

FINANCIAL STATEMENTS
For
SOMERSET WEST COMMUNITY HEALTH CENTRE
For year ended
MARCH 31, 2022

SOMERSET WEST COMMUNITY HEALTH CENTRE
AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION
MARCH 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the members of

SOMERSET WEST COMMUNITY HEALTH CENTRE

Opinion

We have audited the financial statements of Somerset West Community Health Centre (the Centre), which comprise the statement of financial position as at March 31, 2022, and the statements of operations and changes in fund balances and cash flows for the year ended March 31, 2022, 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, 2022 and the results of its operations and its cash flows for the year ended March 31, 2022 in accordance with the basis of accounting described in note 2 to the financial statements.

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 Centre in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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.

Emphasis of Matter

Without modifying our opinion, we draw your attention to note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist Somerset West Community Health Centre to meet the requirements of the Ontario Ministry of Health and Long-Term Care. As a result, the financial statements may not be suitable for another purpose.

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 the basis of accounting described in note 2, 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 responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Ottawa, Ontario
June 22, 2022.

SOMERSET WEST COMMUNITY HEALTH CENTRE

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2022

	<u>Operating Fund</u>	<u>Special Projects Fund</u>	<u>Building Fund</u>	<u>2022 Total</u>	<u>2021 Total</u>
<u>ASSETS</u>					
CURRENT ASSETS					
Cash	\$ 3,015,851	\$ 561,029	\$ -	\$ 3,576,880	\$ 2,542,319
Amounts receivable	1,429,433	-	-	1,429,433	844,154
Prepaid expenses	37,146	-	-	37,146	26,442
Interfund receivable (payable)	(267,666)	267,666	-	-	-
	<u>4,214,764</u>	<u>828,695</u>	<u>-</u>	<u>5,043,459</u>	<u>3,412,915</u>
CAPITAL ASSETS - note 5	<u>27,689</u>	<u>-</u>	<u>11,819,352</u>	<u>11,847,041</u>	<u>12,181,952</u>
	<u>\$ 4,242,453</u>	<u>\$ 828,695</u>	<u>\$ 11,819,352</u>	<u>\$ 16,890,500</u>	<u>\$ 15,594,867</u>
<u>LIABILITIES AND FUND BALANCES</u>					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	\$ 633,985	\$ -	\$ -	\$ 633,985	\$ 575,862
Repayable to funder - Schedule B	257,343	-	-	257,343	191,340
Deferred grants and contributions - note 7	3,252,023	-	-	3,252,023	1,882,124
Current portion of long-term debt - note 8	-	-	156,205	156,205	150,840
	<u>4,143,351</u>	<u>-</u>	<u>156,205</u>	<u>4,299,556</u>	<u>2,800,166</u>
LONG-TERM DEBT - note 8	<u>-</u>	<u>-</u>	<u>3,762,869</u>	<u>3,762,869</u>	<u>3,919,074</u>
FUNDS HELD IN TRUST - note 9	<u>2,982</u>	<u>-</u>	<u>-</u>	<u>2,982</u>	<u>2,982</u>
	<u>4,146,333</u>	<u>-</u>	<u>3,919,074</u>	<u>8,065,407</u>	<u>6,722,222</u>
FUND BALANCES					
Unrestricted	96,120	-	-	96,120	103,909
Internally restricted	-	828,695	7,900,278	8,728,973	8,768,736
	<u>96,120</u>	<u>828,695</u>	<u>7,900,278</u>	<u>8,825,093</u>	<u>8,872,645</u>
	<u>\$ 4,242,453</u>	<u>\$ 828,695</u>	<u>\$ 11,819,352</u>	<u>\$ 16,890,500</u>	<u>\$ 15,594,867</u>

Approved on behalf of the Board:

Jen Hastell

.....Director


Director

(See accompanying notes)

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SOMERSET WEST COMMUNITY HEALTH CENTRE
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31, 2022

