BELLEVILLE & QUINTE WEST
COMMUNITY HEALTH CENTRE

FINANCIAL STATEMENTS

March 31, 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of
BELLEVILLE & QUINTE WEST COMMUNITY HEALTH CENTRE

Opinion
We have audited the financial statements of **BELLEVILLE & QUINTE WEST COMMUNITY HEALTH CENTRE**, which comprise the statement of financial position as at March 31, 2026, and the statement of revenue, expenses and changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the management as at March 31, 2026, and its financial performance 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 management 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 accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the management'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 management or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the management's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT (continued)

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 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 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.

Welch LLP

Belleville, Ontario
May 28, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

BELLEVILLE & QUINTE WEST COMMUNITY HEALTH CENTRE

Incorporated without share capital under the laws of Ontario

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2026

ASSETS

	2026	2025
CURRENT ASSETS		
Cash	$ 10,294,308	$ 7,300,631
Accounts receivable	177,264	444,669
Government rebate recoverable	146,659	141,647
Prepaid expenses	122,992	106,367
	10,741,223	7,993,314
TANGIBLE CAPITAL ASSETS - Note 4	12,039,028	12,442,263
INTANGIBLE CAPITAL ASSETS - Note 5	2,239	3,358
	$ 22,782,490	$ 20,438,935

LIABILITIES, DEFERRED CONTRIBUTIONS AND NET ASSETS

	2026	2025
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 840,928	$ 717,291
Government remittances payable	62,558	39,659
Subsidies repayable - Note 6	7,516,958	5,260,979
Deferred revenue - Note 7	1,929,027	1,583,633
	10,349,471	7,601,562
DEFERRED CONTRIBUTIONS - Note 8	11,861,449	12,265,530
NET ASSETS		
Invested in tangible and intangible capital assets - internally restricted - Note 13	571,570	571,843
Unrestricted	-	-
	571,570	571,843
	$ 22,782,490	$ 20,438,935

Approved by the Board:

Bruce Martin Director

M L Forestell Director

(See accompanying notes)

BELLEVILLE & QUINTE WEST COMMUNITY HEALTH CENTRE
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2026

	Unrestricted	Invested in Tangible and Intangible Capital Assets	2026 Total	2025 Total
REVENUE - per schedule	$ 14,579,810	$ 621,385	$ 15,201,195	$ 9,905,783
EXPENSES - per schedule	12,304,585	621,658	12,926,243	9,037,441
Excess (deficiency) of revenue over expenses before undernoted item	2,275,225	(273)	2,274,952	868,342
Less: Subsidies repayable - Note 6	(2,275,225)	-	(2,275,225)	(868,830)
Excess (deficiency) of revenue over expenses - Note 10	-	(273)	(273)	(488)
NET ASSETS, beginning of year	-	571,843	571,843	572,331
NET ASSETS, end of year	$ -	$ 571,570	$ 571,570	$ 571,843

(See accompanying notes)

BELLEVILLE & QUINTE WEST COMMUNITY HEALTH CENTRE
SCHEDULE OF REVENUE AND EXPENSES
YEAR ENDED MARCH 31, 2026

	2026	2025
REVENUE		
Ontario Health-East - base	$ 8,196,845	$ 7,359,682
Ontario Health-East - base - IPCT - Note 15	4,497,786	-
Ontario Health-East - one-time	-	398,377
Ontario Health - Provincial	1,076,314	414,511
Other revenue - Note 16	548,056	595,651
Amortization of deferred contributions relating to capital assets	621,385	589,584
Hastings County - Home for Good	62,180	60,994
Government of Canada/United Way Simcoe Muskoka - Outreach	65,120	83,817
Canadian Mental Health Association HPE - The Bridge	133,509	403,167
	15,201,195	9,905,783
EXPENSES		
Amortization of intangible capital assets	1,119	1,677
Amortization of tangible capital assets	620,539	588,395
Benefits	1,252,256	927,337
Buildings and grounds	597,167	543,570
Contracted out	546,582	459,745
Dental expenditures	353,417	459,161
Equipment	197,253	69,179
Hastings County - Home for Good	62,180	60,994
The Bridge	133,509	403,167
Medical supplies and drugs	39,515	34,931
One-time expenditures - Note 17	-	275,585
Ontario Health-East - IPCT	2,901,092	-
Salaries and wages	5,533,573	4,486,896
Supplies and sundry	622,921	643,383
Government of Canada/United Way Simcoe Muskoka - Outreach	65,120	83,421
	12,926,243	9,037,441
EXCESS OF REVENUE OVER EXPENSES	$ 2,274,952	$ 868,342

