

**PRINCE EDWARD FAMILY HEALTH TEAM
FINANCIAL STATEMENTS
AS AT MARCH 31, 2024**

**PRINCE EDWARD FAMILY HEALTH TEAM
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AS AT MARCH 31, 2024**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Prince Edward Family Health Team

Qualified Opinion

We have audited the financial statements of Prince Edward Family Health Team (the Organization), which comprise the statement of financial position as at March 31, 2024, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024, 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 Qualified Opinion

In common with many Ministry-funded organizations, the Organization is not reporting tangible capital assets at amortized cost, rather they are expensed in the year of acquisition, as described in Note 2(c) to these financial statements. In this respect, the financial statements are not in accordance with Canadian accounting standards for not-for-profit organizations. If tangible capital assets had been capitalized and amortized in accordance with Canadian accounting standards for not-for-profit organizations, tangible capital assets and net assets in the Statement of Financial Position would have increased by \$66,407 (2023 - \$77,768) and excess of revenue over expenditures would have decreased by \$11,361 (2023 - \$19,345).

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 Organization 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 qualified 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 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 these financial statements, management is responsible for assessing the Organization'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 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.

**INDEPENDENT AUDITOR'S REPORT
(CONT'D)**

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 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 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 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.

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.

Wilkinson & Company LLP

BELLEVILLE, Canada
June 27, 2024

Chartered Professional Accountants
Licensed Public Accountants

**PRINCE EDWARD FAMILY HEALTH TEAM
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024**

	2024	2023
	\$	\$
ASSETS		
CURRENT		
Cash	367,133	405,517
Accounts receivable	82,019	14,457
HST recoverable	35,279	36,634
Prepaid expenses and deposits	10,389	10,389
	494,820	466,997
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	128,721	99,903
Deferred revenue	41,961	26,049
Due to Ontario Health	256,961	273,868
	427,643	399,820
NET ASSETS		
NET ASSETS - Note 4	67,177	67,177
COMMITMENTS - Note 9		
	494,820	466,997
	494,820	466,997

The accompanying notes form an integral part of these financial statements

**PRINCE EDWARD FAMILY HEALTH TEAM
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2024**

	Ontario Health Funding Agreement \$	Diabetes Education Agreement \$	ILI Assessment Centre \$	Other Physician Recruitment \$	Total 2024 \$	Total 2023 \$
REVENUE						
Ontario Health - Note 5	3,343,370	46,131			3,389,501	3,467,121
FHO revenue	25,000				25,000	
Quinte Health The Corporation of the County of Prince Edward			16,677		16,677	63,142
CCPN Grant - Ontario Health - Note 6	10,000			110,000	110,000	25,912
Prince Edward County Memorial Hospital Foundation						40,000
	3,378,370	46,131	16,677	110,000	3,551,178	3,596,175
OPERATING EXPENSES						
Salaries, fees and benefits	2,757,470		8,895	110,000	2,876,365	2,794,807
Occupancy costs	284,921				284,921	282,157
Software fees	52,774	3,600			56,374	53,473
General consulting fees	17,158				17,158	41,325
Physicians consulting fees	29,500				29,500	29,499
Professional development	12,986	2,827			15,813	12,019
Medical supplies	27,501		7,782		35,283	35,705
Tangible capital asset expenditures	13,775				13,775	7,811
Communications	22,941	5,300			28,241	31,869
Office	12,671	1,820			14,491	16,650
Insurance	21,183				21,183	20,160
Meeting costs	15,755				15,755	7,208
Travel	12,204	5,200			17,404	19,731
Program supplies	2,720	4,800			7,520	10,080
Audit	7,013	1,800			8,813	8,253
Legal	5,054				5,054	2,603
Bank service charges	988				988	999
Staff recruitment	5,417				5,417	4,394
Purchased services		20,784			20,784	20,784
Membership	8,345				8,345	8,214
	3,310,376	46,131	16,677	110,000	3,483,184	3,407,741
EXCESS OF REVENUE OVER EXPENDITURES	67,994	NIL	NIL	NIL	67,994	188,434
TRANSFER TO ONTARIO HEALTH	(67,994)				(67,994)	(188,434)
	NIL	NIL	NIL	NIL	NIL	NIL
NET ASSETS - BEGINNING OF YEAR	67,177	NIL	NIL	NIL	67,177	67,177
NET ASSETS - END OF YEAR	67,177	NIL	NIL	NIL	67,177	67,177

The accompanying notes form an integral part of these financial statements

**PRINCE EDWARD FAMILY HEALTH TEAM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024**

	2024	2023
	\$	\$
OPERATING ACTIVITIES		
Net change in non-cash working capital balances related to operations - Note 7	(38,384)	245,783
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	405,517	159,734
CASH AND CASH EQUIVALENTS - END OF YEAR	367,133	405,517
REPRESENTED BY:		
Cash	367,133	405,517

The accompanying notes form an integral part of these financial statements

**PRINCE EDWARD FAMILY HEALTH TEAM
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

1. NATURE OF ORGANIZATION

Prince Edward Family Health Team (the Organization) is a not-for-profit organization dedicated to providing primary health care programs and services in Prince Edward County. The Organization is incorporated under the laws of Ontario without share capital and is exempt from taxation under the Income Tax Act.

