Somerset West Community Health Centre
Financial Statements
For the year ended March 31, 2025

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Independent Auditor's Report

To the board 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, 2025, and the statements of operations, changes in fund balances 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 the basis of accounting described in Note 1.

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 requirement 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 the basis of accounting described in Note 1, 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
June 30, 2025

Somerset West Community Health Centre
Statement of Financial Position

March 31	Operating Fund	Special Projects Fund	Building Fund	2025	2024
Assets					
Current					
Cash	$ 3,260,934	$ 1,260,584	$ -	$ 4,521,518	$ 3,381,204
Grants receivable	1,774,479	-	-	1,774,479	1,035,014
Other receivables	305,128	-	-	305,128	645,710
Prepaid expenses	117,146	-	-	117,146	8,842
Interfund receivable (payable)	61,904	267,368	(329,272)	-	-
	5,519,591	1,527,952	(329,272)	6,718,271	5,070,770
Tangible capital assets (Note 2)	224,148	-	10,838,352	11,062,500	11,294,050
	$ 5,743,739	$ 1,527,952	$10,509,080	$17,780,771	$ 16,364,820
Liabilities and Fund Balances					
Current					
Accounts payable and accrued liabilities	$ 2,413,433	$ -	$ -	$ 2,413,433	$ 815,641
Repayable to funders	383,748	-	-	383,748	311,058
Deferred contributions (Note 4)	2,862,621	-	-	2,862,621	2,891,912
Deferred revenue	12,665	-	-	12,665	34,683
Current portion of long-term debt (Note 5)	-	-	173,472	173,472	167,514
	5,672,467	-	173,472	5,845,939	4,220,808
Long-term debt (Note 5)	-	-	3,260,124	3,260,124	3,433,595
	5,672,467	-	3,433,596	9,106,063	7,654,403
Fund Balances					
Unrestricted (Deficiency)	71,272	-	-	71,272	(50,268)
Internally restricted	-	1,527,952	7,075,484	8,603,436	8,760,685
	71,272	1,527,952	7,075,484	8,674,708	8,710,417
	$ 5,743,739	$ 1,527,952	$10,509,080	$17,780,771	$ 16,364,820

On behalf of the Board:

_______________________ Director _______________________ Director

The accompanying notes are an integral part of these financial statements.

Somerset West Community Health Centre
Statement of Changes in Fund Balances

For the year ended March 31	Operating Fund	Special Projects Fund	Building Fund	2025	2024
Balance, beginning of the year	$ (50,268)	$ 1,358,202	$ 7,402,483	$ 8,710,417	$ 8,871,989
Excess (deficiency) of revenues over expenses	262,965	28,325	(326,999)	(35,709)	(161,572)
Interfund transfer (Note 11)	(141,425)	141,425	-	-	-
Balance, end of the year	$ 71,272	$ 1,527,952	$ 7,075,484	$ 8,674,708	$ 8,710,417

The accompanying notes are an integral part of these financial statements.

Somerset West Community Health Centre
Statement of Operations

For the year ended March 31	Operating Fund	Special Projects Fund	Building Fund	2025	2024
Revenues					
Grants					
Grants and contributions (Note 6)	$23,808,502	$ -	$ -	$23,808,502	$ 20,603,331
Donations and sponsorship	9,271	-	-	9,271	169,788
Other program funding	959,824	-	-	959,824	123,033
Interest income	-	37,877	-	37,877	31,292
	24,777,597	37,877	-	24,815,474	20,927,444
Expenses					
Amortization of tangible capital assets	89,939	-	326,999	416,938	366,397
Buildings and grounds	868,124	-	-	868,124	852,143
Community one time	581,240	-	-	581,240	279,247
Contracted out expenses	2,992,322	-	-	2,992,322	1,554,229
Equipment	687,382	-	-	687,382	532,934
Medical/surgical supplies and drugs	88,351	-	-	88,351	89,223
Salaries and benefits	16,577,208	-	-	16,577,208	15,870,325
Special projects	-	9,552	-	9,552	7,290
Supplies and sundry	2,630,066	-	-	2,630,066	1,537,228
	24,514,632	9,552	326,999	24,851,183	21,089,016
Excess (deficiency) of revenues over expenses	$ 262,965	$ 28,325	$ (326,999)	$ (35,709)	$ (161,572)

The accompanying notes are an integral part of these financial statements.

