

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

**Year ended March 31, 2017**

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INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Operations and Net Assets	3
Statement of Cash Flows	4
Summary of Significant Accounting Policies	5-6
Note to Financial Statements	7



**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, 2017 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, 2017 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 12, 2017

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

**AS AT MARCH 31,** **2017** **2016**

**ASSETS**

**Current assets**

Cash	\$ 716,993	\$ 719,001
Accounts receivable	14,660	14,042
Prepaid expenses	20,165	11,013

**751,818** **744,056**

Capital assets (note 2)

307,433 380,950

**\$ 1,059,251** **\$ 1,125,006**

**LIABILITIES AND NET ASSETS**

**Current liabilities**

Accounts payable and accrued liabilities (note 4)	\$ 72,263	\$ 80,364
Payable to the Ministry of Health and Long-Term Care (note 5)	679,555	663,693

**751,818** **744,057**

Deferred capital contributions (note 6)

307,433 380,950

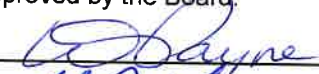

**1,059,251** **1,125,006**

**Net Assets**

Unrestricted  
Commitment (note 8)

**\$ 1,059,251** **\$ 1,125,006**

Approved by the Board:

  
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The accompanying notes are an integral part of these financial statements

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

**FOR THE YEAR ENDED MARCH 31,**

**2017**

**2016**

**Revenue:**

Ministry of Health and Long-Term Care	\$ 1,226,463	\$ 1,182,358
Amortization of deferred capital contributions	76,112	71,443
Miscellaneous	341	541
One-time funding	2,780	3,080
	<u>1,305,696</u>	<u>1,257,422</u>

**Expenses:**

Salaries and benefits	845,246	812,236
Amortization of capital assets	76,112	71,443
Premises	74,556	74,414
General overhead	39,320	35,583
Service fees	42,802	27,960
Information technology	24,727	24,344
Insurance	11,522	11,442
Equipment	3,029	2,867
One-time funding	2,780	3,080
	<u>1,120,094</u>	<u>1,063,369</u>

Excess of revenue over expenses before payable to the Ministry of Health and Long-Term Care	185,602	194,053
Payable to the Ministry of Health and Long-Term Care	185,602	194,053
Excess of revenue over expenses	-	-
Unrestricted net assets, beginning of year	-	-
Unrestricted net assets, end of year	\$ -	\$ -

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,**

**2017**

**2016**

Cash flows from operating activities:		
Excess of revenue over (under) expenses	\$ -	\$ -
Adjustments for:		
Amortization of capital assets	76,112	71,443
Amortization of deferred capital contributions	(76,112)	(71,443)
	-	-
Changes in non-cash operating working capital:		
Decrease (increase) in accounts receivable	(618)	929
Decrease (increase) in prepaid expenses	(9,152)	9,000
(Decrease) increase in accounts payable and accrued liabilities	(8,100)	(16,277)
Increase (decrease) in payable to the Ministry of Health and Long-Term Care	15,862	194,053
Increase (decrease) in cash during the year	(2,008)	187,705
Cash, beginning of year	719,001	531,296
Cash, end of year	\$ 716,993	\$ 719,001

The accompanying notes are an integral part of these financial statements

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

**MARCH 31, 2017**

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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, 2017**

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**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, 2017**

**2. Capital Assets:**

			<b>2017</b>	<b>2016</b>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Leasehold improvements	\$ 537,015	\$ 295,358	\$ 241,657	\$ 295,359
Furniture and equipment	135,451	95,505	39,946	49,933
Computer equipment	94,515	90,630	3,885	4,308
Computer software	50,668	28,723	21,945	31,350
	<b>\$ 2,639,245</b>	<b>\$ 2,847,950</b>	<b>\$ 307,433</b>	<b>\$ 380,950</b>

**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, 2017, 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 \$25,917 (2016 - \$26,057 ), 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 \$679,555 (2016 - \$663,693 ). \$185,602 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>2017</b>	<b>2016</b>
Balance, beginning of year	380,950	452,393
Amortization of deferred capital contributions	(76,112)	(71,443)
Addition to deferred capital contributions	\$ 2,595	\$ -
Balance, end of year	307,433	380,950

**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 \$ 55,305 (2016 - \$ 62,548 ).



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

**MARCH 31, 2017**

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**8. Commitment:**

The Organization leases their current premises under a lease agreement that expires in December 2020. The monthly lease payments is \$3,544, resulting in an annual lease commitment of \$42,525.

**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 2016.

**10. Comparative figures:**

Comparative figures were reported upon by another firm of chartered professional accountants and have been restated to comply with the presentation adopted for the current year.

