

**Barrie and Community
Family Health Team**

Financial Statements
For the year ended March 31, 2018

**Barrie and Community Family Health
Team
Financial Statements
For the year ended March 31, 2018**

	Contents
Independent Auditor's Report	2
Financial Statements	
Statement of Financial Position	3
Statement of Operations and Changes in General Fund Balance	4
Statement of Cash Flows	5
Notes to the Financial Statements	6



Tel: 705-726-6331
Fax: 705-722-6588
www.bdo.ca

BDO Canada LLP
300 Lakeshore Drive, Suite 300
Barrie ON L4N 0B4 Canada

Independent Auditor's Report

To the Board of Directors of Barrie and Community Family Health Team

We have audited the accompanying financial statements of Barrie and Community Family Health Team, which comprise the statement of financial position as at March 31, 2018, and the statements of operations and changes in general fund balance 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 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Barrie and Community Family Health Team as at March 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario
June 20, 2018

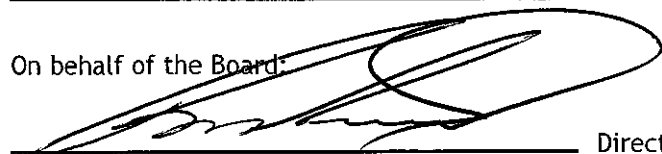
**Barrie and Community Family Health Team
Statement of Financial Position**

March 31	2018	2017
Assets		
Current assets		
Cash (Note 2)	\$ 1,282,638	\$ 688,102
Accounts receivable	311,328	202,270
Notes receivable (Note 3)	84,325	83,151
Prepaid expenses	15,620	19,001
	1,693,911	992,524
Capital assets (Note 4)	313,559	293,346
	\$ 2,007,470	\$ 1,285,870

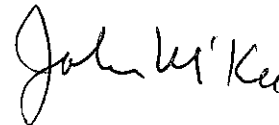
Liabilities and Net Assets

Current liabilities		
Accounts payable and accrued liabilities (Note 5)	\$ 528,218	\$ 509,268
Deferred revenue - Canada Health Infoway Inc. (Note 6)	84,834	84,906
Deferred revenue - Lung Health Care Program (Note 7)	51,207	56,304
Deferred revenue - Ministry (Note 8)	983,922	318,245
Deferred revenue - Other Programs (Note 9)	45,730	23,800
	1,693,911	992,523
Deferred contributions related to capital assets (Note 10)	313,559	293,347
	2,007,470	1,285,870
Commitments (Note 11)		
Contingency (Note 12)		
Net assets		
General Fund	-	-
	\$ 2,007,470	\$ 1,285,870

On behalf of the Board:


_____ Director

_____ Director



Barrie and Community Family Health Team Statement of Operations and Changes in General Fund Balance

For the year ended March 31	2018	2017
Revenues		
Ministry of Health and Long-Term Care funding (Notes 8 and 12)	\$ 10,785,061	\$ 10,401,570
Barrie Community Health Link funding	254,277	381,835
Canada Health Infoway Inc. funding (Note 6)	72	209,144
Interest	2,372	539
Amortization of deferred contributions related to capital assets (Note 10)	177,547	87,954
Gain on disposal of capital assets	-	2,835
Ontario Telemedicine Network funding	96,649	78,589
Lung Health Care Program revenue (Note 7)	5,097	10,000
Other program revenue (Note 9)	13,677	13,500
	11,334,752	11,185,966
Expenses		
Amortization of capital assets	177,547	87,954
Audit fees	9,468	14,070
Bank charges	16,366	16,282
Cleaners	104,733	97,749
Communication	7,520	13,147
Conferences and travel	5,758	2,700
Consulting fees	19,423	16,792
Employee benefits (Note 13)	1,414,892	1,356,368
EMR expenses	167,761	263,985
Equipment rentals	16,963	17,030
Insurance	50,531	47,516
Legal fees	-	3,594
Medical supplies	102,216	194,001
Memberships and dues	41,660	37,062
Miscellaneous and other program operating expenses	218,392	390,071
Miscellaneous and other program operating expenses - Barrie Community Health Link	254,277	381,835
Office supplies	21,056	21,417
Printing and postage	5,260	7,258
Professional development	170,384	57,629
Recruitment	7,528	12,560
Rent (Note 11)	1,089,452	1,050,256
Repairs and maintenance	24,252	63,243
Salary and wages	7,373,252	6,989,237
Security	3,158	3,780
Telephone	32,903	40,430
	11,334,752	11,185,966
Excess of revenues over expenses for the year	-	-
Net assets, beginning of year	-	-
Net assets, end of year	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

