

**GRAND BEND AREA
COMMUNITY HEALTH CENTRE INC.
FINANCIAL STATEMENTS
MARCH 31, 2026**

SEEBACH & COMPANY
Chartered Professional Accountants

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

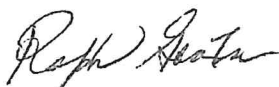
The accompanying consolidated financial statements of Grand Bend Community Health Centre Inc. (the "Company") are the responsibility of the Company's management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) of the Chartered Professional Accountants of Canada, as described in Note 2 to the financial statements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Company's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded from loss, transactions are properly authorized and recorded, and reliable information is available on a timely basis for preparation of the financial statements. These statements are monitored and evaluated by the Company's management. The Board of Directors meets with management and the external auditor to review the financial statements and discuss and significant financial reporting or internal control matters prior to their approval.

The financial statements have been audited by Seebach & Company, independent external auditors appointed by the Company. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Company's financial statements.

GRAND BEND AREA COMMUNITY HEALTH CENTRE INC.



Ralph Ganter
Chief Executive Officer

May 13, 2026

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Grand Bend Community Health Centre Inc.

Opinion

We have audited the accompanying financial statements of Grand Bend Community Health Centre Inc. ("the Company"), which are comprised of the statement of financial position as at March 31, 2026 and the statements of operations, changes in net assets (deficiency) 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 Company as at March 31, 2026, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting standards for not-for-profit organizations (ASNFPO).

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 Company 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 the financial statements in accordance with ASNFPO, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
May 13, 2026

GRAND BEND AREA COMMUNITY HEALTH CENTRE INC.
STATEMENT OF FINANCIAL POSITION

See Accompanying Notes to the Financial Statements

As at March 31	2026	2025
ASSETS		
Current assets		
Cash	1,289,785	468,590
Investments (note 3)	200,000	450,000
Accounts receivable	9,827	216,248
Government remittance receivable	50,028	47,368
Prepaid expenses	129,238	36,308
	<u>1,678,878</u>	<u>1,218,514</u>
Capital assets (note 4)	<u>1,784,413</u>	<u>1,888,989</u>
	<u><u>\$ 3,463,291</u></u>	<u><u>\$ 3,107,503</u></u>
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable and accrued liabilities	293,901	485,643
Deferred contributions (note 6)	1,384,977	732,871
	<u>1,678,878</u>	<u>1,218,514</u>
Long term liabilities		
Deferred capital contributions (note 7)	<u>1,261,593</u>	<u>1,366,169</u>
Net assets		
General deficit	-	-
Net assets invested in capital assets	<u>522,820</u>	<u>522,820</u>
	<u>522,820</u>	<u>522,820</u>
	<u><u>\$ 3,463,291</u></u>	<u><u>\$ 3,107,503</u></u>

Approved on behalf of the Board of Directors:

M. H. Fierzi

 Chairperson

Sherry Seelen

 Treasurer

June 17/26

 Date

June 24/26

 Date

GRAND BEND AREA COMMUNITY HEALTH CENTRE INC.
STATEMENT OF OPERATIONS AND FUND BALANCES

See Accompanying Notes to the Financial Statements

For the year ended March 31	2026	2025
Revenue		
Base funding - Ontario Health	7,022,999	5,807,203
Less: Base funding allocated to capital	(6,619)	(8,974)
Amortization of deferred contributions related to capital assets	111,195	129,681
One-time funding - Ontario Health	30,000	104,000
Other income and recoveries - Schedule A	144,368	156,669
	<u>7,301,943</u>	<u>6,188,579</u>
Salaries and benefits expenses		
Salaries and wages	4,601,981	4,306,793
Benefit contributions	1,054,630	1,029,515
	<u>5,656,611</u>	<u>5,336,308</u>
General operating expenses		
Supplies and sundry - Schedule B	884,832	576,371
Building and grounds - Schedule B	258,570	237,053
	<u>1,143,402</u>	<u>813,424</u>
Excess of revenue over expenditures	\$ 501,930	\$ 38,847
Allocation to deferred contributions (Note 6)	(501,930)	(38,847)
Surplus (deficit) for the year	<u>\$ 0</u>	<u>\$ 0</u>

GRAND BEND AREA COMMUNITY HEALTH CENTRE INC.
STATEMENT OF CHANGES IN NET ASSETS (DEFICIENCY)

See Accompanying Notes to the Financial Statements

For the year ended March 31			2026	2025
	Invested in Capital Assets	Unrestricted Surplus		
Balance, beginning of year	\$ 522,820	\$ 0	\$ 522,820	\$ 522,820
Surplus (deficit) for the year	-	-	-	-
Balance, end of year	<u><u>\$ 522,820</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 522,820</u></u>	<u><u>\$ 522,820</u></u>

