
WOOLWICH COMMUNITY HEALTH CENTRE

MARCH 31, 2011

INDEX

Independent Auditor's Report	Page 1
Statement of Financial Position	Page 2
Statement of Operations and Accumulated Surplus	Page 3
Statement of Cash Flows	Page 4
Notes to the Financial Statements	Page 5
Schedule of Expenditures	Page 9
Schedule of Ontario Midwifery Program	Page 10



Chartered Accountants
and Business Advisors

People Count.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of: Woolwich Community Health Centre

Report on the Financial Statements

We have audited the accompanying financial statements of Woolwich Community Health Centre, which comprise the statement of financial position as at March 31, 2011 and the statements of operations and accumulated surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, this organization derives part of its revenue from the general public in the form of donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustment might be necessary to such revenues, excess of revenues over expenditures, assets or accumulated surplus.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Woolwich Community Health Centre as at March 31, 2011 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Waterloo, Ontario
May 30, 2011

RUB LLP
Chartered Accountants
Licensed Public Accountants

WOOLWICH COMMUNITY HEALTH CENTRE

**Statement of Financial Position
March 31, 2011 with comparative figures for 2010**

	WWLHIN	Wellesley Capital	MOHLTC Other Programs	TPA Program	WCHC Community Funds	Capital Fund	2011	Total 2010
ASSETS								
Current Assets								
Cash	\$ 432,036	\$ -	\$ -	\$ -	\$ 358,760	\$ -	\$ 790,796	\$ 569,722
Accounts receivable	46,908	-	32,083	-	17,671	-	103,662	86,586
Prepaid expenses	33,961	-	-	-	1,347	-	35,308	30,773
Investments (Note 3)	512,905	-	32,083	-	377,778	-	929,766	687,081
Capital assets (Note 6)	-	-	-	-	171,620	-	171,620	160,800
	-	-	-	-	-	1,964,075	1,964,075	2,100,708
	\$ 512,905	\$ 7,000	\$ 32,083	\$ -	\$ 549,398	\$ 1,964,075	\$ 3,065,461	\$ 2,948,589
LIABILITIES								
Current Liabilities								
Accounts payable	\$ 191,828	\$ 27,701	\$ -	\$ -	\$ 11,851	\$ -	\$ 231,380	\$ 116,424
Deferred Grants (Note 5)	-	-	-	-	38,327	-	97,031	73,490
Interfund payable (receivable) (Note 9)	274,713	(20,701)	32,083	(137,144)	(90,247)	-	-	-
	466,541	7,000	32,083	(137,144)	(40,069)	-	328,411	189,914
ACCUMULATED SURPLUS								
Capital fund (Note 6)	-	-	-	-	-	1,964,075	1,964,075	2,100,708
Internally restricted funds								
Reserve fund	-	-	-	-	459,235	-	459,235	386,284
Special projects	-	-	-	-	33,288	-	33,288	17,370
Externally restricted funds								
Ministry of Health and Long-Term Care	46,364	-	-	137,144	-	-	183,508	157,849
Hospice	-	-	-	-	28,901	-	28,901	28,038
Midwifery	-	-	-	-	24,203	-	24,203	24,586
Special projects	-	-	-	-	43,840	-	43,840	43,840
	46,364	-	-	137,144	589,467	1,964,075	2,737,050	2,758,675
	\$ 512,905	\$ 7,000	\$ 32,083	\$ -	\$ 549,398	\$ 1,964,075	\$ 3,065,461	\$ 2,948,589