	Operating Fund	Special Projects Fund (Schedule A)	Building Fund	2022 Total	2021 Total
Revenue					
Grants and contributions - note 10	\$ 20,288,744	\$ -	\$ 150,840	\$ 20,439,584	\$ 18,015,920
Other program funding	224,767	-	-	224,767	188,241
Donations and sponsorships	19,965	-	-	19,965	4,083,659
Investment	-	1,620	-	1,620	2,037
	<u>20,533,476</u>	<u>1,620</u>	<u>150,840</u>	<u>20,685,936</u>	<u>22,289,857</u>
Expenses					
Salaries and benefits - note 11	14,634,203	-	-	14,634,203	12,787,731
Supplies and sundry	1,169,869	-	-	1,169,869	909,035
Building and grounds	738,768	-	-	738,768	1,008,557
Community one time expenses	1,126,106	-	-	1,126,106	1,202,108
Contracted out expenses	2,015,719	-	-	2,015,719	1,274,910
Equipment	584,943	-	-	584,943	544,957
Medical/surgical supplies and drugs	58,345	-	-	58,345	34,544
Amortization	7,911	-	327,000	334,911	242,741
Special projects	-	4,621	-	4,621	9,500
	<u>20,335,864</u>	<u>4,621</u>	<u>327,000</u>	<u>20,667,485</u>	<u>18,014,083</u>
Excess (deficiency) of revenue over expenses before item below	197,612	(3,001)	(176,160)	18,451	4,275,774
Amount repayable to funder - Schedule B	<u>(66,003)</u>	<u>-</u>	<u>-</u>	<u>(66,003)</u>	<u>(191,340)</u>
Excess (deficiency) of revenue over expenses	131,609	(3,001)	(176,160)	(47,552)	4,084,434
Balance, beginning of year	103,909	692,298	8,076,438	8,872,645	4,788,211
Interfund transfers - note 12	<u>(139,398)</u>	<u>139,398</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 96,120</u>	<u>\$ 828,695</u>	<u>\$ 7,900,278</u>	<u>\$ 8,825,093</u>	<u>\$ 8,872,645</u>

(See accompanying notes)

SOMERSET WEST COMMUNITY HEALTH CENTRE

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM (USED IN)		
OPERATING ACTIVITIES		
Funding received	\$ 21,534,940	\$ 19,287,058
Interest received	1,620	2,037
Payments to employees	(14,634,203)	(12,787,731)
Payments towards supplies and sundry	(1,159,869)	(909,034)
Payments towards contracted out expenses	(2,081,722)	(1,274,910)
Payments towards building and grounds	(738,768)	(1,008,557)
Payments to others	<u>(1,736,597)</u>	<u>(1,525,166)</u>
	<u>1,185,401</u>	<u>1,783,697</u>
INVESTING ACTIVITIES		
Purchase of capital assets	<u>-</u>	<u>(39,556)</u>
FINANCING ACTIVITIES		
Repayment of long-term debt	<u>(150,840)</u>	<u>(146,705)</u>
NET INCREASE IN CASH	1,034,561	1,597,436
CASH, BEGINNING OF YEAR	<u>2,542,319</u>	<u>944,883</u>
CASH, END OF YEAR	<u>\$ 3,576,880</u>	<u>\$ 2,542,319</u>

(See accompanying notes)

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SOMERSET WEST COMMUNITY HEALTH CENTRE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022

1. GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

Somerset West Community Health Centre ("the Centre") is incorporated under the Corporations Act of Ontario as a not-for-profit entity without share capital, and pursuant to the provisions of the Income Tax Act (Canada), is a registered charity. The primary purpose of the Centre is to provide assistance to the residents of West-Central Ottawa in their achieving of optimal health and social well-being, and to so do by way of comprehensive community-based programs, in the context of building healthy families and communities.

2. BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with certain significant accounting policies set out below, to comply with the Community Health Centre reporting requirements of the Ministry of Health (MOH) of Ontario. As per below, the basis of accounting used in these financial statements differs materially from Canadian accounting standards for not-for-profit organizations.

Capital assets and related amortization

In previous years, capital assets other than land and building were expensed in the Operating Fund in their year of purchase. As of April 1, 2012 the Centre began capitalizing all significant capital assets purchased in the current year.

Accrued vacation pay and overtime

Vacation and overtime entitlements earned but not taken by employees are not reflected in these financial statements. Unrecorded vacation and overtime liabilities as at March 31, 2022 approximate \$237,500 (\$290,672 in 2021).

3. SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

The Centre's activities are reflected in the following funds:

Operating Fund

Assets, liabilities, revenue and expenses relating to Centre's day-to-day operations are recorded in the Operating Fund.

Special Projects Fund

Revenue and expenses relating to special projects, as defined by the Board of Directors, are recorded in the Special Projects Fund.

Building Fund

Expenses relating to the land and building from which the Centre operates are recorded in the Building Fund.

SOMERSET WEST COMMUNITY HEALTH CENTRE
NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2022

3. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Revenue recognition

The Centre follows the restricted fund method of accounting for capital contributions, relating to the Centre's land and building, which are presented in the Building Fund, and follows the deferral method of accounting for all other restricted contributions. The Centre is funded, primarily by the Province of Ontario, in accordance with budget arrangements established by the Ministry of Health. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Other unrestricted contributions, donations and sponsorships are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as it is earned.

Financial instruments

i) Measurement of financial instruments

The Centre initially measures its financial assets and its financial liabilities at fair value and subsequently measures them at cost or amortized cost.

ii) Transaction costs

Transaction costs associated with the acquisition and disposal of investments are capitalized to the acquisition costs or reduce proceeds on disposal.

Capital assets

Land, building and vehicle are recorded at cost. The buildings are amortized using the straight-line method, over their estimated useful life of 40 years. The vehicles are amortized using the straight-line method, over their estimated useful life of 5 years.

Contributed services

A substantial number of volunteers contribute a significant amount of their time each year to the Centre. Due to the difficulty in determining fair value, contributed services are not recognized in these financial statements.

Legislative grants

The legislative grant calculations are prepared annually by the Centre and submitted to the different Ministries and the City of Ottawa for final approval and may be subject to a separate funder audit of the financial records of the Centre. Adjustments, if any, are recorded in the year they are made by the funder.

Accounting estimates

The preparation of financial statements in accordance with the basis of accounting described in note 2 requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates, including amortization of capital assets are based on management's best knowledge of current events and actions that the Centre may undertake in the future. Actual results may differ from these estimates.

SOMERSET WEST COMMUNITY HEALTH CENTRE

NOTES TO FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2022

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Centre's financial instruments are subject to the following risks, substantially unchanged from the prior year unless otherwise noted.

The Centre does not use derivative financial instruments to manage its risks.

Credit risk

The Centre is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Centre's maximum exposure to credit risk represents the sum of the carrying value of its cash and its amounts receivable. The Centre's cash is deposited with a Canadian chartered bank and as a result, management believes the risk of loss on this item to be remote. The Centre manages its credit risk by reviewing amounts receivable aging monthly and following up on outstanding amounts. Management believes that all amounts receivable at year end will be collected.

Liquidity risk

Liquidity risk is the risk that the Centre cannot meet a demand for cash or fund its obligations as they become due. The Centre meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flow from operations, anticipated investing and financing activities and holding assets that can be readily converted into cash.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

i) *Currency risk*

Currency risk refers to the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The Centre's financial instruments are all denominated in Canadian dollars and it transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

ii) *Interest rate risk*

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The Centre's exposure to interest rate risk arises from the amount owing on its long-term debt; however, since this rate is fixed until 2040, management believes its exposure to interest rate risk is negligible.

iii) *Other price risk*

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of the changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

Since the Centre does not have investments in publicly traded securities, it is not exposed to other price risk.

SOMERSET WEST COMMUNITY HEALTH CENTRE

NOTES TO FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2022

5. CAPITAL ASSETS

The Centre's capital assets consist of the following:

	<u>2022</u>			<u>2021</u>		
Beginning balance	\$ 12,181,952			\$ 8,346,244		
Additions	-			4,078,448		
Amortization	<u>334,911</u>			<u>242,740</u>		
Ending balance	<u>\$ 11,847,041</u>			<u>\$ 12,181,952</u>		

