Primary Care Network
EDMONTON SOUTHSIDE

2018 ANNUAL REPORT

Integrated Care

VISION

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.

Adapting and Thriving 8

2018 Annual Report
Integrated Care

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What is…

WHAT IS A PCN?

Primary Care Networks (PCNs) improve quality of life for patients by offering family doctors more ways to provide and integrate care. Our multidisciplinary team works with physicians to support patients with complex and chronic needs. PCN registered nurses, nurse practitioners, behavioural health consultants, exercise specialists, dietitians and respiratory therapists connect with family doctors and patients to ensure greater continuity of care for the whole person.

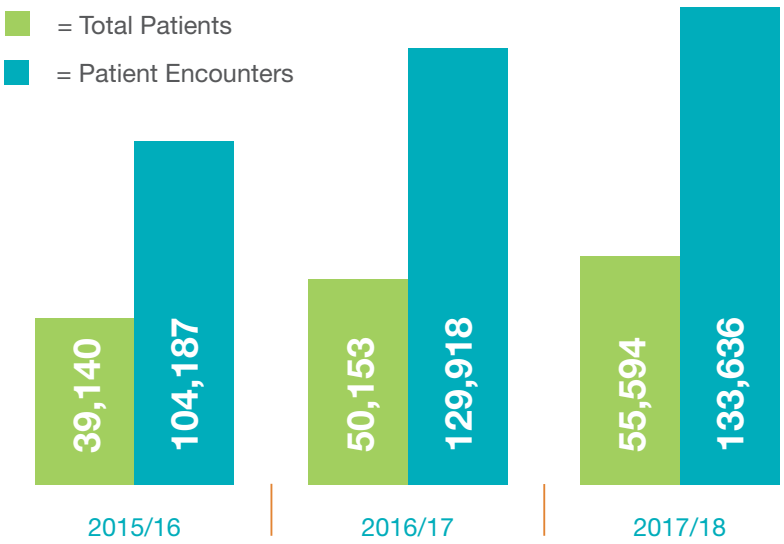
WHAT IS THE EDMONTON SOUTHSIDE PCN?

Edmonton Southside Primary Care Network is the bridge between the personalized care of the family doctor, and the larger vision of the health system. Our highly trained health professionals are a valuable resource for doctors, allowing them to offer more holistic care to the patients who need it most. Edmonton Southside PCN works with 300 family physicians at 97 member clinics to offer compassionate, personalized support while focusing on long-term improvement to the health system.

WHAT IS A MEDICAL HOME?

A Medical Home puts patients' needs at the centre of care. Health care works best when it's delivered in a family practice that offers the necessary care for all stages of life, while enabling patients to work towards managing their own health. The PCN's role is to be there with specialized support and services as needed. This team approach integrates the valuable relationship between family physicians and their patients, with the broader services and larger philosophy of the PCN, to offer the greatest benefits to individuals, families and the health system as a whole.

PATIENTS & ENCOUNTERS BY FISCAL YEAR



When doctors know their patient panels, they can offer more comprehensive care.

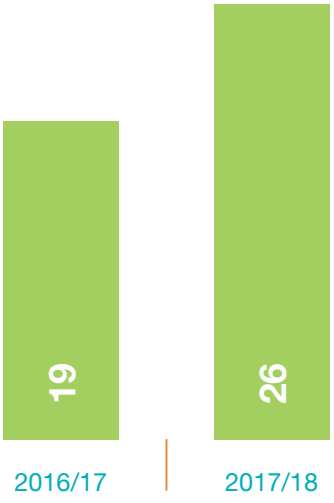
Paneled Patients, Better Care

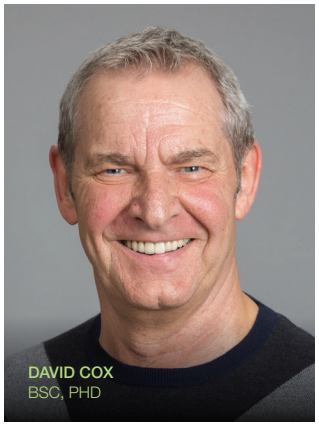
While the main focus of family physicians is always the patients in their care, one way that doctors provide insight into larger population issues is through panel identification and management. A panel is the population of patients that a clinic is responsible for, identified through mutual agreement between doctors and patients. Once a clinic team has established who's on their panel – the people who call that clinic their medical home – it allows both patients and doctors to work together to improve patient health.

