Cultivating Community

Primary Care Network
EDMONTON SOUTHSIDE

ANNUAL REPORT 2019

VISION

To be the trusted cornerstone of a healthy community.

MISSION

To provide team-based primary care and work with our community to achieve the best health for all.

2019 ANNUAL REPORT

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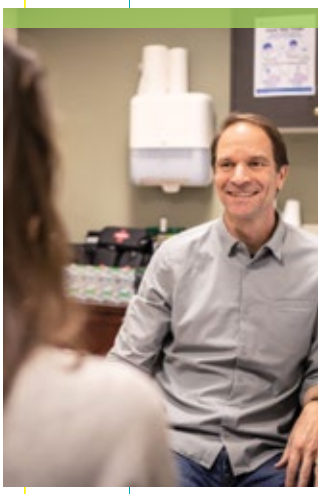
Cultivating Community



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What is…

WHAT IS A PCN?

A Primary Care Network (PCN) is an organization that works within a community to bring together family doctors with a team of healthcare professionals to provide collaborative patient care. Each multidisciplinary team is unique to every PCN, and the population that they serve. Primary care nurses, nurse practitioners, behavioural health consultants, exercise specialists, dietitians, and respiratory therapists connect with family doctors and patients to assist with providing the right knowledge and resources to cover every care need.

WHAT IS THE EDMONTON SOUTHSIDE PCN?

The Edmonton Southside PCN (ESPCN) connects our team of healthcare providers to the patients that need them, through the family doctor that cares for them. Our highly trained multidisciplinary team is a valuable resource for physicians, helping them provide enhanced primary care at clinics and in the community, through programs and services. The 167 ESPCN staff work with 326 primary care physicians at 97 member clinics to offer compassionate comprehensive care, as well as meet the needs of each and every community they support.

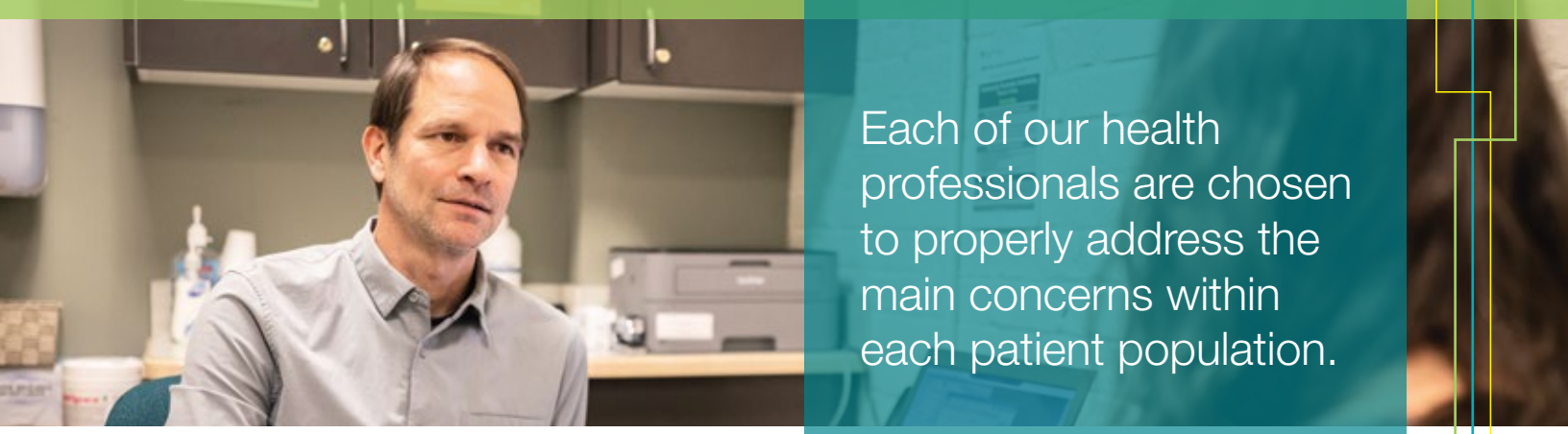
WHAT IS A MEDICAL HOME?

A medical home represents accessible patient-centred care, for all stages of life. It emphasizes prevention through primary care, and connection to broader health services when needed. The ESPCN works within this team-centred approach, to encourage valuable relationships between family physicians and their patients through a wide range of services that best support individuals, families and their community.

60,394
Patients

146,052
Encounters

Patients and encounters this fiscal year



Each of our health professionals are chosen to properly address the main concerns within each patient population.

Multidisciplinary Teams

With doctors focused on their patients and the communities in which they reside, the ESPCN works alongside physicians to provide additional support and resources to patients, directly within their clinic when possible.

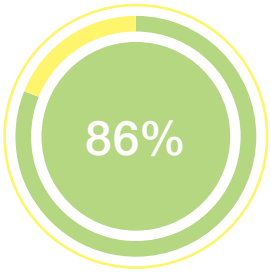
Our multidisciplinary team (MDT) is developed based on the communities that our physicians serve. Each of our health professionals are chosen to properly address the main concerns within each patient population. We provide in-clinic support to our member physicians through registered nurses, nurse practitioners, healthy aging nurses and social workers, behavioural health consultants, registered dietitians, respiratory therapists, panel management assistants, and exercise specialists.

Beyond access to these disciplines, our PCN is proud to have a team of evaluation and quality improvement experts, primary care managers, community and program coordinators, and an exceptional administrative team that allows us to support patients in many ways.

To truly invoke the medical home vision, we operate in a decentralized model that allows our staff to work with the physicians within their clinic, and their community. This helps develop communication between physicians and allied health professionals, while cultivating a reliable point of care for patients, tailored to their needs. Situationally, medically, or even culturally, we work to provide individuals access to the resources they need, where they need them.

TOP TEN ENCOUNTERS BY TYPE

Episodic	22,816
Mood Concerns	17,037
Diabetes	15,615
Medication Review Management	13,352
Counselling	12,397
Nutrition	11,864
Hypertension	11,111
Physical Activity	9,630
Injections	8,876
Weight or Obesity Management	8,692



Percentage of clinics with an ESPCN MDT member

Message from the Board of Directors and Executive Director

Board members not present: Saeed Ahmadinejad, MD and Alex McPherson, MD, PhD, ICD.D

Community is essential to providing quality primary care.

