

**REGENT PARK COMMUNITY HEALTH CENTRE
(CORE OPERATIONS)**

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2017

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Regent Park Community Health Centre (Core Operations)

We have audited the accompanying financial statements of Regent Park Community Health Centre (Core Operations), which are comprised of the statement of Financial Position as at March 31, 2017 and the statements of Changes in Restrictive Fund - Capital, Receipts and Expenditures - Core Operations, Receipts and Expenditures - Diabetes Education Program, Internally Restricted Project Funds Operations and Net Assets, Other Restricted Project Funds Operations and Net Assets, Community Health Project Funds - City of Toronto Grants Operations and Net Assets, Community Health Project Funds - Other Funders Operations and Net Assets, HIV/AIDS Project Funds Operations and Net Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

INDEPENDENT AUDITORS' REPORT

Basis for Qualified Opinion

As more fully described in note 2(d) of the financial statements, the Community Health Centre accounts for vacation pay on a cash basis, in accordance with the funding policies of the Toronto Central Local Health Integration Network. In this respect, the financial statements are not in accordance with Canadian accounting standards for not-for-profit organizations. The effect of the departure from Canadian accounting standards for not-for-profit organizations for vacation pay is outlined in note 3 to the financial statements.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Regent Park Community Health Centre (Core Operations) as at March 31, 2017, 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.

Hennick Herman, LLP

Richmond Hill, Canada

June 27, 2017

**CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS**

**REGENT PARK COMMUNITY HEALTH CENTRE
(CORE OPERATIONS)**
Statement of Financial Position
March 31, 2017

	2017	2016
ASSETS		
Current		
Cash and cash equivalents - restricted (note 4)	\$ 416,108	\$ 539,910
Amounts receivable (note 5)	<u>138,405</u>	<u>181,436</u>
	554,513	721,346
Cash and Cash Equivalents - Unrestricted for Future Use (note 4)	1,259,992	1,167,134
Cash and Cash Equivalents - Internally Restricted for Future Use (note 4)	132,478	132,245
Property and Equipment (note 6)	<u>2,523,404</u>	<u>2,788,364</u>
	<u>\$ 4,470,387</u>	<u>\$ 4,809,089</u>


LIABILITIES

Current		
Accounts payable and accrued charges	\$ 34,970	\$ 24,721
Due to Toronto Central Local Health Integration Network - Core Operation (note 15)	-	10,000
Due to Toronto Central Local Health Integration Network - Diabetes Education Program (note 16)	28,583	28,583
Due to Toronto Central Local Health Integration Network - Mid-East Toronto Health Link (note 17)	<u>52,042</u>	<u>218,553</u>
	115,595	281,857

NET ASSETS

Restrictive Fund - Capital (page 4)	2,523,404	2,788,364
Internally Restricted Project Funds (page 7)	1,702,853	1,503,339
Other Restricted Project Funds (page 8)	-	100,109
Community Health Project Funds - City of Toronto Grants (page 9)	10,996	13,843
Community Health Project Funds - Other Funders (page 10)	29,766	36,972
HIV/AIDS Project Funds (page 11)	<u>87,773</u>	<u>84,605</u>
	4,354,792	4,527,232
	<u>\$ 4,470,387</u>	<u>\$ 4,809,089</u>

APPROVED ON BEHALF OF THE BOARD



Director



Director

(See Accompanying Notes to Financial Statements)

**REGENT PARK COMMUNITY HEALTH CENTRE
(CORE OPERATIONS)**

Statement of Changes in Restrictive Fund - Capital (note 7)
Year Ended March 31, 2017

	2017	2016
Balance - beginning of year	\$ 2,788,364	\$ 3,036,954
Funds transferred from Core Operations to purchase property and equipment (page 5)	-	23,951
Funds transferred from Internally Restricted Project Funds Operations to purchase property and equipment (page 6)	-	474
Funds transferred from Other Restricted Project Funds Operations to purchase property and equipment (page 7)	-	9,026
Amortization for the year	<u>(264,960)</u>	<u>(282,041)</u>
Balance - end of year	<u>\$ 2,523,404</u>	<u>\$ 2,788,364</u>

(See Accompanying Notes to Financial Statements)

**REGENT PARK COMMUNITY HEALTH CENTRE
(CORE OPERATIONS)**

Statement of Receipts and Expenditures - Core Operations (note 8)
Year Ended March 31, 2017