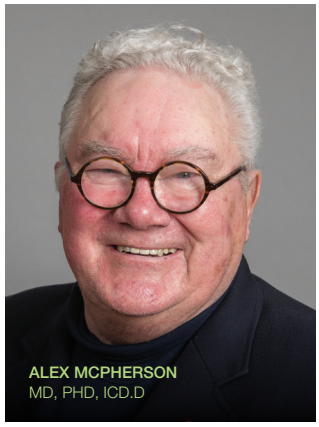
By knowing their panel, doctors take responsibility for caring for those patients when they're not at the clinic as well as during their appointments, and patients take responsibility for building their medical care with the doctor and clinic to which they've committed. When doctors know their patient panels, they can offer more comprehensive care. The PCN helps to build the team and provide the supports for those populations, contributing to a better health system.

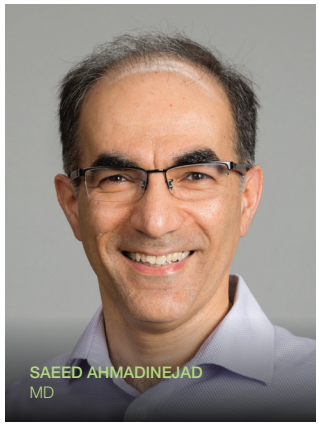
NUMBER OF CLINICS WORKING ON PANELING PROCESSES

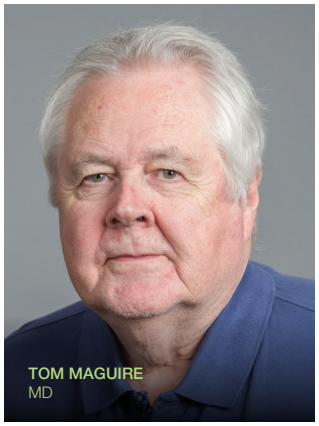
NUMBER OF CLINICS WORKING WITH A PANEL MANAGEMENT ASSISTANT

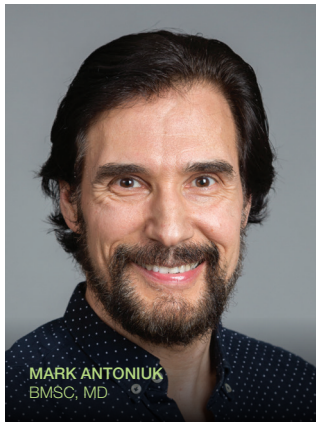








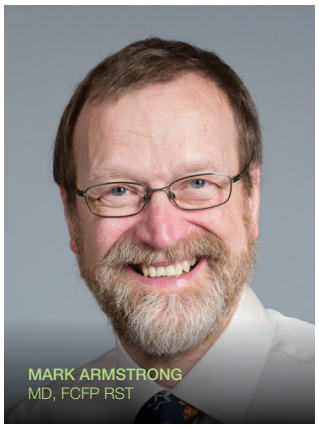


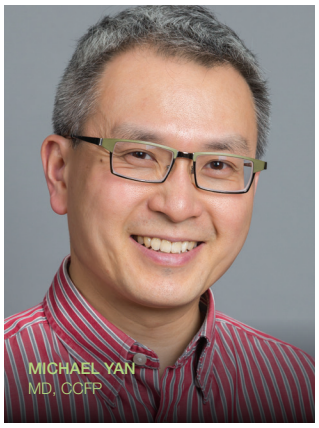


I am a firm believer in integration.

