

**DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE**

**FINANCIAL STATEMENTS**

**MARCH 31, 2023**

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## 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, 2023, 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, 2023, 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.

#### ***Other Matter***

The financial statements of the Centre for the year ended March 31, 2022 were audited by the organization's former auditor. An unqualified audit opinion was issued and dated on June 17, 2022.

#### ***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.

*Rashidi LLP*

Richmond Hill, Ontario  
June 14, 2023

Chartered Professional Accountants  
Licensed Public Accountants

**DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE**

**STATEMENT OF FINANCIAL POSITION**

**AS AT MARCH 31, 2023**


**ASSETS**


	<u>2023</u>	<u>2022</u>
<b>Current</b>		
Cash	\$ 664,205	\$ 764,686
Short-term investments (Note 2)	573,395	557,966
Accounts receivable	38,873	26,770
HST recoverable	75,968	54,772
Prepaid expenses and deposits	<u>62,771</u>	<u>48,196</u>
	1,415,212	1,452,390
 <b>Capital assets (Note 3)</b>	 <u>3,047,392</u>	 <u>3,030,108</u>
	<b><u>\$ 4,462,604</u></b>	<b><u>\$ 4,482,498</u></b>

**LIABILITIES AND NET ASSETS**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 276,059	\$ 295,243
Due to Ontario Ministry of Health	118,011	118,011
Deferred operating grants (Note 5)	<u>319,336</u>	<u>374,272</u>
	713,406	787,526
 <b>Deferred Contributions</b>		
Related to Capital Assets (Note 4)	3,043,205	3,025,625
 <b>Fund Balances</b>	 <u>705,993</u>	 <u>669,347</u>
	<b><u>\$ 4,462,604</u></b>	<b><u>\$ 4,482,498</u></b>

**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, 2023

	<u>Unrestricted</u>	<u>Restricted to Contingencies (Note 9)</u>	<u>2023</u>	<u>2022</u>
<b>Balance, beginning of year</b>	\$ 66,902	\$ 602,445	\$ 669,347	\$ 634,281
Excess (deficiency) of revenue over expenses	3,116	-	3,116	2,682
Additionally imposed restrictions	-	33,530	33,530	32,384
<b>Balance, end of year</b>	<u><u>\$ 70,018</u></u>	<u><u>\$ 635,975</u></u>	<u><u>\$ 705,993</u></u>	<u><u>\$ 669,347</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, 2023**

