

**ALGOMA NURSE PRACTITIONER - LED CLINIC  
FINANCIAL STATEMENTS**

**Year Ended March 31, 2018**

---

<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>Statement of Financial Position</b>	<b>2</b>
<b>Statement of Operations and Net Assets</b>	<b>3</b>
<b>Statement of Cash Flows</b>	<b>4</b>
<b>Notes to Financial Statements</b>	<b>5-8</b>



**INDEPENDENT AUDITOR'S REPORT**

The Board of Directors Algoma Nurse Practitioner - Led Clinic

**Report on the Financial Statements**

I have audited the accompanying financial statements of Algoma Nurse Practitioner - Led Clinic, which comprise the statement of financial position as at March 31, 2018 and the statement of operations and changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies.

**Management's Responsibility 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.

**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 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.

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

**Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of Algoma Nurse Practitioner - Led Clinic as at March 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountant  
Professional Corporation  
Authorized to practice public accounting by The Chartered Professional Accountants of Ontario  
Sault Ste. Marie, Ontario  
June 25, 2018

**ALGOMA NURSE PRACTITIONER - LED CLINIC  
STATEMENT OF FINANCIAL POSITION**

<b>AS AT MARCH 31,</b>	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
<b>Current assets .</b>		
Cash	\$ 725,307	\$ 716,993
Accounts receivable	8,614	14,660
Prepaid expenses	25,289	20,165
	<u>759,210</u>	<u>751,818</u>
Capital assets (note 2)	262,075	307,433
	<u>\$ 1,021,285</u>	<u>\$ 1,059,251</u>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 4)	\$ 111,265	\$ 72,263
Payable to the Ministry of Health and Long-Term Care (note 5)	646,726	679,555
	<u>757,991</u>	<u>751,818</u>
Deferred capital contributions (note 6)	262,074	307,433
	<u>1,020,065</u>	<u>1,059,251</u>
<b>Net Assets</b>		
Unrestricted	1,220	-
Commitment (note 8)		
	<u>\$ 1,021,285</u>	<u>\$ 1,059,251</u>

Approved by the Board:

  
\_\_\_\_\_  
  
\_\_\_\_\_

**ALGOMA NURSE PRACTITIONER - LED CLINIC  
STATEMENT OF OPERATIONS AND NET ASSETS**

<b>FOR THE YEAR ENDED MARCH 31,</b>	<b>2018</b>	<b>2017</b>
<b>Revenue:</b>		
Ministry of Health and Long-Term Care	\$ 1,264,002	\$ 1,226,463
Amortization of deferred capital contributions	75,815	76,112
Miscellaneous	5,466	341
One-time funding	-	2,780
	<b>1,345,283</b>	<b>1,305,696</b>
<b>Expenses:</b>		
Salaries and benefits	938,655	845,246
Amortization of capital assets	75,815	76,112
Premises	74,853	74,556
General overhead	29,459	39,320
Service fees	28,857	42,802
Information technology	21,139	24,727
Insurance	11,543	11,522
Equipment	2,519	3,029
One-time funding	-	2,780
	<b>1,182,840</b>	<b>1,120,094</b>
Excess of revenue over expenses before payable to the Ministry of Health and Long-Term Care	162,443	185,602
Payable to the Ministry of Health and Long-Term Care	161,223	185,602
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>1,220</b>	<b>-</b>
<b>UNRESTRICTED NET ASSETS, BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>
<b>UNRESTRICTED NET ASSETS, END OF YEAR</b>	<b>\$ 1,220</b>	<b>\$ -</b>

The accompanying notes are an integral part of these financial statements

**ALGOMA NURSE PRACTITIONER - LED CLINIC  
STATEMENT OF CASH FLOWS**

<b>FOR THE YEAR ENDED MARCH 31,</b>	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenue over (under) expenses	\$ 1,220	\$ -
Adjustments for:		
Amortization of capital assets	75,815	76,112
Amortization of deferred capital contributions	(75,815)	(76,112)
	<u>1,220</u>	<u>-</u>
Changes in non-cash operating working capital:		
Decrease (increase) in accounts receivable	6,046	(618)
Decrease (increase) in prepaid expenses	(5,124)	(9,152)
(Decrease) increase in accounts payable and accrued liabilities	39,002	(8,100)
Increase (decrease) in payable to the Ministry of Health and Long-Term Care	(32,830)	15,862
	<u>8,314</u>	<u>(2,008)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Deferred capital contributions	30,456	2,595
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of capital assets	(30,456)	(2,595)
<b>INCREASE (DECREASE) IN CASH DURING THE YEAR</b>	<b>8,314</b>	<b>(2,008)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>716,993</b>	<b>719,001</b>
<b>CASH, END OF YEAR</b>	<b>\$ 725,307</b>	<b>\$ 716,993</b>

