

Shuswap North Okanagan Division of
Family Practice Society
Client Information Package
For the Year Ended March 31, 2021

Contact Information

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Shuswap North Okanagan Division of Family Practice Society
Financial Statements
For the Year Ended March 31, 2021

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Independent Auditor's Report

To the board of directors of
Shuswap North Okanagan Division of Family Practice Society

Opinion

We have audited the financial statements of Shuswap North Okanagan Division of Family Practice Society ("Society"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society 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.

We 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 we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Society Act of British Columbia, we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

BDO Canada LLP

Chartered Professional Accountants

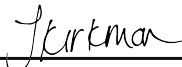
Salmon Arm, British Columbia
August 19, 2021

**Shuswap North Okanagan Division of Family Practice Society
Statement of Financial Position**

March 31	2021	2020
Assets		
Current		
Cash	\$ 393,561	\$ 216,959
Accounts receivable	45,429	43,125
Prepaid expenses	2,954	2,863
	441,944	262,947
Equipment (Note 2)	7,433	8,735
	\$ 449,377	\$ 271,682
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 3)	\$ 141,017	\$ 29,944
Deferred revenue (Note 4)	235,580	168,958
	376,597	198,902
Net Assets		
Unrestricted	72,780	72,780
	\$ 449,377	\$ 271,682

On behalf of the Board:

 _____ Director

 _____ Director

Shuswap North Okanagan Division of Family Practice Society
Statement of Changes in Net Assets

For the year ended March 31	2021 Unrestricted	2020 Unrestricted
Balance, beginning of the year, as previously stated	\$ 72,780	\$ 76,475
Deficiency of revenue over expenses	<u>-</u>	<u>(3,695)</u>
Balance, end of the year, as previously stated	<u>\$ 72,780</u>	<u>\$ 72,780</u>

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

Shuswap North Okanagan Division of Family Practice Society Statement of Operations

For the year ended March 31	2021	2020
Revenue		
Infrastructure	\$ 687,807	\$ 572,323
Unassigned in-patient care network	182,500	183,000
GPSC Long Term Care Initiative	456,868	414,019
PMH Network Development	-	134,678
Innovation PMH Development	88,500	-
Shared Care Initiatives	98,974	11,707
	1,514,649	1,315,727
Expenses		
Amortization	2,290	2,183
Bank charges and interest	1,571	1,294
Continuing medical education	64,778	77,553
Directors and member fees (Note 6)	79,767	60,058
Division collaboration with community agencies and programs (Note 5)	66,711	72,182
Event and meeting costs	16,381	32,971
Innovation PMH Development	89,119	-
Insurance	1,734	956
Office	12,563	13,968
PMH Network Development	2,518	136,191
Professional fees	13,772	12,484
Programs and projects (Note 7)	241,921	132,119
Residential care program	456,868	414,019
Salaries and wages	179,058	169,712
Shared Care Initiative	98,974	11,707
Travel	4,124	2,254
Unassigned in-patient care network fees	182,500	183,000
	1,514,649	1,322,651
Excess (deficiency) of revenues over expenses	\$ -	\$ (6,924)

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

Shuswap North Okanagan Division of Family Practice Society Statement of Cash Flows

For the year ended March 31	2021	2020
Cash flows from operating activities		
Cash receipts from funders	\$ 1,578,968	\$ 1,275,935
Cash paid to suppliers and employees	(1,399,807)	(1,302,387)
Interest paid	(1,571)	(1,294)
	177,590	(27,746)
Cash flows from investing activities		
Acquisition of equipment	(988)	-
Net increase (decrease) in cash	176,602	(27,746)
Cash, beginning of the year	216,959	244,705
Cash, end of the year	\$ 393,561	\$ 216,959

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

Shuswap North Okanagan Division of Family Practice Society

Notes to Financial Statements

March 31, 2021

1. Significant Accounting Policies

Nature of Organization The Shuswap North Okanagan Division of Family Practice Society (the "Society") is registered under the Society Act of British Columbia as a not-for-profit organization. The Society's purpose is to work with health system partners to address common health care goals.

Basis of Accounting The Society has prepared its financial statements in accordance with Canadian accounting standards for not-for-profit organizations.

Equipment Equipment is recorded at cost less accumulated amortization. Cost includes all amounts related to the acquisition and improvements of the equipment. Replacements and repairs to equipment is expensed during the year incurred.

Amortization based on the estimated useful life of the asset is calculated as follows:

	Method	Rate
Furniture and equipment	Declining balance	20%
Computer equipment	Declining balance	55%

When equipment no longer has any long term service potential to the Society, it is written down to its residual value, if any.