I think our job is made better by working as a team towards integration of our services.

Integration helps us deliver better patient care and helps us as physicians become better caregivers.





Message from the Board of Directors and Executive Director

Primary care networks are built on connections.

We connect family doctors with the PCN's specialized team of health providers so they can better serve their patients.

We also take a larger view – helping doctors understand the populations of patients they serve, and helping the greater health system understand the needs of individual patients. It's through this role that primary care networks have become an integral component of Alberta's health system.

This past year saw changes in how PCNs are governed by the province. In June 2017, the family physicians of Alberta voted to alter the provincial governing structure of PCNs. Participating physicians voted 88% in favour of the new model, which organized Alberta's PCNs into five zones that mirror those of Alberta Health Services, our joint venture partner. The PCNs remain independent entities, but will now join forces to develop a zone-level service plan. This integration will address gaps in service, reach under-served populations, better allocate scarce resources, search for and eliminate duplications and enable the identification and application of best practices between PCNs. The new plan is currently being developed.

Other initiatives aimed at improving governance included new board competency training delivered by the Alberta Medical Association for PCN directors, (in which some Edmonton Southside PCN directors participated). This initiative aims to raise the bar for physicians new to corporate governance and better prepare them for the responsibilities of corporate oversight. The PCN also participated in executive director peer assessments, an initiative of the PCN executive directors to support each other and share knowledge, insight and understanding across the PCNs.

These examples of governance improvements lead to greater accountability and better results for the health system.

Edmonton Southside PCN also embarked on a new business plan. Our 2017-2020 plan offers a continuation of the PCN's existing strength in decentralized multidisciplinary team care. The plan includes a new priority for quality improvement which called for an increased investment in clinic supports directed at medical home changes, including patient paneling, and all that results from knowing one's patients. This includes improvements in outreach screening, care planning for those with complex needs and optimizing clinic processes.

This report highlights three patient stories that demonstrate the value of making a connection in the community. We have also highlighted several significant improvements made across the PCN at some of our members' clinics. Together, this information connects the importance of individualized patient care and the value of medical home processes for the improvement of everyone at the clinic.

The PCN is now home to 300 member physicians supporting more than 336,000 patients, with 163 PCN employees working to offer the right services to the portion of that population in need of extra care. Our new investments in quality improvement have expanded our efforts in education, with more dedicated staff and more workshops. We are also adding member physicians to working groups active in system reform, specifically mental health and urology care.

Lastly but of great importance, the PCN continues to demonstrate fiscal responsibility. We met service delivery expectations and did so while staying well within our means.

Irene Colliton, MD, CCFP
Chair, Board of Directors

Doug Craig
Executive Director


Clinic steps up foot-ulcer prevention
Oh LORD, today please keep you
ARM around my SHOULDERS and
YOUR HAND ACRO
Donna

Adapting and Thriving

It Takes a Team

Caring for the Caregiver

> "The PCN helps physicians to better know their practice populations through panel management. A panel is the group of patients in which there's mutual agreement between doctor and patient to work together – to make a medical home at that particular clinic."

Patients & Populations: Integrating Care

Edmonton Southside PCN works to provide connections and clarity in what can be a complex system. Doctors focus primarily on providing comprehensive care to the patients in front of them, while the PCN helps the doctors take a broader approach by providing them with a wide array of health services and supports tailored to the practice populations, typically those with complex or chronic needs.

The PCN helps physicians to better know their practice populations through panel management. A panel is the group of patients in which there's mutual agreement between doctor and patient to work together – to make a medical home at that particular clinic. A clinic that clarifies its panel takes an important step in building the medical home, which leads to providing the right supports for the right populations.

The value of the PCN lies in our commitment to working with our member physicians to improve patients' quality of life. In partnership with doctors and clinics, the PCN's allied health team looks at the whole person, and how to help each patient in the long-term: inside and outside the doctor's office, transitioning from hospital to home, or wherever their health journey takes them.