The accompanying notes are an integral part of these financial statements

**ALGOMA NURSE PRACTITIONER - LED CLINIC  
NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2018**

---

The Algoma Nurse Practitioner - Led Clinic (the "Organization") is incorporated without share capital under the law of Ontario and its principal activities include providing health care services principally by nurse practitioners in collaboration with other health care providers. The Organization is exempt from income tax provided certain conditions are met under the income tax act.

**1. Significant accounting policies:**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook - Accounting.

(a) Revenue recognition:

The Organization follows the deferral method of accounting for contributions.

(b) Fund accounting:

The unrestricted fund accounts for contributions and other sources of revenue which are available for use at the Organization's discretion.

(c) Capital assets:

Purchased capital assets are recorded at cost.

Capital assets are amortized on the declining-balance or straight-line basis using the following annual rates:

Leasehold Improvements	Straight-line	10 years
Computer equipment	Declining-balance	50%
Computer software	Declining-balance	50%
Furniture and equipment	Declining-balance	20%

(d) Employee future benefits:

Defined contribution plan accounting is applied to a multi-employer defined benefit plan for which the Organization has insufficient information to apply defined benefit plan accounting.

**ALGOMA NURSE PRACTITIONER - LED CLINIC  
NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2018**

---

**1. Significant accounting policies (continued):**

**(e) Financial instruments:**

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has not elected to carry the instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows, the carrying value of the financial assets is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

**(f) Use of estimates:**

The preparation of financial statements in conformity 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 at the date of the financial statements and the reported amounts of revenue and expenses during the periods specified. Significant items subject to such estimates and assumptions include the carrying value of capital assets and valuation allowance for accounts receivable. Actual results could differ from those estimates. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the year in which they become known.

**(g) Prior year funding adjustment:**

The Organization received the majority of its funding from the Ministry of Health and Long-Term Care ("MOHLTC"). The operations are subject to audit by the MOHLTC with possible audit adjustments repayable to the MOHLTC. Any adjustments required as a result of these audits are made in the year they are determined.

**ALGOMA NURSE PRACTITIONER - LED CLINIC  
NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2018**

**2. Capital Assets:**

	<b>2018</b>		<b>2017</b>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Leasehold improvements	\$ 537,015	\$ 349,060	\$ 187,955	\$ 241,657
Furniture and equipment	150,185	104,967	45,218	39,946
Computer equipment	110,237	96,697	13,540	3,885
Computer software	50,668	35,306	15,362	21,945
	<u>\$ 2,493,317</u>	<u>\$ 2,761,311</u>	<u>\$ 262,075</u>	<u>\$ 307,433</u>

**3. Operating line of credit:**

The organization has an unsecured line of credit in the amount of \$25,000. The line of credit is due upon demand and bears interest at 4.0%. At March 31, 2018, no amounts had been drawn on the line of credit.

**4. Accounts payable and accrued liabilities:**

Included in accounts payable and accrued liabilities are government remittances payable of \$29,479 (2017 - \$25,917 ), which includes amounts payable for payroll related taxes.

**5. Payable to the Ministry of Health and Long-Term Care:**

The payable to the Ministry of Health and Long-Term Care consists of operating funding repayable of \$646,726 (2017 - \$679,555 ). \$161,223 of this balance is related to the current year operations. This payable balance is due to the start-up phase of the clinic and staff vacancies being left unfilled.