	<u>2022</u>			<u>2021</u>		
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
Land - 55 Eccles	\$ 1,737,493	\$ -	\$ 1,737,493	\$ 1,737,493	\$ -	\$ 1,737,493
- 30 Rosemount	365,000	-	365,000	365,000	-	365,000
- 755 Somerset	241,000	-	241,000	241,000	-	241,000
Building - 55 Eccles	3,534,852	2,453,555	1,081,297	3,534,852	2,365,184	1,169,668
- 30 Rosemount	5,747,270	1,055,653	4,691,617	5,747,270	911,971	4,835,299
- 755 Somerset	3,797,893	94,947	3,702,946	3,797,893	-	3,797,893
Vehicles	<u>139,327</u>	<u>111,639</u>	<u>27,688</u>	<u>139,327</u>	<u>103,728</u>	<u>35,599</u>
	15,562,835	<u>\$ 3,715,794</u>	<u>\$ 11,847,041</u>	15,562,835	<u>\$ 3,380,883</u>	<u>\$ 12,181,952</u>
Accumulated amortization	<u>3,715,794</u>			<u>3,380,883</u>		
	<u>\$ 11,847,041</u>			<u>\$ 12,181,952</u>		

6. LINE OF CREDIT

The Centre has an authorized line of credit in the amount of \$250,000 which was not utilized at either of March 31, 2022 or 2021. This facility bears interest of bank prime plus 0.25% annually and is secured by a general security agreement.

7. DEFERRED GRANTS AND CONTRIBUTIONS

Deferred grants and contributions represent unexpended restricted resources received in the current year, related to operating expenses of a subsequent period or to non-executed services.

	<u>Balance, beginning of year</u>	<u>Amount received</u>	<u>Amount recognized in operations</u>	<u>Balance, end of year</u>
Yet Keen - Donations	\$ 34,830	\$ 51,410	\$ (5,146)	\$ 81,094
Headstart - City of Ottawa (Schedule D)	326,656	865,759	(961,202)	231,213
City of Ottawa	783,132	449,949	(439,228)	793,853
EarlyON - City of Ottawa	<u>112,889</u>	<u>271,700</u>	<u>(293,580)</u>	<u>91,009</u>
Balance carried forward	<u>\$ 1,257,507</u>	<u>\$ 1,638,818</u>	<u>\$ (1,699,156)</u>	<u>\$ 1,197,169</u>

SOMERSET WEST COMMUNITY HEALTH CENTRE

NOTES TO FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2022

7. DEFERRED GRANTS AND CONTRIBUTIONS - Cont'd.

	Balance, beginning of year	Amount received	Amount recognized in operations	Balance, end of year
Balance carried forward	\$ 1,257,507	\$ 1,638,818	\$ (1,699,156)	\$ 1,197,169
OLA - Social Enterprise	96,112	15,048	-	111,160
Rooming House Tenant Support - Community Foundation	14,173	77,500	(75,121)	16,552
CDF - SEOCHC	27,779	-	(27,779)	-
A & MH - Counselling - Donations	8,206	4,004	-	12,210
CBT Research Project - CAMH	86,542	67,613	(114,288)	39,867
Equity Events	912	-	-	912
Lebreton Flats - Community Foundation	1,796	-	(1,233)	563
Building Healthy Kids - Donations	24,447	-	-	24,447
ARCC - Community Foundation	12,000	-	(12,000)	-
Preceptor Honorariums - University of Ottawa	3,500	5,096	-	8,596
Resilient Communities - Trillium	51,023	74,800	(125,823)	-
Silence & Stigma - Black Mental Health - Trillium	37,676	7,400	(45,076)	-
Silence & Stigma - Black Mental Health - United Way	18,056	56,250	(74,306)	-
Yet Keen - OSS	11,314	20,000	(31,314)	-
Yet Keen - United Way	1,861	17,250	(19,111)	-
RH - MTCS	2,690	5,400	(8,090)	-
Rooming House Study - Community Foundation	2,039	-	(2,039)	-
HRI - Human Rights Internet	2,000	-	(744)	1,256
Neighbourhood Resilience - United Way	5,653	40,000	(37,217)	8,436
Resilience & Recovery - Community Foundation	9,985	-	(9,985)	-
Shower Attendant - City of Ottawa	15,000	120,000	(63,000)	72,000
Homeless Outreach - City of Ottawa	64,571	558,440	(295,011)	328,000
Respite Centre - City of Ottawa	120,000	1,320,000	(720,000)	720,000
St. Francis After School & LP Homework - MTCS	6,638	48,000	(51,065)	3,573
PHC - Donations	644	364	-	1,008
Economic Development Agency	-	169,000	(50,128)	118,872
City of Ottawa - One Time Funding	-	120,170	(20,915)	99,255
COVID Relief - City of Ottawa	-	104,830	(35,959)	68,871
COVID-19 - Food Security	-	50,600	(43,783)	6,817
High Priority Neighbourhood - SEOCHC	-	126,857	-	126,857
Resilience & Recovery - Telus	-	20,000	(15,144)	4,856
COVID Testing - Sandy Hill CHC	-	14,744	-	14,744
Black Mental Health - City of Ottawa	-	421,271	(391,588)	29,683
Black Mental Health Coalition - United Way	-	50,000	(31,157)	18,843
ACB Mental Health Response - United Way	-	70,000	(8,015)	61,985
RH - School or Art	-	585	-	585
CDF - SEOCHC	-	40,185	(5,241)	34,944
RH - MTCS	-	12,600	(5,615)	6,985
RH - After School - BWCH	-	8,171	(7,579)	592
RH - Community Foundation	-	1,500	-	1,500
OCBM	-	1,300	-	1,300
Balance carried forward	\$ 1,882,124	\$ 5,287,796	\$ (4,027,482)	\$ 3,142,438