	2017	2016
Receipts		
Toronto Central Local Health Integration Network		
- Core	\$ 6,510,582	\$ 6,369,233
- Non-recurring (note 18)	-	39,200
- One time funding	57,000	-
	<u>6,567,582</u>	<u>6,408,433</u>
Expenditures		
Salaries	4,256,666	4,215,458
Benefits	988,968	924,696
Buildings and grounds	203,501	137,263
IT network/computer expenses	87,345	85,147
Medical supplies	85,061	75,723
Purchased services	83,170	67,262
Legal and audit	71,731	49,828
Non-insured program (specialist/diagnostics)	50,007	49,997
Resources/materials	35,072	36,386
Memberships and accreditation	31,551	32,467
Telephone	30,770	35,701
Travel - clients	24,272	12,863
Staff development	24,199	10,920
Printing and copying	20,114	23,135
External consultations	15,378	9,008
Meetings	13,016	9,363
Insurance	10,116	18,240
Board expenses	7,942	10,170
Postage and courier	5,818	6,903
Furniture/equipment	4,986	2,157
Recruitment	4,349	3,172
Office supplies	4,044	3,748
Harm Reduction Program	3,623	5,620
Bookkeeping	-	12,000
Additional Operating - Pay Equity	31,953	31,953
Early Years Program	33,587	35,676
Access to Health Card Project	172,360	172,360
Fundholding	144,636	144,999
Scarborough Homeless Project	123,347	123,067
Non-recurring (note 18)	-	39,200
	<u>6,567,582</u>	<u>6,384,482</u>
Excess of Receipts over Expenditures Before Funds Transferred	-	23,951
Funds transferred to Restrictive Fund - Capital to purchase property and equipment (page 4)	-	(23,951)
Excess of Receipts over Expenditures After Funds Transferred	<u>\$ -</u>	<u>\$ -</u>

(See Accompanying Notes to Financial Statements)

**REGENT PARK COMMUNITY HEALTH CENTRE
(CORE OPERATIONS)**

Statement of Receipts and Expenditures - Diabetes Education Program (note 9)
Year Ended March 31, 2017

	2017	2016
Receipts		
Toronto Central Local Health Integration Network		
- Diabetes Education Program	\$ 464,304	\$ 464,304
- Non-recurring	-	45,000
	<u>464,304</u>	<u>509,304</u>
Expenditures		
Salaries	290,860	273,222
Benefits	72,804	68,307
Program	81,863	76,050
Purchased services	9,175	10,298
Resources and materials	8,151	7,043
Travel - clients	1,451	801
Non-recurring	-	45,000
	<u>464,304</u>	<u>480,721</u>
Excess of Receipts Over Expenditures before Funds Transferred	-	28,583
Amount refundable to Toronto Central Local Health Integration Network - Diabetes Education Program (note 16)	-	<u>(28,583)</u>
Excess of Receipts Over Expenditures after Funds Transferred	<u>\$ -</u>	<u>\$ -</u>

(See Accompanying Notes to Financial Statements)

REGENT PARK COMMUNITY HEALTH CENTRE (CORE OPERATIONS)
STATEMENT OF INTERNALLY RESTRICTED PROJECT FUNDS
OPERATIONS AND NET ASSETS (note 10)
YEAR ENDED MARCH 31, 2017

	Growth & Development		Donations		Administration		Clinical Programs		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RECEIPTS										
Income	4,073	-	275,479	243,814	195,340	213,416	-	600	474,892	457,830
Unrealized (loss)	(1,288)	(71)	-	-	(7,668)	(4,339)	-	-	(8,956)	(4,410)
	2,785	(71)	275,479	243,814	187,672	209,077	-	600	465,936	453,420
EXPENDITURES										
Salaries	-	-	128,677	135,662	8,588	85,048	-	-	137,265	220,710
Benefits	-	-	18,307	22,292	34,196	115,542	-	-	52,503	137,834
Program	-	-	60,137	58,249	7,320	22,556	-	-	67,457	80,805
Purchased services	-	-	14,125	44,017	-	-	-	-	14,125	44,017
Resources/materials	-	-	-	-	-	-	-	82	-	82
	-	-	221,246	260,220	50,104	223,146	-	82	271,350	483,448
EXCESS OF RECEIPTS OVER EXPENDITURES (EXPENDITURES OVER RECEIPTS) BEFORE TRANSFERS	2,785	(71)	54,233	(16,406)	137,568	(14,069)	-	518	194,586	(30,028)
Funds transferred to Restrictive Fund - Capital to purchase property and equipment (page 3)	-	-	-	(474)	-	-	-	-	-	(474)
Funds transferred from Greater Toronto CHC (page 7)	-	-	4,928	-	-	-	-	-	4,928	-
Funds transferred from Donations to Clinical Programs	-	-	-	(2,994)	-	-	-	2,994	-	-
Funds transferred to Housing Support (page 8)	-	-	-	-	-	(6,632)	-	-	-	(6,632)
Fund transferred from Harm Reduction - Voices (page 8)	-	-	-	104	-	-	-	-	-	104
Fund transferred from Harm Reduction - Stories (page 8)	-	-	-	3	-	-	-	-	-	3
Fund transferred from CAAT - HIV/AIDS & Immigration Services (page 10)	-	-	-	169	-	-	-	-	-	169
Fund transferred from CAAT-Legacy (page 10)	-	-	-	960	-	-	-	-	-	960
Amount refundable to funder	-	-	-	-	-	-	-	(1,697)	-	(1,697)
EXCESS OF RECEIPTS OVER EXPENDITURES (EXPENDITURES OVER RECEIPTS) AFTER TRANSFERS	2,785	(71)	59,161	(18,638)	137,568	(20,701)	-	1,815	199,514	(37,595)
FUND BALANCE - BEGINNING OF YEAR	132,245	132,316	123,760	142,398	1,152,542	1,173,243	94,792	92,977	1,503,339	1,540,934
FUND BALANCE - END OF YEAR	135,030	132,245	182,921	123,760	1,290,110	1,152,542	94,792	94,792	1,702,853	1,503,339

