externally restricted contributions (grants and donations) whereby restricted contributions related to expenses of future periods are recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized in the period in which they were received.

Patient and other revenues are recognized as services are provided.

(e) Allocation of Expenditures

The Centre offers patient care through a number of programs. In addition to direct program expenditures, the Centre also incurs a number of general support expenditures that are common to the administration of the organization. Ontario Health East provides a specific dollar amount as contribution towards these common expenditures for the Diabetes program and accordingly common expenditures have been allocated to the Diabetes Net Eligible Expenditure in Note 8.

(f) 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reporting amounts of revenue and expenditures during the year. Significant items subject to such estimates and assumptions include valuation of accounts receivable, the estimated useful life of tangible capital assets, accounts payable, deferred revenue and deferred contributions. Actual results could differ from those estimates.

(g) Contributed Services

The Centre has many volunteers who donate a considerable number of hours to support the various activities. The fair value of these contributed services is not recognized in the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont'd)

(h) Financial Instruments

The Centre has financial instruments which include cash, accounts receivable, HST recoverable, accounts payable, government remittances payable and grants repayable. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impaired losses.

(i) Government Assistance

Government assistance in the form of non-repayable subsidies and forgivable loans were accounted for using the cost reduction approach, whereby the cost of operating expense is reduced by the assistance received; if assistance received is not for a specific expenditure, the assistance is recorded as revenue. Government assistance is recognized in the period where all conditions of the non-repayable subsidies and forgivable loans are met.

3. CASH

The Centre has an approved but unused bank operating line of credit for a maximum of $50,000 secured by a general security agreement with interest at prime. As well, there is a credit card facility with a maximum limit of $50,000.

4. ACCOUNTS RECEIVABLE

Included within accounts receivable are sundry accounts receivable and amounts receivable and allowance for doubtful accounts for the dental program:

	2025	2024
	$	$
Sundry accounts receivable	**236,437**	173,808
Dental accounts receivable	**145,004**	46,966
Allowance for doubtful accounts - dental	**(29,001)**	(7,708)
	352,440	213,066

COMMUNITY HEALTH CENTRES OF NORTHUMBERLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

5. RESTRICTED CASH

Externally restricted cash is used to fund current restricted liabilities and surpluses from current and prior periods owing to the Ministry as per its various funding agreements. A significant portion of their restricted cash is to be used to repay the $212,228 (2024 - $619,998) amount repayable to the Ministry of Health and Long-Term Care.

6. TANGIBLE CAPITAL ASSETS

	Cost **$**	**Accumulated amortization** **$**	**2025 Net book value** **$**	2024 Net book value $
Medical equipment	**181,349**	**181,349**	**-**	-
Office equipment	**568,142**	**514,438**	**53,704**	61,762
Automotive equipment	**78,506**	**78,506**	**-**	-
Computer equipment	**285,594**	**274,745**	**10,849**	16,662
Leasehold improvements	**2,358,888**	**2,258,589**	**100,299**	118,497
	3,472,479	**3,307,627**	**164,852**	196,921

7. GRANTS REPAYABLE

The grants repayable to Ontario Health East are as follows:

	2025 **$**	2024 $
Ontario Health East - Note 8	**210,382**	618,152
Capital	**-**	-
Operating	**1,846**	1,846
Ontario Telemedicine Network - paymaster	**-**	-
	212,228	619,998

COMMUNITY HEALTH CENTRES OF NORTHUMBERLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

8. GRANT - ONTARIO HEALTH EAST

Governed by an agreement with Ontario Health East, the Centre receives a grant from the Ministry of Health and Long-Term Care. Unspent funding is repayable. Deficits, if any, arising from each programs' actual operating results for the year is the responsibility of the Centre.