The following patient stories help illustrate the way the PCN integrates care within and outside of the clinic. These individuals have used the resources of their medical homes to take responsibility for improving their health and their lives. The Edmonton Southside PCN team is proud to play a role in supporting these patients and many more to become experts in their own care.


WORKSHOPS

PAUL AND DENISE BLAKEBROUGH

Adapting and Thriving

It gives a reason to get up and get going.

DENISE BLAKEBROUGH

PAUL AND DENISE BLAKEBROUGH ARE adaptable people. They began their married life in England, but decided to make their home in Canada in 1958. After two decades in Ontario, they moved to Calgary, and later to Thorsby, where they lived on an acreage for 17 years.

It was their most recent move, to the town of Leduc, that took a toll on Paul. He missed the active acreage lifestyle – chopping wood, planning frequent garage sales and caring for an abundance of outdoor cats.

"He was having a rough time," says Denise of their transition to living in town. "He just wasn't himself." Fortunately, the Blakebroughs had a longstanding relationship with Dr. Glenn Jeffery and the Ermineskin Medical Clinic, and Denise felt comfortable reaching out to the nursing team. The nurses listened to Denise's concerns about Paul's mood and memory, worked with Paul to complete some physical and cognitive testing, and suggested the Primary Care Network's Moving for Memory workshop.

Donna Paradowski is a PCN nurse practitioner who works on the Ermineskin nursing team, and has known Paul and Denise for several years, helping Paul manage diabetes and other health issues. She says it's important to hear patients' stories and develop trust before making recommendations. She knew Moving for Memory would be a good fit because of her existing relationship with Paul.

"The more you can empower people, the more motivated they'll be to follow a plan," Donna says.

"I've learned a lot," says Paul of the ten-week program, which includes education on nutrition, exercise and cognition along with an emphasis on maintaining health. Paul and Denise say they've incorporated some of the cognitive exercises they've learned at home, and have recommended Moving for Memory to friends.

"We want to give participants tools for day-to-day life," says Kacey Keyko, clinical educator and registered nurse. She's a facilitator of the Moving for Memory program, working alongside exercise specialist Stephanie Schlaak and occupational therapist Megan de Haan. "We're helping people advocate for themselves by knowing what questions to ask their doctors about medications and more."

In addition to providing people with mobility concerns or co-morbidities a gentle way to begin exercising, the program encourages socialization too – "which is also good for the brain," says Kacey.

"It gives a reason to get up and get going," Denise confirms. In addition to making friends within the group, Paul and Denise have used the weekly appointment as an excuse to meet with their daughter for breakfast beforehand. They plan to begin a second session of Moving for Memory shortly.

While the PCN team develops and delivers the Moving for Memory program, it's the family clinics that identify the patients who will most benefit. "Trust can be a barrier," to trying something new, Kacey notes, which is why the longstanding relationships that are built in family medicine are so important, as are the nurses who make connections between the patients and the PCN programs.

"Nurse practitioners are invaluable," echoes Dr. Jeffery. "They're our main liaison to the PCN programs, and they decide who the programs will benefit." He appreciates that the nursing team is well-informed about PCN offerings. This allows him to focus on his individual patients, knowing the nurses can connect to further care as needed.

"That's where the PCN shines," he says, "in helping us look after the individual with a team approach. It's collaborative."

Since their wedding day more than sixty years ago, Denise and Paul have adapted and thrived in making a home and life together wherever they go. With support from their family doctor and the health team that works with them, they continue to show strength and resilience in adapting to life's transitions.

PRIMARY CARE NURSE

of clinics have a primary care nurse as part of the clinic team

patients seen by PCN nurses in 2017/18

MOVING FOR MEMORY

satisfaction with Moving for Memory class

would recommend Moving for Memory class

The PCN is a tremendous help to my family practice.