(See Accompanying Notes to Financial Statements)

REGENT PARK COMMUNITY HEALTH CENTRE (CORE OPERATIONS)
STATEMENT OF OTHER RESTRICTED PROJECT FUNDS
OPERATIONS AND NET ASSETS (note 11)
YEAR ENDED MARCH 31, 2017

	Mid-East Toronto Health Link		CATCH-ED		Physiotherapy Program		Greater Toronto CHC Network		Resiliency In Action - (Ont. Trillium Foundation)		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RECEIPTS												
Income	44,052	195,550	119,657	119,657	57,864	101,699	8,425	46,000	-	-	229,998	462,906
Recovery of expense	-	18,735	-	-	-	-	-	-	-	-	-	18,735
	44,052	214,285	119,657	119,657	57,864	101,699	8,425	46,000	-	-	229,998	481,641
EXPENDITURES												
Salaries	25,025	88,006	64,895	74,795	42,916	65,914	-	37,340	-	-	132,836	266,055
Benefits	7,508	14,790	26,400	16,500	14,948	16,642	-	-	-	-	48,856	47,932
Program	7,593	4,144	10,502	10,383	-	-	606	14,025	-	4,350	18,701	32,902
Purchased services	2,220	26,709	2,600	2,580	-	-	-	-	-	-	4,820	29,289
Resources/materials	-	4,241	-	-	-	10,117	-	-	-	-	-	14,358
Administration	-	11,733	7,262	7,262	-	-	-	-	-	-	7,262	18,995
Honoraria	-	-	2,500	2,500	-	-	-	-	-	-	2,500	2,500
Printing and office supplies	1,706	3,620	2,999	3,049	-	-	-	-	-	-	4,705	6,669
Staff development	-	-	2,499	2,588	-	-	-	-	-	-	2,499	2,588
Rent	-	9,000	-	-	-	-	-	-	-	-	-	9,000
Travel - clients	-	-	-	-	-	-	-	-	-	-	-	-
	44,052	162,243	119,657	119,657	57,864	92,673	606	51,365	-	4,350	222,179	430,288
EXCESS OF RECEIPTS OVER EXPENDITURES (EXPENDITURES OVER RECEIPTS) BEFORE TRANSFERS	-	52,042	-	-	-	9,026	7,819	(5,365)	-	(4,350)	7,819	51,353
Funds transferred to Restrictive Fund - Capital to purchase property and equipment (page 3)	-	-	-	-	-	(9,026)	-	-	-	-	-	(9,026)
Amount refundable to Centre Francophone de Toronto	-	-	-	-	-	-	(103,000)	-	-	-	(103,000)	-
Funds transferred to Donations (page 6)	-	-	-	-	-	-	(4,928)	-	-	-	(4,928)	-
Amount refundable to Toronto Central Local Health Integration Network - Mid-East Toronto Health Link (note 17)	-	(52,042)	-	-	-	-	-	-	-	-	-	(52,042)
Amount refundable to funder	-	-	-	-	-	-	-	-	-	(3,323)	-	(3,323)
EXCESS OF (EXPENDITURES OVER RECEIPTS) AFTER TRANSFERS	-	-	-	-	-	-	(100,109)	(5,365)	-	(7,673)	(100,109)	(13,038)
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-	-	-	100,109	105,474	-	7,673	100,109	113,147
FUND BALANCE - END OF YEAR	-	-	-	-	-	-	-	100,109	-	-	-	100,109

(See Accompanying Notes to Financial Statements)

REGENT PARK COMMUNITY HEALTH CENTRE (CORE OPERATIONS)
STATEMENT OF COMMUNITY HEALTH PROJECT FUNDS - CITY OF TORONTO GRANTS
OPERATIONS AND NET ASSETS (note 12)
YEAR ENDED MARCH 31, 2017