Revenue Recognition The Society 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 are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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 expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Continued...

Shuswap North Okanagan Division of Family Practice Society Notes to Financial Statements

March 31, 2021

1. Significant Accounting Policies (continued)

Financial Instruments Financial Instruments are recorded at fair value at initial recognition.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

2. Equipment

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and equipment	\$ 21,368	\$ 14,380	\$ 21,368	\$ 12,633
Computer equipment	3,821	3,376	2,833	2,833
	\$ 25,189	\$ 17,756	\$ 24,201	\$ 15,466
Net book value		\$ 7,433		\$ 8,735

3. Government Remittances

Included in accounts payable and accrued liabilities are government remittances payable of \$ 1,616 (2020 - \$ Nil).

Shuswap North Okanagan Division of Family Practice Society
Notes to Financial Statements

March 31, 2021

4. Deferred Revenue

	Balance 2020	Funding Received	Revenue Recognized	Balance 2021
Infrastructure	\$ 26,835	\$ 694,205	\$ (687,807)	\$ 33,233
GPSC Long Term Care Initiative	103,830	442,400	(456,868)	89,362
PMH Network Development		88,500	(88,500)	-
Shared Care Initiative Attachment Mechanism	3,293	138,666	98,974	42,985
Funding	35,000	35,000	-	70,000
In-Patient Care		182,500	182,500	-
	<u>\$ 168,958</u>	<u>\$ 1,581,271</u>	<u>\$ (951,701)</u>	<u>\$ 235,580</u>

5. Division Collaboration with Community Agencies and Programs

	2021	2020
Body Science - Beairsto (recovery)	\$ (2,148)	\$ 3,547
Collaboration with Shuswap Hospice Society	19,347	19,151
For Everything That's Community Health	273	272
Independent Living Vernon	-	8,667
Salmon Arm Seniors Wellness Centre	35,337	-
Salmon Arm Youth Wellness Centre (Sullivan Campus)	238	-
Shuswap Intergenerational Choir	548	14,840
Vernon CYMHSU Local Action Team	1,740	1,890
Vernon Seniors Action Network	11,376	18,903
	<u>\$ 66,711</u>	<u>\$ 67,270</u>

Shuswap North Okanagan Division of Family Practice Society Notes to Financial Statements

March 31, 2021

6. Directors and Member Fees

	2021	2020
Board meetings	\$ 67,724	\$ 52,248
Committee's and councils (CSC / ISC)	6,599	7,810
Change management (PCN) and SNO events	5,445	-
	<u>\$ 79,768</u>	<u>\$ 60,058</u>

7. Programs and Projects'

	2021	2020
Vernon Primary Maternity Care Clinic	\$ 2,100	\$ 8,400
Mentorship	572	2,965
Recruitment	32,326	3,400
Physician wellness	83,240	64,724
Palliative care	5,484	-
Pathways	3,961	4,913
Infrastructure subscriptions	3,107	3,621
Child and youth mental health	1,058	1,685
COVID-19 support	110,073	44,093
	<u>\$ 241,921</u>	<u>\$ 133,801</u>

8. Economic Dependence

The Society receives its funding from the British Columbia Ministry of Health and is economically dependent upon this funding to continue its operations.

9. Wages, Honoraria and Benefits

The Society Act (British Columbia) requires certain information to be reported with regards to remuneration of employees, contractors and directors.

Included in wages and benefits is one employee with remuneration over \$ 75,000. The total remuneration paid to this individual for the year ended 2021 was \$ 111,998 (2020 - \$ 112,164). The total honoraria paid to members of the Board of Directors for the year ended 2021 was \$ 78,273 (2020 - \$ 54,029).

Shuswap North Okanagan Division of Family Practice Society Notes to Financial Statements

March 31, 2021

10. Financial Instruments

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Society's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts and contributions receivable. The majority of the Society's receivables are from government sources and the Society works to ensure it meets all eligibility criteria in order to qualify to receive the funding.

There are no changes to credit risk over the prior year.

11. Commitments

The Society entered into several premises leases to support various programs and projects. The leases have an expiry date of December 31, 2021. The contractual payments required until the expiration date are as follows:

FY 2021 - 2022	\$	<u>20,720</u>
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12. Global Pandemic

The impact of COVID-19 in Canada and on the global economy continues to be significant. As COVID-19 continues, there could be an impact on the Society relating to the timing and amounts realized on the Society's assets and future profitability.

At this time, the full potential impact of COVID-19 on the Society is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration, disruption and related financial impact cannot be reasonably estimated at this time. The Society will continue to focus on managing expenditures and leveraging existing operations to continue to its services.
