The South Georgian Bay Community Health Centres
Financial Statements
For the year ended March 31, 2026

Contents

Tel: 705 726 6331
Fax: 705 722 6588
www.bdo.ca

BDO Canada LLP
300 Lakeshore Drive, Suite 300
Barrie, ON, Canada, L4N 0B4

Independent Auditor's Report

To the Board of Directors of The South Georgian Bay Community Health Centres

Opinion

We have audited the financial statements of The South Georgian Bay Community Health Centres (the "organization"), which comprise the statement of financial position as at March 31, 2026, and the statement of operations and net assets, and cash flows for the year 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 organization as at March 31, 2026, and its result of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organization, 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 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.

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 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario
June 19, 2026

The South Georgian Bay Community Health Centres
Statement of Financial Position

March 31	2026	2025
Assets		
Current		
Cash and short-term investments (note 2)	**$ 2,674,031**	$ 3,413,609
Accounts receivable (note 3)	**87,980**	130,497
Prepaid expenses	**331,389**	319,714
	3,093,400	3,863,820
Capital Assets, at cost less accumulated amortization (note 4)	**1,787,723**	1,107,309
	$ 4,881,123	$ 4,971,129
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 335,527**	$ 359,038
Government remittances payable	**55,241**	71,177
Due to Ministry of Health (note 5)	**381,837**	480,399
Deferred contributions (note 7)	**2,276,918**	2,914,972
	3,049,523	3,825,586
Deferred Contributions Related to Capital Assets (note 8)	**1,787,723**	1,107,309
Commitments (note 9)		
Net Assets		
Unrestricted	**43,877**	38,234
	$ 4,881,123	$ 4,971,129

On behalf of the Board:

Paul Cadieux Director

Larry Young Director

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

The South Georgian Bay Community Health Centres
Statement of Operations and Net Assets

For the year ended March 31	2026	2025
Revenues		
Ministry of Health		
- base funding	**$ 3,106,882**	$ 2,987,455
- one-time funding	**-**	119,451
Waypoint Centre for Mental Health - Psychotherapy	**312,543**	241,301
Other	**64,071**	49,118
Amortization of deferred contributions related to capital assets (note 8)	**1,222**	1,968
Interest	**-**	4,682
	3,484,718	3,403,975
Expenses		
Clinic		
Amortization	**-**	746
Compensation	**1,698,734**	1,679,617
Contracted out services	**143,566**	138,711
Equipment	**12,078**	3,260
Sundry	**26,917**	28,594
Supplies	**23,351**	28,225
	1,904,646	1,879,153
Health Promotion		
Compensation	**168,564**	200,202
Contracted out services	**66,163**	40,137
Sundry	**2,347**	4,312
Supplies	**5,098**	5,970
	242,172	250,621
Self-Management		
Compensation	**163,383**	155,007
Professional	**9,186**	17,077
Sundry	**18,818**	21,232
Supplies	**24,023**	37,408
	215,410	230,724
Psychotherapy Program		
Compensation	**284,130**	219,363
Sundry	**28,413**	21,938
	312,543	241,301

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

The South Georgian Bay Community Health Centres
Statement of Operations and Net Assets (continued)

For the year ended March 31		2026		2025
Expenses (continued)				
Administration				
Amortization		**1,222**		1,222
Buildings and grounds		**223,505**		214,855
Compensation		**320,139**		303,279
Contracted out services		**85,360**		112,051
Equipment		**65,250**		62,665
Sundry		**86,247**		81,336
Supplies		**22,581**		20,451
		804,304		795,859
Total expenses		**3,479,075**		3,397,658
Excess of revenues over expenses for the year		**5,643**		6,317
Net assets, beginning of year		**38,234**		31,917
Net assets, end of year	**$**	**43,877**	$	38,234