	Housing Support		Harm Reduction - Voices		Harm Reduction - Stories		Reducing Harm through Outreach and Education		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RECEIPTS										
Income	61,074	61,074	-	-	-	-	48,942	48,942	110,016	110,016
EXPENDITURES										
Salaries	53,108	53,109	-	-	-	-	27,421	27,500	80,529	80,609
Benefits	7,966	7,965	-	-	-	-	4,750	4,222	12,716	12,187
Program	-	-	-	-	-	-	780	979	780	979
Purchased services	-	-	-	-	-	-	-	-	-	-
Administration	-	-	-	-	-	-	1,000	2,000	1,000	2,000
Honoraria	-	-	-	-	-	-	17,508	12,747	17,508	12,747
Travel - clients	-	-	-	-	-	-	330	1,902	330	1,902
	61,074	61,074	-	-	-	-	51,789	49,350	112,863	110,424
EXCESS OF (EXPENDITURES OVER RECEIPTS) BEFORE TRANSFERS	-	-	-	-	-	-	(2,847)	(408)	(2,847)	(408)
Funds transferred to Donation (page 6)	-	-	-	(104)	-	(3)	-	-	-	(107)
Funds transferred from Administration (page 6)	-	6,632	-	-	-	-	-	-	-	6,632
EXCESS OF (EXPENDITURES OVER RECEIPTS) RECEIPTS OVER EXPENDITURES AFTER TRANSFERS	-	6,632	-	(104)	-	(3)	(2,847)	(408)	(2,847)	6,117
FUND BALANCE - BEGINNING OF YEAR	-	(6,632)	-	104	-	3	13,843	14,251	13,843	7,726
FUND BALANCE - END OF YEAR	-	-	-	-	-	-	10,996	13,843	10,996	13,843

(See Accompanying Notes to Financial Statements)

REGENT PARK COMMUNITY HEALTH CENTRE (CORE OPERATIONS)
STATEMENT OF COMMUNITY HEALTH PROJECT FUNDS - OTHER FUNDERS
OPERATIONS AND NET ASSETS (note 13)
YEAR ENDED MARCH 31, 2017

	Women's Art Afternoon		Toronto Art Council		HIV Information, Prevention & Support		Rebuilding Lives through Peer Intervention		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RECEIPTS										
Income	19,995	21,264	2,400	615	40,000	50,000	-	-	62,395	71,879
EXPENDITURES										
Salaries	-	-	-	-	37,132	17,700	-	9,398	37,132	27,098
Benefits	-	-	-	-	7,430	3,939	-	-	7,430	3,939
Program	1,544	2,147	-	1,055	2,500	4,033	-	-	4,044	7,235
Purchased services	12,300	15,850	-	-	-	-	-	-	12,300	15,850
Resources/materials	-	-	-	-	2,358	2,770	-	400	2,358	3,170
Travel - clients	-	-	-	-	-	-	-	-	-	-
Administrative	-	-	-	-	90	1,902	-	-	90	1,902
Honoraria	2,327	1,294	-	-	3,920	11,951	-	3,500	6,247	16,745
	16,171	19,291	-	1,055	53,430	42,295	-	13,298	69,601	75,939
EXCESS OF (EXPENDITURES OVER RECEIPTS)										
RECEIPTS OVER EXPENDITURES	3,824	1,973	2,400	(440)	(13,430)	7,705	-	(13,298)	(7,206)	(4,060)
FUND BALANCE - BEGINNING OF YEAR	2,095	122	221	661	34,656	26,951	-	13,298	36,972	41,032
FUND BALANCE - END OF YEAR	5,919	2,095	2,621	221	21,226	34,656	-	-	29,766	36,972

(See Accompanying Notes to Financial Statements)

REGENT PARK COMMUNITY HEALTH CENTRE (CORE OPERATIONS)
STATEMENT OF HIV/AIDS PROJECT FUNDS
OPERATIONS AND NET ASSETS (note 14)
YEAR ENDED MARCH 31, 2017

	CAAT - HIV/AIDS & Immigration Services		CAAT - Donations		CAAT-Legacy		Ontario HIV Treatment Network (OHTN) Secondment Agreement		CHAMP		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RECEIPTS												
Income	199,900	199,900	-	-	84,133	84,133	50,000	50,000	-	-	334,033	334,033
Donations	-	-	161	3,750	-	-	-	-	-	-	161	3,750
	199,900	199,900	161	3,750	84,133	84,133	50,000	50,000	-	-	334,194	337,783
EXPENDITURES												
Salaries	109,533	104,350	-	-	43,478	35,991	46,993	54,399	-	-	200,004	194,740
Benefits	24,119	20,870	-	-	6,332	6,489	-	1,963	-	-	30,451	29,322
Program	17,987	15,182	-	-	7,192	7,598	-	3,364	-	-	25,179	26,144
Purchased services	6,045	5,610	-	-	120	7,140	-	-	-	-	6,165	12,750
Resources/materials	16,564	22,557	-	-	9,554	9,500	-	8,498	-	-	26,118	40,555
Administration	-	-	-	-	-	-	-	8,382	-	-	-	-
Building occupancy	7,200	7,200	-	-	8,400	8,400	-	-	-	737	-	9,119
Honoraria	-	-	-	-	-	-	-	5,424	-	-	15,600	15,600
Organizational development	3,001	8,150	-	-	-	-	-	-	-	-	3,001	8,150
Printing and office supplies	7,951	7,200	-	-	-	-	-	-	-	-	7,951	7,200
Volunteer support	2,000	2,000	-	-	8,037	8,090	-	-	-	-	10,037	10,090
Staff development	2,500	2,500	-	-	90	-	-	-	-	-	2,590	2,500
Travel - clients	3,000	4,281	-	-	930	924	-	-	-	-	3,930	5,205
	199,900	199,900	-	-	84,133	84,132	46,993	82,030	-	737	331,026	366,799
EXCESS OF RECEIPTS OVER EXPENDITURES (EXPENDITURES OVER RECEIPTS) BEFORE TRANSFERS	-	-	161	3,750	-	1	3,007	(32,030)	-	(737)	3,168	(29,016)
Funds transferred to Donation (page 6)	-	(169)	-	-	-	(960)	-	-	-	-	-	(1,129)
EXCESS OF RECEIPTS OVER EXPENDITURES (EXPENDITURES OVER RECEIPTS) AFTER TRANSFERS	-	(169)	161	3,750	-	(959)	3,007	(32,030)	-	(737)	3,168	(30,145)
FUND BALANCE - BEGINNING OF YEAR	-	169	80,596	76,846	-	959	4,009	36,039	-	737	84,605	114,750
FUND BALANCE - END OF YEAR	-	-	80,757	80,596	-	-	7,016	4,009	-	-	87,773	84,605