From the communities that we work in and the communities that we create, we work to connect patients with doctors, and doctors with the support they need to serve their patients. Joining healthcare professionals together gives us all the resources needed to care for those who come through our doors. This foundation of collaboration is what makes our organization successful.

As a PCN, we are here to shift the perspective. To shift health care towards prevention, and making a difference before a risk becomes an emergency. This requires a move to systematic thinking that allows us to better partner and collaborate with the Primary Care Network's community.

The furious pace of growth that we have experienced over the past years is starting to slow as we reach the point where almost all family physicians are members of a PCN. This plateau means that we can look to redirect the energy previously focused on recruitment towards strengthening the community that we have helped to build.

Creating connections between primary care clinics and hospitals to improve the transition of patient care has always been an important task for us. We continuously work to develop and implement practices that will enable better communication between healthcare professionals and ensure they have the information needed to provide proper and effective care. Simplifying the transition process for patients is a large task that will require the collective effort of every organization involved.

Supporting a community of physicians that want to do the best they can for their patients, and providing those doctors with the tools to do so, is what we strive towards with our quality improvement initiatives. From the in-clinic supports like panel management assistants, to the numerous workshops facilitated by our team, we are determined to help clinics move the needle on primary care's impact in a measurable way.

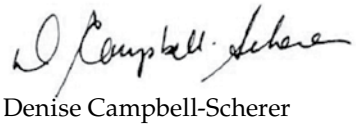
One of our most successful approaches to practice improvement is Patients Collaborating with Teams (PaCT). These workshops help clinic teams develop care plan templates with the assistance of improvement professionals and patient advisors. This method of clinic enhancement has not only improved the care patients receive but simplified many day-to-day clinic processes.

This past year saw ESPCN experience a new link to an Alberta Health Services Systems Case Manager (SCM). The ability for our staff and member physicians to refer directly to the SCM has simplified and streamlined pathways for patient care that were not previously available in the community. This direct referral process is yet another point for primary care professionals to access the services needed to identify and support high-risk patients. We continue to explore new ways to bridge the gap between the many amazing organizations in our health system and enthusiastically accept partnerships that can make a systematic change for the better.

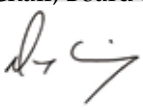
We recognize that even though PCNs might be limited by geography, patients are not. There are many patients that live and work away from a family doctor's clinic location. This enforces the ever-present importance of creating a medical home. This unified community of healthcare professionals support patients and their health journeys through all stages of life.

Day in and day out, our teams of physicians and allied health professionals care for patients in the most inspiring ways. This year, we highlight three stories that show the strength a community provides to those within it.

From our community of 326 member physicians and 167 ESPCN employees, we were able to touch the lives of 60,394 patients in neighbourhoods across Edmonton. Our drive to be impactful and innovative is one that we proudly do with integrity and fiscal responsibility. We are honoured to serve this community and are grateful that we have an inspiring team of professionals supporting our goal of patient-centred care.



Denise Campbell-Scherer
MD, PhD, CCFP, FCFP
Chair, Board of Directors



Doug Craig, Executive Director

Building a Community

> “Every member of our multidisciplinary team works to add expertise to clinic practice, which enables physicians to better care for patients.”

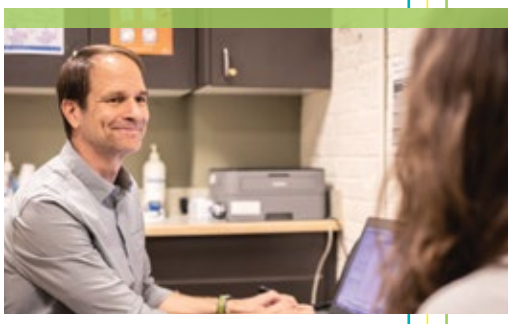
The ESPCN works to give patients support and access to resources to improve their health outcomes.

Family physicians are dedicated to providing overarching care for their patients, while the ESPCN is there to assist them in developing a supported, patient-centred system. Every member of our multidisciplinary team works to add expertise to clinic practice, which enables physicians to better care for patients.

As a cornerstone within the health community, the ESPCN works to help physicians by collecting data that gives them a more comprehensive view of their patient population and panel. Further, our MDT work to help them optimize their care by not only knowing who they serve but the resources available to serve them better.

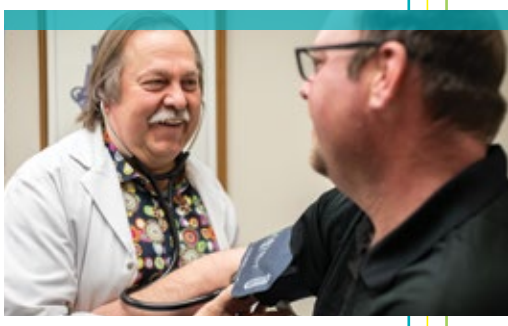
The community works to impact the ESPCN as much as we impact them. The ESPCN strives to develop programs based on the knowledge of clinic need to create value for member physicians and patients. These programs are tailored, working to provide access no matter the culture, personal or medical concerns.

Each story featured within this report helps to illustrate how the ESPCN partners with its communities to improve access to care for all. Every narrative gives insight into how the ESPCN has supported work that matters, and makes a difference to a variety of individuals, in many diverse situations.

