

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

Year Ended March 31, 2018

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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**

AS AT MARCH 31, **2018** **2017**

ASSETS

Current assets

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

\$ 1,021,285 \$ 1,059,251

LIABILITIES AND NET ASSETS

Current liabilities

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

1,020,065 1,059,251

Net Assets

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**

FOR THE YEAR ENDED MARCH 31,	2018	2017
Revenue:		
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
	<u>1,345,283</u>	<u>1,305,696</u>
Expenses:		
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
	<u>1,182,840</u>	<u>1,120,094</u>
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
EXCESS OF REVENUE OVER EXPENSES	<u>1,220</u>	<u>-</u>
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	<u>-</u>	<u>-</u>
UNRESTRICTED NET ASSETS, END OF YEAR	<u>\$ 1,220</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

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

FOR THE YEAR ENDED MARCH 31,	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
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>
CASH FLOW FROM FINANCING ACTIVITIES		
Deferred capital contributions	30,456	2,595
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of capital assets	(30,456)	(2,595)
INCREASE (DECREASE) IN CASH DURING THE YEAR	8,314	(2,008)
CASH, BEGINNING OF YEAR	716,993	719,001
CASH, END OF YEAR	\$ 725,307	\$ 716,993

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:

			2018	2017
	<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
	\$ 2,493,317	\$ 2,761,311	\$ 262,075	\$ 307,433

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:

	2018	2017
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.