Approved by the Board:
 Director
 Director

WOOLWICH COMMUNITY HEALTH CENTRE

**Statement of Operations and Accumulated Surplus
Year Ended March 31, 2011 with comparative figures for 2010**

	<u>WWLHIN</u>		<u>MOHLTC</u>		<u>WCHC Community Funds</u>		Capital (Note 6)		Total	
	Operating Program	Joint CHC Projects	Other Programs	TPA Program (Page 10)	Health Canada	Other Programs	2011	2010		
Revenues										
Ministry of Health Base	\$ 4,346,462	\$ 86,450	\$ 104,239	\$ 1,623,457	\$ 83,750	\$ -	\$ 6,160,608	\$ 5,945,257		
Grants	-	-	-	-	83,750	11,884	95,634	100,584		
Other revenue and recoveries	5,281	-	-	-	-	38,912	44,193	40,707		
Investment income (loss)	2,045	-	-	-	-	12,132	14,177	24,148		
Rental and common area fees	-	-	-	-	-	109,069	109,069	106,112		
Memberships	-	-	-	-	-	75	75	135		
Donations	3,520	-	-	-	-	4,777	8,297	7,230		
Expenditures (Page 9)										
Salary, benefits and relief	4,357,308	86,450	104,239	1,623,457	83,750	176,849	6,432,053	6,224,173		
Medical and surgical supplies and drugs	3,739,665	20,114	97,848	-	36,988	4,093	3,898,708	3,557,633		
Supplies and sundries	68,448	164	-	-	-	-	68,612	55,440		
Equipment	306,563	106	5,404	-	46,762	13,361	372,196	412,979		
Contracted out expenses	3,097	-	987	-	-	-	4,084	2,517		
Buildings and grounds	2,308	-	-	-	-	-	2,308	7,713		
Other	223,087	-	-	-	-	50,205	273,292	257,251		
	97	66,056	-	1,503,081	-	19,841	1,737,013	1,975,751		
	4,343,265	86,450	104,239	1,503,081	83,750	87,500	6,356,213	6,269,284		
Excess (deficiency) of revenues over expenditures before undernoted	14,043	-	-	120,376	-	89,349	75,840	(45,111)		
Current year equipment purchases	(11,295)	-	-	-	-	-	-	-		
Surplus for the year (Note 7)	2,748	-	-	120,376	-	89,349	75,840	(45,111)		
Accumulated surplus, beginning of year	141,081	-	-	16,768	-	500,118	2,758,675	2,803,786		
Repayments during the year	(97,465)	-	-	-	-	-	(97,465)	-		
Accumulated surplus, end of year	\$ 46,364	\$ -	\$ -	\$ 137,144	\$ -	\$ 589,467	\$ 2,737,050	\$ 2,758,675		

WOOLWICH COMMUNITY HEALTH CENTRE

Statement of Cash Flows							
Year Ended March 31, 2011 with comparative figures for 2010							
	<u>WWLHIN</u>	<u>MOHLIC</u>			<u>WCHC</u>	2011	2010
	Operating Program	Joint CHC Projects	Other Programs	TPA Program	Community Funds	Capital Fund	
Cash from operating activities							
Cash received from funders, tenants and others	\$ 4,253,777	\$ 79,450	\$ 90,808	\$ 1,639,830	\$ 263,011	\$ -	\$ 6,326,876
Cash paid to suppliers and employees	(4,226,812)	(95,863)	(104,606)	(1,503,081)	(167,502)	-	(6,097,864)
Transfers between funds	170,575	16,413	13,798	(136,749)	(75,332)	11,295	-
Interest received	2,045	-	-	-	1,312	-	3,357
	199,585	-	-	-	21,489	11,295	232,369
Financing and investing activities							
Purchase of capital assets	-	-	-	-	-	(11,295)	(11,295)
	-	-	-	-	-	(11,295)	(11,295)
Change in cash for the year	199,585	-	-	-	21,489	-	221,074
Cash, beginning of year	232,451	-	-	-	337,271	-	569,722
Cash, end of year	\$ 432,036	\$ -	\$ -	\$ -	\$ 358,760	\$ -	\$ 790,796
							\$ 569,722

See accompanying notes to financial statements

WOOLWICH COMMUNITY HEALTH CENTRE

Notes to the Financial Statements Year Ended March 31, 2011

1. Purpose of the Organization

The Woolwich Community Health Centre (WCHC) is a not-for-profit organization, incorporated by Ontario Letters Patent dated May 22, 1985. The Health Centre provides integrated health services to area residents. The Health Centre derives its revenues primarily from the Ontario Ministry of Health and Long-Term Care.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for Not-for-Profit organizations.

Revenue Recognition

Ministry of Health base revenue is recorded in the year received. Any amounts to be returned to the funder are reflected in the accumulated surplus. Grants are deferred for expenditure specific funding if the related expenditure has not occurred. Donations and memberships are recorded in the period received by the organization. All other revenues are recorded on an accrual basis.

Capital Assets

Capital assets are recorded at cost at the date of acquisition. Amortization is provided using the straight-line method over the number of years indicated below:

Office equipment	10 years
Computer equipment	5 years
Medical equipment	10 years
Buildings	40 years
Leasehold improvements	10 years

Amortization commences in the year the assets are put into use. No amortization is recorded in the year of disposal.

Property tax rebates

Property tax rebates are recorded as a reduction of the related expense as required by the Community Financial Policy in the Multi-Sector Accountability Agreement.

Fund accounting

The Health Centre maintains its accounts in accordance with the principles of fund accounting using the restricted fund method of accounting for contributions. Using this method of accounting, resources are classified for accounting and reporting purposes in accordance with activities or objectives as specified by the funders or the Board of Directors of the Health Centre.

i) Waterloo Wellington Local Health Integration Network (WWLHIN) Funds

WWLHIN Funds reflect operations of the Health Centre funded by the CHC Program of the Ontario Ministry of Health and Long-Term Care (MOHLTC) and monitored by the LHIN. Surplus from operating revenues in excess of operating expenditures are repayable to the Ministry of Health and Long-Term Care at their request.

ii) Other MOHLTC Funds

Other MOHLTC Funds reflect certain other operations of the Health Centre also funded by the MOHLTC. Programs include the Regional Diabetes Program, midwifery transfer payment agency, and capital for Wellesley.