	2025 Grant Received $	**2025 Net Eligible Expenditure $**	**2025 Balance Repayable $**	2024 Balance Repayable $
Physician compensation	**1,239,174**	**1,208,965**	**30,209**	33,042
Ontario Telemedicine Network	**68,762**	**68,762**	**-**	-
Diabetes	**901,513**	**901,513**	**-**	2,211
Operations - All other	**4,303,216**	**4,275,919**	**27,297**	30,120
Prior years reassessments			**74,385**	**-**
	6,512,665	**6,455,159**	**131,891**	65,373
Balance repayable at beginning of year			**618,152**	552,779
Repaid during the year			**(539,661)**	-
Balance repayable at end of year			**210,382**	618,152

9. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions related to tangible capital asset acquisitions represent the unamortized amount of grants and donations received for the purchase of these assets. The amortization of capital contributions is recorded as revenue in the capital fund revenue, expenditures and fund balance based on the life of the asset purchased.

	2025 $	2024 $
Grants for capital purposes		
Balance at beginning of year	**3,527,869**	3,511,594
Received during year	**27,380**	16,275
	3,555,249	3,527,869
Amortization of capital grants		
Balance at beginning of year	**3,330,948**	3,263,867
Revenue recognized during year	**59,449**	67,081
	3,390,397	3,330,948
Balance at end of year	**164,852**	196,921

COMMUNITY HEALTH CENTRES OF NORTHUMBERLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

10. GENERAL FUND

The General Fund consists of the following unrestricted and internally restricted balances:

	2025	2024
	$	$
Unrestricted	**(145,643)**	(43,606)
Internally restricted for dental program (Note 11)	**338,264**	67,301
	192,621	23,695

11. GENERAL FUND - INTERNALLY RESTRICTED FOR DENTAL PROGRAM

The Centre tracks certain revenues and expenditures related to the dental program and internally restricts any resulting balance at the end of year to be carried forward to fund future dental program operations. Dental program expenditures represent the total amounts incurred by the Centre in the year relating to the dental program. This balance includes amounts from various expenditure categories presented on the Statement of Revenue and Expenditures.

	2025	2024
	$	$
Dental Program Revenue - fees	**1,135,083**	853,329
Dental Program Expenditures	**1,382,097**	1,361,569
	(247,014)	(508,240)
Other Dental Revenue		
Grants and donations	**517,977**	587,386
Excess of Revenue over Expenditures	**270,963**	79,146
Balance at beginning of year	**67,301**	(11,845)
Balance at end of year	**338,264**	67,301

COMMUNITY HEALTH CENTRES OF NORTHUMBERLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

12. PENSION PLAN CONTRIBUTIONS

The Centre makes contributions to Healthcare of Ontario Pension Plan (HOOPP), a multi-employer plan, on behalf of all plan members. Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by HOOPP by placing assets in trust and through their own investment policy. Variances between actuarial funding estimates and actual experience may be material and any differences are generally to be funded by the participating members. The amount contributed to HOOPP by the Centre on behalf of its employees was $398,907 (2024 - $373,902) for current services and is included in salaries and benefits on the Statement of Revenue and Expenditures. The amount contributed by employees was $316,229 (2024 - $296,747).

13. FUTURE CONTRACTUAL COMMITMENTS

The Centre has entered into lease commitments for rent and office equipment. The current rental agreement is comprised of a base rent and an additional escalation or de-escalation for common costs and property taxes. This lease expires in December of 2028 with a clause allowing either party to terminate the lease with a minimum 6-month notice. The office equipment comprises two photocopiers with a single lease expiring in December of 2027.

The anticipated minimum annual payments over the next five years are as follows:

	Rent $	Office Equipment $
2026	551,812	3,348
2027	551,812	3,348
2028	551,812	2,511
2029	413,859	-

14. ECONOMIC DEPENDENCE

The Centre is economically dependent on continued funding from the Ministry of Health and Long-Term Care.

15. AFFILIATED COMPANY

Senior's Care Network (SCN) is a network of specialized geriatric services in the Central East Region of Ontario. The SCN office is housed within the Centre and their funding is flowed to the Centre through Ontario Health East in the Community Support Services (CSS) funding envelope, separate from other funding for the Centre which is through the Community Health Centre (CHC) funding envelope. In 2020, this funding relationship was moved from Northumberland Hills Hospital to the Centre, including a protected reserve fund.

16. COMPARATIVE FIGURES

In order to conform with the financial statement presentation adopted for the current year, certain elements of the comparative figures have been regrouped.