

FINANCIAL STATEMENTS

For

**SANDY HILL COMMUNITY HEALTH CENTRE, INC./
CENTRE DE SANTÉ COMMUNAUTAIRE CÔTE-DE-SABLE, INC.**

For year ended

MARCH 31, 2025

INDEPENDENT AUDITOR'S REPORT

To the members of

**SANDY HILL COMMUNITY HEALTH CENTRE, INC./
CENTRE DE SANTÉ COMMUNAUTAIRE CÔTE-DE-SABLE, INC.**

Opinion

We have audited the financial statements of Sandy Hill Community Health Centre, Inc./Le Centre de santé communautaire Côte-de-Sable, Inc. (the Centre), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, 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 Centre as at March 31, 2025 and the results of its 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 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.

*Responsibilities of Management and Those Charged with Governance
for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre's financial reporting process.

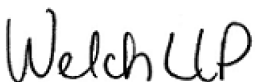
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Centre to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
June 18, 2025.

**SANDY HILL COMMUNITY HEALTH CENTRE, INC./
CENTRE DE SANTÉ COMMUNAUTAIRE CÔTE-DE-SABLE, INC.**

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 660,868	\$ 1,197,635
Grants and other amounts receivable - note 5	1,589,064	1,005,484
Prepaid expenses	<u>225,235</u>	<u>236,505</u>
	2,475,167	2,439,624
CAPITAL ASSETS - note 4	<u>2,062,609</u>	<u>2,200,818</u>
	<u>\$ 4,537,776</u>	<u>\$ 4,640,442</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities - note 5	\$ 1,392,406	\$ 1,386,963
Repayable to funders - per schedule	345,433	392,362
Deferred contributions - note 6	<u>415,534</u>	<u>346,990</u>
	2,153,373	2,126,315
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS - note 7	<u>1,126,109</u>	<u>1,264,318</u>
	<u>3,279,482</u>	<u>3,390,633</u>
NET ASSETS		
Unrestricted fund	321,794	313,309
Invested in capital assets - internally restricted	<u>936,500</u>	<u>936,500</u>
	1,258,294	1,249,809
	<u>\$ 4,537,776</u>	<u>\$ 4,640,442</u>

Approved by the Board:

G. BARBER
..... Chair

H. PAULMER
..... Treasurer

(See accompanying notes)

**SANDY HILL COMMUNITY HEALTH CENTRE, INC./
CENTRE DE SANTÉ COMMUNAUTAIRE CÔTE-DE-SABLE, INC.**

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
REVENUE		
Government grants:		
Ontario Ministry of Health / Ontario Health East	\$ 14,322,581	\$ 14,089,608
Ministry of Community and Social Services/ Ministry of Children and Youth Services	82,401	82,401
City of Ottawa	361,028	367,301
Other:		
Canadian Mental Health Association	948,199	948,199
Centre for Addiction and Mental Health	136,306	135,628
South-East Ottawa Community Health Centre	-	46,934
Client payments	8,333	12,868
Miscellaneous	793,183	685,549
Amortization of deferred grants - note 7	<u>146,768</u>	<u>153,196</u>
	<u>16,798,799</u>	<u>16,521,684</u>
EXPENSES		
Salaries and employee benefits	12,987,946	13,052,424
Office expenses	493,427	475,506
Occupancy	354,784	295,804
Consultant fees and purchased services	1,301,694	1,001,754
Program expenses	433,690	446,825
Non-recurring items	581,273	621,330
Staff development and travel	89,258	102,933
General administrative expenses	244,107	210,242
Amortization	146,768	153,196
Non-insured	68,000	68,000
Volunteer	<u>53,148</u>	<u>47,618</u>
	<u>16,754,095</u>	<u>16,475,632</u>
NET REVENUE BEFORE ITEMS BELOW	44,704	46,052
Repayable to funders - per schedule	(36,219)	(39,673)
Transfers to deferred contributions - note 6	<u>-</u>	<u>(3,859)</u>
NET REVENUE	<u>\$ 8,485</u>	<u>\$ 2,520</u>

(See accompanying notes)

**SANDY HILL COMMUNITY HEALTH CENTRE, INC./
CENTRE DE SANTÉ COMMUNAUTAIRE CÔTE-DE-SABLE, INC.**

STATEMENT OF NET ASSETS

YEAR ENDED MARCH 31, 2025

	Balance at start of year	Net revenue	Balance at end of year
Unrestricted	\$ 313,309	\$ 8,485	\$ 321,794
Invested in capital assets - internally restricted	<u>936,500</u>	<u>-</u>	<u>936,500</u>
	<u>\$ 1,249,809</u>	<u>\$ 8,485</u>	<u>\$ 1,258,294</u>

(See accompanying notes)