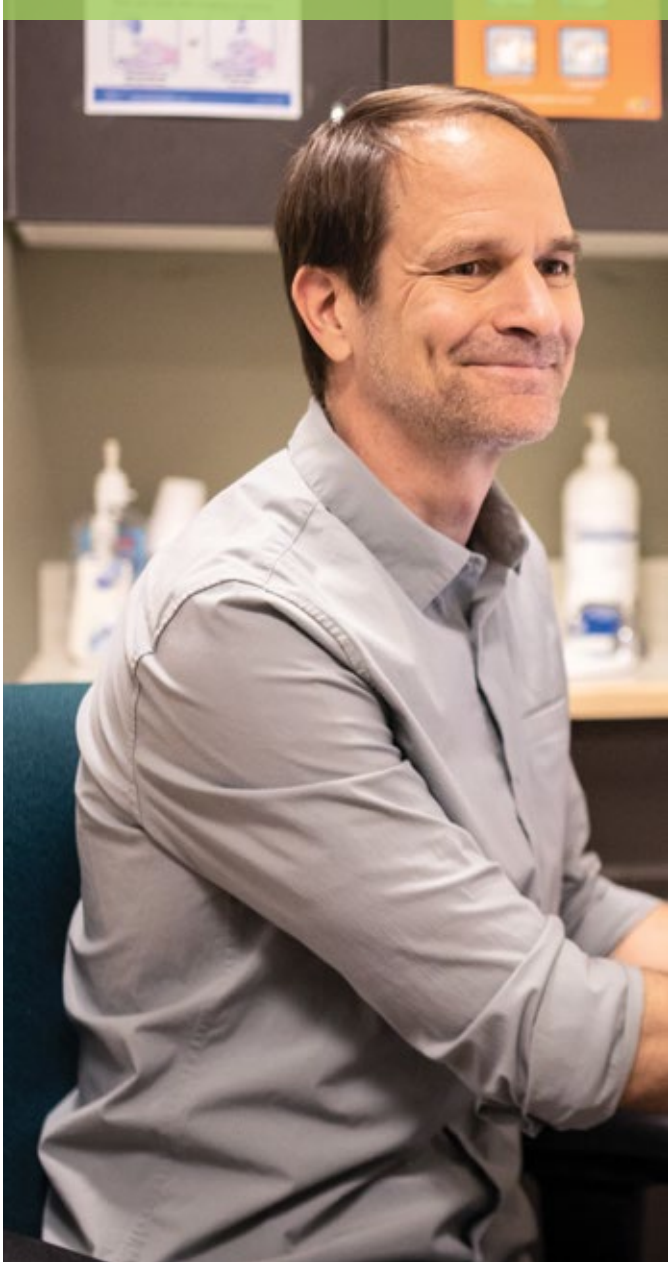


Stepping Up

Speaking the Language



Working Together for Change



> “It’s all about building trust. One of the biggest moments for me was when the first person put their name down to come see me.”

CATHY BOWLES

YESS ARMOURY RESOURCE CENTRE

Stepping Up

THE YOUTH EMPOWERMENT AND SUPPORT SERVICES ARMOURY RESOURCE CENTRE (YESS) is a gem within Edmonton dedicated to providing individualized support for youth who face the hardships of homelessness and social instability. YESS has come together with many others in the community to focus on prevention and diversion out of homelessness. Ultimately, they aim to walk beside vulnerable youth and support them as they learn to heal.

Although YESS has a medical clinic space, prior to 2012, it had been vacant for a number of years. When the Edmonton Southside PCN heard of this opportunity, the organization eagerly took the chance to support YESS in their mission.

A call for assistance placed in an ESPCN newsletter brought forward Dr. Scott Soehn and Dr. Michael Hamilton, two family doctors keen to make a difference in their community.

"These youth are part of the community that we live and work in, and we would like to help them the best that we can," explains Dr. Hamilton.

During their time there, the team focuses on a wide range of issues associated with individuals experiencing homelessness, by providing physical and emotional care. Through their work, they have been able to assist with growing a team of healthcare professionals to support the community that they serve.

"There comes a point in most physician's career where it isn't about the money; it's about how to improve society and the city you live in," Dr. Soehn says. "As a primary care physician, I am a generalist

YESS ARMOURY RESOURCE CENTRE

and figured I had the know-how to support the clinic in any way it needed."

Since Dr. Soehn and Dr. Hamilton signed up, the team has grown to include nurse practitioner Jean Repchuk, and Cathy Bowles, a registered nurse, who are a part of the ESPCN multidisciplinary team.

"It's all about building trust. One of the biggest moments for me was when the first person put their name down to come see me," Cathy says.

During Jean and Cathy's time working and volunteering within the community, they discovered one of the issues homeless individuals face is foot care. Not having a reliable place to dry their boots and gloves causes many health concerns. Recognizing this as a serious issue, Cathy brought her personal boot warmer to YESS. Unfortunately, this unit could only dry two pairs of shoes at a time.

Knowing that this wasn't benefiting enough people, Jean met with the nursing students who were doing work at YESS and asked if they had any ideas for remedying this problem. This group of students took to social media to spread the word and hosted bake sales as a way to raise funds for an industrial-sized boot warmer. With their outstanding efforts, coupled with a private donation secured by Cathy, YESS was able to purchase a drying unit that fit their clients' needs.

Dr. Soehn reflects, "I've learned a lot since starting here. These youth have many different issues and experiences, unique to their situation."

As a team, they have been able to provide screening, education, and training about STIs, prenatal care and addictions. Together, they have partnered with Alberta Health Services and enlisted the help of a community paramedic, Safeworks Harm Reduction Program and the STI outreach team, to support their patients in need of additional treatments.

The team continues to grow and develop into a support network for the individuals at YESS. "We're a temporary medical home," explains Dr. Hamilton.

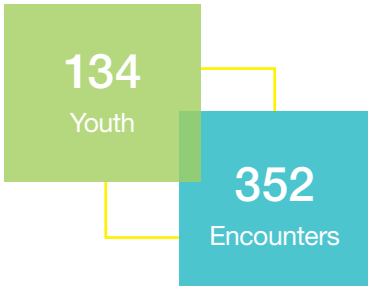
Using what the team has learned, Dr. Soehn now gives lectures at the University of Alberta about vulnerable populations. Additionally, he has created the opportunity for pediatric residents to shadow at YESS, expanding their knowledge on underprivileged youth and learning the red flags of addiction disorders so they can better serve their future communities.

"It's our responsibility to help teach the future generation of physicians," says Dr. Soehn.

The ESPCN is a community that helps connect physicians with resources and opportunities. It all began with an advertisement in a newsletter and has since turned into a point of care that provides medical access for homeless youth.

"Ideally you want a team of people to be able to address the challenges these youth face. And that's what we've been able to create here at YESS," concludes Dr. Hamilton.

"We tell them no matter what happens, they are always welcome to come back. The door is always open," says Cathy. "This is a safe space for medical care where you won't be turned away or judged."