DR. HAMILTON

MANFRED KRAFT

It Takes a Team

THE WAITING ROOM AT BONNIE DOON MEDICAL CLINIC is standing room only this windy April morning. But the crowd gathered in this comfortable neighbourhood clinic isn't here to renew prescriptions or have their blood pressure checked. They will be seeing the doctor, but in a totally new way.

They're here for Walking on Wednesdays (WOW), an innovative program introduced by family practitioner Dr. Michael Hamilton, a member of the Edmonton Southside PCN. Since December, a dedicated group of patients meets weekly for an hour of fresh air and exercise – and are joined by Dr. Hamilton and other clinic staff, letting patients connect with their health providers in a different way.

"After 25 years in practice, I want to provide a practical way for patients to be more active," Dr. Hamilton says. "We try to deal with all aspects of a person's health here, and so wanted to try something new to educate and encourage people."

Joining today's group are clinic patient Manfred Kraft and Rhiannon Jacek, a PCN exercise specialist who works part-time at the clinic. "Rhiannon suggested I try it," says Manfred of the walking group, "and I'm enjoying it." He's an active retiree and grandfather who often bikes and skis, but also contends with long-term chronic health concerns of colitis and diabetes.

Since his usual colitis medication stopped working a couple of years ago, Manfred has been working with Dr. Hamilton and the team at the clinic to find solutions. The Bonnie Doon Medical Clinic team organized a referral to a gastroenterologist and an MRI, and stayed connected when Manfred required a month-long hospital stay. Whatever urgent care Manfred may require, he remains a long-term patient and priority of Dr. Hamilton and his staff.

Manfred's team includes Rhonda Abbott, registered nurse and primary care team member, who is a part of today's walking group. She plays an important role in providing another level of care for people like Manfred who have complex or chronic conditions, ensuring that the PCN's services are integrated and available for those who need them.

MANFRED KRAFT

It was Rhonda that connected Manfred with Rebecca Neveu, the registered dietitian who also works part-time out of the clinic. At his annual visit to his diabetes specialist, Manfred was told he had too many instances of low blood sugar. He knows the best way to manage his diabetes is with diet and exercise, so between those annual specialist visits, Manfred is committed to managing his own health, with the support of everyone at Bonnie Doon Medical Clinic.

"The PCN is a tremendous help to my family practice," says Dr. Hamilton. He's a strong supporter of the Medical Home concept, and believes the best care is holistic. Being a member of the Primary Care Network empowers him to integrate more levels of care for his patients.

Today, that care includes joining patients for a brisk walk. It's an unconventional and welcome example of what's special about family practice.

"We deal with the whole person, and it takes a team to deliver that," says Dr. Hamilton, joining the group as they set out to walk their way to better health.

REGISTERED DIETITIAN

of clinics have a registered dietitian as part of the team

DIABETES-RELATED

encounters with PCN team members were diabetes-related in 2017/18

KAREN CRAIG

Caring for the Caregiver

I'm being educated and I go home feeling uplifted.

KAREN CRAIG

TAKING CARE OF HER OWN HEALTH hasn't always been a top priority for Karen Craig. Karen and her husband share their home with an elderly parent and an adult child, who both have a disability and complex needs. Fortunately, Karen has found care that recognizes and respects all aspects of her profoundly busy life in the clinic of her trusted family doctor, Narpinder Hans, and in the wider connections that Dr. Hans provides through Edmonton Southside PCN.

In her caregiver role, Karen often visited Nova Medical Clinic, where Dr. Hans has her practice. That's how she first met Cheryl Barabash, registered nurse and primary care manager.

"She needed to take better care of herself," says Cheryl, who spends a day each week at Nova Medical Clinic, located on the southern outskirts of Edmonton. Together with Dr. Hans, Cheryl and Karen worked as a team to find solutions for Karen's anxiety, depression and chronic pain. Karen has made excellent progress, says Cheryl, and she's proud of the role she has played in supporting Karen.

