

DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE

FINANCIAL STATEMENTS

MARCH 31, 2024

INDEPENDENT AUDITORS' REPORT

To the Members of
Davenport-Perth Neighbourhood and Community Health Centre

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Davenport-Perth Neighbourhood and Community Health Centre ("the Centre"), which comprise the statement of financial position as at March 31, 2024, the statement of operations, the statement of changes in net assets, and the statement of 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, 2024, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing 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.

INDEPENDENT AUDITORS' REPORT (Continued)

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 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 judgement and maintain professional skepticism throughout the audit. We also:

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

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

Richmond Hill, Ontario
June 3, 2024

Rashidi LLP

Chartered Professional Accountants
Licensed Public Accountants

DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2024

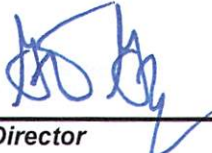
ASSETS

	<u>2024</u>	<u>2023</u>
Current		
Cash	\$ 631,854	\$ 664,205
Short-term investments (Note 2)	602,656	573,395
Accounts receivable	115,637	38,873
HST recoverable	22,149	75,968
Prepaid expenses and deposits	65,895	62,771
	<u>1,438,191</u>	<u>1,415,212</u>
Capital assets (Note 3)	<u>2,802,888</u>	<u>3,047,392</u>
	<u>\$ 4,241,079</u>	<u>\$ 4,462,604</u>

LIABILITIES AND NET ASSETS

Current		
Accounts payable and accrued liabilities	\$ 299,349	\$ 276,059
Due to Ontario Ministry of Health	118,011	118,011
Deferred operating grants (Note 5)	253,859	319,336
	<u>671,219</u>	<u>713,406</u>
Deferred Contributions		
Related to Capital Assets (Note 4)	2,798,997	3,043,205
Fund Balances	<u>770,863</u>	<u>705,993</u>
	<u>\$ 4,241,079</u>	<u>\$ 4,462,604</u>

APPROVED BY THE BOARD:


Director


Director

(The accompanying notes are an integral part of these financial statements)

DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2024

	<u>Unrestricted</u>	<u>Restricted to Contingencies (Note 9)</u>	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 70,018	\$ 635,975	\$ 705,993	\$ 669,347
Excess (deficiency) of revenue over expenses	3,826	-	3,826	3,116
Additionally imposed restrictions	-	61,044	61,044	33,530
Balance, end of year	<u><u>\$ 73,844</u></u>	<u><u>\$ 697,019</u></u>	<u><u>\$ 770,863</u></u>	<u><u>\$ 705,993</u></u>

(The accompanying notes are an integral part of these financial statements)

DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
Revenue		
Ministry of Health/Ontario Health - General/CHC (Note 6)	\$ 4,578,129	\$ 4,544,135
Ministry of Health/Ontario Health - Exercise Initiative (CSS) (Note 6)	146,939	139,943
Ministry of Health/Ontario Health - Interpretation Services (CSS) (Note 6)	23,762	11,316
City of Toronto - Child and Family Programs (Note 21)	617,592	602,302
City of Toronto	220,519	360,781
City of Toronto - Children's Services (Note 20)	5,150	5,150
United Way of Greater Toronto	343,423	343,490
Amortization of deferred contributions (Note 4)	244,208	231,742
Other (Note 8)	319,902	222,847
Ministry of Advanced Education and Skills Development	145,306	145,306
Self generated income	138,959	100,057
Ministry of Citizenship and Immigration - NSP (Note 19)	65,769	65,120
Ministry of Citizenship and Immigration - PE	565	565
Public Health Agency of Canada	60,737	60,722
Ontario Ministry for Seniors and Accessibility	48,812	47,134
Employment and Social Development Canada - CSJ (Note 20)	29,257	43,040
Ontario Trillium Foundation (Note 7)	-	11,800
Community Food Centres Canada	500	-
	<u>6,989,529</u>	<u>6,935,450</u>
Expenses		
Salaries and benefits (Note 18)	5,196,532	4,994,827
Repairs and maintenance	468,364	484,180
Other (Note 12)	350,066	360,870
Amortization (Note 3)	244,504	232,038
Purchased services	143,153	191,218
Utilities and taxes	133,052	124,949
Food costs	58,654	103,779
Refugee non-insured	100,000	100,000
Program supplies	57,286	86,199
Insurance (Note 11)	79,611	74,788
Premises rent and occupancy costs (Note 15)	72,886	70,528
Supplies - other (Note 13)	30,701	50,549
Communications	31,131	33,976
Staff training	13,684	18,712
Staff travel	6,079	5,721
	<u>6,985,703</u>	<u>6,932,334</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u><u>\$ 3,826</u></u>	<u><u>\$ 3,116</u></u>