Youth seen at YESS by ESPCN MDT this fiscal year

340

Estimated number of youth experiencing homelessness in Edmonton

Source: Homeward Trust Edmonton, Community Strategy to End Youth Homelessness in Edmonton http://homewardtrust.ca/wp-content/uploads/2018/07/Community-Strategy-to-End-Youth-Homelessnes.pdf

Speaking the Language

LILY HAS BEEN HELPING CARE FOR HER PARENTS FOR MANY YEARS and promptly moved them into her home when a dreadful fall left her mother, Mrs. Chan, with a broken hip.

If the mobility issues that her mother faced weren't concerning enough, an incident involving her father and an unattended stove convinced Lily that action needed to be taken.

It was at this time that Lily reached out to the family's physician, Dr. Claudia Cheung.

"I was feeling the pressure to get my parents more support. I didn't know who to tell about my concerns," Lily explains.

The Chan family have been patients of Dr. Cheung since 2013 when she was located on the north side of Edmonton. Their relationship with Dr. Cheung and medical home they had developed was so strong, the family decided to follow Dr. Cheung

> "We wanted them to stay in their community. Support from the community is so important for the aging population."
>
> DR. CHEUNG


Better Choices
Better Health


Butts Are Gr

when she moved in 2014 and opened King Edward Medical Center. One of the things that makes this clinic so special is that all the staff speak Cantonese and/or Mandarin, allowing them to connect with patients, like the Chans, both verbally and culturally.

Upon meeting with Dr. Cheung, Lily's parents were referred to see Christine Leung, one of the Edmonton Southside PCN's registered nurses. During an appointment with Mr. and Mrs. Chan, Christine gathered that the couple might need some extra support and arranged a time when she could come visit them in their home. This home visit brought to light that they did have more challenges than what they were able to handle alone. Acting as a liaison between home care and the patients, Christine was able to help Mr. and Mrs. Chan move into an assisted living facility within their community of Chinatown.

"Christine has helped with referrals and specialist appointments. If she didn't do that, I wouldn't have known what to do," says Lily.

Christine played a big role in communicating with the home care case manager, as well as the assisted living facility when the couple was originally placed on two separate floors. She stepped in to help them get the appropriate changes made to ensure that Mrs. Chan could care for her husband as she needed to.

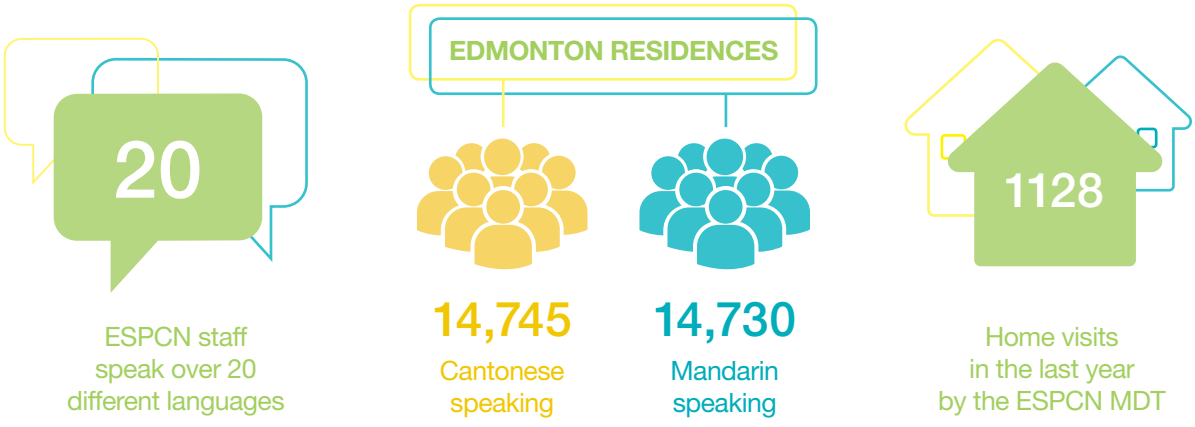
"I feel that the most rewarding part of working in a Chinese-speaking clinic is that we can provide the care that our patients need because of our ability to understand them from a language and cultural perspective," states Christine. "This helps with forming strong relationships. We also ensure that our patients' health concerns are being heard and that we provide access and continuity of care within the clinic and in the community."

The Chan's care at King Edward Medical Center also included the aid of Kit Yee, a behavioural health consultant with the ESPCN. Kit was happy to help the family with dementia management skills and assisted with personal directives and enduring power of attorney documentation.

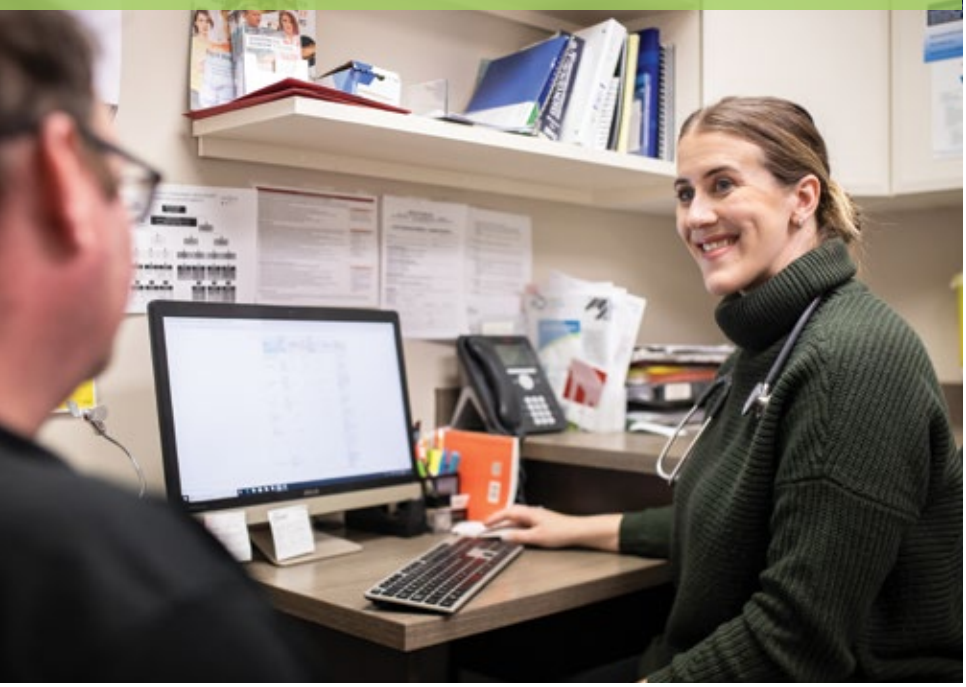
Recognizing how important supporting their community is, the ESPCN team has helped build workshops for the Chinese population that they serve. These workshops are developed with the needs of their patients in mind, including topics such as dyslipidemia and respiratory health.