(See accompanying notes)

BELLEVILLE & QUINTE WEST COMMUNITY HEALTH CENTRE
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2026

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficiency of revenue over expenses	$ (273)	$ (488)
Adjustments for		
Amortization of tangible capital assets	620,539	588,395
Amortization of intangible capital assets	1,119	1,677
Amortization of deferred contributions related to capital assets	(621,385)	(589,584)
	-	-
Change in non-cash working capital components:		
Accounts receivable	267,405	(165,926)
Government rebate recoverable	(5,012)	(60,106)
Prepaid expenses	(16,625)	(11,169)
Accounts payable and accrued liabilities	123,637	158,209
Government remittances payable	22,899	(123,435)
Subsidies repayable	2,255,979	868,830
Deferred revenue	345,394	870,294
	2,993,677	1,536,697
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible capital assets	(217,304)	(534,893)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt of contributions restricted for capital asset purposes	217,304	665,216
INCREASE IN CASH	2,993,677	1,667,020
CASH, beginning of year	7,300,631	5,633,611
CASH, end of year	$ 10,294,308	$ 7,300,631

1. PURPOSE OF THE ORGANIZATION

Belleville & Quinte West Community Health Centre is a community governed organization that provides primary health care, health promotion and community capacity-building programming and services to the Belleville and Quinte West communities with a focus on population facing barriers to accessing services and health equity.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Tangible Capital Assets and Amortization

Capital assets are stated at acquisition cost. Amortization is provided on a declining balance basis using the following annual rates:

Furniture and equipment	20%
Computer equipment	33.3%
Leasehold improvements	33.3%
Buildings	4%
Vehicle	30%

Intangible Capital Assets

The costs of intangible assets are capitalized upon meeting the criteria for recognition as an intangible asset; otherwise, costs are expensed as incurred. Intangible assets, consisting of computer software are measured at cost less accumulated amortization. Amortization of computer software is provided for on a declining balance basis at an annual rate of 33.3%.

Revenue Recognition

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Material and Services

Donated materials and services are recorded at fair market value when the value can be reasonably estimated, the value is greater than $500 and the Corporation would have paid for the item if it had not been donated.

Volunteers contribute significant time each year to assist the Corporation. These contributions are not recognized in the financial statements.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting year. Management makes accounting estimates when determining the estimated useful life of the Corporation's capital assets, subsidy repayable, accrued liabilities and deferred revenue. Actual results could differ from those estimates.

Income taxes

The Corporation is a not-for-profit corporation and is a registered charity under the Income Tax Act and as such is exempt from income taxes.

Financial Instruments

The Corporation initially measures its financial assets and financial liabilities at fair value adjusted by transaction costs in the case where a financial asset or financial liability is subsequently measured at amortized cost.

The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash, accounts receivable, government rebate recoverable and prepaid expenses.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, government remittances payable, deferred revenue and subsidies repayable.

Employee Future Benefits

The Corporation is an employer member of the Healthcare of Ontario Pension Plan, which is a multi-employer, defined benefit pension plan. The Corporation has adopted defined contribution plan accounting principles for this plan as sufficient information is not available to apply defined benefit plan accounting principles.

3. FINANCIAL INSTRUMENTS

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 Corporation's maximum exposure to credit risk represents the sum of the carrying value of its cash, short-term investments and accounts receivable. The Corporation's cash and short-term investments are held with a Chartered bank and therefore it is management's opinion that the Corporation is not subject to significant credit risk with respect to cash and short-term investments. The organization manages credit risk by reviewing accounts receivable aging monthly and following up on outstanding amounts. Management believes that all accounts receivable at year-end will be collected and has not deemed it necessary to establish an allowance for doubtful accounts.

Liquidity Risk

Liquidity risk is that risk that the Corporation cannot meet its commitments when they become due. Liquidity risk also includes the risk of the Corporation not being able to liquidate assets in a timely manner. The Corporation's management manages this risk by reviewing expected cash flow requirements, anticipating investing and financing activities and holding assets that can be readily converted to cash.