(See Accompanying Notes to Financial Statements)

**REGENT PARK COMMUNITY HEALTH CENTRE
(CORE OPERATIONS)**
Statement of Cash Flows
Year Ended March 31, 2017

	2017	2016
Cash Flows from Operating Activities		
Excess of receipts over expenditures (expenditures over receipts)	\$ 92,520	\$ (45,270)
Changes in non-cash working capital:		
Amounts receivable	43,031	34,066
Accounts payable and accrued charges	10,249	(10,045)
Due to Toronto Central Local Health Integration Network	(10,000)	10,000
Due to Toronto Central Local Health Integration Network - Diabetes Education Program	-	28,583
Due to Toronto Central Local Health Integration Network - Mid-East Toronto Health Link	<u>(166,511)</u>	<u>52,042</u>
	<u>(30,711)</u>	<u>69,376</u>
Cash Flows from Investing Activities		
Acquisitions - property and equipment	-	(33,451)
Cash and cash equivalents - unrestricted for future use	(92,858)	(7,471)
Cash and cash equivalents - internally restricted for future use	<u>(233)</u>	<u>71</u>
	<u>(93,091)</u>	<u>(40,851)</u>
Net Increase in Cash and Cash Equivalents	(123,802)	28,525
Cash and Cash Equivalents - beginning of year	<u>539,910</u>	<u>511,385</u>
Cash and Cash Equivalents - end of year	<u>\$ 416,108</u>	<u>\$ 539,910</u>
Cash and Cash Equivalents - consists of:		
Cash and cash equivalents - restricted	<u>\$ 416,108</u>	<u>\$ 539,910</u>

(See Accompanying Notes to Financial Statements)

**REGENT PARK COMMUNITY HEALTH CENTRE
(CORE OPERATIONS)**

Notes to Financial Statements

March 31, 2017

1. Organization - Overview

The Regent Park Community Health Centre (the Community Health Centre) is a community-based organization that provides a wide range of services and initiatives including primary health care, health promotion, service integration and community capacity building. Our services and programs are designed to respond to the unique needs of the communities we work with and the barriers to health and access to services that impact them. Those barriers may be economic, social, cultural, linguistic or related to mental health or substance use. Our work includes both ameliorating the negative health impacts of social inequities and promoting policy and system change to improve health and wellbeing. Regent Park Community Health Centre is incorporated in Ontario as a non-profit organization.

Regent Park, in the downtown east of Toronto, was the oldest and largest public housing development in Canada and is in the midst of a multi-year redevelopment. Through this process the community is transitioning from a primarily low-income, racialized, and very culturally diverse community that was spatially isolated from the rest of Toronto to one that is more mixed income and more spatially integrated.

The Community Health Centre receives funding from a variety of sources including the Toronto Central Local Health Integration Network (TC-LHIN).

Any excess of receipts over expenditures on TC-LHIN funding in the year is recoverable by the TC-LHIN.

2. Summary of Significant Accounting Policies

The financial statements have been prepared for filing with the TC-LHIN and other funders. The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations except for note 2(d). The following are the significant accounting policies:

a) **Basis of Accounting**

The Community Health Centre follows the restricted fund method of accounting.

Restricted contributions related to general operations are recognized as receipts of the Operating Fund in the year in which the related expenditures are incurred. All other restricted contributions are recognized as receipts of the appropriate restricted fund.

Unrestricted contributions are recognized as receipts of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

See notes 7- 14 for a description of all funds.