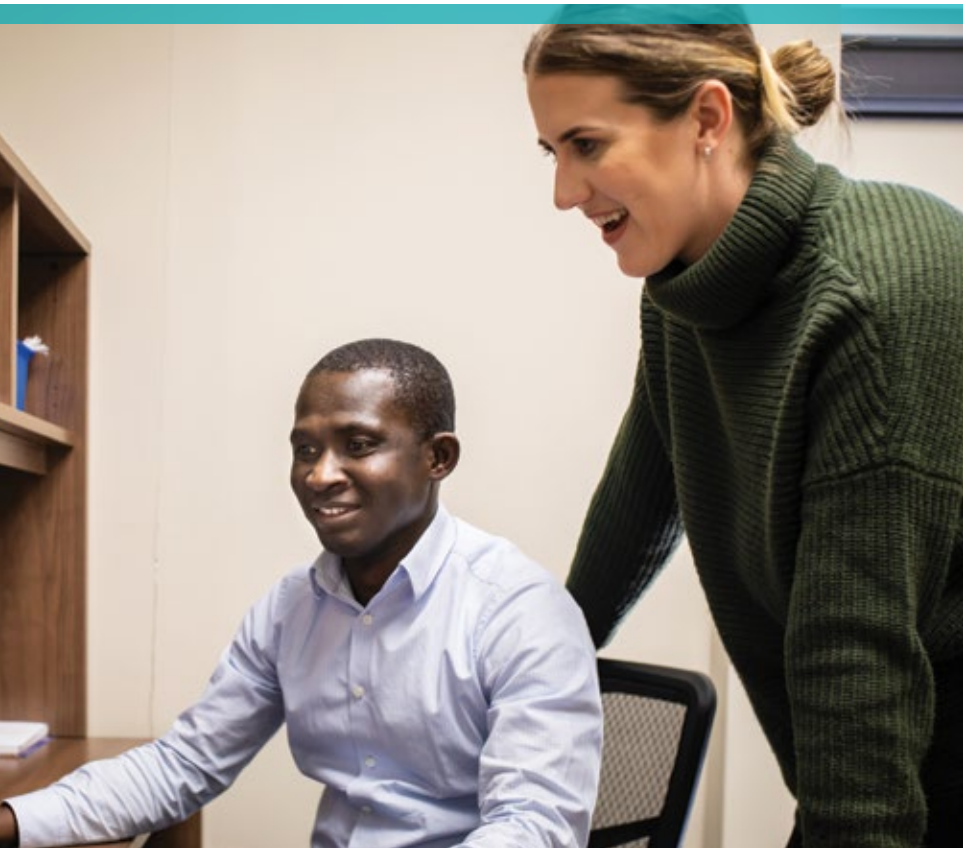
"We wanted them to stay in their community. Support from the community is so important for the aging population," says Dr. Cheung. "Without Christine, we wouldn't have been able to look further into their situation."

This experience has created a strong bond that the Chan family can continue to rely on as Lily and her parents move forward.



Source: 2016 Census





"Mike was just as ready to make the change as we were willing to help... And we're going to get there, together."

MADELEINE FRASER

MIKE CHEVRETTE · **OTTEWELL MEDICAL CLINIC**

Working Together for Change

LIKE MANY PARENTS, MIKE CHEVRETTE HAD SET ASIDE HIS NEEDS TO CARE FOR HIS FAMILY. Between running his own successful business, caring for two active teenagers, and being a loving husband, Mike hadn't made his health a priority. When he began having some concerning health symptoms, Mike and his wife Allison knew that he needed to go see his family physician, Dr. Guy Blais. Though Mike wasn't one to go the doctor's office often, he had a 20-year relationship with Dr. Blais, and always felt he could rely on his support whenever he needed it.

"People are surprised to know that if they aren't seeing another family physician for their care, I am still their doctor," explains Dr. Blais. "It doesn't matter how long it's been since they've seen me."

Dr. Blais is exactly what many people think of when imagining a family doctor. With Mike's two children also under his care, Dr. Blais has proudly cared for three generations of the Chevrette family.

After listening to Mike's concerns, Dr. Blais immediately sent him for testing to see what was happening. When it was confirmed that Mike did indeed have diabetes, Dr. Blais brought in the support of Madeleine Fraser, a nurse practitioner working alongside the physicians at Ottewell Medical Clinic.

"Chronic disease management is such a large part of my work and I'm here to help fill a patient's toolbox with whatever they need," explains Madeleine.

Madeleine has become an invaluable resource as she is able to sit with the patient for an extended amount of time, allowing them to discuss everything involved with successfully managing diabetes.

"Our first meeting is an in-depth check," Madeleine explains. "We assess the patient's knowledge of diabetes, discuss all risk factors, allow them to ask every question they have, talk about all the supports available to them in the clinic and the community, and set our goals for managing diabetes."

During Mike's initial meeting with Madeleine he made it very clear that he didn't want to be on medication in the future. "He said tell me what I need to do and I'll do it," recalls Madeleine.

Collaborative diabetes care is a fairly new process for the Ottewell Medical Clinic and they credit their hard work to the skills they developed at the first Patients Collaborating with Teams (PaCT) workshops the ESPCN held in the fall of 2017.

The decision to sign up for the workshop was made when the Ottewell team identified that they had over 400 patients living with diabetes. This alarming number made the team realize that they needed to streamline the support they provided to those with this chronic medical condition.

After being equipped with the right tools, the work of developing a process map to better support their patients was driven by the team's panel management assistant, Gabriel Molley.