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 is comprised of currency risk, interest rate risk and other price risk.

Currency Risk

Currency risk is the risk that the fair value of instruments or future cash flows associated with the instrument will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The Corporation's financial instruments are all denominated in Canadian dollars and it transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

3. FINANCIAL INSTRUMENTS (continued)

Interest Rate Risk

Interest rate risk refers to the risk that the fair value of financial instruments and future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The Corporation's exposure to interest rate risk is minimal.

Fluctuations in market rates of interest on cash do not have a significant impact on the Corporation's results of operations.

Other Price Risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. The Corporation manages other price risk by investing in low risk investments.

Changes in Risk

There have been no changes to the Corporation's risk exposure during the year.

4. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	2026 Cost	2026 Accumulated amortization	2026 Net	2025 Net
Land	$ 190,584	$ -	$ 190,584	$ 190,584
Buildings	13,314,117	2,376,303	10,937,814	11,393,558
Vehicles	219,278	88,808	130,470	186,386
Furniture and equipment	900,185	634,872	265,313	322,837
Computer equipment	158,291	114,692	43,599	65,366
Leasehold improvements	804,568	698,833	105,735	3,215
Construction-in-progress	365,513	-	365,513	280,317
	$ 15,952,536	$ 3,913,508	$ 12,039,028	$ 12,442,263

The new purpose-built building was completed and occupied in December 2021. In the event that BQWCHC later vacates or seeks to sell the property, Quinte Health (QH) gets first right of refusal as per the terms of the agreement for the donation of the land on which the facility was built. The lower level in the facility remains undeveloped. Ontario Ministry of Health has provided a grant of $915,285 for the development of the space for occupancy by community partner organizations for the creation of a 'community health hub'. As of 2026, $365,513 was paid towards phase 2 of the project, which is included in Construction-in-progress.

5. INTANGIBLE CAPITAL ASSETS

Intangible capital assets consist of the following:

	2026 Cost	2026 Accumulated amortization	2026 Net	2025 Net
Computer software	$ 35,748	$ 33,509	$ 2,239	$ 3,358

6. SUBSIDIES REPAYABLE

Subsidies repayable consist of:

	2026	2025
2026 repayable	$ 2,275,225	$ -
2025 repayable	868,830	868,830
2024 repayable	642,911	662,157
2023 repayable	1,191,360	1,191,360
2022 repayable	1,394,342	1,394,342
2021 repayable	1,097,294	1,097,294
2020 repayable	46,247	46,247
2017 repayable	749	749
	$ 7,516,958	$ 5,260,979

7. DEFERRED REVENUE

	2026	2025
Internally generated - donations, fees, programs	$ 496,636	$ 357,160
Dental program	520,914	239,338
Hastings Prince Edward Ontario Health Team	76,940	60,000
City of Quinte West - Quinte West development	62,000	62,000
Hastings County - Home for Good	32,880	32,880
SPRITE funding	600	600
Ontario Health - Preventative Care Program	184,896	286,211
United Way - HPE Youth Summit for Mental Health	349	349
Quinte Health - Lower Limb Preservation Project	105,338	35,000
Capital project funding	448,474	510,095
	$ 1,929,027	$ 1,583,633

8. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	2026	2025
Balance, beginning of year	$ 12,265,530	$ 12,189,898
Contributions received:		
Ministry of Health and Long-Term Care and/or Ontario Health-East	217,304	665,216
Less - amounts recognized as revenue	(621,385)	(589,584)
Balance, end of year	$ 11,861,449	$ 12,265,530

9. GOVERNMENT SUBSIDIES

Government subsidies are provided by the Ministry of Health and Long-Term Care and/or Ontario Health-East and the Corporation is required to report to the Ministry/OH-E as specified in the relevant agreements. The Corporation has not as yet reported to the Ministry/OH-E regarding the current year. Any adjustments required on final Ministry/OH-E approval will be recorded in the then current fiscal year.

Future operation of the Corporation depends on the continuance of government funding.

10. EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES

The excess (deficiency) of revenue over expenditures for year consists of two components: operating budget and capital assets. After subsidy repayable of $2,275,225, the operating budget was in a break even position for the year as shown on the statement of revenue, expenses and changes in net assets as the unrestricted net assets did not change from 2025 to 2026 ($Nil for both years). The excess (deficiency) of revenue over expenses of $(273) relates to the difference in amortization of capital assets expense and amortization of deferred contributions revenues.