<b>Report Name:</b>	<b>Audited Statement of Revenues &amp; Expenditures Report (ASRER)</b>
<b>Name of NPLC:</b>	<b>Algoma NPLC</b>
<b>Reporting Period:</b>	<b>April 1, 2016 to March 31, 2017</b>

<b>Category</b>	<b>Total Approved Budget</b>	<b>Total Actual</b>
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<b>REVENUES</b>		
MOHLTC Base Allocation	\$0	\$1,229,058
MOHLTC One-time payments	\$0	\$0
MOHLTC In Year Holdbacks (Deduct)	\$0	\$0
<b>TOTAL REVENUES</b>	<b>\$0</b>	<b>\$1,229,058</b>

<b>EXPENDITURES</b>
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<b>Stipend</b>		
Collaborating Physician	\$0	\$21,798
Nurse Practitioner Lead	\$0	\$6,539
<b>Total Stipends</b>	<b>\$0</b>	<b>\$28,337</b>

<b>Inter-professional Health Providers (IHP)</b>		
Nurse Practitioner	\$0	\$260,704
Registered Nurse	\$0	\$72,537
Registered Practical Nurse	\$0	\$102,135
Pharmacist	\$0	\$21,049
Registered Dietitian	\$0	\$0
Health Promoter	\$0	\$0
Social Worker	\$0	\$72,149
Specify	\$0	\$0
Specify	\$0	\$0
Specify	\$0	\$0
<b>Total Salaries</b>	<b>\$0</b>	<b>\$528,574</b>
Benefits @ 20%	\$0	\$82,139
<b>Total Salaries &amp; Benefits</b>	<b>\$0</b>	<b>\$610,713</b>

<b>Management and Admin (M &amp; A)</b>		
Administrative Lead	\$0	\$83,854
Administrative Assistant	\$0	\$47,593
Receptionist/Clerical Staff	\$0	\$39,661
Specify	\$0	\$0
Specify	\$0	\$0
Specify	\$0	\$0
<b>Total Salaries</b>	<b>\$0</b>	<b>\$171,108</b>
Benefits @ 20%	\$0	\$35,089
<b>Total Salaries &amp; Benefits</b>	<b>\$0</b>	<b>\$206,197</b>

<b>TOTAL HUMAN RESOURCES (ALL)</b>	<b>\$0</b>	<b>\$845,246</b>
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<b>Overhead (includes HST)</b>		
<b>Equipment</b>		
<i>Total Budgeted</i>		
Equipment Maintenance		\$920
Security		\$2,109
Specify		\$0
sub-total Equipment	\$0	\$3,029
<b>General Overhead</b>		
<i>Total Budgeted</i>		
Advertising		\$1,837
Bank fees		\$850
Supplies/materials		\$27,112
Postage/courier		\$179
Operational Service Contracts		\$4,406
Telephone		\$6,319
Board Meeting expenses		\$1,212
Specify		\$0
sub-total General Overhead	\$0	\$41,915
<b>Information Technology (IT)</b>		
<i>Total Budgeted</i>		
Hosting Support and Maintenance		\$20,996
Connectivity		\$0
Software License		\$3,731
Specify		\$0
sub-total IT	\$0	\$24,727
<b>Insurance/Professional Liability</b>		
<i>Total Budgeted</i>		
Directors Insurance		\$3,301
General Liability		\$4,418
Contents		\$1,932
Specify		\$1,871
sub-total Insurance	\$0	\$11,522
<b>Premises</b>		
<i>Total Budgeted</i>		
Rent		\$43,095
Storage		\$2,140
Common Area Maintenance		\$29,321
Office Furniture		\$0
Leasehold Improvements		\$0
Specify		\$0
Specify		\$0
sub-total Premises	\$0	\$74,556
<b>Service Fee</b>		
<i>Total Budgeted</i>		
Audit		\$5,015
Legal		\$4,521
Clinical Travel		\$0

Professional Development		\$6,722
General Consultant Fees		\$16,880
Recruitment		\$9,665
Contingency		\$0
Retention		\$0
Relief		\$0
Specify		\$0
sub-total Service Fee	\$0	\$42,802
<b>Total Overhead</b>	<b>\$0</b>	<b>\$198,550</b>

<b>One-Time Funding</b>		
Specify		\$0
Specify		\$0
sub-total One-Time Funding	\$0	\$0
<b>Total Human Resources, Overhead and One-Time</b>	<b>\$0</b>	<b>\$1,043,796</b>

<b>Other Income Recoverable to MOHLTC</b>		
Interest		\$341
Specify		\$0
<b>Total Other Income Recoverable</b>		<b>\$341</b>

<b>TOTAL REVENUE MINUES EXPENDITURES AND OTHER INCOME RECOVERABLE</b>		<b>\$185,602</b>
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<b>Reconciliation between Audited Financial Statements and ASRER</b>		
Expenditures Per Audited Financial Statements		\$1,120,093
TB Clinic expenses not funded by MOHLTC		(\$2,780)
Amortization		(\$76,112)
Capitalized Expenses from General Overhead		\$2,595
Add/(Deduct) (specify):		\$0
Add/(Deduct) (specify):		\$0
<b>Total (should match total expenditures line 118)</b>		<b>\$1,043,796</b>

Notes:

Date: June 12, 2017

Signature of Auditor(s)

Signature of Board Chair