Because Gabriel had previously searched every physician's panel of patients living with diabetes, he was able to create a list of all patients whose A1C test results (a common blood test used to diagnose and manage diabetes) were above target, and worked with Madeleine to recall those high-risk individuals.

"Patients can get lost in the shuffle and we know how important regular care is when it comes to prevention," says Madeleine.

Mike and Allison have tackled this diagnosis head on by not only seeking the support of their clinic team but by using resources in the community. They have taken advantage of a number of the Alberta Health Services workshops around diabetes such as meal planning and nutrition.

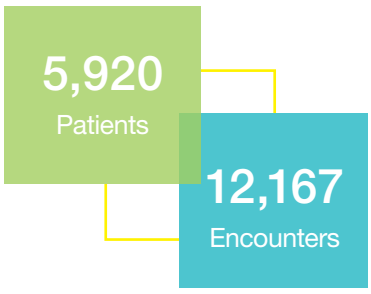
"I was one of those people who didn't really know what a carb was, but now I'm planning meals, eating three times a day, and doing well," states Mike.

The whole team has been inspired by how hard Mike has been working to improve his health and how far he has come in such a short time.

"When I first came in, my blood sugar was 22, my A1C was 11, and I was pricking my finger twice a day. Now I'm in the healthy range and only checking my sugars twice a week," Mike proudly explains.

Mike is very close to reaching his goal of managing his diabetes without medication and the team expects him to reach his target in the next few months.

"Mike was just as ready to make the change as we were willing to help," says Madeleine. "And we're going to get there, together."

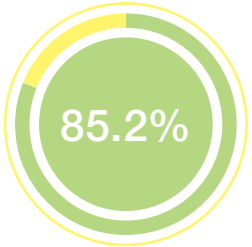


Nursing stats for diabetes care

23,412

Estimated ESPCN patients living with diabetes

Source: HQCA ESPCN Proxy Panel Report



Percentage of ESPCN patients being screened for diabetes

Source: HQCA ESPCN Proxy Panel Report

Clinical Staffing Changes (FTE)

	2017/18	2018/19
Dietitians*	12.5	12.35
EMR Consultants	2.0	2.0
Exercise Specialists	3.25	3.25
Improvement Facilitators	3.4	3.4
Nurses*	48.5	54.2
Nurse Practitioners*	4.85	2.25
Panel Management Assistants	15.25	17.0
Psychologists*	0.50	0.45
Respiratory Therapists*	2.4	2.4
Social Workers*	11.5	16.0

*Registered and licensed with their respective professional colleges in Alberta.

Group Workshops

While the majority of the care happens in the clinic which reinforces the importance of the medical home, the ESPCN offers another resource within the community for patients. By providing workshops at our office, we are able to complement the great work done within the clinics themselves.

The ESPCN welcomed **1,740 PARTICIPANTS** into group workshops during 2018/19. These classes included:

- B.E.S.T. Breastfeeding Café
- Breathing for Health
- Changeways for the Older Adult
- Changeways: Strategies for Personal Change
- Early Prenatal Class
- Emotional Regulation
- Grocery Shopping Tours
- Group Prenatal Classes
- Happiness Basics
- High Risk Foot Protection Team
- Meal Planning
- Moving for Health
- Moving for Memory
- Open Gym
- Parent & Child Anxiety Group
- Personal Directive / Enduring Power of Attorney
- QuitCore
- Relaxation
- Seniors' Centre Without Walls
- Teen Anxiety Group
- Walking Group
- Weight Management Program

Knowing Communities Through Paneling

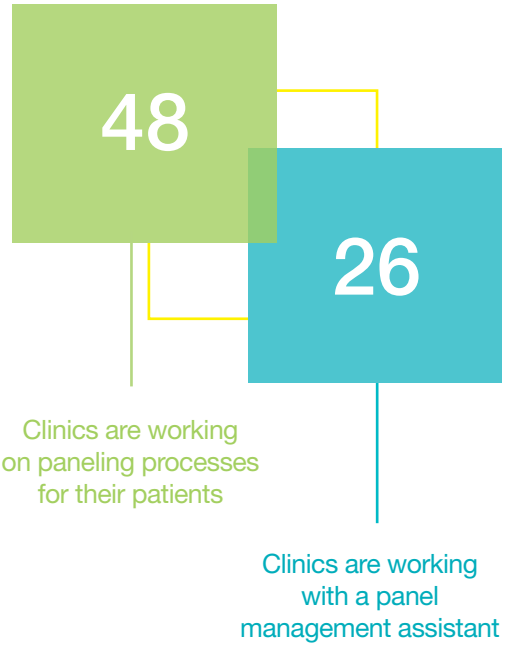
A physician's panel of patients is the most important community within the clinic and is the foundation of a medical home.

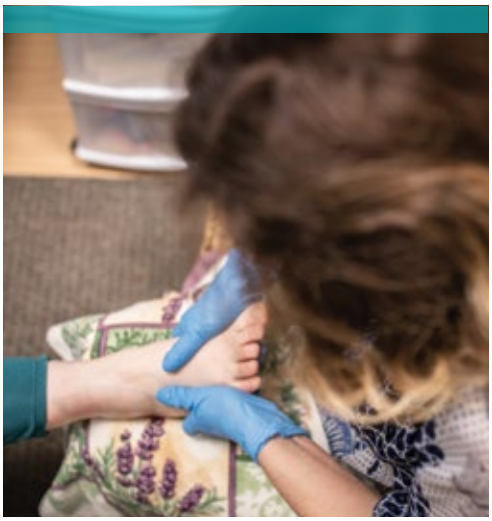
This community is more than a list of names - it is a group with a shared responsibility, based on attachment and mutual understanding.

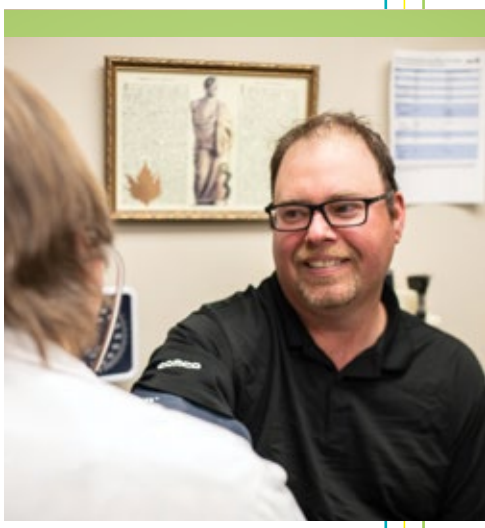
> “Promoting and supporting the importance of shared responsibility is central to the daily work of the clinics and the ESPCN.”