Surplus from operating revenues in excess of operating expenditures are repayable to the Ministry of Health and Long-Term Care at their request.

iii) WCHC Community Funds

The WCHC Community Funds reflect assets, liabilities, revenues and expenditures relating to funds derived from community resources and other funders.

iv) Capital Fund

The Capital Fund reflects the cost of capital assets and the residual equity in those assets attributable to the Ministry of Health and the community.

WOOLWICH COMMUNITY HEALTH CENTRE

**Notes to the Financial Statements
Year Ended March 31, 2011**

2. Significant Accounting Policies (continued)

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Such estimates include providing for amortization of capital assets. Actual results could differ from these estimates.

3. Investments

Investments include segregated funds which are recorded at fair value as determined by the fund manager. The segregated funds investments mature in August 2016 at which time the organization is guaranteed the original purchase price of \$75,000, if the fair value on the date of maturity is greater than the purchase price, the Health Centre will receive the fair value.

	2011	2010
Segregated funds	\$ 82,207	\$ 74,627
Guaranteed investment certificate, 4.4% matures July 21, 2010	-	43,034
Guaranteed investment certificate, 4.5% matures July 21, 2011	45,102	43,139
Guaranteed investment certificate, 1.9% matures August 2, 2011	44,311	-
	<u>\$ 171,620</u>	<u>\$ 160,800</u>

4. Financial instruments

The company's financial instruments consist of cash, accounts receivable, investments, accounts payable, and deferred grants. These instruments are considered to be held for trading. As such, these assets and liabilities are measured at their carrying amounts which approximate their fair value due to the short term nature of their maturities.

The investments in segregated funds are being treated as available for sale. The investments have a maturity date, but the amount is unknown. Prior to maturity the investment can be cashed in for fair value, hence, these investments are recorded at fair value as determined by the fund manager.

The guaranteed investment certificates are treated as held to maturity. These investments are measured at cost plus accumulated interest.

It is management's opinion that the company is not exposed to significant interest currency, liquidity or credit risks arising from its financial instruments.

5. Deferred grants

	2011	2010
MOHLTC - Wellesley Capital	\$ 58,704	\$ 58,704
Community Funds		
RNAO grant	13,000	-
KWF grant - Low German project 2011/2012	11,398	-
MSCU grant - Low German project	4,915	-
Woolwich Lions Foundation grant - Skateboard park project	8,843	2,421
KWF grant - Low German project 2010/2011	171	12,365
	<u>38,327</u>	<u>14,786</u>
	<u>\$ 97,031</u>	<u>\$ 73,490</u>

WOOLWICH COMMUNITY HEALTH CENTRE

**Notes to the Financial Statements
Year Ended March 31, 2011**

6. Capital Assets and Capital Fund

Capital Assets	MOHLTC-CHC		Linwood	Community	Accumulated Amortization	2011	2010
	St. Jacobs	Wellesley					
Office equipment	\$ 141,930	\$ 63,976	\$ 3,188	\$ -	\$ 160,994	\$ 48,100	\$ 59,187
Computer equipment	83,292	130,591	3,634	-	131,932	85,585	90,228
Medical equipment	174,042	98,200	4,836	-	201,939	75,139	94,079
Building	1,372,513	20,700	-	-	635,836	757,377	792,207
Building - 10 Parkside tenant	-	-	-	427,834	200,023	227,811	238,453
Building - 9 Parkside	63,376	-	-	-	6,338	57,038	58,623
Building - 9 Parkside tenant	-	-	-	533,124	131,141	401,983	415,311
Leasehold improvements	-	415,775	-	-	245,441	170,334	211,912
Land	137,143	-	-	3,565	-	140,708	140,708
	\$ 1,972,296	\$ 729,242	\$ 11,658	\$ 964,523	\$ 1,713,644	\$ 1,964,075	\$ 2,100,708

Capital Fund - Accumulated Surplus

	MOHLTC		WCHC	
	Community	2011	Community	2010
Capital fund, beginning of year	\$ 1,445,536	\$ 655,172	\$ 2,100,708	\$ 2,234,185
Capital expenditures	11,295	-	11,295	28,162
Amortization for the year	(123,958)	(23,970)	(147,928)	(161,639)
Capital fund, end of year	\$ 1,332,873	\$ 631,202	\$ 1,964,075	\$ 2,100,708