Somerset West Community Health Centre
Statement of Cash Flows

For the year ended March 31	2025	2024
Cash flows from operating activities		
Funding received	$24,327,406	$ 20,809,399
Interest received	37,877	31,292
Cash paid to suppliers and employees	(22,872,067)	(21,257,843)
	1,493,216	(417,152)
Cash flows from investing activities		
Acquisition of tangible capital assets	(185,388)	-
Cash flows from financing activities		
Repayment of long-term debt	(167,514)	(161,759)
Net increase (decrease) in cash	1,140,314	(578,911)
Cash, beginning of the year	3,381,204	3,960,115
Cash, end of the year	$ 4,521,518	$ 3,381,204

The accompanying notes are an integral part of these financial statements.

1. Accounting Policies

Status and Purpose of Organization	Somerset West Community Health Centre (the "Centre") is a not-for-profit organization incorporated without share capital under the Ontario Not-For-Profit Corporations Act, 2010. The Centre's purpose is to promote the well-being of the community, and encourages this through a caring environment, social, economic, physical, environmental and spiritual health. The Centre is a registered charity under the Income Tax Act and, as such, is exempt from income taxes and may issue income tax receipts to donors.
Basis of Accounting	These financial statements have been prepared in accordance with the significant accounting policies set out to comply with financial reporting provisions outlined in the Community Health Centre agreement between Somerset West Community Health Centre and Ontario Health East. The basis of accounting used in these financial statements differs from Canadian accounting standards for not-for-profit organizations as noted in the accounting policy for accrued vacation pay and overtime.
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, 2025 approximate $208,024 (2024 - $137,124).
Use of Estimates	The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the year covered. The main estimate relates to the valuation of accounts receivable and the estimated useful life of tangible capital assets.
Fund Accounting	The Operating Fund accounts for general operations and program delivery of the Centre. Unrestricted contributions and restricted contributions to be used for operations are reported in this fund. The Special Project Fund accounts for revenue and expenses related to special projects, as defined by the Board of Directors. The Building Fund accounts for acquisition cost of land and buildings as well as amortization relating to the buildings from which the Centre operates.

1. Accounting Policies (continued)

Revenue Recognition

The Centre follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized as it is earned.

Financial Instruments

Arm's length financial instruments are recorded at fair value at initial recognition.

In subsequent periods, all other financial instruments are reports at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

Tangible Capital Assets

Tangible capital assets are accounted for at cost and amortized on the basis of their useful life using the straight-line method and following durations:

Buildings	40 years
Vehicles	5 years

Impairment of Long-Lived Assets

When a tangible capital asset no longer has any long-term service potential to the Centre, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

Contributed Services

Volunteers contribute many hours per year to assist the Centre in carrying out its activities. Members of the community also contribute materials to support the Centre's activities. Due to the difficulty of determining their fair value, contributed services and contributed materials are not recognized in the financial statements.

1. Accounting Policies (continued)

Ontario Health East Funding	Funding received from the Ontario Health East (OHE) is subject to specific terms and conditions regarding the expenditure of the funds. The Centre's accounting records are subject to audit by the OHE to identify instances, if any, which amounts charged against the funds have not complied with the agreed terms and conditions and which therefore would be refundable to the OHE. The Centre is also required to complete the Annual Reconciliation Reports (ARR) provided by the OHE to identify any over/underpayments. Adjustment to prior years' funds are recorded in the year in which the OHE requests the adjustments. Should OHE calculate a liability that is different from that accrued by the Centre, the difference will be reflected in the year requested.

2. Tangible Capital Assets

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land - 55 Eccles Street	$ 1,737,493	$ -	$ 1,737,493	$ -
Land - 30 Rosemount Avenue	365,000	-	365,000	-
Land - 755 Somerset Street West	241,000	-	241,000	-
Building - 55 Eccles Street	3,534,852	2,718,669	3,534,852	2,630,298
Building - 30 Rosemount Avenue	5,747,270	1,486,698	5,747,270	1,343,017
Building - 755 Somerset Street West	3,797,893	379,789	3,797,893	284,842
Vehicles	449,696	225,548	264,308	135,609
	$15,873,204	$ 4,810,704	$ 15,687,816	$ 4,393,766
Net carrying amount		$11,062,500		$ 11,294,050

3. Line of Credit

The Centre has an authorized operating line of credit of $250,000 that is due on demand and bears interest at the bank's prime rate plus 0.25% per annum, calculated and payable monthly. It is secured by a general security agreement covering all assets. At March 31, 2025 and March 31, 2024, no amounts were outstanding on this facility.

4. Deferred Contributions

Deferred contributions represent funds received in the current year to cover expenses in the subsequent year.