Patient attachment to a physician and clinic is key to providing high-quality primary care. This allows the clinic team to adjust to their community of patients and their needs. This community is supported by the clinic’s MDT, the quality improvement activities they focus on, and the processes developed to better care for patients.

Promoting and supporting the importance of shared responsibility is central to the daily work of the clinics and the ESPCN. When we know our patients and they know us, health outcomes are better for each patient and the clinic’s community as a whole.







Independent Auditors' Report

To the Members of
1157178 Alberta Ltd. [operating as Edmonton Southside Primary Care Network]

OPINION

We have audited the financial statements of **1157178 Alberta Ltd. [operating as Edmonton Southside Primary Care Network]** [the "Organization"], which comprise the statement of financial position as at March 31, 2019, and the statement of operations, and statement of 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 Organization as at March 31, 2019, 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 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 opinion.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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 the 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.

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.

Edmonton, Canada
May 15, 2019

Ernst & Young LLP
Chartered Professional Accountants

Statement of Financial Position

As at March 31

	2019 $	2018 $
Assets		
Current		
Cash and cash equivalents	**3,028,122**	2,176,913
Accounts receivable	**112,153**	90,379
Prepaid expenses	**209,188**	272,242
Total current assets	**3,349,463**	2,539,534
Capital assets *[note 3]*	**1,233,546**	1,351,254
	4,583,009	3,890,788
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities *[note 4]*	**1,593,868**	1,418,030
Deferred revenue *[note 5]*	**1,755,595**	1,121,504
	3,349,463	2,539,534
Deferred capital contributions *[note 6]*	**1,233,546**	1,351,254
	4,583,009	3,890,788
Commitments *[note 7]*		
Net assets	—	—
	4,583,009	3,890,788

See accompanying notes

On behalf of the Board:

Director

Director

Statement of Operations

Year ended March 31

	2019 $	2018 $
Revenue		
Alberta Health grant		
Operating	**20,276,338**	18,777,636
Capital	**316,965**	362,470
Other grants	**210,413**	177,375
	20,803,716	19,317,481
Expenses		
Advertising	**137,900**	141,792
Allowance for goods and services tax receivable	**46,286**	18,102
Contract services	**77,471**	85,808
Dues and subscriptions	**124,132**	127,886
Small equipment purchases	**19,472**	53,919
Evaluation costs	**74,871**	75,748
Insurance	**28,527**	34,379
Information technology	**179,508**	185,782
Bank charges and fees	**52,249**	39,018
Office and supplies	**63,398**	100,910
Payments to physicians [*note 8*]	**3,661,604**	3,878,917
Professional development	**46,120**	35,417
Professional fees	**46,483**	27,434
Rent	**435,761**	352,357
Repairs and maintenance	**8,853**	10,552
Telephone and communications	**84,361**	45,034
Travel	**33,874**	33,979
Wages and benefits [*note 9*]		
Administration	**3,011,872**	2,619,881
Health professionals	**12,354,008**	11,088,096
	20,486,751	18,955,011
Excess of revenue over expenses before other items	**316,965**	362,470
Amortization of capital assets	**(316,965)**	(362,470)
Excess of revenue over expenses for the year	**—**	—

See accompanying notes

Statement of Cash Flows

As at March 31

	2019 $	2018 $
Operating activities		
Excess of revenue over expenses for the year	—	—
Add items not requiring a current outlay of cash		
Amortization of capital assets	**316,965**	362,470
Amortization of deferred capital contributions	**(316,965)**	(362,470)
	—	—
Changes in non-cash working capital account balances related to operations		
Decrease (increase) in accounts receivable	**(21,774)**	(33,637)
Decrease (increase) in prepaid expenses	**63,054**	(82,326)
Increase (decrease) in accounts payable and accrued liabilities	**175,838**	15,962
Increase (decrease) in deferred revenue	**634,091**	1,066,057
Cash provided (used) in operating activities	**851,209**	966,056
Investing activities		
Purchases of capital assets	**(199,257)**	(6,916)
Cash provided (used) by investing activities	**(199,257)**	(6,916)
Investing activities		
Contribution received for purchase of capital assets	**199,257**	6,916
Cash provided (used) by investing activities	199,257	6,916
Net increase (decrease) in cash during the year	**851,209**	966,056
Cash and cash equivalents, beginning of the year	**2,176,913**	1,210,857
Cash and cash equivalents, end of the year	**3,028,122**	2,176,913

See accompanying notes

Notes to Financial Statements

March 31, 2019

1. Authority, Purpose and Operations

1157178 Alberta Ltd. [operating as Edmonton Southside Primary Care Network] [the "Organization"] was incorporated on March 8, 2005 in Alberta and began operations on May 1, 2005. The Organization was established to enhance the provision of primary care to a defined population of Albertans. The Organization operates in accordance with the terms of an agreement with Alberta Health and Alberta Health Services, which includes:

[i] establishing clear & effective governance roles, structures & processes that support shared accountability & the evolution of primary healthcare delivery;

[ii] coordinating, integrating & partnering with health services & other social services across the continuum of care;

[iii] planning service delivery on high quality assessments of the community's needs through community engagement and assessment of appropriate evidence; and

[iv] implementing patient's medical home to ensure Albertans have access to the right services through the establishment of interdisciplinary teams that provide comprehensive primary care.

The Organization currently derives the majority of its funding revenue from Alberta Health.

The Organization is registered as a not-for-profit organization and is exempt from income taxes under paragraph 149(1)(l) of the *Income Tax Act (Canada).*

2. Summary of Significant Accounting Policies and Reporting Policies

These financial statements have been prepared in accordance with Part III of the Chartered Professional Accountants of Canada Handbook – Accounting Standards for Not-for-profit Organizations, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

Revenue recognition

The Organization uses the deferral method of accounting for contributions, which includes grants and donations. Alberta Health grants received by the Organization and related investment income are externally restricted and therefore recorded as revenue in the period in which the related expenses are incurred. This recognition is based on the Alberta Health operating agreement with the Organization.

Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Other externally restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the period in which the related expenses are incurred.

Externally restricted contributions for the acquisition of capital assets are recorded as deferred capital contributions and recognized as revenue as the related assets are amortized over their useful lives.

Contributed services

Volunteers contribute in the carrying out of the activities of the Organization. Due to the difficulty in determining fair value, contributed services by volunteers are not recognized in the financial statements.

Notes to Financial Statements

March 31, 2019

Cash and cash equivalents

Cash consists of cash on deposit with short-term maturities of approximately three months or less from the date of purchase.

Financial instruments

Financial instruments, including accounts receivable and accounts payable and accrued liabilities, are initially recorded at their fair values and are subsequently measured at amortized cost, net of any provisions for impairment.

Capital assets

Capital assets are recorded at acquisition cost. Amortization is calculated over their estimated useful life on a straight line basis as follows:

Tangible	
Leasehold improvements	Term of the lease
Office Equipment	10 years
Clinic equipment	10 years
Computer equipment	4 years
Clinic renovations	5 years

Intangible	
Computer software	3 years

Employee future benefits

The Organization maintains a group registered retirement savings plan ["RRSP"] under which amounts are contributed to eligible employees' accounts, and contributes to employees' tax-free savings accounts ["TFSA"]. The expense for this plan is equal to the Organization's required contributions for the year.

3. Capital assets

	2019			2018		
	Cost $	Accumulated amortization $	Net book value $	Cost $	Accumulated amortization $	Net book value $
Tangible						
Leasehold improvements	**1,323,447**	**609,306**	**714,141**	1,310,750	421,933	888,817
Office equipment	**453,822**	**241,692**	**212,130**	563,240	354,581	208,659
Clinic equipment	**483,126**	**269,472**	**213,654**	446,326	240,550	205,776
Computer equipment	**135,040**	**70,292**	**64,748**	175,241	143,891	31,350
Clinic renovations	**–**	**–**	**–**	154,778	154,778	–
Intangible						
Computer software	**61,924**	**33,051**	**28,873**	97,242	80,590	16,652
	2,457,359	**1,223,813**	**1,233,546**	2,747,577	1,396,323	1,351,254

Notes to Financial Statements

March 31, 2019

4. Government remittances payable

As at March 31, 2019, accounts payable and accrued liabilities include government remittances payable of $86,078 [2018 – $80,001].

5. Deferred revenue

Deferred revenue represents unspent contributions with stipulations or external restrictions related to operating expenditures.

			2019	2018
	Alberta Health $	Other grants $	Ending balance $	Ending balance $
Balance, beginning of the year	**1,061,907**	**59,597**	**1,121,504**	55,447
Received during the year	**20,873,908**	**285,009**	**21,158,917**	19,939,837
Restricted investment income	**161,181**	**–**	**161,181**	88,147
Recognized as revenue	**(20,276,338)**	**(210,412)**	**(20,486,750)**	(18,955,011)
Transferred to deferred capital contributions	**(199,257)**	**–**	**(199,257)**	(6,916)
Balance, end of the year	**1,621,401**	**134,194**	**1,755,595**	1,121,504

6. Deferred capital contributions

Deferred capital contributions represent contributed capital assets and externally restricted contributions that have been used to acquire capital assets.

	2019 $	2018 $
Balance, beginning of the year	**1,351,254**	1,706,808
Transferred from deferred revenue	**199,257**	6,916
Less amounts recognized as revenue	**(316,965)**	(362,470)
Balance, end of the year	**1,233,546**	1,351,254

Notes to Financial Statements

March 31, 2019

7. Commitments

The Organization is committed to annual minimum lease payments under its current office premises leases expiring in December 2022, as follows:

	$
2020	275,094
2021	279,140
2022	291,276
2023	218,457
2024 and thereafter	–
	1,063,967

In addition to the minimum lease payments, the Organization is required to pay annual operating costs of approximately $170,000.

8. Payments to physicians

The Organization may compensate member physicians and/or their clinics for services provided to promote after hours care, and to offset the costs of supporting health professionals in their clinics, depending on the practice. Services to the Organization include Board honorariums, hourly remuneration for specific medical direction and management guidance, and payments to psychiatrists. After hours care [evenings, weekends, and statutory holidays] is promoted by providing an hourly incentive payment to clinics to partially offset the additional cost of operating during these times. In addition, the Organization may provide clinics a reasonable compensation to offset the costs and possible lost revenue of providing working space in their clinics for the Organization's multidisciplinary team of professionals.

	2019 $	2018 $
Services	**117,788**	133,056
After hours care	**767,233**	1,127,885
Multidisciplinary team overhead	**2,776,583**	2,617,976
	3,661,604	3,878,917

Notes to Financial Statements

March 31, 2019

9. RRSP and TFSA contributions

The organization contributes to a group RRSP an amount up to 9% of eligible employee earnings. Eligible employees are able to contribute a minimum amount equal to 1% of annual earnings. During the year, the Organization contributed $937,026 [2018 - $825,754] to employee savings plans.

The Organization contributes to employees' TFSA an amount up to 2% of eligible employee earnings. During the year, the Organization contributed $286,291 [2018 - $258,031] to employee savings accounts.

10. Related party transactions

The following is a list of related parties and the amounts received from or paid to those parties by the Organization during the year.

	$
Received	
Alberta Health – Operating Grant	20,873,908
AHS – Medical Affairs SW Hospital Planning	1,414
Paid	
Alberta Health Services – Support Services & Misc.	73,886
Members of the Board of Directors	32,832
AHS Moving for Memory Grant	7,229
Accounts payable and accrued liabilities include amounts payable to:	
Members of the Board of Directors	1,273

The balances due to related parties are unsecured, non-interest bearing, with no specific terms of repayment. These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

11. Economic dependence

The Organization relies on the Alberta government to fund its operations. Should this funding cease, the Organization would not be able to continue to operate without alternate sources of revenue.

12. Financial instruments

The Organization is exposed to various financial risks through transactions in financial instruments.

Liquidity risk

The Organization is exposed to the risk that it will encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and operating lease commitments.

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