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

The South Georgian Bay Community Health Centres
Statement of Cash Flows

For the year ended March 31	2026	2025
Cash flows from operating activities		
Excess of revenues over expenses for the year	$ 5,643	$ 6,317
Charges (credits) to operations not involving cash		
Amortization of deferred contributions related to capital assets	(1,222)	(1,968)
Amortization of capital assets	1,222	1,968
	5,643	6,317
Change in non-cash working capital balances related to operations		
Accounts receivable	42,517	(4,955)
Prepaid expenses	(11,675)	17,551
Accounts payable and accrued liabilities	(23,511)	30,531
Government remittances payable	(15,936)	(2,581)
Due to Ministry of Health	(98,562)	129,512
Deferred contributions	(638,054)	1,595,928
	(739,578)	1,772,303
Cash flows from investing activities		
Additions to capital assets	(681,636)	(114,424)
Cash flows from financing activities		
Increase in deferred contributions related to capital assets	681,636	114,424
Net increase (decrease) in cash and short-term investments during the year	(739,578)	1,772,303
Cash and short-term investments, beginning of year	3,413,609	1,641,306
Cash and short-term investments, end of year	$ 2,674,031	$ 3,413,609

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

1. Significant Accounting Policies

Nature of Organization

The South Georgian Bay Community Health Centres (the "organization") is an incorporated not-for-profit organization without share capital under the Corporations Act (Ontario). The purpose of the organization is to coordinate the operation of a community health care centre which facilitates the delivery of health care, wellness and promotion services to families in South Georgian Bay communities.

The organization is not subject to federal or provincial income taxes pursuant to exemptions accorded to charitable organizations in the income tax legislation.

Basis of Accounting

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Capital Assets and Amortization

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Where fair value cannot be reasonably determined, contributed assets are recorded at a nominal amount.

Amortization is provided on capital assets on the straight-line basis over their estimated useful lives as follows:

Cleaning equipment	10	years
Computer equipment	5	years
Leasehold improvements	2 to 4	years
Medical equipment	5 to 10	years
Office equipment	5	years

Assets under construction will be amortized on the straight-line basis upon completion of construction.

1. Significant Accounting Policies (continued)

Revenue Recognition

The organization follows the deferral method of accounting for contributions which includes grants and government subsidies. Operating revenue, including grants and subsidies are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. When a portion of a grant relates to a future period, it is deferred and recognized in that future period.

Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenditures are recognized.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at a rate corresponding with the amortization rate for the related capital assets.

Interest income is recorded as revenue in the period earned. When interest income is subject to an external restriction to be used for a future period, it is deferred and recognized in that future period.

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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimates used in the preparation of these financial statements are the estimated useful life of capital assets, the fair value of financial instruments and amounts due to Ministry of Health. Actual results could differ from management's best estimates as additional information becomes available in the future.

Pension Plan

The organization applies defined contribution plan accounting to its multi-employer defined benefit plan for which the organization has insufficient information to apply defined benefit plan accounting (see note 11).

March 31, 2026

1. Significant Accounting Policies (continued)

Contributed Services

Directors, committee members and community members volunteer their time to assist in the organization's activities. While these services benefit the organization considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in operations. In addition, all bonds and guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Impairment of Long Lived Assets

In the event that facts and circumstances indicate that the organization's long lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow is required. The organization considers that no circumstances exist that would require such an evaluation.

2. Cash and Short-term Investments

The organization's bank accounts are held at a chartered bank. The bank accounts earn interest at a variable rate. Included in cash and short-term investments are the following investments:

	2026	2025
Guaranteed Investment Certificate, Bank of Nova Scotia, 2.25% interest, maturity date of September 28, 2026	**$ 1,706,207**	$ -
Guaranteed Investment Certificate, Bank of Nova Scotia, 3.40% interest, maturity date of September 27, 2025	**-**	1,650,104
Accrued interest receivable	**19,563**	28,589
	$ 1,725,770	$ 1,678,693

The carrying value plus accrued interest of the above investments approximates market value at March 31, 2026.

3. Accounts Receivable

Included in accounts receivable are government remittances recoverable of $52,106 (2025 - $36,374).

