



Financial statements

WellFort Community Health Services

March 31, 2022

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# Independent auditor's report

To the Board of Directors of  
WellFort Community Health Services

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## Opinion

We have audited the accompanying financial statements of WellFort Community Health Services ("the Organization"), which comprise the statement of financial position as at March 31, 2022, the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of WellFort Community Health Services as at March 31, 2022, 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.

## 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 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to a 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 to do so.

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

Mississauga, Canada  
June 9, 2022

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Chartered Professional Accountants  
Licensed Public Accountants

# WellFort Community Health Services

## Statement of operations

Year ended March 31

2022

2021

### Revenue

Government Funding		
Ontario Health	\$ 9,515,819	\$ 8,122,383
Region of Peel	2,177,647	2,280,371
Hepatitis C Secretariat	608,862	614,348
Deferred revenue – equipment and leasehold	469,281	453,152
Other grants	805,093	145,795
Fees for service	68,909	37,146
Other miscellaneous revenue	4,208	33,344
Interest income	-	11,643
	<u>13,649,819</u>	<u>11,698,182</u>

### Expenses

Salaries and benefits	9,498,354	8,130,107
Rent and occupancy costs	1,143,978	1,058,075
Resources and materials	982,670	506,876
Purchased services	422,652	292,666
Clinical supplies	599,561	443,937
Amortization	469,281	454,279
Office and general	227,957	294,242
Computer supplies	153,608	289,326
Printing and promotion	63,397	59,465
Travel	34,860	7,171
Meetings	13,195	45,193
	<u>13,609,513</u>	<u>11,581,337</u>

Excess of revenue over expenses	\$ <u>40,306</u>	\$ <u>116,845</u>
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See accompanying notes to the financial statements.

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## WellFort Community Health Services

### Statement of changes in net assets

Year ended March 31, 2022

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	Invested in equipment and leasehold improvements	Unrestricted	<b>Total 2022</b>	Total 2021
Balance, beginning of year	\$ -	\$ 524,746	\$ <b>524,746</b>	\$ 407,901
Excess of revenue over expenses	<u>-</u>	<u>40,306</u>	<u><b>40,306</b></u>	<u>116,845</u>
Balance, end of year	\$ <u>-</u>	\$ <u>565,052</u>	\$ <u><b>565,052</b></u>	\$ <u>524,746</u>

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See accompanying notes to the financial statements.

# WellFort Community Health Services

## Statement of financial position

Year ended March 31

2022

2021

### Assets

#### Current

Cash	\$ 3,858,063	\$ 2,162,161
Short-term investments (Note 3)	-	1,205,999
Accounts receivable	503,307	316,669
Prepaid expenses and deposits	<u>179,654</u>	<u>104,406</u>
	<b>4,541,024</b>	<b>3,789,235</b>

Equipment and leasehold improvements (Note 5)

2,216,692      2,685,972

**\$ 6,757,716**      **\$ 6,475,207**

### Liabilities

#### Current

Accounts payable and accrued liabilities	\$ 488,267	\$ 945,724
Due to funders	2,484,720	1,509,729
Deferred revenue – grants (Note 6)	<u>1,002,985</u>	<u>809,036</u>
	<b>3,975,972</b>	<b>3,264,489</b>

#### Long-term

Deferred revenue – equipment and leasehold Improvements (Note 6)	<u>2,216,692</u>	<u>2,685,972</u>
	<b><u>6,192,664</u></b>	<b><u>5,950,461</u></b>

### Net assets

Invested in equipment and leasehold improvements	-	-
Unrestricted	<u>565,052</u>	<u>524,746</u>
	<b><u>565,052</u></b>	<b><u>524,746</u></b>
	<b><u>\$ 6,757,716</u></b>	<b><u>\$ 6,475,207</u></b>

Commitments (Note 9)

On behalf of the Board



Director

Director

See accompanying notes to the financial statements.

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## WellFort Community Health Services

### Statement of cash flows

Year ended March 31	2022	2021
Increase (decrease) in cash		
<b>Operating</b>		
Excess of revenue over expenses	\$ 40,306	\$ 116,845
Items not affecting cash:		
Amortization	469,281	454,279
Deferred revenue – equipment and leasehold improvements	<u>(469,281)</u>	<u>(453,152)</u>
	111,529	117,972
Change in non-cash working capital items		
Accounts receivable	(184,050)	(132,573)
Prepaid expenses and deposits	(75,248)	(640)
Accounts payable and accrued liabilities	(460,045)	101,717
Due to funders	974,991	1,040,219
Deferred revenue – grants	<u>193,949</u>	<u>(117,311)</u>
	<u>489,903</u>	<u>1,009,384</u>
<b>Investing</b>		
Withdrawal (reinvestment) in guaranteed investment certificates	1,205,999	(11,172)
Proceeds from funding for equipment and leasehold improvements	-	233,693
Purchase of equipment and leasehold improvements	<u>-</u>	<u>(233,693)</u>
	<u>1,205,999</u>	<u>(11,172)</u>
Increase in cash	1,695,902	998,212
Cash		
Beginning of year	<u>2,162,161</u>	<u>1,163,949</u>
End of year	\$ <u>3,858,063</u>	\$ <u>2,162,161</u>

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See accompanying notes to the financial statements.



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# WellFort Community Health Services

## Notes to the financial statements

March 31, 2022

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### 1. Purpose of organization

WellFort Community Health Services (the "Organization") is a non-profit registered charity incorporated without share capital on August 31, 2007 and is not subject to income taxes.