**REGENT PARK COMMUNITY HEALTH CENTRE
(CORE OPERATIONS)**
Notes to Financial Statements
March 31, 2017

2. Summary of Significant Accounting Policies (cont'd)

b) 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and expenditures during the reporting period. Such estimates include providing for amortization of property and equipment as explained in note 2(c). Actual results could differ from those estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in net assets in the period in which they become known.

c) Property and Equipment - Amortization

Property and equipment are stated at cost. Amortization, which is reported in the Statement of Changes in Restrictive Fund - Capital is based on the estimated useful lives of the assets and is provided using the undernoted annual rates and methods:

Building	25 years	Straight line
Furniture and fixtures	5 years	Straight line
Computer hardware	3 years	Straight line
Medical equipment	5 years	Straight line

d) Vacation Pay

The Community Health Centre accounts for vacation pay on a cash basis in accordance with the funding policies of the TC-LHIN, as described in note 3 of the financial statements.

e) Parents for Better Beginnings and Pathways to Education

These statements do not include the operations, assets and liabilities of Parents for Better Beginnings and Pathways to Education, programs of the Community Health Centre, reported separately.

The Community Health Centre has prepared audited financial statements that combined all three programs to which is attached an Independent Auditor's Report dated June 27, 2017.

**REGENT PARK COMMUNITY HEALTH CENTRE
(CORE OPERATIONS)**

Notes to Financial Statements

March 31, 2017

2. Summary of Significant Accounting Policies (cont'd)

f) Impairment of Long-lived Assets

Property and equipment and other long-lived assets are reviewed for impairment whenever changes in circumstances indicate that the carrying value of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset with its expected future net undiscounted cash flows from use together with its residual value (net recoverable value). If such assets are considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds its net recoverable value. Any impairment results in a write-down of the asset and a charge to net assets during the year.

g) Financial Instruments

The Community Health Centre initially measures its financial assets and liabilities at fair value. The Community Health Centre subsequently measures all its financial assets and financial liabilities at amortized cost, except for cash and cash equivalents, which is at fair value. Changes in fair value are recognized in the Statement of Receipts and Expenditures.

Financial assets measured at amortized cost include amounts receivable.

Financial liabilities measured at amortized cost include accounts payable, accrued charges, and recoveries due to Toronto Central Local Health Integration Network.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the Statement of Receipts and Expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the Statement of Receipts and Expenditures.

Investments in fixed income funds are financial assets measured at fair value. Changes in fair value are recognized in the Statement of Receipts and Expenditures.

3. Vacation Pay

The Community Health Centre accounts for vacation pay on a cash basis in accordance with the funding policies of the TC-LHIN. Canadian accounting standards for not-for-profit organizations require that vacation pay earned and not paid be accrued as a liability in the accounts.

The unrecorded vacation pay liability as at March 31, 2017 was \$252,053 (2016 - \$284,262, 2015 - \$357,621). Had the 2017 vacation pay been accrued, the excess of receipts over expenditures would have increased by \$32,209 (2016 - \$73,359). In addition the current liabilities would have increased and the net assets would have decreased by \$252,053 (2016 - \$284,262).

**REGENT PARK COMMUNITY HEALTH CENTRE
(CORE OPERATIONS)**
Notes to Financial Statements
March 31, 2017

4. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit and term deposits with maturities of less than 90 days. Cash and cash equivalents not currently needed are classified as either unrestricted or restricted.

5. Amounts Receivable

	2017	2016
Harmonized Sales Tax Rebate	\$ 77,838	\$ 101,824
Accounts Receivable - Other	<u>60,567</u>	<u>79,612</u>
	<u>\$ 138,405</u>	<u>\$ 181,436</u>

6. Property and Equipment

	2017		2016	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 664,028	\$ -	\$ 664,028	\$ -
Building	5,770,358	3,965,478	5,770,358	3,734,663
Furniture and fixtures	647,270	601,379	647,270	575,020
Computer hardware	469,581	466,717	469,581	461,455
Medical equipment	<u>174,066</u>	<u>168,325</u>	<u>174,066</u>	<u>165,801</u>
	<u>\$ 7,725,303</u>	<u>\$ 5,201,899</u>	<u>\$ 7,725,303</u>	<u>\$ 4,936,939</u>
Net book value		<u>\$ 2,523,404</u>		<u>\$ 2,788,364</u>

7. Restrictive Fund - Capital

The Restrictive Fund - Capital reflects the net amounts invested in property and equipment. The majority of the acquisitions were funded by The Toronto Central Local Health Integration Network. The amortization based on the useful life of the assets is also reflected in this fund.

8. Core Operations (Restricted)

The Core Operations are funded by Toronto Central Local Health Integration Network for the Community Health Centre's day-to-day operations. Any funding unspent at the end of the year and the interest received on these funds is refundable to the Toronto Central Local Health Integration Network (note 15).

**REGENT PARK COMMUNITY HEALTH CENTRE
(CORE OPERATIONS)**

Notes to Financial Statements

March 31, 2017

9. Diabetes Education Program (Restricted)

The Diabetes Education Program, funded by the Toronto Central Local Health Integration Network, delivers diabetes education and treatment to the Community Health Centre catchment area. Any funding unspent at the end of the year is refundable to the Toronto Central Local Health Integration Network (note 16).