(The accompanying notes are an integral part of these financial statements)

DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of Revenues Over Expenditures	\$ 3,826	\$ 3,116
Amortization - Net	296	296
	<u>4,122</u>	<u>3,412</u>
 Change in Non-Cash Working Capital		
Accounts receivable	(76,764)	(12,103)
HST recoverable	53,819	(21,196)
Prepaid expenses and deposits	(3,124)	(14,575)
Accounts payable and accrued liabilities	23,290	(19,184)
Deferred operating grants (Note 5)	(65,477)	(54,936)
	<u>(68,256)</u>	<u>(121,994)</u>
 CASH USED IN INVESTING ACTIVITIES		
Contingency Allocation	61,044	33,530
Purchase of capital assets	-	(249,322)
Deferred grant revenue related to capital assets	-	249,322
	<u>61,044</u>	<u>33,530</u>
 INCREASE (DECREASE) IN CASH AND EQUIVALENTS	<u>(3,090)</u>	<u>(85,052)</u>
Cash and cash equivalents, Beginning of the Year	<u>1,237,600</u>	<u>1,322,652</u>
Cash and cash equivalents, end of the year	<u>\$ 1,234,510</u>	<u>\$ 1,237,600</u>
 CASH AND CASH EQUIVALENTS IS REPRESENTED BY:		
Cash	631,854	664,205
Short-Term Investments	602,656	573,395
	<u>\$ 1,234,510</u>	<u>\$ 1,237,600</u>

(The accompanying notes are an integral part of these financial statements)

DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

INCORPORATION:

The Davenport-Perth Neighbourhood and Community Health Centre, (the Centre) was incorporated as a not-for-profit organization on October 27, 1985 under the laws of Ontario and commenced operations on January 1, 1986. The Davenport-Perth Neighbourhood and Community Health Centre is a charitable organization with a registered charity number of 123698904 RR0001.

NATURE OF OPERATIONS:

The purpose of the Centre is to strengthen, support and encourage individual, family and community life.

The major sources of funding for the operations is through funding agreements, grants and donations.

1. SIGNIFICANT ACCOUNTING POLICIES:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting. Outlined below are those policies considered particularly significant:

a) Revenue recognition

The Centre follows the deferral method of accounting for grants. Grants are recognized as revenue in the same period as the related expenditures. Grants received prior to the year to which they apply are deferred.

Donations and fundraising are recorded as revenue when received, except when received for specific projects, at which time they are recognized when the projects occur.

Self-generated income and other revenues are recognized as revenue in the period in which they are earned.

b) Capital assets and amortization

Furniture and fixtures purchased prior to fiscal 1994 are recorded at cost and are amortized using a straight-line basis over five years. Because furniture and fixtures purchased subsequent to fiscal 1993 were expensed in the year of purchase, it was not practical to capitalize previously expensed equipment. Subsequent to 1997 purchases of capital assets exceeding \$5,000 have been capitalized, except for capital assets purchased with respect to specific annually funded programs. These assets are expensed in the year in which the purchase occurs.

A capital asset or leasehold improvement is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the capital assets exceeds its fair value.

DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

b) Capital assets (Continued)

Capital assets or leasehold improvements acquired during the year but not placed into use are not amortized until they are placed into use.

c) Contribution to administration

Most programs contribute a percentage of revenue to administration as a contribution towards overhead.

d) Leasehold Improvements

i) Prior to 2008:

The Centre had entered into various agreements to renovate its premises at 1900 Davenport Road. The cost of the project had been notated on the Financial Statements as "Leasehold Improvements" and amortized over the term of the lease for said premises plus one (1) renewal period.

ii) After 2008:

The Centre commenced construction of the New Health Care - a project fully funded by the Ministry of Health and Long Term Care. The construction of this facility was completed in September 2012. A new HVAC system was installed in fiscal years 2015-16, 2016-17 and 2017-18. New accessibility doors were installed in fiscal year 2018-2019. New wooden front doors and a post and beam structure were installed in fiscal year 2022-2023. These items are being amortized on a straight-line based over their useful lives, estimated by management as follows:

Leasehold Improvements - New Health Centre	25 years
Equipment - General	10 years

e) 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 and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reported period. Significant items subject to such estimates and assumptions include year-end accrued receivables and liabilities, and the useful life of capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

f) Income taxes

The Centre is a not-for-profit organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

g) Financial instruments

The Centre initially records all financial instruments at fair market value, and subsequently records them at amortized cost.

The Centre's financial instruments consist of cash, short term investments, accounts receivable, accounts payable and accrued liabilities.

2. SHORT TERM INVESTMENTS

Short term investments are represented by term deposits and GICs with annual interest rates that vary between 3.5% and 5.25% and with maturity dates between May 2024 and August 2024.

3. CAPITAL ASSETS:

Capital assets consist of the following:

	2024			2023
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Leasehold Improvements	\$ 2,913,499	\$ 2,913,499	\$ -	\$ -
Leasehold Improvements - New Health Centre	4,620,908	2,125,458	2,495,450	2,680,298
Equipment - HVAC System	270,130	209,314	60,816	87,831
Equipment - Accessibility Doors	77,094	42,396	34,698	42,407
Equipment - Front Doors	131,822	19,773	112,049	125,231
Equipment - Post and Beam, and Turf	117,500	17,625	99,875	111,625
	<u>\$ 8,130,953</u>	<u>\$ 5,328,065</u>	<u>\$ 2,802,888</u>	<u>\$ 3,047,392</u>

Amortization for the year amounted to \$244,504 (2023 - \$232,038).

DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

4. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS:

New Health Centre & Equipment

Deferred contributions reported with respect to the New Health Centre's leasehold improvements and equipment are amortized over their estimated useful lives, which management estimated to be 25 years and 10 years, respectively. Amortization for fiscal 2023-24 is \$244,208, representing 12 months of amortized capital grant revenue for the period from April 1, 2023 to March 31, 2024. Amortization for fiscal 2022-23 was \$231,742.

As at March 31, 2024, the Centre had received \$4,614,938 from Ministry of Health for the New Health Centre. As at March 31, 2024, \$4,620,908 has been spent. This amount has been capitalized (refer to Note 3 - Capital Assets). The unfunded balance of \$5,970 was paid for by DPNCHC from other existing funds. For the fiscal year ended March 31, 2024 no additional funding was received and the project is considered to be completed.

The deferred contributions related to capital assets are analyzed as follows:

	<u>2024</u>	<u>2023</u>
Deferred Capital Contributions - New Health Centre	\$ 4,614,938	\$ 4,614,938
Deferred Capital Contributions - Equipment - HVAC System	270,130	270,130
Deferred Capital Contributions - Equipment		
Accessibility Doors	77,094	77,094
Deferred Capital Contributions - Equipment		
Front Doors	131,822	131,822
Deferred Capital Contributions - Equipment		
Post and Beam, and Turf	117,500	117,500
Less: Amortized Grant Revenue - New Health Centre	(2,123,379)	(1,938,827)
Less: Amortized Grant Revenue - Equipment - HVAC System	(209,315)	(182,299)
Less: Amortized Grant Revenue - Equipment		
Accessibility Doors	(42,395)	(34,687)
Less: Amortized Grant Revenue - Equipment		
Front Doors	(19,773)	(6,591)
Less: Amortized Grant Revenue - Equipment		
Post and Beam, and Turf	(17,625)	(5,875)
	<u>\$ 2,798,997</u>	<u>\$ 3,043,205</u>

DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

5. DEFERRED OPERATING GRANTS:

Continuity of deferred grant contributions for the year is as follows:

Deferred Contributions, Beginning of the Year	\$ 319,336	\$ 510,480
Add - Received/Receivable during the Year	6,550,066	6,466,538
Less - Recognized during the Year	<u>(6,615,543)</u>	<u>(6,657,682)</u>
Deferred contributions, End of the Year	<u><u>\$ 253,859</u></u>	<u><u>\$ 319,336</u></u>

Deferred operating grants are analyzed as follows:

	<u>2024</u>	<u>2023</u>
i) City of Toronto - Child and Family Funds	\$ 177,269	\$ 170,222
ii) City of Toronto - CSP	43,248	-
iii) Project contributions and fundraising	7,128	8,127
iv) Parks, Forestry and Recreation	6,716	6,716
v) The Neighbourhood Group	5,408	-
vi) City of Toronto - Neighbourhood Planning Operations Fund	5,004	5,004
vii) Royal Bank of Canada	2,347	-
viii) Plooto (AlphaPlus)	2,100	-
ix) Toronto Foundation	1,851	2,412
x) BWX Nuclear Energy Canada	1,788	-
xi) City of Toronto - Back to School	1,000	-
xii) Alliance for Healthier Communities - Social Prescribing Fund	-	74,031
xiii) Toronto Urban Health Fund - Young Men Paving Ways	-	45,733
xiv) Kaatza Foundation	-	4,509
xv) JFJ Hope Centre	-	1,482
xvi) XL Specialty Insurance	-	1,100
	<u><u>\$ 253,859</u></u>	<u><u>\$ 319,336</u></u>

DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

6. GRANTS - MINISTRY OF HEALTH AND LONG-TERM CARE/ONTARIO HEALTH:

	<u>2024</u>	<u>2023</u>
MOH - Ontario Health - CHC General	\$ 4,168,684	\$ 4,120,443
MOH - Ontario Health - One Time Funding - Pediatric Recovery Incentive	105,000	-
MOH - Ontario Health - One Time Funding - Black Health Initiatives	40,608	-
MOH - Ontario Health - One Time Funding - Temporary Retention Nurse Incentive	-	17,658
MOH - Ontario Health - One Time Funding - Mental Health and Addictions Support Services	-	168,200
MOH - Ontario Health - One Time Funding - Physician Compensation	-	11,700
MOH - Ontario Health - One Time Funding - Stabilization Funding	77,400	-
Total MOH - Ontario Health - CHC	<u>4,391,692</u>	<u>4,318,001</u>
MOH - One Time CIRF Funding	186,437	357,956
Less: Capitalized MOH - CIRF Funding # 204622	-	(131,822)
Total MOH	<u>186,437</u>	<u>226,134</u>
	<u>4,578,129</u>	<u>4,544,135</u>
MOH - Ontario Health - CSS - Exercise Initiative	146,939	139,943
MOH - Ontario Health - One Time Funding - CSS - Interpretation Services	23,762	11,316
	<u>\$ 4,748,830</u>	<u>\$ 4,695,394</u>

7. GRANTS - ONTARIO TRILLIUM FOUNDATION:

	<u>2024</u>	<u>2023</u>
Ontario Trillium Foundation - One-time funding	-	129,300
Less: Capitalization of Backyard Post & Beam and Turf	-	(117,500)
	<u>\$ -</u>	<u>\$ 11,800</u>

DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

8. OTHER REVENUES:

	<u>2024</u>	<u>2023</u>
West Toronto Health Services	\$ 95,172	\$ 89,819
Reconnect Community Health Services	91,800	90,000
Alliance for Healthier Communities	74,031	6,296
Participants Contribution - Children Summer (Note 19)	15,022	13,579
Donations	14,355	8,063
Toronto Foundation	5,560	-
The Neighbourhood Group	5,040	-
Toronto Star Fresh Air Fund	5,000	-
Older Adult Centres Association	4,200	-
The Community Social Planning Council of Toronto	2,500	-
XL Specialty Insurance Canada	1,100	223
Fundraising	1,060	-
Vital Toronto	1,000	500
Alexandra Park Neighbourhood Learning Centre	800	1,800
West Neighbourhood House	800	-
Parkdale Project Read Inc.	750	-
BWX Nuclear Energy Canada	712	-
Chum Charitable Foundation	500	600
Lakeshore Area Multi-Service CHC	500	-
Charities Aid Foundation	-	7,317
MLTSD Apprenticeship Achievement Incentive	-	3,000
TelPay Bill	-	1,000
ABC Life Literacy Canada	-	450
Open Jam Collective	-	200
	<u>\$ 319,902</u>	<u>\$ 222,847</u>