The Organization is values-based and provides health promotion and prevention programs, primary health care, oral health services and works with local residents and other agencies to increase community capacity.

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### 2. Summary of significant accounting policies

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The significant accounting policies used are as follows:

#### Revenue recognition

The Organization follows the deferral method of accounting for revenue, whereby restricted sources of revenue are recognized as revenue in the year in which the related expenses are incurred.

Revenue received for the purchase of equipment and leasehold improvements is deferred and amortized over the useful lives of the related equipment and leasehold improvements so that revenue recognition corresponds with the related amortization expense.

Any funding for operations not approved for deferral that is unspent during the year is to be repaid to the respective funder and is included in due to funders.

Investment income includes interest on cash and cash equivalents.

Fees for service revenue is recognized as revenue in the period in which the related service has occurred.

#### Contributed services and materials

Contributed services and materials are not recognized in the financial statements due to the difficulty of determining their value.

#### Cash

Cash and cash equivalents includes cash on deposit.

#### Short term investments

Short term investments includes Guaranteed Investment Certificates (GICs) with maturities of less than 90 days and those which can be converted to cash without penalty.

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# WellFort Community Health Services

## Notes to the financial statements

March 31, 2022

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### 2. Summary of significant accounting policies (continued)

#### Equipment and leasehold improvements

Equipment and leasehold improvements are recorded at cost and are being amortized on a straight line basis as follows:

Equipment	5 years
Office equipment	5 years
Furniture and fixtures	5 years
Leasehold improvements	life of lease
Medical equipment	5 years
Computer equipment	5 years
Computer software	5 years

#### Impairment of long-lived assets

The Organization tests long-lived assets for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

#### Pension plan

All permanent employees of the Organization are eligible to be members of the Hospitals of Ontario Pension Plan ("HOOPP" or the "Plan"), which is a multi-employer, defined benefit, final average earnings, contributory pension plan. As this is a multi-employer plan, it is accounted for as a defined contribution plan.

#### Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments:

- cash and cash equivalents
- accounts receivable
- accounts payable
- due to funders

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value and financial assets or liabilities obtained in related party transactions are initially measured at their exchange amount.

The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost.

# WellFort Community Health Services

## Notes to the financial statements

March 31, 2022

### 3. Short term investments

Short term investments are Guaranteed Investment Certificates (GICs), which earned interest at a rate of 0.51% and matured November 16, 2021.

### 4. Economic dependence

The Organization is dependent upon the Region of Peel and Ontario Health for the majority of its funding.

### 5. Equipment and leasehold improvements

			<u>2022</u>	<u>2021</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Equipment	\$ 544,149	\$ 437,387	\$ 106,762	\$ 117,516
Office equipment	194,010	182,164	11,846	16,190
Furniture and fixtures	443,494	369,123	74,371	112,728
Leasehold improvements	3,973,673	2,112,020	1,861,653	2,147,497
Medical equipment	559,713	453,992	105,721	136,838
Computer equipment	748,213	701,540	46,673	81,671
Computer software	<u>34,339</u>	<u>24,673</u>	<u>9,666</u>	<u>13,532</u>
	<u>\$ 6,497,591</u>	<u>\$ 4,280,899</u>	<u>\$ 2,216,692</u>	<u>\$ 2,685,972</u>

### 6. Deferred revenue

			<u>2022</u>	<u>2021</u>
	<u>Grants</u>	<u>Equipment and leasehold improvements</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ 809,036	\$ 2,685,972	\$ 3,495,008	\$ 3,831,778
Funding received	2,070,881	-	2,070,881	2,207,747
Less: revenue recognized	(1,876,932)	(469,280)	(2,346,212)	(2,480,503)
Use of grant funding for capital purchase	-	-	-	(129,000)
Less: additional deferrals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(64,986)</u>
	<u>\$ 1,002,985</u>	<u>\$ 2,216,692</u>	<u>\$ 3,219,677</u>	<u>\$ 3,495,008</u>

### 7. Pension plan

All permanent employees of the Organization are eligible to be members of HOOPP, which is a multi-employer, defined benefit, final average earnings and contributory pension plan. The Organization's contributions to the Plan during the year amounted to \$534,232 (2021 - \$497,772).

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# WellFort Community Health Services

## Notes to the financial statements

March 31, 2022

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### 8. Financial instruments

The Organization has a risk management framework to monitor, evaluate and manage the principal risks assumed with its financial instruments. It is management's opinion that the Organization is not exposed to significant currency, interest rate cash flow or market risks arising from its financial instruments, and these risks remain consistent with the prior year.

#### Interest rate risk

The Organization's financial instruments expose it to interest rate risk due to its investments with fixed interest rates. This risk is mitigated by the Organization through investing in or utilizing instruments which have a low susceptibility to significant fluctuations in market interest rates.

#### 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 meet its funding obligation. The risk is mitigated by the Organization through ensuring revenue is derived from qualified sources.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is, therefore, exposed to liquidity risk with respect to its accounts payable. The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments are due and maintaining adequate cash reserves to repay advances.

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### 9. Commitments

The Organization is committed under various lease for premises agreements to October 2037. Annual minimum lease payments, excluding estimated operating costs, for the next five years are as follows:

2023	\$	916,838
2024		916,838
2025		916,838
2026		899,465
2027		724,379