10. Internally Restricted Project Funds

a) Growth and Development

This fund represents the excess of receipts over expenditures for non-Toronto Central Local Health Integration Network grant projects for which the Community Health Centre has gained approval to retain the surpluses. The funds are directed towards specific projects identified from the Community Health Centre's goals and objectives and for which other funding sources cannot be found. These funds can only be used upon approval from the Board.

b) Donations

Donations of a general and designated nature given in support of the Community Health Centre's programs and services.

c) Administration

This fund was established for administrative charges to the various programs.

d) Clinical Programs

This fund provides compensation for staff time used by other organizations seeking the time of a community nurse.

11. Other Restricted Project Funds

a) Mid-East Toronto Health Link (METHL)

One of nine Health Links established by the Toronto Central Health Integration Network to facilitate greater collaboration and integration among health service providers in order to more effectively respond to the health needs of people with complex health and social issues that result in high resource utilization.

b) Co-ordinated Access to Care from Hospital Emergency Departments (CATCH-ED)

A Toronto Central Local Health Integration Network funded program designed to connect people with mental illness who frequently use local emergency departments with primary care and counselling supports.

**REGENT PARK COMMUNITY HEALTH CENTRE
(CORE OPERATIONS)**

Notes to Financial Statements

March 31, 2017

11. Other Restricted Project Funds (cont'd)

c) Physiotherapy Program

A new program funded through the Toronto Central Local Health Integration Network to provide individual and group physiotherapy sessions to clients of the Community Health Centre.

d) Greater Toronto Community Health Centre (CHC) Network

This fund is administered by the Community Health Centre on behalf of the network of twenty-two GTA community health centres. Revenue is derived from membership dues or special contributions from the CHCs and is used to pursue projects of common network interest. During the year, the remaining fund balance was refunded to Centre Francophone de Toronto.

e) Resiliency in Action (Ontario Trillium Foundation)

This twenty-four month project ended in April 2015 and was funded by the Ontario Trillium Foundation. The project provided training and coaching and programmatic support to youth and other residents of Regent Park and area to strengthen the community capacity to respond to adverse events.

12. Community Health Project Funds - City of Toronto Grants

Externally Restricted

a) Housing Support

Funded by the City of Toronto, the purpose of this project is to provide outreach and support services, assistance in developing mutual self-help and support networks and assistance in accessing community services to under housed and homeless people in the Regent Park Community.

b) Harm Reduction - Voices

This project was funded by the City of Toronto to recruit, train and support six peer workers to assist with the development of peer harm reduction videos.

c) Harm Reduction - Stories

This project increased community discussion about harm reduction by using peer workers to create harm reduction educational videos and a discussion guide. The peer videos focused on crack use, sex work and safety, diabetes and drug use and housing and drug use.

**REGENT PARK COMMUNITY HEALTH CENTRE
(CORE OPERATIONS)**
Notes to Financial Statements
March 31, 2017

12. Community Health Project Funds - City of Toronto Grants (cont'd)

d) Reducing Harm through Outreach and Education

This project's funding is provided by the Toronto Urban Health Fund to promote the health and well-being of street-involved women through a multi-faceted and peer-based approach. Peer harm reduction workers provided workshops, increased awareness of community resources and increased access to supportive environments for vulnerable women.

13. Community Health Project Funds - Other Funders

Externally Restricted

a) Women's Art Afternoon

This fund provides program expenses and purchased services for the "Against All Odds" innovative art program for homeless and marginally housed women.

b) Toronto Arts Council

This fund supports a series of free arts workshops, studios and one-on-one mentoring opportunities from visual artists.

c) HIV Information, Prevention and Support (HIPS)

This project is funded by the M.A.C. AIDS Foundation. The purpose is to increase the Regent Park community's capacity to target HIV prevention amongst women involved in sex work. In partnership with other agencies in Regent Park, the project works with women using three local drop-in services that provide support to women involved in sex work.

d) Rebuilding Lives through Peer Intervention

A project funded by the Canadian Women's Foundation to address violence against women who are homeless and/or street-involved. This project uses a peer model of outreach, education and support and draws on the leadership of women who have, or continue to experience, homelessness or street-involvement.

**REGENT PARK COMMUNITY HEALTH CENTRE
(CORE OPERATIONS)**

Notes to Financial Statements

March 31, 2017

14. HIV/AIDS Project Funds

Externally Restricted

- a) Committee for Accessible AIDS Treatment (CAAT) - HIV/AIDS & Immigration Services

This fund provides for a committee for accessible AIDS treatment which deals with HIV & immigration service accessibility, training and community capacity building.

- b) Committee for Accessible AIDS Treatment (CAAT) - Donations

Donations received from other HIV/AIDS agencies and other donors in support of the CAAT's program and services.

- c) Committee for Accessible AIDS Treatment (CAAT) - Legacy project

This fund provides for an increase in the level of social, communal and professional engagement of persons living with HIV/AIDS. It is also intended to increase access to service organizations and collaboration and partnerships among different generations of persons living with HIV/AIDS and service organizations.