GRAND BEND AREA COMMUNITY HEALTH CENTRE INC.
STATEMENT OF CASH FLOWS

See Accompanying Notes to the Financial Statements

For the year ended March 31	2026	2025
Operating activities		
Surplus (deficit) for the year	-	-
Add: Amortization of capital assets	111,195	129,681
Less: Amortization of deferred contributions related to capital assets	(111,195)	(129,681)
Working capital provided from (used for) operations	-	-
Cash provided from (used for) changes in working capital		
Accounts receivable	206,421	(50,339)
Government remittances receivable	(2,660)	(13,814)
Prepaid expenses	(92,930)	8,629
Accounts payable and accrued liabilities	(191,742)	154,919
Deferred contributions related to operations	652,106	69,753
Cash provided from operations	571,195	169,148
Investing activities		
Net investment (purchases) disposals	250,000	(450,000)
Capital asset purchases	(6,619)	(15,495)
Net increase (decrease) in deferred capital contributions	6,619	15,495
Cash provided from (used for) investment	250,000	(450,000)
Increase (decrease) in cash	821,195	(280,852)
Cash (overdraft) beginning of year	468,590	749,442
Cash (overdraft) end of year	\$ 1,289,785	\$ 468,590

GRAND BEND AREA COMMUNITY HEALTH CENTRE INC.
NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 2026

1. Purpose of the organization

Grand Bend Area Community Health Centre Inc. is an organization with a mandate to provide primary care and health promotion programs to the Grand Bend community and its surrounding area. This community health centre was incorporated without share capital on August 19, 1999 under the laws of the Province of Ontario. The health centre is a not-for-profit organization, as described in Section 149(1)(l) of the Income Tax Act, and therefore is not subject to federal or provincial income taxes.

2. Accounting policies

The financial statements are the representation of management prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant aspects of accounting policies adopted by the organizations are as follows:

a) Basis of presentation

The financial statements include the activities related to the general Community Health Centre funded services and programs and Diabetes program.

b) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable, and recognizes expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

c) Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term deposits with initial maturity terms equal to less than 90 days.

d) Financial instruments

Financial instruments are initially recognized at fair value and then subsequently at cost or amortized cost with gains and losses recognized in the statement of operations in the period which the gain or loss occurs. Financial assets are assessed for impairment on an annual basis if there are indicators of impairment.

e) Investments

Short-term investments are stated at cost plus accrued interest.

f) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Rates of depreciation applied using the straight-line method to write-off the cost of capital assets over their estimated useful lives are as follows:

Land improvements	8 - 10 years
Buildings	40 years
Building service equipment	10 - 20 years
Building components	5 - 20 years
Major equipment	3 - 15 years
Vehicles	4 years
Leasehold improvements	2-5 year lease terms

2. Accounting policies (continued)

g) Revenue recognition

The Health Centre follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year which the related expenses are incurred. Contributions for depreciable capital assets are deferred and amortized on the same basis as the underlying assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

h) Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

i) Risk management

It is management's opinion that the Health Centre is not exposed to significant interest rate or credit risk arising from its financial instruments.

Liquidity risk is the risk that the organization will not be able to meet its financial obligations as they fall due. The organization has in place a planning and budgeting process to help determine the funds required to support the organization's normal operating requirements on an ongoing basis.

j) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, the reported amounts of revenues and expenditures during the period, and the accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

3. Short-term investments

The short-term investments consist of the following:

	2026	2025
Guaranteed Investment Certificates (GIC)	\$ 200,000	\$ 450,000

The investments have a market value of \$ 200,000 (2025 : \$ 450,000) at the end of the year, with maturities of March 11, 2027. Interest rates on the investments range from 2.9% - 2.93%

4. Capital assets

	Cost	Accumulated Depreciation	2026 Net Book Value	2025 Net Book Value
Land	\$ 522,820	-	\$ 522,820	\$ 522,820
Land improvements	157,806	156,316	1,490	1,787
Buildings	2,517,357	1,422,793	1,094,564	1,158,275
Building service equipment	757,407	657,577	99,830	110,808
Building components	265,753	241,992	23,761	40,283
Major equipment	999,003	957,055	41,948	55,016
Vehicles	51,767	51,767	-	-
Leasehold improvements	148,648	148,648	-	-
	<u>\$ 5,420,561</u>	<u>\$ 3,636,148</u>	<u>\$ 1,784,413</u>	<u>\$ 1,888,989</u>

5. Operating line of credit

The Health Centre arranged an operating line of credit in the amount of \$75,000 on April 14, 2016. The line of credit bears interest at the lender's annual variable rate of funds plus 3.1% and is unsecured.