SOMERSET WEST COMMUNITY HEALTH CENTRE
NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2022

7. DEFERRED GRANTS AND CONTRIBUTIONS - Cont'd.

	Balance, beginning <u>of year</u>	Amount <u>received</u>	Amount recognized <u>in operations</u>	Balance, end <u>of year</u>
Balance carried forward	\$ 1,882,124	\$ 5,287,796	\$ (4,027,482)	\$ 3,142,438
CBA for a Better Ottawa - Community Foundation	-	24,869	(17,399)	7,470
Ethnocultural Seniors - United Way	-	30,000	(20,334)	9,666
Dundonald Park - City of Ottawa	-	8,949	(3,861)	5,088
ONC - Designated Donations	-	1,516	-	1,516
Fundraising - Designated Donations	-	1,670	-	1,670
Yet Keen - Designated Donations	-	23,614	-	23,614
Community Development - Designated Donations	-	6,331	-	6,331
Five B - Designated Donations	-	50,000	-	50,000
Harm Reduction - Designated Donations	-	3,302	-	3,302
Building Healthy Kids - Designated Donations	-	928	-	928
	<u>\$ 1,882,124</u>	<u>\$ 5,438,975</u>	<u>\$ (4,069,076)</u>	<u>\$ 3,252,023</u>

8. LONG-TERM DEBT

The Centre has financed the acquisition and renovations of 30 Rosemount Avenue in the form of a mortgage from the Ontario Infrastructure and Lands Corporation. The mortgage bears a fixed rate of interest of 3.5% and matures in 2040. The mortgage is being repaid using a base increase in funding from Ontario Health East. Included in buildings and grounds expense is \$140,475 (2021 - \$145,221) of interest paid on the mortgage.

This credit facility is secured by:

- Blanket first ranking charge/mortgage on the 30 Rosemount and 55 Eccles street properties (net book value at March 31, 2022 of \$7,875,407);
- First ranking general security agreement registered site specific on both 55 Eccles and 30 Rosemount properties;
- First ranking assignment of rents and leases on both 55 Eccles and 30 Rosemount;
- Assignment of construction rights agreement;
- Assignment of material contracts;
- Assignment of builders all-risk insurance;
- Title insurance in favour of the lender;
- Certificate of property insurance over the property with the lender shown as first loss payee; and
- Rights of deduction pursuant to the Ontario Infrastructure and Lands Corporation Act, 2011.

In addition, the Centre is required to maintain a minimum annual Debt Service Coverage Ratio of 1.1 which is calculated by dividing the excess of revenue over expenses before interest and amortization expense by the sum of principal and interest payments made on all interest-bearing debts. The Centre must also maintain a cash balance in the Special Projects Fund greater than \$100,000 as a capital expenditure fund for the property.

Principal payments over the next 5 years are estimated to be as follows:

2023	\$ 156,205
2024	161,760
2025	167,514
2026	173,472
2027	179,642

SOMERSET WEST COMMUNITY HEALTH CENTRE

NOTES TO FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2022

9. FUNDS HELD IN TRUST

The Centre administers select pooled funds on behalf of the Executive Directors of the ten Community Health Centres in Ontario Health East.

