

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

YEAR ENDED MARCH 31, 2023

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INDEPENDENT AUDITOR'S REPORT

June 20, 2023

The Board of Directors of Algoma Nurse Practitioner - Led Clinic

Opinion

I have audited the financial statements of the Algoma Nurse Practitioner - Led Clinic, which comprise the statement of financial position as at March 31, 2023, and the statement of operations and changes in net assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Algoma Nurse Practitioner - Led Clinic as at March 31, 2023 and its financial performance and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of my report. I am independent of Algoma Nurse Practitioner - Led Clinic in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



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

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

AS AT MARCH 31,	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and short-term investments	\$ 424,103	\$ 395,549
Accounts receivable	8,971	30,735
Prepaid expenses	8,970	9,041
	<u>442,044</u>	<u>435,325</u>
CAPITAL ASSETS (note 2)	41,490	56,663
	<u>\$ 483,534</u>	<u>\$ 491,988</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (note 4)	\$ 93,122	\$ 123,474
Payable to the Ministry of Health and Long-Term Care (note 5)	224,788	189,325
Deferred contributions (note 6)	110,281	115,381
	<u>428,191</u>	<u>428,180</u>
DEFERRED CAPITAL CONTRIBUTIONS (note 7)	41,490	56,663
	<u>469,681</u>	<u>484,843</u>
NET ASSETS		
Unrestricted	13,853	7,145
	<u>\$ 483,534</u>	<u>\$ 491,988</u>

Commitment (note 9)

APPROVED ON BEHALF OF THE BOARD:

 Director

Director

The accompanying notes are an integral part of these financial statements

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

YEAR ENDED MARCH 31,	2023	2022
REVENUE		
Ministry of Health and Long-Term Care	\$ 1,466,722	\$ 1,362,229
Amortization of deferred capital contributions	15,173	48,008
Interest revenue and other income	10,114	1,784
Ministry of Health and Long-Term Care one-time funding	5,100	20,096
Ontario Health one-time funding	10,486	-
Ontario Government nurse retention funding	42,805	20,167
	<u>1,550,400</u>	<u>1,452,284</u>
EXPENDITURES		
Amortization of capital assets	15,173	48,008
Equipment	2,631	1,373
General overhead	61,795	52,007
Information technology	35,722	37,998
Insurance	21,017	16,446
Premises	70,050	69,406
Salaries and benefits	1,150,956	1,136,580
Service fees	150,885	67,659
	<u>1,508,229</u>	<u>1,429,477</u>
EXCESS OF REVENUE OVER EXPENDITURES BEFORE PAYABLE TO THE MINISTRY OF HEALTH AND LONG-TERM CARE	42,171	22,807
PAYABLE TO THE MINISTRY OF HEALTH AND LONG-TERM CARE	35,463	21,499
EXCESS OF REVENUE OVER EXPENDITURES	6,708	1,308
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	7,145	5,837
UNRESTRICTED NET ASSETS, END OF YEAR	\$ 13,853	\$ 7,145

The accompanying notes are an integral part of these financial statements

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

YEAR ENDED MARCH 31,	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenditures for the year	\$ 6,708	\$ 1,308
Add charges to income not involving cash:		
Amortization of capital assets	15,173	48,008
Amortization of deferred capital contributions	(15,173)	(48,008)
	6,708	1,308
Changes in non-cash working capital:		
Accounts receivable	21,764	(17,605)
Prepaid expenses	71	11,967
Accounts payable and accrued liabilities	(30,352)	7,310
Deferred contributions	(5,100)	(20,096)
Payable to the Ministry of Health and Long-Term Care	35,463	21,499
	28,554	4,383
CASH FLOW FROM FINANCING ACTIVITIES		
Deferred capital contributions	-	7,043
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of capital assets	-	(7,043)
INCREASE IN CASH DURING THE YEAR	28,554	4,383
CASH, BEGINNING OF YEAR	395,549	391,166
CASH, END OF YEAR	\$ 424,103	\$ 395,549
COMPRISED OF:		
Cash	\$ 270,750	\$ 245,084
Short-term investments	153,353	150,465
	\$ 424,103	\$ 395,549

The accompanying notes are an integral part of these financial statements

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

YEAR ENDED MARCH 31, 2023

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

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%

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.

Financial Instruments

The Board initially measures its financial assets and financial liabilities at fair value and subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and other revenues are recognized as revenue when received or receivable if amounts to be received can be reasonably estimated and collection is reasonably assured.

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

YEAR ENDED MARCH 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

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

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.

Prior Year Funding Adjustment

The Organization receives 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.

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.

2. CAPITAL ASSETS

			2023	2022
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Leasehold improvements	\$ 537,015	\$ 537,015	\$ -	\$ -
Furniture and equipment	178,622	148,761	29,861	37,326
Computer equipment	150,331	146,900	3,431	7,626
Computer software	65,950	57,752	8,198	11,711
	\$ 931,918	\$ 890,428	\$ 41,490	\$ 56,663

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

YEAR ENDED MARCH 31, 2023

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 prime plus 1.0%. At March 31, 2023, 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 \$23,155 (2022 - \$20,738), 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 \$224,788 (2022 - \$189,325). \$35,463 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 CONTRIBUTIONS

Deferred contributions represent unspent resources restricted for specific purposes. On September 1, 2017, the Ministry of Health and Long-Term Care agreed to provide capital planning grant funds of \$175,000 to the Organization. The deferred contributions balance at year end is as follows:

	2023	2022
Ministry of Health and Long-Term Care (Capital Grant)	\$ 110,281	\$ 115,381

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred contributions represent restricted contributions from funders with which the Organization's furniture, equipment, computers and leasehold improvements were purchased. The changes in the deferred contributions balance for the year are as follows:

	2023	2022
Balance, beginning of year	\$ 56,663	\$ 97,628
Contributions received during the year	-	7,043
Amortized to revenue during the year	(15,173)	(48,008)
Balance, end of year	\$ 41,490	\$ 56,663

8. PENSION PLAN

The Organization's temporary and permanent employees are members of the Healthcare of Ontario Pension Plan (HOOPP) defined benefit pension plan. The contributions during the year were \$ 84,815 (2022 - \$ 95,536).

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

YEAR ENDED MARCH 31, 2023

9. COMMITMENT

The Organization leases their current premises under a lease agreement that expires in December 2025. The fiscal lease commitment to term is as follows:

2024	\$	47,766
2025	\$	48,724
2026 (9 months)	\$	37,106

In 2023, \$46,823 was paid to lease the premises.

10. FINANCIAL RISKS

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 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 2022.

Interest Rate Risk

Interest rate risk is the risk of potential financial loss caused by fluctuations in fair value of future cash flow of financial instruments due to changes in market interest rates. The Organization is exposed to this risk through its interest bearing deposits. The Organization manages this risk through investing in fixed-rate deposits of short to medium term maturity.

11. ECONOMIC DEPENDENCE

The Organization is dependent on annual contributions from the Ministry of Health and Long-Term Care in order to fund its general operations (2023 - 95%, 2022 - 95%). Should these contributions cease, the Organization may be unable to continue operations.