**6. Deferred capital contributions:**

	<b>2018</b>	<b>2017</b>
Balance, beginning of year	307,433	380,950
Amortization of deferred capital contributions	(75,815)	(76,112)
Addition to deferred capital contributions	\$ 30,456	\$ 2,595
Balance, end of year	262,074	307,433

**7. Pension plan:**

The Organization's employees are members of the Healthcare of Ontario Pension Plan (HOOPP) defined benefit pension plan. The contributions during the year were \$ 64,481 (2017 - \$ 55,305 ).



**ALGOMA NURSE PRACTITIONER - LED CLINIC  
NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2018**

---

**8. Commitment:**

The Organization leases their current premises under a lease agreement that expires in December 2020. The monthly lease payments is \$3,586, resulting in an annual lease commitment of \$44,196.

**9. Financial risks:**

**(a) Liquidity risk:**

Liquidity risk is the risk that the Organization will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Organization manages to liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfil its obligations. There has been no change to the risk exposures from 2017.



June 25, 2018

Board of Directors  
Algoma Nurse Practitioner - Led Clinic  
443 Northern Avenue  
Sault Ste. Marie, Ontario  
P6A 5L3

Dear Board of Directors:

**Re: Audit Findings**

This letter has been prepared to assist you with your review of the financial statements of Algoma Nurse Practitioner - Led Clinic for the period ending March 31, 2018. We look forward to meeting with you and discussing the matters outlined below.

**Significant Matters Arising**

***Changes to Audit Plan***

There were no changes to the audit plan (as previously presented to you).

***Other Matters***

We have not identified any other significant matters that we wish to bring to your attention at this time.

**Significant Difficulties Encountered**

There were no significant difficulties encountered during our audit to note.

**Comments on Accounting Practices**

***Accounting Policies***

The significant accounting policies used by the entity are outlined in Note 1 to the financial statements.

- There were no significant changes in accounting policies.
- We did not identify any alternative accounting policies that would have been more appropriate in the circumstances.
- We did not identify any significant accounting policies in controversial or emerging areas.

***Significant Accounting Estimates***

The following significant estimates/judgments are contained in the financial statements:

- Accrued liabilities;
- Book value of capital assets;

Based on audit work performed, we are satisfied with the estimates made by management.

**Significant Financial Statement Disclosures**

We did not identify any financial statement disclosures that are particularly significant, sensitive or require significant judgments, that we believe should be specifically drawn to your attention.

**Uncorrected Misstatements**

We accumulated uncorrected misstatements that we identified during our audit and communicated them to management. We then requested that management correct these misstatements if applicable. All uncorrected misstatements for the current period have been corrected.

**Significant Deficiencies in Internal Control**

A deficiency in internal control exists when a control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis, or when a control necessary to prevent, or detect and correct, misstatements in the financial statements on a timely basis is missing.

A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

To identify and assess the risks of material misstatement in the financial statements, we are required to obtain an understanding of internal control relevant to the audit. This understanding is used for the limited purpose of designing appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control and, as a result, we do not express any opinion. The limited purpose also means that there can be no assurance that all significant deficiencies in internal control, or any other control deficiencies, will be identified during our audit.

We did not identify any control deficiencies that, in our judgment, would be considered significant deficiencies.

**Written Representations**

In a separate communication, as attached, we have requested a number of written representations from management in respect to their responsibility for the preparation of the financial statements in accordance with Accounting standards for not-for-profit organizations.

**Other Audit Matters of Governance Interest**

We did not identify any other matters to bring to your attention at this time.

We would like to thank management and staff for the assistance they provided to us during the audit.

We hope the information in this audit findings letter will be useful. We would be pleased to discuss them with you and respond to any questions you may have.

3 of 3  
Algoma Nurse Practitioner - Led Clinic  
June 25, 2018

This letter was prepared for the sole use of those charged with governance of Algoma Nurse Practitioner - Led Clinic to carry out and discharge their responsibilities. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to any other person.

Yours truly,

Per:



Joe Ruscio, CPA, CA

Joe Ruscio Professional Corporation  
Authorized to practice public accounting by The Chartered Professional Accountants of Ontario

**Acknowledgement of Audit Committee:**

We have read and reviewed the above disclosures and understand and agree with the comments therein:

Per: [Signature] Title: Board Chair Date: Jun 10 / 19

Per: [Signature] Title: Treasurer Date: Jun 19 / 19