



Financial statements

WellFort Community Health Services

March 31, 2023

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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, 2023, 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, 2023, 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 24, 2023

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

2023

2022

Revenue

Government funding		
Ontario Health	\$ 8,064,029	\$ 9,515,819
Region of Peel	2,550,945	2,177,647
High Priority Community Strategy Funding	1,170,830	-
Hepatitis C Secretariat	517,147	608,862
Deferred revenue – equipment and leasehold	463,437	469,281
Other grants	202,856	805,093
Fees for service	48,145	68,909
Other miscellaneous revenue	8,649	4,208
Interest income	6,244	-
	<u>13,032,282</u>	<u>13,649,819</u>

Expenses

Salaries and benefits	9,516,891	9,498,354
Rent and occupancy costs	1,190,928	1,143,978
Resources and materials	220,282	982,670
Purchased services	371,112	422,652
Clinical supplies	516,784	599,561
Amortization	463,437	469,281
Office and general	182,108	227,957
Computer supplies	223,588	153,608
Printing and promotion	136,080	63,397
Travel	17,444	34,860
Meetings	12,494	13,195
	<u>12,851,148</u>	<u>13,609,513</u>

Excess of revenue over expenses	\$ <u>181,134</u>	\$ <u>40,306</u>
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See accompanying notes to the financial statements.

WellFort Community Health Services

Statement of changes in net assets

Year ended March 31, 2023

	Invested in equipment and leasehold improvements	Unrestricted	Total 2023	Total 2022
Balance, beginning of year	\$ -	\$ 565,052	\$ 565,052	\$ 524,746
Excess of revenue over expenses	-	<u>181,134</u>	<u>181,134</u>	<u>40,306</u>
Balance, end of year	\$ <u>-</u>	\$ <u>746,186</u>	\$ <u>746,186</u>	\$ <u>565,052</u>

See accompanying notes to the financial statements.

WellFort Community Health Services

Statement of financial position

Year ended March 31

2023

2022

Assets

Current

Cash	\$ 4,953,785	\$ 3,858,063
Accounts receivable	694,411	503,307
Prepaid expenses and deposits	<u>197,481</u>	<u>179,654</u>
	5,845,677	4,541,024

Equipment and leasehold improvements (Note 4)	<u>1,753,255</u>	<u>2,216,692</u>
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	<u>\$ 7,598,932</u>	<u>\$ 6,757,716</u>
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Liabilities

Current

Accounts payable and accrued liabilities	\$ 270,719	\$ 488,267
Due to funders	3,377,876	2,484,720
Deferred revenue – grants (Note 5)	<u>1,450,896</u>	<u>1,002,985</u>
	5,099,491	3,975,972

Long-term

Deferred revenue – equipment and leasehold Improvements (Note 5)	<u>1,753,255</u>	<u>2,216,692</u>
	6,852,746	6,192,664

Net assets

Unrestricted	<u>746,186</u>	<u>565,052</u>
	746,186	565,052
	<u>\$ 7,598,932</u>	<u>\$ 6,757,716</u>

Commitments (Note 8)

On behalf of the Board



Director

Director

Tanya Davis, Board of Directors - Treasurer, Wellfort CHC
30/June/2023

See accompanying notes to the financial statements.

WellFort Community Health Services

Statement of cash flows

Year ended March 31

2023

2022

Increase (decrease) in cash

Operating

Excess of revenue over expenses	\$ 181,134	\$ 40,306
Items not affecting cash:		
Amortization	463,437	469,281
Deferred revenue – equipment and leasehold improvements	<u>(463,437)</u>	<u>(469,281)</u>
	181,134	111,529
 Change in non-cash working capital items		
Accounts receivable	(191,104)	(184,050)
Prepaid expenses and deposits	(17,827)	(75,248)
Accounts payable and accrued liabilities	(217,548)	(460,045)
Due to funders	893,156	974,991
Deferred revenue – grants	<u>447,911</u>	<u>193,949</u>
	<u>1,095,722</u>	<u>489,903</u>

Investing

Withdrawal of guaranteed investment certificates	<u>-</u>	<u>1,205,999</u>
	<u>-</u>	<u>1,205,999</u>

Increase in cash 1,095,722 1,695,902

Cash

Beginning of year	<u>3,858,063</u>	<u>2,162,161</u>
End of year	<u>\$ 4,953,785</u>	<u>\$ 3,858,063</u>

See accompanying notes to the financial statements.

WellFort Community Health Services

Notes to the financial statements

March 31, 2023

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.

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.

WellFort Community Health Services

Notes to the financial statements

March 31, 2023

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, 2023

3. Economic dependence

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

	<u>2023</u>			<u>2022</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Equipment	\$ 544,149	\$ 507,652	\$ 36,497	\$ 106,762
Office equipment	194,010	185,949	8,061	11,846
Furniture and fixtures	443,494	407,479	36,015	74,371
Leasehold improvements	3,973,674	2,397,864	1,575,810	1,861,653
Medical equipment	559,713	484,198	75,515	105,721
Computer equipment	748,213	732,656	15,557	46,673
Computer software	34,339	28,539	5,800	9,666
	<u>\$ 6,497,592</u>	<u>\$ 4,744,337</u>	<u>\$ 1,753,255</u>	<u>\$ 2,216,692</u>

	<u>2023</u>		<u>2022</u>
	<u>Grants</u>	<u>Equipment and leasehold improvements</u>	<u>Total</u>
Balance, beginning of year	\$ 1,002,985	\$ 2,216,692	\$ 3,219,677
Funding received	1,680,852	-	1,680,852
Less: revenue recognized	(1,232,941)	(463,437)	(1,696,378)
	<u>\$ 1,450,896</u>	<u>\$ 1,753,255</u>	<u>\$ 3,204,151</u>
			<u>\$ 3,219,677</u>

6. 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 \$565,011 (2022 - \$534,232).

WellFort Community Health Services

Notes to the financial statements

March 31, 2023

7. 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.

8. Commitments

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

2024	\$	916,838
2025		916,838
2026		899,465
2027		724,379
2028		423,195
Thereafter		<u>3,921,896</u>
	\$	<u>7,802,611</u>