6. Deferred contributions

Deferred contributions represent unspent resources externally restricted for specific projects/programs or time periods. The deferred contributions balance consists of the following:

	2026	2025
Deferred funding		
Community Health Centre operating surplus 2025/26	\$ 501,930	\$ -
Community Health Centre operating surplus 2024/25	38,847	38,847
Community Health Centre operating surplus 2023/24	222,114	222,114
Community Health Centre operating surplus 2022/23	72,261	72,261
Community Health Centre operating surplus 2021/22	302	66,247
Community Health Centre operating surplus 2020/21	2,472	2,472
Community Infrastructure Renewal Fund 2025-2027	181,667	-
Diabetes program surplus 2023/24	2,953	2,953
Diabetes program surplus 2022/23	2,314	2,314
Diabetes program surplus 2021/22	-	2,835
	<u>1,024,860</u>	<u>410,043</u>
Other deferred contributions	<u>360,117</u>	<u>322,828</u>
	<u>\$ 1,384,977</u>	<u>\$ 732,871</u>

7. Deferred contributions related to capital assets

Deferred contributions related to capital assets represent restricted contributions with which the Health Centre's capital assets were purchased. The changes in deferred contributions balance for the year are as follows:

	2026	2025
Beginning balance	\$ 1,366,169	\$ 1,480,355
Add: restricted contributions to purchase capital assets	6,619	15,495
Less: amounts amortized to revenue	<u>(111,195)</u>	<u>(129,681)</u>
Ending balance	<u>\$ 1,261,593</u>	<u>\$ 1,366,169</u>

8. Commitments

The Health Centre's obligations under various operating leases are as follows:

	Expiry Date	Monthly Payment
premise - Hensall Satellite Office, 122 King Street	March 2030	\$ 2,700
Information technology equipment	March 2030	\$ 1,527

The Health Centre has an ongoing mandatory commitment of approximately \$58,000 per annum for Electronic Medical Record System support.

9. Pension agreements

The Health Centre became a member of a pension plan on March 5, 2015. The Health Centre makes contributions to a multi-employer pension plan on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The amount contributed for the fiscal year ended March 31, 2026 was \$403,753 (2025 : \$369,310) for current services and is included as an expenditure on the statement of operation and fund balances.

The contributions to the Healthcare of Ontario Pension Plan ("HOOPP"), a multi-employer defined benefit pension plan, are expensed when contributions are due. Any pension surpluses or deficits are a joint responsibility of Ontario government healthcare organizations and their employees. As a result, the Health Centre does not recognize any share of the HOOPP pension surplus or deficit.

10. Economic dependence

The Ontario Ministry of Health and Ontario Health provides substantially all operating revenue for the Health Centre. The Health Centre's continued viability is dependent on this funding.

11. Allocation of expenditures

The Health Centre allocates expenses such as supplies and sundry and rent to the diabetes program based on budgeted amounts approved by management. The budgeted amounts represent management's estimate of the program's portion of these expenses.

GRAND BEND AREA COMMUNITY HEALTH CENTRE INC.
SCHEDULE OF OTHER INCOME AND RECOVERIES

Schedule A

See Accompanying Notes to the Financial Statements

For the year ended March 31	2026	2025
Cost recovery	33,403	113,647
Less: Cost recovery allocated to capital	-	(6,521)
Uninsured services	18,807	7,843
Psychological session fees	18,990	14,454
Rent	12,382	11,361
Interest	8,174	-
Grants	10,937	9,444
Donations utilized	35,643	-
Community "We Can Help" donations	6,032	6,441
	<u>144,368</u>	<u>156,669</u>

SCHEDULE OF GENERAL OPERATING EXPENSES

Schedule B

See Accompanying Notes to the Financial Statements

For the year ended March 31	2026	2025
Supplies and sundry expenditures		
Office administration	68,401	42,154
Computer supplies and licences	230,278	108,162
Depreciation - major equipment	19,685	25,230
Medical supplies	159,738	96,516
Professional fees	2,692	49,789
Utilities	70,105	69,835
Travel and transportation	11,891	18,591
Program	13,095	16,079
Staff development and recruitment	31,713	46,108
Telephone	17,936	17,944
General insurance	35,795	34,997
Memberships and fees	30,620	30,194
One-time funded expenses	167,861	-
Psychological session expenses	18,990	14,371
Community "We Can Help" expenses	6,032	6,401
	<u>884,832</u>	<u>576,371</u>
Buildings and grounds expenditures		
Depreciation - building and land improvements	91,510	104,451
Repairs and maintenance	128,817	94,565
Rent	30,968	30,968
Municipal taxes	3,669	3,568
Medical supplies - equipment contract	3,606	3,501
	<u>258,570</u>	<u>237,053</u>