

**NANAIMO DIVISION OF  
FAMILY PRACTICE SOCIETY  
Financial Statements - March 31, 2021**

Independent Auditors' Report  
Statement of Financial Position  
Statement of Operations and Changes in Net Assets  
Statement of Cash Flows  
Notes to Financial Statements  
Schedule 1 - Administrative Expenditures





## INDEPENDENT AUDITOR'S REPORT

To the Members of the Nanaimo Division of Family Practice Society,

### Opinion

We have audited the financial statements of the Nanaimo Division of Family Practice Society (the "Division"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations and 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 Division as at March 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### 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 Division 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 the financial statements in accordance with ASNPO, 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 Division'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 Division or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Division'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.



### **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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 Division'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 Division'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 Division 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 (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 the prior year.

*Chan Nawrood Boates Inc*

Chartered Professional Accountants  
Campbell River, BC

July 29, 2021




# NANAIMO DIVISION OF FAMILY PRACTICE SOCIETY

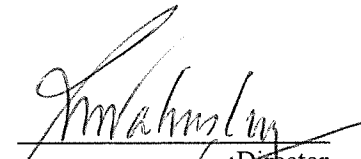
## Statement of Financial Position

March 31, 2021

	2021	2020
	\$	\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	992,585	861,825
Short Term Investment	207,378	207,378
Accounts Receivable	55,169	31,712
GST Recoverable	3,793	5,118
Deposit on Lease	1,648	1,648
	<u>1,260,573</u>	<u>1,107,681</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable (Note 3)	133,944	86,863
Wages Payable	38,880	14,794
Government Remittances Payable	15,633	15,264
Deferred Revenues (Note 4)	<u>1,040,159</u>	<u>961,540</u>
	1,228,616	1,078,461
<b>NET ASSETS</b>	<u>31,957</u>	<u>29,220</u>
	<u>1,260,573</u>	<u>1,107,681</u>

Approved by the Directors:

  
Director  
TAYLOR SWANSON

  
Director  
Roger Watmough





# NANAIMO DIVISION OF FAMILY PRACTICE SOCIETY

## Statement of Operations and Changes in Net Assets

Year Ended March 31, 2021

	2021	2020
	\$	\$
<b>Revenues</b>		
Government Funding	1,426,526	1,437,151
Interest	<u>2,737</u>	<u>3,467</u>
	<u>1,429,263</u>	<u>1,440,618</u>
<b>Expenditures</b>		
Administrative (Schedule 1)	1,277,265	1,280,558
Conferences	5,687	13,448
Events	17,356	34,076
Office	69,453	49,938
Professional Fees	12,443	15,346
Promotion and Member Engagement	5,133	6,357
Rent	36,454	34,792
Telephone	<u>2,735</u>	<u>2,636</u>
	<u>1,426,526</u>	<u>1,437,151</u>
<b>Excess of Revenues Over Expenditures</b>	2,737	3,467
<b>Net Assets - Beginning of Year</b>	<u>29,220</u>	<u>25,753</u>
<b>Net Assets - End of Year</b>	<u>31,957</u>	<u>29,220</u>



# NANAIMO DIVISION OF FAMILY PRACTICE SOCIETY

## Statement of Cash Flows

Year Ended March 31, 2021

	2021	2020
	\$	\$
<b>Cash Flows From Operating Activities:</b>		
Cash Received from Funding	1,483,013	1,446,169
Cash Paid to Suppliers and Employees	(1,354,990)	(1,470,983)
Interest Received	<u>2,737</u>	<u>3,467</u>
	<u>130,760</u>	<u>(21,347)</u>
<b>Cash Flows From Investing Activities:</b>		
Proceeds from Redemption of GIC	207,378	203,912
Purchase of GIC	<u>(207,378)</u>	<u>(207,378)</u>
	<u>-</u>	<u>(3,466)</u>
<b>Net Increase (Decrease) in Cash</b>	130,760	(24,813)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>861,825</u>	<u>886,638</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>992,585</u>	<u>861,825</u>



# NANAIMO DIVISION OF FAMILY PRACTICE SOCIETY

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## Notes to Financial Statements

March 31, 2021

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### 1. Organization and Purpose:

The Nanaimo Division of Family Practice Society ("the Division") was incorporated without share capital under the Society Act of British Columbia on November 22, 2011, and commenced operations on April 1, 2012. The Division is a not-for-profit under the Income Tax Act and accordingly exempt from income taxes, providing certain requirements of the Income Tax Act are met.

The Division is a community-based organization consisting of family physicians. The purpose of the Division is for member physicians to address common health care goals and improve patient care in the Nanaimo area.

### 2. Significant Accounting Policies:

#### Basis of Presentation

The financial statements of the Division have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies.

#### Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balances held with banks.

#### Short Term Investments

Short term investments consist of Guaranteed Investment Certificates or term deposits with terms under 1 year from the date of the financial statements. Short term investments are recorded at their approximate fair value.

#### Revenue Recognition

The Division 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. Interest revenue is recognized as earned on the respective investment or balance.

#### Measurement Uncertainty

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Areas of management uncertainty include accounts receivable, which are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where and if considered necessary.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in the Statement of Operations in the periods in which they become known.