11. LINE OF CREDIT

The Corporation also has an operating line of credit with an authorized limit of $200,000, of which $Nil (2025 - $Nil) was utilized at year end. The line of credit bears interest at prime rate.

12. COMMITMENTS

The Corporation has a commitment under an operating lease for the Belleville site office space and an IT services contract. The minimum payments based on fiscal year are as follows:

2027	$ 383,371
2028	384,202
2029	384,845
2030	96,507
2031	1,591

The Corporation received a total of $14,594,050 of funding in 2014, 2017, 2018, 2021, 2022, 2023 and 2025 for a capital expansion project. Of the advanced funding, $448,474 has not been spent as of March 31, 2026 and is included in deferred revenue. BQWCHC still has to complete a final reconciliation on the Phase 1 capital project with the Ministry of Health and Long Term Care. The Ministry has committed funds to develop the project through Stage 2 of the MOH capital planning process.

At the completion of the capital expansion project, a final reconciliation report will be completed for the MOH. As part of the reconciliation, the cash held as the original cost of the land sold in 2022 will be repaid back to the MOH, net of GST/HST incurred by the Corporation on the acquisition of the land. The net figure to be reported is $325,433.

In 2025, the Corporation entered into a contract for architect services related to Stage 2 of the capital project for a total of $186,488.

13. INVESTED IN TANGIBLE AND INTANGIBLE CAPITAL ASSETS - INTERNALLY RESTRICTED

Net assets invested in tangible and intangible capital assets consists of the following:

	2026	2025
Tangible capital assets - net	$ 12,039,028	$ 12,442,263
Intangible capital assets - net	2,239	3,358
Cash held - original cost of land sold in 2022	329,553	329,553
Capital assets purchased in 2022 with non-designated funds	(3,025)	(3,025)
Timing differences between capital funding and capital purchases - net	65,224	65,224
Less: amounts financed by deferred contributions	(11,861,449)	(12,265,530)
	$ 571,570	$ 571,843

During the year, the following changes occurred in invested in tangible and intangible capital assets:

	2026	2025
Balance, beginning of year	$ 571,843	$ 572,331
Tangible capital asset additions	217,304	534,893
Amortization	(621,658)	(590,072)
Proceeds from deferred contributions	(217,304)	(534,893)
Amortization of deferred contributions	621,385	589,584
	$ 571,570	$ 571,843

14. PENSION PLAN

The Corporation makes contributions to the Healthcare of Ontario Pension Plan (HOOPP), which is a multi-employer plan on behalf of substantially all 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 length of service and rates of pay. Employees and employers contribute jointly to the plan. The actuarial valuation of the HOOPP at December 31, 2026 indicated a surplus of $11,103,000,000 (2025 - $10,483,000,000) in the plan.

The amount contributed to HOOPP for 2026 was $523,155 (2025 - $394,825) for current service and is included as an expenditure on the "Schedule of Revenue and Expenses".

15. INTERPROFESSIONAL PRIMARY CARE TEAM (IPCT) EXPANSION

Starting in 25/26 Belleville and Quinte West Community Health Centre receives $4.49M from Ontario Health on behalf of the Hastings Prince Edward Ontario Health Team (HPE OHT) for Interprofessional Primary Care Team expansion. These funds are transferred to the following agencies per formal Memorandum of Understanding:

	2026
Bancroft Family Health Team	$ 744,463
Gateway Community Health Centre/Central Hastings Family Health Team	1,359,423
Lakeview Family Health Team	330,534
Prince Edward Family Health Team	404,099
BQWCHC for the Belleville Neighbourhood Clinic and back office support	1,667,092
Less: amounts deferred for capital asset purchases	(7,825)
	$ 4,497,786

BQWCHC is responsible to report on the use of these funds and the related activities to Ontario Health.

16. OTHER REVENUES

Other revenues consists of the following:

	2026	2025
Interest income	$ 223,475	$ 246,472
Third-party dental program revenues	165,537	251,568
Miscellaneous programs	159,044	97,611
	$ 548,056	$ 595,651

17. ONE-TIME EXPENDITURES

One-time expenditures consist of expenses related to one-time funding subsidies received in the year.

18. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess (deficiency) of revenue over expenses.