2. ACCOUNTING POLICIES

Outlined below are those accounting policies adopted by the Organization considered to be particularly significant:

(a) Basis of Accounting

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

(b) Accounting 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 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. Significant items subject to such estimates and assumptions include valuation of accounts receivable and accounts payable and accrued liabilities. Actual results could differ from those estimates.

(c) Tangible Capital Assets

In compliance with the financial reporting requirements of Ontario Health, tangible capital assets additions have been recorded in these financial statements as an expense in the year that the assets are acquired. This represents a departure from Canadian Accounting Standards for Not-for-Profit Organizations. Under Canadian Accounting Standards for Not-for-Profit Organizations, not-for-profit organizations with average annual revenue of \$500,000 or more are required to capitalize the cost of tangible capital assets, net of direct government assistance funding, and amortize the cost, less any residual values, over their useful lives.

**PRINCE EDWARD FAMILY HEALTH TEAM
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

2. ACCOUNTING POLICIES (Cont'd)

(d) Revenue Recognition

The Organization uses 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.

Amounts received through cost recovery arrangements are netted against the related expenses and recognized in the year in which the related expenses are incurred.

(e) Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

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

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and due to Ontario Health.

(f) Cash and Equivalents

Cash and equivalents consist of cash on deposit net of cheques issued and outstanding at the reporting date.

3. ECONOMIC DEPENDENCE

The Organization relies on Ontario Health and other government agencies for a substantial portion of its income, and accordingly is economically dependent for the continuation of its operations on funding from this source. The Organization has previously relied on funding from the Ministry of Health and Long-Term Care. As of October 1, 2023, this was transferred to Ontario Health.

4. NET ASSETS

Net assets include current year excess of revenues over expenditures from funding not subject to recovery by Ontario Health or other government agencies. The Board of Directors has restricted the net assets to support operations in the 2025 fiscal year.

**PRINCE EDWARD FAMILY HEALTH TEAM
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

5. ONTARIO HEALTH

Revenue recognized from the Ontario Health is as follows:

	2024	2023
	\$	\$
Operational and NP Coding funding received	3,343,370	3,420,990
Diabetes Education Agreement funds received	46,131	46,131
	3,389,501	3,467,121

6. CCPN GRANT - ONTARIO HEALTH

During the year, the Organization received grant funding for the Community Commitment Program for Nurses (CCPN) from Ontario Health. The program seeks to support the recruitment and retention of nurses in Ontario who meet certain criteria by offering grant funding to support the recruitment of eligible nurses, and education funding to support professional development among the existing nursing workforce.

7. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS

Cash provided from (used in) non-cash working capital is compiled as follows:

	2024	2023
	\$	\$
(INCREASE) DECREASE IN CURRENT ASSETS		
Accounts receivable	(67,562)	29,486
HST recoverable	1,355	(2,530)
	(66,207)	26,956
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued liabilities	28,818	6,305
Deferred revenue	15,912	24,088
Due to Ontario Health	(16,907)	188,434
	27,823	218,827
NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS	(38,384)	245,783

**PRINCE EDWARD FAMILY HEALTH TEAM
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

8. RELATED PARTY TRANSACTIONS

The Organization made payments to certain key board of directors for leading the Organization's programs in the form of fees for consulting services of \$13,309 (2023 - \$9,188).

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. COMMITMENTS

The Organization entered into a lease agreement for the rental of certain office space in Picton at 35 Bridge Street effective August 1, 2022 until July 31, 2025. The required base payment under the lease is \$115,547 per year plus related sales taxes. The Organization is also responsible for related common costs that are allocated by the landlord annually.

The Organization entered into a lease agreement for the rental of certain office space in Picton at Suite 11, 389 Main Street East effective April 1, 2016 until March 31, 2026. The required base payment under the lease is \$24,454 per year plus related sales taxes. The Organization is also responsible for related common costs that are allocated by the landlord annually.

The Organization entered into a lease agreement for the rental of a copier to be used in Picton at 35 Bridge Street effective December 1, 2022 until November 30, 2027. The required base payment under the lease is \$397 per month plus related sales taxes.

The minimum lease payments over the next four years are as follows:

	\$
2025	148,649
2026	148,649
2027	16,993
2028	3,177

10. CAPITAL DISCLOSURES

The Organization's objective with respect to capital management is to maintain a minimum capital base that allows the Organization to continue with and execute its overall purpose as disclosed in Note 1, "Nature of Organization." The Organization's Board of Directors performs periodic reviews of the Organization's capital needs to ensure they remain consistent with the risk tolerance that is acceptable to the Organization.

**PRINCE EDWARD FAMILY HEALTH TEAM
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

11. FINANCIAL RISKS AND CONCENTRATION OF RISK

(a) Credit Risk

The Organization is exposed to credit risk in the event of non-performance by clients in connection with its accounts receivable. The Organization does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance

(b) Fair Value

For certain of the Organization's financial instruments, including cash, accounts receivable, HST recoverable, and accounts payable and accrued liabilities and due to Ontario Health, the carrying amounts approximate fair value due to their immediate or short-term maturity.

There have been no changes in risk from the prior year.

12. PENSION PLAN

Certain employees of the Organization are eligible to be members of the Hospitals of Ontario Pension Plan, which is a multi-employer final average pay contributory pension plan. Employer contributions made to the Plan during the year by the Organization amounted to \$177,569 (2023 - \$167,926). These amounts are included in the Statement of Operations.

Any future pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates. The Organization does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify the Organization's share of the underlying pension assets and liabilities.