#### Financial Instruments

The Division recognizes its financial instruments when the Division becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount.



# NANAIMO DIVISION OF FAMILY PRACTICE SOCIETY

## Notes to Financial Statements

March 31, 2021

### 3. Accounts Payable:

Included in accounts payable is \$11,783 (2020 - \$8,341) due to directors of the Division. These liabilities arose from transactions that were in the Division's normal course of operations.

### 4. Deferred Revenues:

Deferred revenues represent unspent amounts which have been externally restricted for the delivery of specified programs. Changes in the balances during the year are as follows:

	Deferred Revenues March 31, 2020 \$	Funding Received \$	Revenue Recognized \$	Deferred Revenues March 31, 2021 \$
Long Term Care Initiative	288,825	362,000	384,443	266,382
OB Collaborative	18,199	-	389	17,810
Cognitive Behaviour Therapy	19,516	-	9,376	10,140
BeST Pilot Project	38,979	-	21,836	17,143
Partners in Care Substance Use Infrastructure	134,810	-	21,823	112,987
Innovation Fund	77,484	778,145	629,954	225,675
Patient Attachment Mechanism	29,501	-	869	28,632
Physician Change Management	35,000	-	-	35,000
Spread Network	198,792	-	57,265	141,527
Shared Care Steering Committee	9,238	55,000	58,854	5,384
PCN Planning	19,979	-	-	19,979
COVID-19 Second Wave	-	185,000	79,544	105,456
Pediatric Referrals	-	110,000	70,956	39,044
Patient Medical Home	-	15,000	-	15,000
Patient Medical Home Network	21,401	-	21,401	-
	<u>69,816</u>	<u>-</u>	<u>69,816</u>	<u>-</u>
	<u>961,540</u>	<u>1,505,145</u>	<u>1,426,526</u>	<u>1,040,159</u>

### 5. Economic Dependence:

The Division is dependent on the Doctors of BC (also known as the British Columbia Medical Association) with respect to revenues. Funding is generally determined on an annual basis.





# NANAIMO DIVISION OF FAMILY PRACTICE SOCIETY

## Notes to Financial Statements

March 31, 2021

### 6. Financial Instruments:

The Division is exposed to various risks through its financial instruments. The following analysis presents the Division's exposure to significant risk at the reporting date, March 31, 2021:

#### *Liquidity Risk*

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. Accounts Payable and Accrued Liabilities are generally repaid within 30 days.

The Division believes that it is not exposed to significant interest-rate, market, credit, or cash flow risk arising from its financial instruments.

### 7. Director, Contractor and Employee Remuneration:

Directors are compensated for time spent on Division's activities including meeting and committee involvement. Total remuneration for Directors during the year was \$210,169 (2020 - \$182,513). The Division paid two employees and one contractor over \$75,000 during the year. Total remuneration to employees and contractors paid over \$75,000 during the year was \$296,695 (2020 - \$320,902).

### 8. Commitments:

The Division is committed to rental payments for office premises, excluding common area costs, as described below. The office premises lease expires August 31, 2023.

Year	\$
2022	17,254
2023	17,254
2024	7,189

The Division is also committed to rental payments for copier equipment as described below. The copier lease expires June 30, 2023 and the Division has assessed it as an operating lease.

Year	\$
2022	2,352
2023	2,352
2024	588

### 9. COVID-19:

As of this date, the global outbreak of the coronavirus infection (COVID-19) has caused economic uncertainties that are likely to have a material effect on the operating activities of the Division for the year ending March 31, 2022. The extent that the effects of COVID-19 may have on the Division and its operations during the year ending March 31, 2022 cannot be determined at this time.



# NANAIMO DIVISION OF FAMILY PRACTICE SOCIETY

## Schedule 1 - Administrative Expenditures

Year Ended March 31, 2021

	2021	2020
	\$	\$
<b>Expenditures</b>		
Executive Director	138,010	143,545
Division Administration	131,277	118,452
Board	67,577	59,144
Professional Development	<u>15,327</u>	<u>12,571</u>
	<u>352,191</u>	<u>333,712</u>
<b>Working Groups</b>		
Behavioural Support Team (BeST)	21,836	41,867
Residential Care Initiative	384,443	357,257
Recruitment and Retention	103,816	79,445
Wound Care Working Group	-	15,775
Partners in Care-Substance Use	21,823	62,012
Patient Medical Home	21,489	105,308
Patient Medical Home Network	69,946	143,703
OB Collaborative	389	3,176
Continuing Medical Education Working Group	1,304	12,785
Pathway Project	12,699	12,225
Cognitive Behaviour Therapy	9,376	1,676
Innovations Fund	869	13,787
MHSU Spread Network	58,854	5,762
PCN Physician Change Management	57,265	22,763
Indigenous Liaison	-	53,000
PCN Planning	79,544	-
COVID-19 Second Wave	<u>70,956</u>	<u>-</u>
	<u>914,609</u>	<u>930,541</u>
<b>Committee</b>		
Shared Care Steering Committee	-	21
Collaborative Services Committee	<u>10,465</u>	<u>16,284</u>
	<u>10,465</u>	<u>16,305</u>
	<u>1,277,265</u>	<u>1,280,558</u>