Barrie and Community Family Health Team Statement of Cash Flows

For the year ended March 31	2018	2017
Cash flows from operating activities		
Excess of revenues over expenses for the year	\$ -	\$ -
Adjustments for:		
Amortization of deferred contributions	(177,547)	(87,954)
Amortization of capital assets	177,547	87,954
Deferred contributions recognized on disposal of capital assets	-	(1,163)
Gain on disposal of capital assets	-	(2,835)
Change in non-cash working capital items:		
Accounts receivable	(109,058)	370,218
Prepaid expenses	3,381	170,542
Notes receivable	(1,174)	48,284
Accounts payable and accrued liabilities	18,949	(9,724)
	<u>(87,902)</u>	<u>575,322</u>
Cash flows from investing activities		
Purchases of capital assets	(197,759)	(139,014)
Proceeds from disposal of capital assets	-	3,998
	<u>(197,759)</u>	<u>(135,016)</u>
Cash flows from financing activities		
Deferred contributions related to capital assets received	197,759	139,014
Increase (decrease) in deferred revenue received from Canada Health Infoway Inc.	(72)	24,721
Decrease in deferred revenue related to Lung Health Care Program	(5,097)	(10,000)
Decrease in deferred revenue received from the Ministry of Health and Long-Term Care	665,677	(453,841)
Increase (decrease) in deferred revenue related to Other Programs	21,930	15,925
	<u>880,197</u>	<u>(284,181)</u>
Increase in cash during the year	594,536	156,125
Cash, beginning of the year	<u>688,102</u>	<u>531,977</u>
Cash, end of the year	\$ 1,282,638	\$ 688,102

The accompanying notes are an integral part of these financial statements.

Barrie and Community Family Health Team

Notes to the Financial Statements

March 31, 2018

1. Significant Accounting Policies

Nature and Purpose of Organization

The Barrie and Community Family Health Team (the "Team") is a not-for-profit organization incorporated without share capital under the Corporations Act (Ontario). The Team is exempt from income tax under the Canadian Income Tax Act.

The Team's purpose is to provide the community with better access to doctors and nurses and other health care practitioners.

Basis of Accounting

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

The Team follows the deferral method of accounting for contributions which include government grants. The Team is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health and Long-Term Care. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. When a portion of a grant relates to a future period, it is deferred and recognized as revenue in that subsequent period.

Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Contributions restricted for the purchase of capital assets are deferred and recognized as revenue on a straight-line basis at a rate corresponding with the amortization rate for the related capital assets.

Interest is recognized at the time the revenue is earned.

Contributed Services

Volunteers contribute their time to assist the Team in carrying out its activities. While these services benefit the Team considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly these contributed services are not recognized in the financial statements.

Barrie and Community Family Health Team Notes to the Financial Statements

March 31, 2018

1. Significant Accounting Policies (continued)

Fund Accounting

The general fund accounts for the Team's program delivery and administrative activities.

Use of Estimates

The preparation of financial statements in accordance 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 revenues and expenses during the reporting period. The principal estimates used in the preparation of these financial statements are the estimated useful life of capital assets, the fair value of financial instruments, and the deferral of revenue. Actual results could differ from management's best estimates as additional information becomes available in the future.

Capital Assets

Purchased capital assets are recorded at cost.

Amortization is provided on capital assets on the straight-line basis, from the date of purchase, over their estimated useful lives as follows:

Office equipment	5 years
Medical equipment	5 years
Leasehold improvements	5 years
Computer hardware	2 years
Computer software	1 year

Barrie and Community Family Health Team Notes to the Financial Statements

March 31, 2018

1. Significant Accounting Policies (continued)

Deferred Revenue

Deferred revenue represents unspent resources externally restricted for the delivery of the Team's programs.

Pension Plan

The Team accounts for its participation in a registered retirement savings plan as a defined contribution plan. Both the Team and participating employees are required to make plan contributions based on participating employees' contributory earnings. The Team recognizes the expense related to this plan as contributions are made.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument for those measured at amortized cost.

Barrie and Community Family Health Team Notes to the Financial Statements

March 31, 2018

2. Cash

The Team's bank accounts are held at one chartered bank and earn interest at variable rates dependant on average monthly balances.

3. Notes Receivable

The notes bear interest at 18% per annum on amounts outstanding for more than 30 days, are unsecured and have no fixed terms of repayment.

4. Capital Assets

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Office equipment	\$ 290,826	\$ 213,193	\$ 272,005	\$ 195,394
Medical equipment	183,058	157,691	185,106	160,501
Leasehold improvements	540,673	392,999	528,299	345,396
Computer hardware	336,866	273,981	312,045	302,818
Computer software	82,770	82,770	56,703	56,703
	\$ 1,434,193	\$ 1,120,634	\$ 1,354,158	\$ 1,060,812
Net book value		\$ 313,559		\$ 293,346

During the year, the Team purchased capital assets in the amount of \$197,759 (2017 - \$139,014) using funding provided by the Ministry of Health and Long-Term Care.

5. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$48,060 (2017 - \$48,394).

Barrie and Community Family Health Team Notes to the Financial Statements

March 31, 2018

6. Deferred Revenue - Canada Health Infoway Inc.

Deferred revenue represents the unspent portion of contributions received under the terms of the agreement. These contributions are recorded as revenue in the statement of operations.

	2018	2017
Balance, beginning of year	\$ 84,906	\$ 60,185
Funding received from Canada Health Infoway Inc.	-	233,865
Amounts recognized as revenue	(72)	(209,144)
Balance, end of year	\$ 84,834	\$ 84,906

7. Deferred Revenue - Lung Health Care Program

Deferred revenue represents the unspent portion of contributions received to be used to provide a Lung Health Care program. These contributions are recorded as revenue in the statement of operations when the related expenses are incurred.

	2018	2017
Balance, beginning of year	\$ 56,304	\$ 66,304
Amounts recognized as revenue	(5,097)	(10,000)
Balance, end of year	\$ 51,207	\$ 56,304

Barrie and Community Family Health Team Notes to the Financial Statements

March 31, 2018

8. Deferred Revenue - Ministry

The Team has received funds from the Ministry of Health and Long-Term Care based on projected costs. As at March 31, 2018, the Team has surplus funds that have not yet been spent. Therefore, the surplus grant monies have been reflected as deferred revenue to be repaid in future years.

	2018	2017
Balance, beginning of year	\$ 318,245	\$ 772,086
Funding received from the Ministry of Health and Long-Term Care	11,999,423	11,098,623
Amounts recognized as revenue	(11,135,987)	(10,861,994)
	863,436	236,629
Funds recovered during the year	-	(552,620)
Amounts transferred to deferred contributions related to capital assets (net of disposals)	(197,759)	(137,850)
Balance, end of year	\$ 983,922	\$ 318,245

9. Deferred Revenue - Other Programs

Deferred revenue represents the unspent portion of contributions received to be used for various programs and quality initiatives. These contributions are recorded as revenue in the statement of operations when the related expenses are incurred.

	2018	2017
Balance, beginning of year	\$ 23,800	\$ 7,875
Funding received for other programs	35,607	29,425
Amounts recognized as revenue	(13,677)	(13,500)
Balance, end of year	\$ 45,730	\$ 23,800

Barrie and Community Family Health Team Notes to the Financial Statements

March 31, 2018

10. Deferred Contributions Related to Capital Assets

Deferred contributions represent the unamortized amount of grants received to be used in the purchase of capital assets. The amortization of these contributions is recorded as revenue in the statement of operations.

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 293,347	\$ 243,450
Grant received from Ministry of Health and Long-Term Care for purchase of capital assets	197,759	139,014
Deferred contributions recognized on the disposal of capital assets	-	(1,163)
Amounts amortized to revenue	<u>(177,547)</u>	<u>(87,954)</u>
Balance, end of year	<u>\$ 313,559</u>	<u>\$ 293,347</u>

11. Commitments

The Team is committed to minimum annual operating lease payments on its premises and office equipment. These leases have expiry dates ranging from July 2018 to April 2028.

The minimum annual lease payments excluding HST for the next five years and thereafter are as follows:

2019	\$ 741,094
2020	738,302
2021	677,385
2022	619,260
2023	619,260
Thereafter	<u>3,147,905</u>
	<u>\$ 6,543,206</u>

12. Contingency

The Team receives funding from the Ministry of Health and Long-Term Care, and is economically dependent upon them. The amount of funding provided to the Team is subject to final review and approval by the Ministry. As at the date of these financial statements, funding for the period of April 1, 2017 to March 31, 2018 has not been subject to this review process. Any future adjustments required as a result of this review will be accounted for in the year the adjustment is determined.

Barrie and Community Family Health Team Notes to the Financial Statements

March 31, 2018

13. Pension Plan

The Team is responsible for matching the registered retirement savings plan contributions of participating full time employees up to 5% of the employees' payroll earnings. The amounts are contributed each pay period.

The total cost recognized for the Team's defined contribution plan is as follows:

	<u>2018</u>	<u>2017</u>
Current service cost	\$ 181,506	\$ 190,056

14. Financial Instrument Risk

Credit Risk

The Team is exposed to credit risk arising from its accounts receivable and notes receivable. The majority of the Team's receivables are from government sources and the Team works to ensure they meet all eligibility criteria in order to qualify to receive the funding. The Team is also exposed to credit risk as its cash and short-term deposits are all held at a major financial institution and are in excess of the amount insured by agencies of the federal government.

Liquidity Risk

Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Team will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities.

There have been no changes to the Team's financial instrument exposure from the prior year.

15. Economic Dependence

The Team received 98% (2017 - 98%) of its revenue from the Ministry of Health and Long-Term Care.