10. GRANTS AND CONTRIBUTIONS

	<u>2022</u>	<u>2021</u>
Government of Ontario		
Ontario Health East (Schedule B)	\$ 11,266,726	\$ 11,179,783
Ministry of Health (Schedule B)	895,746	904,296
Ministry of Health (Schedule B)	1,449,300	1,449,300
Ministry of Children and Youth Services	64,815	63,087
Ministry of Tourism Culture and Sport	66,000	66,000
Ministry for Seniors & Accessibility	42,700	42,700
Ministry for Seniors & Accessibility - One Time	20,000	11,314
	<u>13,820,287</u>	<u>13,716,480</u>
City of Ottawa		
Community Fund	803,142	750,835
Headstart (Schedule D)	865,759	902,421
Emergency Fund	1,666,028	812,796
Children's Services	271,700	356,826
	<u>3,606,629</u>	<u>2,822,878</u>
Other Sources		
Canadian Mental Health Association	159,360	159,360
Other Community Health Centres	518,519	305,055
United Way	334,715	60,030
Trillium Foundation	91,400	158,000
Public Health Agency of Canada - DOPE	124,681	124,723
Public Health Agency of Canada - SUAP	491,718	442,732
Community Foundation	133,684	120,523
Pathways to Recovery	594,883	289,233
Other	563,708	(183,094)
	<u>3,012,668</u>	<u>1,476,562</u>
	<u>\$ 20,439,584</u>	<u>\$ 18,015,920</u>

11. EMPLOYEE BENEFIT PLANS

The Centre is a member of the Healthcare of Ontario Pension Plan, which is a multi-employer, defined benefit pension plan. Employer contributions made to the plan amounted to \$968,993 (2021 - \$898,225) and are included in salaries and benefits in the statement of operations and changes in fund balances. The most recent actuarial valuation of the plan at December 31, 2021 indicates that the plan is fully funded.

12. INTERFUND TRANSFERS

In accordance with Board policy, periodic transfers for special projects are made between the Special Projects Fund and the Operating Fund. Any surpluses in the Operating Fund are transferred to the Special Projects Fund at the end of the subsequent year.

SOMERSET WEST COMMUNITY HEALTH CENTRE
NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2022

13. COMMITMENTS

The Centre has entered into long-term agreements totaling \$498,538 which expire on various dates between December 2022 and March 2027 and which require minimum payments for the rental and maintenance of office equipment. The minimum payments for the next five fiscal years are \$221,862 in 2023, \$59,794 in 2024, \$59,794 in 2025, \$59,794 in 2026 and \$53,477 in 2027.

14. SERVICE CONTRACT APPROVAL

The Centre has a Service Contract Approval with the Ministry of Children and Youth Services. A reconciliation report summarizes, by service (detail code), all revenues and expenditures and identifies any resulting surplus or deficit that relates to the Service Contract Approval.

A review of this report shows the following services to be in a surplus (deficit) position as at March 31, 2022.

<u>Detail Code</u>	<u>Project Code Name</u>	<u>Surplus (deficit)</u>
A556 & A356	C52893-9/A1	\$ -

15. BUDGET INFORMATION

Budget information approved by the Board of Directors, has been presented for information purposes only, and is unaudited.

SOMERSET WEST COMMUNITY HEALTH CENTRE
SUPPLEMENTARY INFORMATION SCHEDULE A - SPECIAL PROJECTS FUND
YEAR ENDED MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
Fund balance, beginning of year	<u>\$ 692,298</u>	<u>\$ 565,342</u>
Revenue		
Interest	<u>1,620</u>	<u>2,037</u>
Expenses		
Dalhousie Food Cupboard	-	3,000
OCISO - Marion Dewar Scholarship	4,000	4,000
613-819 Black Hub	-	2,500
Events	<u>621</u>	<u>-</u>
	<u>4,621</u>	<u>9,500</u>
Deficiency of revenue over expenses	(3,001)	(7,463)
Interfund transfers (note 12)		
Previous years operating surplus	<u>139,398</u>	<u>134,419</u>
	<u>136,397</u>	<u>126,956</u>
Fund balance, end of year	<u>\$ 828,695</u>	<u>\$ 692,298</u>