	2025	2024
Balance, beginning of the year	$ 2,891,912	$ 2,936,220
Plus: contributions received	5,498,153	3,615,507
Less: amounts recognized as revenue in the year	(5,527,444)	(3,659,815)
Balance, end of the year	$ 2,862,621	$ 2,891,912

5. Long-term Debt

	2025	2024
Infrastructure Ontario and Lands Corporation, 3.5% per annum, maturing in June 2040, payable by monthly instalments of $24,240, principal and interest.	$ 3,433,596	$ 3,601,109
Less: current portion	173,472	167,514
	$ 3,260,124	$ 3,433,595

The principal repayments to be made during the next years are as follows:

2026	$173,472
2027	179,642
2028	186,031
2029	192,647
2030	199,499
Thereafter	2,502,305
	$3,433,596

The Centre's financing agreement with the Ontario Infrastructure and Lands Corporation specifies covenant requirements that need to be maintained. As at March 31, 2025, the covenant requirements were met by the Centre.

The credit facility is secured by the following:

- Blanket first ranking charge/mortgage on the 30 Rosemount Avenue and 55 Eccles Street properties in Ottawa;
- First ranking general security agreement registered site specific on the 30 Rosemount Avenue and 55 Eccles Street properties;
- First ranking of assignment of rents and leases on the 30 Rosemount Avenue and 55 Eccles Street properties;
- Assignment of material contracts and licenses;
- Assignment of construction rights agreement;
- Title insurance in favour of the lender;
- Certificate of property insurance over the property with the lender shown as first loss payee; and
- Assignment of builders all risk insurance.

6. Grants and contributions

	2025	2024
Goverment of Ontario		
Ontario Health East (Schedule 2)	$13,751,981	$ 12,215,086
Ministry of Health - AIDS (Schedule 2)	844,996	844,996
Ministry of Health - Asthma (Schedule 2)	111,250	91,250
Ministry of Health - SIS Program (Schedule 2)	1,743,784	1,521,765
Ministry of Health - C&Y	23,510	23,510
Ministry of Children, Community and Social Services	52,063	42,505
Ministry of Tourism, Culture and Sport	70,664	69,265
Ministry for Seniors & Accessibility	87,500	42,700
Ministry for Seniors & Accessibility- One time	1,137	8,738
	16,686,885	14,859,815
City Of Ottawa		
Community Fund	977,505	956,221
Headstart (Schedule 4)	1,100,019	1,334,758
Emergency Fund	1,311,397	600,962
Children's Services	270,730	330,181
	3,659,651	3,222,122
Other Sources		
Canadian Mental Health Association	159,360	159,360
Other Community Health Centres	1,135,260	503,108
United Way of Eastern Ontario	106,000	103,000
Trillium Foundation	163,130	93,600
Public Health Agency of Canada	112,518	670,988
Ottawa Community Foundation	80,000	137,406
Pathways to Recovery	403,023	542,426
Other	1,302,675	311,506
	3,461,966	2,521,394
	$23,808,502	$ 20,603,331

7. Economic Dependence

The Centre receives 57% (2024 - 56%) of its revenues from Ontario Health East. Should this funding not be continued or it cannot be replaced, the Centre would not be able to continue its operations at the current level.

8. Financial Instruments

Credit risk
The Centre is exposed to credit risk on its accounts receivable. The majority of the Centre's receivables are from government sources and the Centre works to ensure they meet all eligibility criteria in order to qualify to receive the corresponding funding. The Centre is also exposed to credit risk as a result of all of its bank accounts being held at a single financial institution. The Canada Deposit Insurance Corporation (CDIC) provides a coverage of up to $100,000. The risk has increased since prior year as the cash balance has increased.

Interest rate risk
The Centre is exposed to interest rate risk on its loan. Fixed interest instruments subject the Centre to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. There has been no change to the interest rate risk throughout the year.

9. Employee Future Benefits

Healthcare of Ontario Pension Plan ("HOOPP")
HOOPP provides pension services to more than 478,879 active and retired members and 709 employers. Substantially all of the full-time employees and some of the part-time employees are members of HOOPP. The plan is a multi-employer plan and therefore the Centre’s contributions are accounted for as if the plan were a defined contribution plan with the Centre’s contributions being expensed in the period they come due. Each year, an independent actuary determines the funding status of HOOPP by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The results of the most recent valuation as at December 31, 2024 disclosed a surplus of $10,438 million. The results of this valuation disclosed total actuarial liabilities and pension obligations of $230,059 million in respect of benefits accrued for service with actuarial assets at that date of $240,497 million. Because HOOPP is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario member organizations and their employees. As a result, the Centre does not recognize any share of the HOOPP surplus or deficit. Contributions made by the Centre to HOOPP during the year amounted to $1,878,142 (2024 - $1,138,063).

10. Comparative Figures

Certain figures for the previous year have been reclassified to conform to the presentation adopted in the current year.