"I connect the PCN with the clinic to create better care. The primary care nurse role is key" in integrating the PCN's many services to offer more complete medical care, Cheryl explains.

Karen values her relationship with Cheryl and the PCN connections that Cheryl can offer to improve Karen's overall quality of life. Most recently, Karen is participating in the PCN's Breathing for Health workshop, which Cheryl recommended to help with chronic sleep issues and breathing problems.

"I'm being educated and I go home feeling uplifted," says Karen about the class. She finds that the group helps with fighting isolation as well as integrating education and exercise. Karen also welcomes an upcoming meeting with a PCN dietitian. Karen sees the PCN as a useful tool among many in her health toolbox, which includes everyone from an accommodating pharmacist, to friendly staff at the local library who connect her visually-impaired parent with audiobooks.

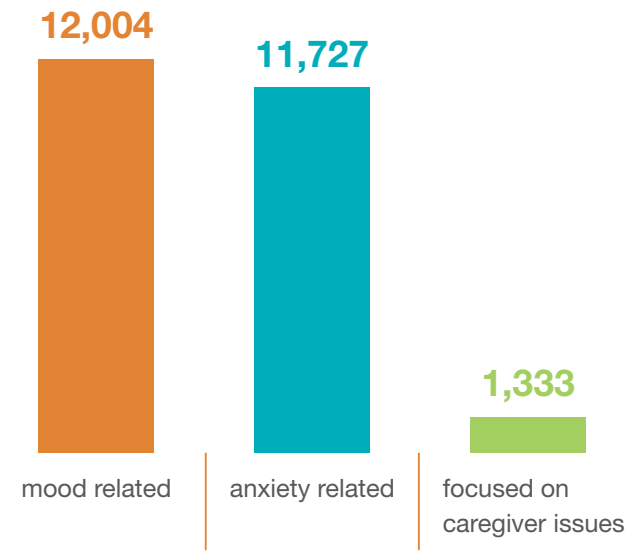
KAREN CRAIG

As someone who carries responsibility for her family members' health as well as her own, Karen is happy that the clinic treats her as part of the team. She feels a connection with everyone there, from long-time Nova receptionist Mary Kozak, to Dr. Hans, her family doctor of twenty years.

"It's important to offer extra care for those who care for others," says Dr. Hans. "We know Karen's family, her history…and she knows we're there for her. We believe in her." Dr. Hans says being part of a primary care network brings her peace of mind as well as better care for patients.

"If I didn't have Nova Medical Clinic, I don't know what I'd do," says Karen, confident that the Nova team sees her as a whole person, not a diagnosis. Karen continues to thrive as the care coordinator for her own family, knowing that she has found a caring medical home with Dr. Hans, Cheryl and everyone at Nova Medical Clinic.

PCN TEAM MEMBER ENCOUNTERS



CLINICAL STAFFING CHANGES (FTE)

	2016/17	2017/18
Nurses*	45.9	48.5
Nurse Practitioners*	4.2	4.85
Social Workers*	9.6	11.5
Dietitians*	11.9	12.5
Exercise Specialists	2.75	3.25
Respiratory Therapists*	2.0	2.4
Psychologists*	1.4	.5
Clinical Improvement Facilitators	2.4	3.4
Panel Management Assistants	10.75	15.25

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

GROUP WORKSHOPS

If the family practice is the medical home for patients, the supports offered by the PCN are the additions that ensure the medical home is in a good neighbourhood. These workshops play an important but smaller role to complement the important work done daily in clinics. There were 1,429 participants in PCN-led group classes in 2017/18.