	<u>2023</u>	<u>2022</u>
<b>Revenue</b>		
Ministry of Health/Ontario Health - General/CHC (Note 6)	\$ 4,544,135	\$ 4,309,222
Ministry of Health/Ontario Health - Exercise Initiative (CSS) (Note 6)	139,943	139,943
Ministry of Health/Ontario Health - Interpretation Services (CSS) (Note 6)	11,316	-
City of Toronto - Child and Family Programs (Note 21)	602,302	615,935
City of Toronto	360,781	460,200
City of Toronto - Children's Services (Note 20)	5,150	5,150
United Way of Greater Toronto	343,490	362,046
Amortization of deferred contributions (Note 4)	231,742	219,275
Other (Note 8)	222,847	147,661
Ministry of Advanced Education and Skills Development	145,306	145,306
Self generated income	100,057	89,811
Ministry of Citizenship and Immigration - NSP (Note 19)	65,120	65,000
Ministry of Citizenship and Immigration - PE	565	565
Public Health Agency of Canada	60,722	61,026
Ontario Ministry for Seniors and Accessibility	47,134	72,168
Employment and Social Development Canada - CSJ (Note 20)	43,040	38,257
Ontario Trillium Foundation (Note 7)	11,800	47,300
Community Food Centres Canada	-	10,000
	<u>6,935,450</u>	<u>6,788,865</u>
<b>Expenses</b>		
Salaries and benefits (Note 18)	4,994,827	5,188,755
Repairs and maintenance	484,180	419,909
Other (Note 12)	360,870	231,244
Amortization	232,038	219,572
Purchased services	191,218	94,081
Utilities and taxes	124,949	116,078
Food costs	103,779	134,926
Refugee non-insured	100,000	100,000
Program supplies	86,199	50,078
Insurance (Note 11)	74,788	70,402
Premises rent and occupancy costs (Note 15)	70,528	65,723
Supplies - other (Note 13)	50,549	34,139
Communications	33,976	43,701
Staff training	18,712	15,026
Staff travel	5,721	2,549
	<u>6,932,334</u>	<u>6,786,183</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u><b>\$ 3,116</b></u>	<u><b>\$ 2,682</b></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, 2023**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of Revenues Over Expenditures	\$ 3,116	\$ 2,682
Amortization - Net	296	297
	<u>3,412</u>	<u>2,979</u>
 Change in Non-Cash Working Capital		
Accounts receivable	( 12,103 )	( 4,659 )
HST recoverable	( 21,196 )	12,478
Prepaid expenses and deposits	( 14,575 )	576
Accounts payable and accrued liabilities	( 19,184 )	211,757
Deferred operating grants (Note 5)	( 54,936 )	( 136,208 )
	<u>( 121,994 )</u>	<u>83,944</u>
 <b>CASH USED IN INVESTING ACTIVITIES</b>		
Contingency Allocation	33,530	32,382
Purchase of capital assets	( 249,322 )	-
Deferred grant revenue related to capital assets	249,322	-
	<u>33,530</u>	<u>32,382</u>
 <b>INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	 ( 85,052 )	 119,305
<b>Cash and cash equivalents, Beginning of the Year</b>	<u>1,322,652</u>	<u>1,203,347</u>
<b>Cash and cash equivalents, end of the year</b>	<u><b>\$ 1,237,600</b></u>	<u><b>\$ 1,322,652</b></u>
 <b>CASH AND CASH EQUIVALENTS IS REPRESENTED BY:</b>		
Cash	664,205	764,686
Short-Term Investments	573,395	557,966
	<u><b>\$ 1,237,600</b></u>	<u><b>\$ 1,322,652</b></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, 2023

### 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, 2023**

**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, 2023**

**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 August 2023 and July 2024.

**3. CAPITAL ASSETS:**

Capital assets consist of the following:

	<b>2023</b>			<b>2022</b>
	<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	1,940,610	2,680,298	2,865,146
Equipment - HVAC System	270,130	182,299	87,831	114,847
Equipment - Accessibility Doors	77,094	34,687	42,407	50,115
Equipment - Front Doors	131,822	6,591	125,231	-
Equipment - Post and Beam, and Turf	117,500	5,875	111,625	-
	<u>\$ 8,130,953</u>	<u>\$ 5,083,561</u>	<u>\$ 3,047,392</u>	<u>\$ 3,030,108</u>

Amortization for the year amounted to \$232,038 (2022 - \$219,572).

**DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2023**

**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 2022-23 is \$231,742, representing 12 months of amortized capital grant revenue for the period from April 1, 2022 to March 31, 2023. Amortization for fiscal 2021-22 was \$219,275.

As at March 31, 2023, the Centre had received \$4,614,938 from Ministry of Health for the New Health Centre. As at March 31, 2023, \$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, 2023 no additional funding was received and the project is considered to be completed.

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

	<b><u>2023</u></b>	<b><u>2022</u></b>
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	-
Deferred Capital Contributions - Equipment Post and Beam, and Turf	117,500	-
Less: Amortized Grant Revenue - New Health Centre	( 1,938,827 )	( 1,754,275 )
Less: Amortized Grant Revenue - Equipment - HVAC System	( 182,299 )	( 155,283 )
Less: Amortized Grant Revenue - Equipment Accessibility Doors	( 34,687 )	( 26,979 )
Less: Amortized Grant Revenue - Equipment Front Doors	( 6,591 )	-
Less: Amortized Grant Revenue - Equipment Post and Beam, and Turf	( 5,875 )	-
	<b><u>\$ 3,043,205</u></b>	<b><u>\$ 3,025,625</u></b>

