

INTERCHURCH HEALTH MINISTRIES CANADA

FINANCIAL STATEMENTS

DECEMBER 31, 2011



INTERCHURCH HEALTH MINISTRIES CANADA

INDEX TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF NET ASSETS	4
STATEMENT OF OPERATIONS	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 8



INDEPENDENT AUDITOR'S REPORT

To the Members of:
Interchurch Health Ministries Canada

I have audited the accompanying financial statements of Interchurch Health Ministries Canada which comprise the statement of financial position as at December 31, 2011 and 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.

Management's Responsibility for the Financial Statements

Management is responsible for the fair presentation of these financial statements in accordance with present 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 these 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 used by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Interchurch Health Ministries Canada derives a major portion of its revenue from the general public in the form of cash donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts reported in the records of the Interchurch Health Ministries Canada and I was not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, and net assets.

Qualified Opinion

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Interchurch Health Ministries Canada as at December 31, 2011 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Other Matter

The financial statements of Interchurch Health Ministries Canada for the year ended December 31, 2010, were compiled by another accountant. I have not audited or verified the comparative figures.

Markham, Ontario
June 9, 2012

Dutschehek + Company
CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANT



INTERCHURCH HEALTH MINISTRIES CANADA

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2011

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT		
Cash	\$ 21,735	\$ 35,770
HST receivable	<u>1,846</u>	<u>1,179</u>
	<u>\$ 23,581</u>	<u>\$ 36,949</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 1,761	\$ 20,197
Deferred revenue	<u>5,889</u>	<u>-</u>
	<u>7,650</u>	<u>20,197</u>
NET ASSETS		
UNRESTRICTED	<u>15,931</u>	<u>16,752</u>
	<u>\$ 23,581</u>	<u>\$ 36,949</u>

Approved by the Board

_____ Director

_____ Director

See accompanying notes to the financial statements



INTERCHURCH HEALTH MINISTRIES CANADA

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2011

	<u>Unrestricted</u>	<u>Externally Restricted</u>	<u>Total 2011</u>	<u>Total 2010</u>
BALANCE, beginning of year	\$ 16,752	\$ -	\$ 16,752	\$ 19,575
Excess (deficiency) of revenue over expenses	<u>(821)</u>	<u>-</u>	<u>(821)</u>	<u>(2,823)</u>
BALANCE, end of year	<u>\$ 15,931</u>	<u>\$ -</u>	<u>\$ 15,931</u>	<u>\$ 16,752</u>

See accompanying notes to the financial statements



INTERCHURCH HEALTH MINISTRIES CANADA

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2011

	<u>2011</u>	<u>%</u>	<u>2010</u>	<u>%</u>
REVENUE				
Special projects	\$ 3,667	1.5	\$ 7,888	2.5
Contributions	49,344	19.8	69,315	22.1
Education	14,990	6.0	18,058	5.8
Partnership	32,675	13.1	35,950	11.4
Grants	7,325	2.9	10,100	3.2
Sales	3,126	1.3	5,973	1.9
Miscellaneous revenue	260	0.1	934	0.3
LHIN revenue	<u>138,256</u>	<u>55.4</u>	<u>165,763</u>	<u>52.8</u>
	<u>249,643</u>	<u>100.1</u>	<u>313,981</u>	<u>100.0</u>
EXPENSES				
Advertising and promotion	5,614	2.2	2,863	0.9
Education	13,921	5.6	9,224	2.9
Insurance	2,597	1.0	2,561	0.8
Interest and bank charges	1,163	0.5	1,221	0.4
Membership fees	-	-	100	-
Office and general	7,019	2.8	14,260	4.5
Production costs	533	0.2	(177)	(0.1)
Professional fees	3,647	1.5	3,935	1.3
Rent	3,600	1.4	3,600	1.1
Salaries and wages	200,026	80.1	259,981	82.8
Special projects	2,376	1.0	3,423	1.1
Staff development	320	0.1	10	-
Telephone	1,726	0.7	3,190	1.0
Travel	<u>7,922</u>	<u>3.2</u>	<u>12,613</u>	<u>4.0</u>
	<u>250,464</u>	<u>100.3</u>	<u>316,804</u>	<u>100.7</u>
EXCESS OF REVENUE UNDER EXPENSES	<u>\$ (821)</u>	<u>(0.2)</u>	<u>\$ (2,823)</u>	<u>(0.9)</u>

See accompanying notes to the financial statements



INTERCHURCH HEALTH MINISTRIES CANADA

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2011

CASH DERIVED FROM (APPLIED TO)	<u>2011</u>	<u>2010</u>
OPERATING ACTIVITIES		
Excess of revenue under expenses	\$ (821)	\$ (2,823)
Changes in non-cash working capital items		
- HST receivable	(667)	(1,179)
- Deferred revenue	5,889	-
- Accounts payable and accrued liabilities	<u>(18,436)</u>	<u>20,201</u>
	<u>(13,214)</u>	<u>19,022</u>
(DECREASE) INCREASE IN CASH	(14,035)	16,199
CASH, beginning of year	<u>35,770</u>	<u>19,571</u>
CASH, end of year	<u>\$ 21,735</u>	<u>\$ 35,770</u>

See accompanying notes to the financial statements



INTERCHURCH HEALTH MINISTRIES CANADA**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2011

1. NATURE OF OPERATIONS

Interchurch Health Ministries Canada ("the Ministry") is a non-profit organization consisting of congregations and parishes, community groups, agencies and individuals working together to promote an understanding of the relationship between faith and health among their members and the wider community. The Ministry was incorporated without share capital under the laws of the Province of Ontario as a not-for-profit organization and as such is exempt from income tax under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Ministry have been prepared in accordance with Canadian generally accepted accounting principles. The more significant policies are as follows:

(a) Revenue Recognition

The Ministry follows the deferral method of accounting for contributions and grants. Restricted contributions and grants are recognized as revenue in the year in which the related expenses 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. Endowment contributions are recognized as a direct increase in net assets.

LHIN revenue is recognized as revenue when the related program expenses are incurred.

Special program revenue is recognized as revenue when the expenses incurred for the program are incurred.

Education revenue is recognized when the education event is held or related expenses have been incurred.

Partnership revenue is recognized as revenue over the period of partnership which is from January 1 to December 31.

Sales are recognized as revenue at the point of sale.

(b) Contributed Services

The Ministry depends heavily on the use of volunteers to provide services. Because of record keeping and valuation difficulties, these contributed services are not recorded in the accounts.



INTERCHURCH HEALTH MINISTRIES CANADA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011

3. FINANCIAL INSTRUMENT

(a) Fair Value

For certain of the Ministry's financial instruments, including cash, accounts payable and accrued liabilities, and deferred revenue, the carrying amounts approximate their fair market value due to their short-term maturity.

4. REMUNERATION OF DIRECTORS AND OFFICERS

No remuneration has been paid or is payable by the Ministry to its directors and officers, acting in those capacities.

5. MANAGEMENT OF CAPITAL

The Ministry defines its capital as the amounts included in its net assets. The Ministry's objective when managing its capital is to safeguard the Ministry's ability to continue as a going concern so that it can continue to provide the appropriate level of benefits and services to the public.