- d) Ontario HIV Treatment Network (OHTN) Secondment Agreement

This agreement involves the secondment of a Health Centre physician on a part-time basis to participate in OHTN research strategies.

- e) Community Champion HIV/AIDS Advocates Mobilization Project (CHAMP)

This is a community-based intervention study to evaluate promising strategies that support the development of community champions as key agents to advance HIV/AIDS in three ethno-racial communities.

**REGENT PARK COMMUNITY HEALTH CENTRE
(CORE OPERATIONS)**

Notes to Financial Statements
March 31, 2017

15. Due to Toronto Central Local Health Integration Network - Core Operation

	2017	2016
Total receipts for operations (page 5)	\$ 6,567,582	\$ 6,408,433
Less: expenditures eligible for operations (page 5)	<u>6,567,582</u>	<u>6,384,482</u>
Excess of receipts over expenditures	-	23,951
Less: property and equipment transferred to Restrictive Fund - Capital	-	(23,951)
Additional funding received for non-insured program (note a)	<u>-</u>	<u>10,000</u>
Amounts due to Toronto Central Local Health Integration Network - Core Operation	<u>\$ -</u>	<u>\$ 10,000</u>

a) Additional Funding Received for Non-insured Program

This was a one-time increase in funding for the non-insured program for the year ended March 31, 2015. The Community Health Centre was not notified of this increase in funding and therefore did not incur the expenditures. This amount is refundable to Toronto Central Local Health Network.

16. Due to Toronto Central Local Health Integration Network - Diabetes Education Program

	2017	2016
Total receipts for operations (page 6)	\$ 464,304	\$ 509,304
Less: expenditures eligible for operations (page 6)	<u>464,304</u>	<u>480,721</u>
Excess of receipts over expenditures	<u>-</u>	<u>28,583</u>
Amounts due to Toronto Central Local Health Integration Network - Diabetes Education Program - current year	<u>\$ -</u>	<u>\$ 28,583</u>
Amounts due to Toronto Central Local Health Integration Network - Diabetes Education Program:		
2015/2016	<u>\$ 28,583</u>	<u>\$ 28,583</u>

**REGENT PARK COMMUNITY HEALTH CENTRE
(CORE OPERATIONS)**

Notes to Financial Statements

March 31, 2017

17. Due to Toronto Central Local Health Integration Network - Mid-East Toronto Health Link

	2017	2016
Total receipts for operations (page 8)	\$ 44,052	\$ 214,285
Less: expenditures eligible for operations (page 8)	<u>44,052</u>	<u>162,243</u>
Excess of receipts over expenditures	<u>-</u>	<u>52,042</u>
Amounts due to Toronto Central Local Health Integration Network - Mid-East Toronto Health Link - current year	<u>\$ -</u>	<u>\$ 52,042</u>
Amounts due to Toronto Central Local Health Integration Network - Mid-East Toronto Health Link for:		
2014/2015	\$ -	\$ 166,511
2015/2016	<u>52,042</u>	<u>52,042</u>
	<u>\$ 52,042</u>	<u>\$ 218,553</u>

18. Non-Recurring Expenditures Funded by Toronto Central Local Health Integration Network

Non-recurring expenditures consist of the following:

	2017	2016
Dental Equipment	\$ -	\$ 16,000
Equipment Replacement	-	18,300
Minor Renovation/Repair	<u>-</u>	<u>4,900</u>
	<u>\$ -</u>	<u>\$ 39,200</u>

**REGENT PARK COMMUNITY HEALTH CENTRE
(CORE OPERATIONS)**
Notes to Financial Statements
March 31, 2017

19. Lease Commitments

The Diabetes Education Program is committed to a five-year lease ending on June 30, 2019. Annual rental payments, exclusive of sales taxes, are as follows:

2017/2018	\$ 45,991
2018/2019	45,991
2019/2020	<u>11,498</u>
	\$ <u>103,480</u>

In addition, the Program has committed to pay its proportionate share of realty taxes and common area maintenance.

20. Financial Instruments

The Community Health Centre's financial instruments recorded on the Statement of Financial Position consist of cash and cash equivalents, amounts receivable and accounts payable and accrued charges. In management's opinion, the Community Health Centre is not exposed to significant currency, market or credit risks arising from these financial instruments as explained below.

Liquidity Risk

Liquidity risk is the risk that the Community Health Centre may not be able to meet its obligations. To mitigate this risk, the Community Health Centre commits to spending on the various projects only after the funds are received from the various funders or has reasonable assurance that the funds will be received.

Credit Risk

Credit risk is the risk that the Community Health Centre will incur a financial loss if the other party to a financial instrument fails to discharge the obligation. The Community Health Centre is subject to credit risk on its amounts receivable. The Community Health Centre actively manages and monitors its receivables on a regular basis to mitigate this risk.

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 comprises three types of risk: currency risk, interest rate risk and other price risk. Financial instruments which potentially subject the Program to market risk, consist primarily of investments in fixed income funds. However, due to the liquid nature and regular review of the investments, the market risk is minimal.