9. CONTINGENCY RESTRICTIONS

The Centre maintains reserve funds for the following:

	<u>2024</u>	<u>2023</u>
i) Administrative Provision	\$ 623,019	\$ 563,475
ii) Maternity Provision	30,000	30,000
iii) Facilities Provision	35,000	35,000
iv) Employee Accident Insurance Provision	9,000	7,500
	<u>\$ 697,019</u>	<u>\$ 635,975</u>

DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

9. CONTINGENCY RESTRICTIONS: (Continued)

The Board of Directors of the Centre has established an administrative contingency fund to approximate the funds required to maintain one month of salary, benefits and essential administration costs.

It is the opinion of the Board and Management that since all major funding agreements require a 60 day close-down notice, the above administrative provision is adequate.

The Maternity Leave Provision represents funds segregated in accordance with Personal Policy. These funds are segregated and held in a separate bank account and/or a Guaranteed Investment Certificate specially for this purpose.

The Facilities Provision includes funds held for expenditures required to maintain the Centre's facilities that are not funded through other resources.

The Employee Accident Insurance Provision includes funds designated for expenditures related to workplace accidents not otherwise covered by insurance.

The contingency reserves are increased annually by 2% of the salary of permanent non-health centre and health centre employees, as well as the exempt portion of EHT. The net contribution to the reserve during fiscal 2024 is \$61,044 (2023 - \$33,530).

10. INTERNAL CHARGES:

The Board of Directors of the Centre previously passed a motion to no longer reflect separately the internal charges as revenue and expenses within the Statement of Operations.

Internal charges are analyzed as follows:

	<u>2024</u>	<u>2023</u>
Contribution to building expenses	\$ 288,357	\$ 294,619
Administrative cost recovery	154,557	179,846
	<u>\$ 442,914</u>	<u>\$ 474,465</u>

11. INSURANCE EXPENSE:

Insurance expense is analyzed as follows:

	<u>2024</u>	<u>2023</u>
Malpractice insurance	\$ 4,100	\$ 3,266
Property and liability	75,511	71,522
	<u>\$ 79,611</u>	<u>\$ 74,788</u>

DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

12. OTHER EXPENSES:

Other expenses are analyzed as follows:

	<u>2024</u>	<u>2023</u>
Bank charges (recovery)	\$ (140)	\$ (521)
Computer services	40,024	60,479
Membership dues	32,581	32,886
Participant need/travel	81,328	111,279
Photocopying/rental	10,168	9,947
Postage and courier	4,184	3,958
Legal and audit	31,342	53,630
Recruitment	57,588	12,583
Printing and forms	6,324	8,050
AGM/Meeting expenses	10,954	5,040
Security - fire	34,910	33,487
CCA/Volunteer expenses	8,022	8,750
Staff appreciation	21,075	7,869
Health and safety	9,259	12,497
Workshop	384	671
Board expenses	2,063	265
	<u>\$ 350,066</u>	<u>\$ 360,870</u>

13. SUPPLIES - OTHER:

Supplies - other is analyzed as follows:

	<u>2024</u>	<u>2023</u>
Office Supplies	\$ 10,980	\$ 12,041
Medical Supplies	17,284	18,131
Resource Materials	2,437	20,377
	<u>\$ 30,701</u>	<u>\$ 50,549</u>

14. CAPITAL MANAGEMENT AND ECONOMIC DEPENDENCE:

The Centre includes cash, receivables, accounts payable and accrued charges, deferred contributions and net assets in its capital management consideration. The Centre's objectives when managing capital are to safeguard its ability to continue as a going concern and continue to execute its mandate.