4. Capital Assets

	2026		2025	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Cleaning equipment	**$ 8,773**	**$ 8,773**	$ 8,773	$ 8,773
Computer equipment	**89,170**	**89,170**	89,170	89,170
Leasehold improvements	**210,683**	**210,683**	210,683	210,683
Medical equipment	**55,182**	**55,182**	55,182	55,182
Office equipment	**153,193**	**150,035**	153,193	148,813
Assets under construction	**1,784,565**	**-**	1,102,929	-
	$ 2,301,566	**$ 513,843**	$ 1,619,930	$ 512,621
Net book value		**$ 1,787,723**		$ 1,107,309

Assets under construction are expenses related to the upcoming construction of a new building (note 6). Amortization of these costs will commence upon completion of construction.

5. Due to Ministry of Health

The organization receives funding from the Ministry of Health. The amount of funding provided to the organization is subject to final review and approval by the Ministry. As at the date of these financial statements, funding for the periods April 1, 2024 to March 31, 2025 and April 1, 2025 to March 31, 2026 have not been subject to this review process. Any future adjustments required as a result of this review will be accounted for in the year the adjustment is determined.

6. Capital Project

In an agreement dated April 29, 2013, the organization received approval from the Ministry of Health for capital funding up to $6,107,900 for the purchase of land and construction of a building. As at March 31, 2026, the organization has received $3,482,474 of this funding and $260,000 of one-time funding. The most recent total costs of this project are expected to be approximately $18,000,000. The organization has incurred $1,784,565 (2025 - $1,102,929) (see note 4) of expenses relating to this project. In 2015 and 2016, the organization made deposits totaling $306,000 to secure the purchase of land (see note 13). The total deposit of $306,000 is recorded in prepaid expenses in the statement of financial position as at March 31, 2026. The Ministry of Health will be working with the organization throughout its capital project, with an expected completion date of 2028.

March 31, 2026

7. Deferred Contributions

Deferred contributions primarily represent the unspent externally restricted contributions received from the Ministry of Health for the purchase of land and the construction of the building (note 6). Amounts transferred to deferred contributions related to capital assets consists of capital purchases for the capital project.

	2026	2025
Contributions related to the capital project		
Balance, beginning of year	$ 2,869,776	$ 1,272,090
Contribution received from the Ministry of Health	-	1,650,104
Interest income on contributions received related to the construction of the new building	42,876	62,006
Amounts transferred to deferred contributions related to capital assets (note 8)	(681,636)	(114,424)
	2,231,016	2,869,776
Other contributions		
Balance, beginning of year	45,196	46,954
Contributions received	2,518	1,437
Amounts recognized as revenue in the year	(1,812)	(3,195)
	45,902	45,196
	$ 2,276,918	$ 2,914,972

8. Deferred Contributions Related to Capital Assets

Deferred contributions represent the unamortized amount of grants and restricted donations received to be used in the purchase of certain assets or in the settlement of certain obligations. The amortization of these contributions is recorded as revenue in the statement of operations.

	2026	2025
Balance, beginning of year	$ 1,107,309	$ 994,853
Amounts transferred from deferred contributions related to the capital project (note 7)	681,636	114,424
Amounts amortized to revenue	(1,222)	(1,968)
Balance, end of year	$ 1,787,723	$ 1,107,309

March 31, 2026

9. Commitments

The organization leases premises in Wasaga Beach under an agreement expiring August 31, 2028. Monthly rent is $14,796 plus HST until August 31, 2026, after which the monthly rent increases to $15,479 plus HST for the remainder of the lease term.

The organization entered into a contract in January 2014 for architect services relating to their capital project (see note 6) at a fee equal to 1% of the approved tendered construction cost for phase 2 of the project and 8% of the approved tendered construction cost for the remaining phases of the five phase project. For the year ended March 31, 2026, $114,643 (2025 - $4,677) was paid related to this agreement.

10. Economic Dependence

The organization received 89.2% (2025 - 91.3%) of its revenue from the Ministry of Health.

March 31, 2026

11. Pension Plan

All permanent employees of the organization are members of the Healthcare of Ontario Pension Plan which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the Ontario Hospital Association. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the five consecutive years prior to retirement, termination or death, that provide the highest earnings.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by the Healthcare of Ontario Pension Plan by placing plan assets in trust and through the Plan investment policy.