**SANDY HILL COMMUNITY HEALTH CENTRE, INC./
CENTRE DE SANTÉ COMMUNAUTAIRE CÔTE-DE-SABLE, INC.**

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
CASH PROVIDED (USED)		
Operations		
Net revenue	\$ 8,485	\$ 2,520
Changes in non-cash operating items:		
Grants and other amounts receivable	(583,580)	(33,892)
Prepaid expenses	11,270	(76,446)
Accounts payable and accrued liabilities	5,443	245,553
	<u>(558,382)</u>	<u>137,735</u>
Investing activities		
Purchase of capital assets	<u>(8,559)</u>	<u>(21,735)</u>
Financing activities		
Grants received for purchase of capital assets	8,559	21,735
Advances from funders in excess of expenses - net of recoveries	(46,929)	(4,890)
Deferred contributions - net of transfers	68,544	94,247
	<u>30,174</u>	<u>111,092</u>
TOTAL CASH PROVIDED (USED)	(536,767)	227,092
CASH, BEGINNING OF YEAR	<u>1,197,635</u>	<u>970,543</u>
CASH, END OF YEAR	<u>\$ 660,868</u>	<u>\$ 1,197,635</u>

(See accompanying notes)

**SANDY HILL COMMUNITY HEALTH CENTRE, INC./
CENTRE DE SANTÉ COMMUNAUTAIRE CÔTE-DE-SABLE, INC.**

SCHEDULE OF REPAYABLE TO FUNDERS

YEAR ENDED MARCH 31, 2025

	<u>Balance at start of year</u>	<u>Increases due to operations</u>	<u>Recovered by funder</u>	<u>Balance at end of year</u>
MINISTRY OF HEALTH / ONTARIO HEALTH EAST				
Community Health Centre Program				
Surplus 2018-19	\$ 568	\$ -	\$ -	\$ 568
FY2022 MD Protected Funds Surplus	48,764	-	-	48,764
FY2023 MD Protected Funds Surplus	90,393	-	-	90,393
Surplus One-Time 2022-2023	74,865	-	-	74,865
FY2024 MD Protected Funds Surplus	39,673	-	-	39,673
FY2025 MD Protected Funds Surplus	-	36,219	-	36,219
 AIDS Bureau				
Surplus 2020-21	995	-	(995)	-
 Population and Public Health				
Surplus 2018-19	3,810	-	-	3,810
Surplus 2022-23	101,265	-	(57,366)	43,899
Surplus One-Time 2022-2023	<u>32,029</u>	<u>-</u>	<u>(24,787)</u>	<u>7,242</u>
	<u>\$ 392,362</u>	<u>\$ 36,219</u>	<u>\$ (83,148)</u>	<u>\$ 345,433</u>

(See accompanying notes)

**SANDY HILL COMMUNITY HEALTH CENTRE, INC./
CENTRE DE SANTÉ COMMUNAUTAIRE CÔTE-DE-SABLE, INC.**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2025

1. PURPOSE OF THE ORGANIZATION

Sandy Hill Community Health Centre, Inc./Centre de santé communautaire Côte-de-sable, Inc. (the "Centre") is committed to advancing the health and well being of our diverse community by providing access to integrated, comprehensive, respectful and responsive primary health, social, health promotion and community development services in both official languages. The Centre was incorporated by Letters Patent on May 28, 1973 under the laws of Ontario as a non-profit charitable organization without share capital. It is registered with the Canada Revenue Agency as a charity and, as such, is not subject to income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The Centre follows the accrual method of accounting. These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and consist of the following significant accounting policies:

(a) Revenue recognition

The Centre uses the deferral method to account for contributions. Government grants are recognized as revenue in the period in which they relate. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Donations and miscellaneous revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Centre receives the majority of funds from the Ontario Ministry of Health / Ontario Health East (OHE). Any excess of actual funding over actual expenditures is subject to refund and has been shown as repayable to funders.

(b) Capital assets, deferred contributions and amortization

Capital assets are stated on the statement of financial position at acquisition cost. Contributions received specifically for the acquisition of capital assets are deferred. Amortization of both capital assets and deferred contributions are provided on a straight-line basis at the following rates:

Building	40 years
Pavement	15 years
Furniture and equipment	5 years
Computer equipment and software	3 years

(c) Financial instruments

The Centre initially measures all of its financial instruments at fair value and subsequently measures them at cost or amortized cost at the year end date except for cash, which is subsequently presented at fair value.

**SANDY HILL COMMUNITY HEALTH CENTRE, INC./
CENTRE DE SANTÉ COMMUNAUTAIRE CÔTE-DE-SABLE, INC.**

NOTES TO FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

(d) Use of estimates

The preparation of financial statements in conformity 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 and 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. Management makes accounting estimates when determining the estimated useful life of the Centre's capital assets and related deferred contributions, its allowance for doubtful accounts and the balance of accrued liabilities. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

(e) Contributed materials and services

Contributed materials and services are not recognized in the financial statements unless the fair value is determinable; the contributed materials or services are used in the normal course of operations and would have otherwise been purchased and the value is significant. During the year, no donated materials and services were recognized in the statement of operations.