11. Interfund Transfer

In accordance with Board policy, funds are formally transferred into the Special Projects Fund one year after the close of the fiscal that generated the surplus. During the year $141,425 was transferred from the Operating Fund to the Special Projects Fund. The excess of revenues over expenses from the Operating Fund will be transferred at the beginning of the next fiscal year.

12. Budget Information

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

Somerset West Community Health Centre
Schedule 1 - Special Projects Fund

For the year ended March 31	2025	2024
Fund balance, beginning of year	$ 1,358,202	$ 969,095
Revenue		
Interest income	37,877	16,752
Expenses		
AOHC GR project contribution	3,000	-
ASIAN Heritage Month	1,407	-
Wabno Charity Gala	700	-
Conseil EC Gala Ticket	156	-
OCISO - 2024 special event pledge	1,000	4,000
Black Mental month	3,289	-
Events	-	3,290
	9,552	7,290
Excess of revenue over expenses	28,325	24,002
Interfund transfers		
Previous years operating surplus	141,425	365,105
Fund balance, end of year	$ 1,527,952	$ 1,358,202

Somerset West Community Health Centre
Schedule 2 - Government of Ontario, Ontario Health East and Ministry of Health

For the year ended March 31, 2025	OHE Program	AIDS Program (Schedule 3)	Asthma Program	SIS Program	Children and Youth Program	Total	Total Budget (Unaudited - Note 10)
Revenue	$13,751,981	$ 844,996	$ 111,250	$ 1,743,784	$ 23,510	$16,475,521	$17,013,969
Expenses							
Salaries and benefits	8,930,038	690,838	88,584	1,194,313	21,638	10,925,411	11,188,074
Operating							
Contracted out expenses	1,932,594	-	-	323,033	-	2,255,627	1,876,407
Building and grounds	669,220	-	-	-	-	669,220	659,649
Medical/surgical supplies and drugs	79,578	-	-	-	-	79,578	69,000
Equipment	644,376	-	-	-	-	644,376	569,047
Community one-time expenses	517,860	-	-	-	-	517,860	1,125,087
Supplies and sundry	916,995	154,158	22,666	226,438	1,872	1,322,129	1,526,705
	13,690,661	844,996	111,250	1,743,784	23,510	16,414,201	17,013,969
Excess revenue over expenses	$ 61,320	$ -	$ -	$ -	$ -	$ 61,320	$ -
Funds repayable in the current year	$ (61,320)	-	-	-	-	$ (61,320)	-

Somerset West Community Health Centre
Schedule 3 - Government of Ontario, Ministry of Health and Aids Bureau

For the year ended March 31, 2025	ANON HIV Testing	IDU Outreach	HIV Prevention	Safe Inhalation	Total	Total Budget (Unaudited - Note 10)
Revenue	$ 81,594	$ 660,422	$ 102,980	$ -	$ 844,996	$ 844,996
Expenses						
Salaries	60,381	439,137	65,111	-	564,629	568,823
Benefits	13,659	96,418	16,132	-	126,209	121,866
Supplies and other	7,045	108,311	19,807	-	135,163	133,807
Staff education	509	2,781	500	-	3,790	4,000
Volunteer support	-	13,775	1,430		15,205	16,500
	81,594	660,422	102,980	-	844,996	844,996
	$ -	$ -	$ -	$ -	$ -	$ -

Somerset West Community Health Centre
Schedule 4 - City of Ottawa Headstart

For the year ended March 31, 2025	Total	Total Budget (Unaudited - Note 10)
Revenue		
Revenue deferred from prior year	$ 300,580	$ 718,868
Revenue received in the current year	799,439	911,706
	1,100,019	1,630,574
Expenses		
Salaries and benefits	847,510	941,252
Supplies and sundry	167,573	333,363
Community one time expenses	1,154	194,612
Equipment	10,671	42,125
Buildings and grounds	73,111	119,222
	1,100,019	1,630,574
	$ -	$ -

Somerset West Community Health Centre
Schedule 5 - Public Health Agency of Canada
Revenue and Expenses of Harm Reduction Peer Project

For the year ended March 31, 2025	Total	Total Budget (Unaudited - Note 10)
Revenue	$ 152,104	$ 152,104
Expenses		
Personnel	62,149	57,668
Travel	106	3,000
Other	89,849	91,436
	152,104	152,104
Funds repayable	$ -	$ -

Somerset West Community Health Centre
Schedule 6 - Ministry of Children, Community and Social Services

For the year ended March 31, 2025	Total	Total Budget (Unaudited - Note 10)
Revenue	$ 52,063	$ 52,063
Expenses		
Personnel	42,234	42,702
Travel	5,714	5,246
Other	4,115	4,115
	52,063	52,063
Funds repayable	$ -	$ -