WOOLWICH COMMUNITY HEALTH CENTRE

Notes to the Financial Statements
Year Ended March 31, 2011

**7. Accumulated surplus - Ministry of Health and Long-Term Care
CHC Program**

Core and satellite	
Approved funding for 2010/2011	\$ 4,025,962
Physician staff salary range increase, April 1, 2010	51,300
Physician retroactive and base increase 2009/2010	25,700
Physician staff salary range increase, April 1, 2010	216,100
Physician retroactive and base increase, October 1, 2010	27,400
Fee for service and interest income	2,045
Total funding for operations	<u>4,348,507</u>
Deduct expenses eligible for MOHLTC funding	4,343,265
Capital purchases eligible for MOHLTC funding	11,295
Excess of funding over expenses	<u>(6,053)</u>
Other income and recoveries	<u>8,801</u>

Surplus due MOHLTC - CHC for 2010/2011

\$ 2,748

Accumulated surplus

Surplus due MOHLTC - CHC for 2007/2008	\$ 40,512
Surplus due MOHLTC - CHC for 2008/2009	2,038
Surplus due MOHLTC - CHC for 2009/2010	1,066
Surplus due MOHLTC - CHC for 2010/2011	2,748
	<u>\$ 46,364</u>

8. Commitments

The Health Centre leases operating premises for the Wellesley Satellite location. The lease expires June 30, 2015 subject to a tenant renewal option to renew the lease for two additional five year terms. Minimum annual lease payments for the next five fiscal years are as follows:

2012	\$ 48,682
2013	49,622
2014	50,938
2015	51,878
2016	21,616

In addition to the rent, the Health Centre is required to pay 85% of the property tax.

9. Interfund payable (receivable)

The majority of funds are received or disbursed through one chequing account for all funds. Interfund balances arise from these receipts and disbursements. Interfund balances are interest free and unsecured

10. Related party transactions

The organization has the following transactions with other Health Centres in the LHIN.

	2011	2010
Other MOHLTC - base revenue	\$ 104,239	60,044
Salaries and benefits - Guelph CHC	45,210	46,313
Salaries and benefits - recovery from KDCHC	(80,991)	(82,251)
Resource materials and promotion	1,598	2,735
Purchased services	5,785	14,231
Transfers to others	66,066	57,850

11. Managing capital

The Health Centre defines capital as the accumulated surplus of \$589,467 in the Community fund. In managing capital, the Health Centre focuses on liquid resources available for operations. The Health Centre's objective is to have sufficient liquid resources to continue operating despite adverse events having financial consequences and to provide it with the flexibility to take advantage of opportunities that will advance its purposes. The Centre's ability to manage capital is restricted by its economic dependence on the Ministry of Health to provide on-going financial resources to fund operations. The Centre manages and monitors its liquid resources through a rigorous annual budgeting process which is subject to WWLHIN approval.

12. Income Tax Status

The organization is exempt from income tax under Section 149 of the Income Tax Act.

13. Comparative figures

Certain balances of the comparative figures have been reclassified to conform with the current year presentation. Comparative figures were audited by an accounting firm that has since merged with the present auditor.

WOOLWICH COMMUNITY HEALTH CENTRE

**Schedule of Ontario Midwifery Program
Year Ended March 31, 2011 with comparative figures for 2010**

	2011	2010
Ontario Midwifery Program - Revenues		
MOHLTC - Midwifery program payments	\$ 1,623,457	\$ 1,748,193
Interest income	-	-
Total OMP revenues	\$ 1,623,457	\$ 1,748,193
Midwifery Program Expenses		
Fees		
Base fees	\$ 896,140	\$ 1,114,088
New registrant fees	64,616	-
Subtotal fees	960,756	1,114,088
Disbursements		
Base travel	29,400	37,900
Second attendant	-	-
Base liability insurance	284,159	353,123
Base other	135,331	167,629
Subtotal base disbursements	448,890	558,652
New registrant travel	2,400	-
New registrant liability insurance	38,651	-
New registrant other	9,502	-
Subtotal New Registrant disbursements	50,553	-
Grants		
Office equipment	7,363	14,700
Leasehold improvements	-	-
Remote practice grant	-	-
New registrant grants	5,728	-
Subtotal grants	13,091	14,700
Other		
TPA operations fee	15,918	17,687
Clinical audit payments	-	-
Other applicable expenses	13,873	43,066
Subtotal other expenses	29,791	60,753
Total Midwifery Program expenses	\$ 1,503,081	\$ 1,748,193
Excess of revenues over Midwifery Program expenses	\$ 120,376	\$ -
Amount Due to MOHLTC	120,376	-
Accumulated Surplus		
Accumulated surplus - beginning of fiscal year	\$ 16,768	\$ 16,768
Plus excess of revenues over Midwifery Program expenses for the current fiscal year	120,376	-
Less amounts paid to the MOHLTC - Current fiscal year	-	-
Accumulated surplus - end of fiscal year	\$ 137,144	\$ 16,768
Courses of Care		
Number of base courses of care	294	379
Number of new registrant courses of care	24	-
Total courses of care	318	379