The Centre monitors these items to assess its ability to fulfill its ongoing financial obligations. The Centre relies primarily on grants to fund its operations and makes adjustments to its budgeted expenditures in light of changes. The Organization is not subject to externally imposed capital requirements.

DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

15. COMMITMENTS:

The Centre negotiated a 25 year lease, with an additional 25 year renewal period at the option of the Centre, effective January 1, 2009 with the Trustees of the Davenport-Perth United Church. The minimum annual rental payments are \$52,000. The lease will be adjusted every year thereafter by the change in the Consumer Price Index.

16. FINANCIAL INSTRUMENTS - RISK MANAGEMENT:

a) Interest Rate Risk

Interest rate risk is the risk of potential financial loss caused by fluctuations in their fair value of future cash flow of financial instruments due to changes in market interest rates.

b) Credit Risk

Credit risk is the potential for financial loss should a counter-party in a transaction fail to meet its obligations.

c) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Centre's financial instruments consist of cash, short term investments, accounts receivable, bank indebtedness, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest or credit risks. Liquidity risk is managed by establishing budgets and maintaining sufficient cash and cash equivalents on hand or in interest bearing accounts.

The extent of the Organization's exposure to the above risks did not change during 2024.

17. CONTRIBUTED SERVICES AND MATERIALS:

Because of the difficulty of determining the fair value of services provided by volunteers, and materials contributed to the organization, contributed services and materials are not recognized in the financial statements.

18. PENSION AGREEMENTS:

The Centre makes contributions to the Healthcare of Ontario Pension Plan ("HOOPP"), which is a multi-employer plan, on behalf of members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay. The amount contributed by the Centre to HOOPP for fiscal 2024 was \$342,218 (2023 - \$338,689) for current service costs and is included as an expense in the Statement of Operations. The last actuarial valuation was completed for the plan as of December 31, 2023. At that time, the plan was fully funded.

DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

19. SEGMENTED INFORMATION -

MINISTRY OF CITIZENSHIP AND IMMIGRATION - NSP

The following schedule has been extracted from the books and records underlying the Centre's audited financial statements. This data is presented for information purposes only. Audit procedures were performed on the Centre as a whole, not at the individual department level.

REVENUES - GOVERNMENT GRANTS		\$ 65,769
EXPENDITURES		
Salaries	\$ 46,886	
Benefits	11,209	
Administrative Cost Recovery	7,294	
Workshop	380	
	<u>380</u>	<u>65,769</u>
EXCESS OF REVENUES OVER EXPENDITURES		<u><u>\$ -</u></u>

20. SEGMENTED INFORMATION -

SUMMER DAY PROGRAM

The following schedule has been extracted from the books and records underlying the Centre's audited financial statements. This data is presented for information purposes only. Audit procedures were performed on the Centre as a whole, not at the individual department level.

REVENUES	<u>2024</u>	<u>2023</u>
Employment and Social Development Canada - CSJ	\$ 24,330	\$ 33,454
Ministry of Health/Ontario Health	6,639	6,639
City of Toronto - Children's Services	5,150	5,150
Community donations	-	1,400
Participants contributions	10,520	13,579
Foundation and donations - other	11,852	223
	<u>58,491</u>	<u>60,445</u>
EXPENDITURES		
Salaries	\$ 33,786	\$ 36,497
Benefits	4,163	4,621
Administration	3,112	1,210
Program related	17,430	18,117
	<u>58,491</u>	<u>60,445</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

**21. SEGMENTED INFORMATION -
CITY OF TORONTO - CHILD AND FAMILY PROGRAMS**

The following schedule has been extracted from the books and records underlying the Centre's audited financial statements. This data is presented for information purposes only. Audit procedures were performed on the Centre as a whole, not at the individual department level.

REVENUES - GOVERNMENT GRANTS		\$ 617,592
EXPENDITURES		
Salaries	\$ 381,161	
Benefits	111,436	
Administration	61,735	
Program related	17,769	
Food	15,868	
Utilities and maintenance	2,566	
Cleaning and house keeping	1,010	
Professional development	1,839	
Business travel	1,124	
Office related	13,584	
Payments to subcontracted agencies	9,500	617,592
EXCESS OF REVENUES OVER EXPENDITURES		\$ -