Pension expense is based on Plan management's best estimates, in consultation with its actuaries, of the amount, together with the percentage of salary contributed by employees, required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by the Plan. The funding objective is for employer contributions to the Plan to remain a constant percentage of employees' contributions.

The Plan provides pension services to more than 504,237 active and retired members and approximately 871 employers. The Plan is a multi-employer plan and therefore the organization's contributions are accounted for as if the Plan were a defined contribution plan with the organization's contributions being expensed in the period they come due. Each year, an independent actuary determines the funding status of the Plan 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, 2025 disclosed a surplus of $11,103 million (2024 - $10,438 million). The results of this valuation disclosed total actuarial liabilities and pension obligations of $261,782 million (2024 - $230,059 million) in respect of benefits accrued for service with actuarial assets at that date of $272,885 million (2024 - $240,497 million). Because the Plan 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 organization does not recognize any share of the Plan surplus or deficit.

Employer contributions made to the Plan during the year by the organization amount to $201,376 (2025 - $208,706) and is included in compensation expense.

12. Financial Instrument Risk

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is not exposed to significant interest rate risk due to the short-term maturity of the organization's monetary assets and current liabilities.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk arising from its accounts receivable. Credit risk is the risk that the counterparty to the transaction will not pay. The majority of the organization's receivables are from government sources and the organization works to ensure they meet all eligibility criteria in order to qualify to receive the funding. In addition, the organization is also exposed to credit risk arising from its bank and investment accounts being held at financial institutions in excess of the amount insured by agencies of the federal government in the amount of $100,000.

Liquidity Risk

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities, government remittances payable and amounts due to Ministry of Health.

There have been no changes to the organization's financial instrument exposure from the prior year.

13. Subsequent Event

On April 17, 2026, subsequent to year end, the organization purchased land in Wasaga Beach adjacent to its existing operations for a purchase price of $1,650,000 plus HST and land transfer taxes and fees of $29,547. The land was acquired in connection with the organization’s ongoing capital project (see note 6). As noted in note 6, a deposit on this land purchase was made in 2015 and 2016 for $306,000 and is included in prepaid expenses on the statement of financial position.

Signature: Paul Cadieux
Email: cadieuxpaul@rogers.com

Signature: Larry Young (Jun 22, 2026 16:01:30 EDT)
Email: larryyoung@rogers.com

SGBCHC - Financial Statements - Mar2026

Final Audit Report 2026-06-22

Created:	2026-06-22
By:	Tonya Morgan (tonya.morgan@sgbchc.ca)
Status:	Signed
Transaction ID:	CBJCHBCAABAAFwjk9mynZ3HO15xNJD20t-JfjUaTTIno

"SGBCHC - Financial Statements - Mar2026" History

Document created by Tonya Morgan (tonya.morgan@sgbchc.ca)
2026-06-22 - 6:30:24 PM GMT

Document emailed to Paul Cadieux (cadieuxpaul@rogers.com) for signature
2026-06-22 - 6:32:56 PM GMT

Email viewed by Paul Cadieux (cadieuxpaul@rogers.com)
2026-06-22 - 7:22:55 PM GMT

Document e-signed by Paul Cadieux (cadieuxpaul@rogers.com)
Signature Date: 2026-06-22 - 7:23:46 PM GMT - Time Source: server - Signature Appearance Selected: IMAGE

Document emailed to larryyoung@rogers.com for signature
2026-06-22 - 7:23:48 PM GMT

Email viewed by larryyoung@rogers.com
2026-06-22 - 7:57:10 PM GMT

Signer larryyoung@rogers.com entered name at signing as Larry Young
2026-06-22 - 8:01:28 PM GMT

Document e-signed by Larry Young (larryyoung@rogers.com)
Signature Date: 2026-06-22 - 8:01:30 PM GMT - Time Source: server - Signature Appearance Selected: DRAW

Agreement completed.
2026-06-22 - 8:01:30 PM GMT