SOMERSET WEST COMMUNITY HEALTH CENTRE
SUPPLEMENTARY INFORMATION SCHEDULE B - GOVERNMENT OF ONTARIO, ONTARIO HEALTH EAST,
AND MOH REVENUE AND EXPENSES
YEAR ENDED MARCH 31, 2022

	OHE Programs	AIDS Programs (Schedule C)	Asthma Program	SCS Program	Total	Total Budget (unaudited - note 15)
Revenue	\$ 11,266,726	\$ 804,796	\$ 90,950	\$ 1,449,300	\$ 13,611,772	\$ 13,611,772
Expenses						
Salaries and benefits	7,887,280	655,128	72,889	1,079,412	9,694,709	10,040,282
Operating						
Contracted out expenses	881,369	-	-	152,530	1,033,899	679,923
Building and grounds	612,744	-	-	-	612,744	625,721
Medical/surgical supplies and drugs	56,255	-	-	-	56,255	42,000
Equipment	398,079	-	-	-	398,079	268,044
Community one-time expenses	662,805	-	3,550	-	666,355	941,289
Supplies and sundry	702,191	149,668	14,511	217,358	1,083,728	1,014,513
	3,313,443	149,668	18,061	369,888	3,851,060	3,571,490
Funds repayable in the current year	66,003	-	-	-	66,003	-
Funds repayable from prior years	191,340	-	-	-	191,340	-
Total funds repayable	\$ 257,343	\$ -	\$ -	\$ -	\$ 257,343	\$ -

SOMERSET WEST COMMUNITY HEALTH CENTRE
SUPPLEMENTARY INFORMATION SCHEDULE C - GOVERNMENT OF ONTARIO, MOH, AIDS BUREAU
ACTUAL REVENUE AND EXPENSES COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2022

	ANON HIV Testing	IDU Outreach	HIV Prevention	Safe Inhalation	Total	Total Budget (unaudited - note 15)
Revenue	\$ 77,694	\$ 293,442	\$ 98,080	\$ 335,580	\$ 804,796	\$ 804,796
Expenses						
Salaries	59,172	204,411	65,279	226,673	555,535	545,104
Benefits	12,339	33,576	11,739	41,939	99,593	110,085
Supplies and other	5,683	40,955	19,062	64,468	130,168	130,107
Staff education	500	1,500	500	1,500	4,000	4,000
Volunteer support	-	13,000	1,500	1,000	15,500	15,500
	<u>77,694</u>	<u>293,442</u>	<u>98,080</u>	<u>335,580</u>	<u>804,796</u>	<u>804,796</u>
Funds repayable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SOMERSET WEST COMMUNITY HEALTH CENTRE
SUPPLEMENTARY INFORMATION SCHEDULE D - CITY OF OTTAWA - HEADSTART
ACTUAL REVENUE AND EXPENSES COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2022

	<u>Total</u>	<u>Total Budget (unaudited - note 15)</u>
Revenue		
Revenue deferred from prior year	\$ 326,656	\$ 326,656
Revenue received in current year	<u>865,759</u>	<u>822,432</u>
	<u>1,192,415</u>	<u>1,149,088</u>
Expenses		
Salaries and benefits	660,516	681,965
Supplies and sundry	172,693	246,189
Community one time expenses	76,725	121,161
Equipment	7,971	22,000
Contracted out expenses	4,543	3,973
Building and grounds	<u>38,754</u>	<u>73,800</u>
	<u>961,202</u>	<u>1,149,088</u>
Revenue deferred to following year	<u>\$ 231,213</u>	<u>\$ -</u>

SOMERSET WEST COMMUNITY HEALTH CENTRE
SUPPLEMENTARY INFORMATION SCHEDULE E - PUBLIC HEALTH AGENCY OF CANADA
ACTUAL REVENUE AND EXPENSES COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2022

	<u>Total</u>	<u>Total Budget (unaudited - note 15)</u>
Revenue	<u>\$ 124,681</u>	<u>\$ 124,681</u>
Expenses		
Personnel	120,967	72,563
Travel	2,024	2,000
Other	<u>1,690</u>	<u>50,118</u>
	<u>124,681</u>	<u>124,681</u>
Funds repayable	<u>\$ -</u>	<u>\$ -</u>