**5. DEFERRED OPERATING GRANTS:**

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

Deferred Contributions, Beginning of the Year	\$ 374,272	\$ 510,480
Add - Received/Receivable during the Year	6,602,746	6,456,174
Less - Recognized during the Year	( 6,657,682 )	( 6,592,382 )
Deferred contributions, End of the Year	<b><u>\$ 319,336</u></b>	<b><u>\$ 374,272</u></b>

**DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2023**

**5. DEFERRED OPERATING GRANTS: (Continued)**

Deferred operating grants are analyzed as follows:

	<u>2023</u>	<u>2022</u>
i) Project contributions and fundraising	\$ 8,127	\$ 11,880
ii) Alliance for Healthier Communities - Social Prescribing Fund	74,031	-
iii) Parks, Forestry and Recreation	6,716	6,716
iv) Toronto Urban Health Fund - Young Men Paving Ways	45,733	27,589
v) City of Toronto - Child and Family Funds	170,222	160,654
vi) City of Toronto - Equity Action Plan	-	155,112
vii) City of Toronto - Neighbourhood Planning Operations Fund	5,004	5,004
viii) Toronto Foundation	2,412	-
ix) Kaatza Foundation	4,509	-
x) JFJ Hope Centre	1,482	-
xi) XL Specialty Insurance	1,100	-
xii) Enterprise Rent-A-Car	-	1,000
xiii) The Charities Aid Foundation Grant	-	6,317
	<u>\$ 319,336</u>	<u>\$ 374,272</u>

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

	<u>2023</u>	<u>2022</u>
MOH - Ontario Health - CHC General	\$ 4,120,443	\$ 4,120,443
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	32,378
Total MOH - Ontario Health - CHC	<u>4,318,001</u>	<u>4,152,821</u>
MOH - One Time CIRF Funding	357,956	156,401
Less: Capitalized MOH - CIRF Funding # 204622	( 131,822 )	-
Total MOH	<u>226,134</u>	<u>156,401</u>
	<u>4,544,135</u>	<u>4,309,222</u>
MOH - Ontario Health - CSS - Exercise Initiative	139,943	139,943
MOH - Ontario Health - One Time Funding - CSS - Interpretation Services	11,316	-
	<u>\$ 4,695,394</u>	<u>\$ 4,449,165</u>

**DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2023**

**7. GRANTS - ONTARIO TRILLIUM FOUNDATION:**

	<u><b>2023</b></u>	<u><b>2022</b></u>
Ontario Trillium Foundation - One-time funding	129,300	47,300
Less: Capitalization of Backyard Post & Beam and Turf	( 117,500 )	-
	<u><b>\$ 11,800</b></u>	<u><b>\$ 47,300</b></u>

**8. OTHER REVENUES:**

	<u><b>2023</b></u>	<u><b>2022</b></u>
Reconnect Community Health Services	\$ 90,000	\$ 90,000
West Toronto Health Services	89,819	23,139
Participants Contribution - Children Summer (Note 19)	13,579	4,490
Donations	8,063	6,382
Charities Aid Foundation	7,317	-
Alliance for Healthier Communities	6,296	-
MLTSD Apprenticeship Achievement Incentive	3,000	-
Alexandra Park Neighbourhood Learning Centre	1,800	275
TelPay Bill	1,000	1,000
Chum Charitable Foundation	600	600
Vital Toronto	500	-
ABC Life Literacy Canada	450	-
XL Specialty Insurance Canada	223	-
Open Jam Collective	200	-
Toronto Foundation	-	1,619
St. Stephen's Community House	-	7,655
Toronto Star Fresh Air Fund	-	12,000
Aqueduct Foundation	-	500
	<u><b>\$ 222,847</b></u>	<u><b>\$ 147,661</b></u>

**9. CONTINGENCY RESTRICTIONS**

The Centre maintains reserve funds for the following:

	<u><b>2023</b></u>	<u><b>2022</b></u>
i) Administrative Provision	\$ 563,475	\$ 531,445
ii) Maternity Provision	30,000	30,000
iii) Facilities Provision	35,000	35,000
iv) Employee Accident Insurance Provision	7,500	6,000
	<u><b>\$ 635,975</b></u>	<u><b>\$ 602,445</b></u>

**DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2023**

**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 employees, as well as the exempt portion of EHT. The net contribution to the reserve during fiscal 2023 is \$33,530 (2022 - \$32,384)

**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>2023</u>	<u>2022</u>
Contribution to building expenses	\$ 294,619	\$ 293,821
Administrative cost recovery	179,846	175,692
	<u>\$ 474,465</u>	<u>\$ 469,513</u>

**11. INSURANCE EXPENSE:**

Insurance expense is analyzed as follows:

	<u>2023</u>	<u>2022</u>
Malpractice insurance	\$ 3,266	\$ 2,975
Property and liability	71,522	67,427
	<u>\$ 74,788</u>	<u>\$ 70,402</u>

DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

12. OTHER EXPENSES:

Other expenses are analyzed as follows:

	<u>2023</u>	<u>2022</u>
Bank charges (recovery)	\$ ( 521 )	\$ ( 348 )
Computer services	60,479	52,158
Membership dues	32,886	32,042
Participant need/travel	111,279	37,968
Photocopying/rental	9,947	10,144
Postage and courier	3,958	4,299
Legal and audit	53,630	18,169
Recruitment	12,583	8,327
Printing and forms	8,050	2,223
AGM/ Meeting expenses	5,040	827
Security - fire	33,487	29,515
Volunteer expenses	3,715	1,265
Staff appreciation	7,869	7,697
Health and safety	12,497	20,310
Workshop	671	555
CCA Fees	5,035	4,931
Board expenses	265	1,162
	<u>\$ 360,870</u>	<u>\$ 231,244</u>

13. SUPPLIES - OTHER:

Supplies - other is analyzed as follows:

	<u>2023</u>	<u>2022</u>
Office Supplies	\$ 12,041	\$ 12,236
Medical Supplies	18,131	20,273
Resource Materials	20,377	1,630
	<u>\$ 50,549</u>	<u>\$ 34,139</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, 2023

#### 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 2023.

#### 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 2023 was \$338,689 (2022 - \$338,369) 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, 2022. 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, 2023**

**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.

<b>REVENUES - GOVERNMENT GRANTS</b>		\$ 65,120
<b>EXPENDITURES</b>		
Salaries	\$ 46,060	
Benefits	11,010	
Administrative Cost Recovery	7,150	
Participant Need/Client Travel	300	
Workshop	600	
	<u>600</u>	<u>65,120</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>		<b><u><u>\$ -</u></u></b>

**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.

<b>REVENUES</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Employment and Social Development Canada - CSJ	\$ 33,454	\$ 38,257
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	13,579	4,490
Foundation and donations - other	223	12,000
	<u>60,445</u>	<u>66,536</u>
<b>EXPENDITURES</b>		
Salaries	\$ 36,497	\$ 40,956
Benefits	4,621	5,303
Administration	1,210	1,810
Program related	18,117	18,467
	<u>60,445</u>	<u>66,536</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b><u><u>\$ -</u></u></b>	<b><u><u>\$ -</u></u></b>

**DAVENPORT-PERTH NEIGHBOURHOOD AND COMMUNITY HEALTH CENTRE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2023**

**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.

<b>REVENUES - GOVERNMENT GRANTS</b>		\$	602,302
<b>EXPENDITURES</b>			
Salaries	\$	357,671	
Benefits		98,830	
Administration		60,230	
Program related		25,010	
Food		13,588	
Utilities and maintenance		5,000	
Cleaning and house keeping		1,767	
Professional development		2,418	
Business travel		1,144	
Office related		27,144	
Payments to subcontracted agencies		9,500	602,302
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>		<b>\$</b>	<b>-</b>

**22. RECLASSIFICATION OF COMPARATIVE FIGURES:**

- a) The 2022 comparative financial statements were prepared by the Centre's former auditor.
- b) Certain of the 2022 comparative figures have been reclassified to conform with the current year's presentation.