3. FINANCIAL INSTRUMENTS

Financial instruments expose the Centre to a variety of risks. The following analysis provides a measure of the Centre's risk exposure and concentrations. The Centre does not use derivative financial instruments to manage its risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Centre is exposed to 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 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.

Management believes concentration of credit risk with respect to amounts receivable is limited due to the credit quality of the parties and has not considered it necessary to provide for an allowance for doubtful accounts.

Liquidity risk

Liquidity risk is the risk that the Centre will not be able to meet a demand for cash or fund its obligations as they become due. Liquidity risk also includes risk of the Centre not being able to liquidate assets in a timely manner at a reasonable price.

The Centre meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations, anticipating operating and financing activities.

**SANDY HILL COMMUNITY HEALTH CENTRE, INC./
CENTRE DE SANTÉ COMMUNAUTAIRE CÔTE-DE-SABLE, INC.**

NOTES TO FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2025

3. FINANCIAL INSTRUMENTS - Cont'd.

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 interest rate risk, currency risk and other price risk.

i) *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 does not have any significant interest bearing financial instruments, and therefore it is not exposed to any significant interest rate risk.

ii) *Currency risk*

Currency 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 the Canadian dollar compared to foreign currencies. The Centre mainly operates in Canadian dollars and as a result, the Centre is not exposed to a significant currency risk.

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 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.

The Centre is not exposed to other price risk.

Changes in risk

There have been no significant changes in the Centre's risk exposures from the prior year.

4. CAPITAL ASSETS

	2025		2024	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Land	\$ 936,500	\$ -	\$ 936,500	\$ -
Building	4,789,100	3,711,826	4,789,100	3,592,100
Furniture and equipment	135,203	86,368	126,644	59,328
Computer equipment and software	-	-	24,419	24,417
	<u>5,860,803</u>	<u>\$ 3,798,194</u>	<u>5,876,663</u>	<u>\$ 3,675,845</u>
Accumulated amortization	<u>3,798,194</u>		<u>3,675,845</u>	
	<u>\$ 2,062,609</u>		<u>\$ 2,200,818</u>	

5. GOVERNMENT REMITTANCES RECEIVABLE/PAYABLE

Included in grants and other amounts receivable are \$629,493 (2024 - \$374,334) in recoverable government taxes. Included in accounts payable and accrued liabilities are \$36,501 (2024 - \$12,699) in government remittances payable.

**SANDY HILL COMMUNITY HEALTH CENTRE, INC./
CENTRE DE SANTÉ COMMUNAUTAIRE CÔTE-DE-SABLE, INC.**

NOTES TO FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2025

6. DEFERRED CONTRIBUTIONS

Deferred contributions excludes government grants and consists of the unexpended portion designated donations, surpluses and eligible miscellaneous revenue. Revenue is recognized as the related expenses are incurred. Deferred contributions are comprised of the following activity:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 346,990	\$ 252,743
Add:		
Funds received - net	411,797	658,367
Transfers to deferred contributions - net	-	3,859
Less:		
Contributions recognized	<u>(343,253)</u>	<u>(567,979)</u>
Balance, end of year	<u>\$ 415,534</u>	<u>\$ 346,990</u>

7. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 1,264,318	\$ 1,395,779
Add:		
Contributions deferred in year for capital asset purchases	8,559	21,735
Less:		
Amortization of deferred contributions related to capital assets	<u>(146,768)</u>	<u>(153,196)</u>
Balance, end of year	<u>\$ 1,126,109</u>	<u>\$ 1,264,318</u>

8. PENSION PLAN

All of the employees of the Centre are eligible to be members of the Healthcare of Ontario Pension Plan, which is a contributory defined benefit multi-employer pension plan. Employer contributions made to the Plan during the year by the Centre amounted to \$911,212 (2024 - \$983,285). This amount was only 0.08% of the Plan's total employer contributions. The most recent actuarial valuation of the plan at December 31, 2024 indicates that the Plan is fully funded.

9. COMMITMENTS AND CONTINGENCIES

Commitments include maintenance contracts and leases for office equipment. Payments required under the above (before applicable taxes) until expiration are as follows:

2026	\$ 144,563
2027	63,372
2028	<u>1,534</u>
	<u>\$ 209,469</u>

Unpaid vacation pay

The estimated maximum liability for unpaid vacation pay at March 31, 2025 amounted to approximately \$265,555 (2024 - \$259,166). No provision has been made in the financial statements, as any amounts actually paid are charged to operations in the year of payment.