PCN workshops and classes allow clinics to integrate meaningful support to benefit their patients:

- Breathing for Health
- Changeways for the Older Adult
- Changeways: Strategies for Personal Change
- Early Prenatal Class
- Grocery Shopping Tours
- Group Prenatal Classes
- High Risk Foot Protection Team
- How to…Fitness Series
- Managing Emotions
- Meal Planning
- Moving for Health
- Moving for Memory
- Open Gym
- Parent & Child Anxiety Group – Teen Anxiety
- Personal Directive/Enduring Power of Attorney
- QuitCore
- Relaxation
- Seniors' Centre Without Walls
- Walking Group
- Weight Management Program

Clinic Level Quality Improvement

Edmonton Southside PCN's member clinics apply primary care resources to make real improvements in their clinics, and real differences in patients' lives like the ones whose stories are shared here.

CARE PLANNING:

One clinic wanted to better support their patients over 80 years old, who often have complex health needs, or are at risk of developing them – patients not unlike Paul and Denise Blakebrough. This clinic developed and tested a care plan for these older patients that included a visit by a PCN nurse practitioner and a multidisciplinary case conference. In seven short months, the number of patients over 80 years old who had not been seen in the clinic in the last year was reduced from 22% to 4%. This significantly reduced the risk for these individuals. The clinic team has increased their:

- nurse practitioner home visits in the last year from 0 to 35;
- case conferences in the last 2 years from 6 to 28;
- completed goals of care from 3 to 26; and
- documented frailty scores from 0 to 28.

IMPROVING PATIENT ACCESS:

Another clinic started monitoring missed appointment rates in November 2016. They tested different processes before starting an auto-reminder system to reduce their no shows from 9.6% to 3.4%, with an estimated savings of $50,000 in the last year. More importantly, the number of monthly no shows was reduced by 37 (from 59 in November 2016 to 22 in February 2018), which created appointment opportunities for other patients.

OUTREACH SCREENING:

Outreach methods scan the panel for those who are due or overdue for screening, then invites those patients to come in for their screening, a very important step in health promotion and disease prevention. At one clinic, a PCN-introduced panel management assistant (PMA) generated lists of patients due for Pap testing. After a review by the physicians, eligible patients were recalled by the PMA who also updated charts of ineligible patients. Recalled patients were also screened for other preventative care, such as mammography, blood pressure and smoking status. In only seven months:

- 451 patients were screened; and,
- Pap testing screening rates improved across the clinic; one physician experienced a 35% increase (from 52% to 87%).

In seven short months, the number of patients over 80 years old who had not been seen in the clinic in the last year was reduced from 22% to 4%.

INTEGRATED MULTIDISCIPLINARY TEAM MEMBER

of clinics have a integrated multidisciplinary team member

of clinics have 3 or more PCN multidisciplinary team members

PCN-SUPPORTED QUALITY IMPROVEMENT WORK

Independent Auditors' Report

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

We have audited the accompanying financial statements of **1157178 Alberta Ltd. [operating as Edmonton Southside Primary Care Network]**, which comprise the statement of financial position as at March 31, 2018 and the statement of operations, and statement of cash flows, for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of **1157178 Alberta Ltd. [operating as Edmonton Southside Primary Care Network]** as at March 31, 2018 and the results of its operations and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Ernst & Young LLP

Chartered Professional Accountants

Edmonton, Canada
May 16, 2018

Statement of Financial Position

As at March 31

	2018 $	2017 $
Assets		
Current		
Cash and cash equivalents	**2,176,913**	1,210,857
Accounts receivable	**90,379**	56,742
Prepaid expenses	**272,242**	189,916
Total current assets	**2,539,534**	1,457,515
Capital assets *[note 3]*	**1,351,254**	1,706,808
	3,890,788	3,164,323
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities *[note 4]*	**1,418,030**	1,402,068
Deferred revenue *[note 5]*	**1,121,504**	55,447
	2,539,534	1,457,515
Deferred capital contributions *[note 6]*	**1,351,254**	1,706,808
	3,890,788	3,164,323
Commitments *[note 7]*		
Net assets	—	—
	3,890,788	3,164,323

See accompanying notes

On behalf of the Board:

Director

Director

Statement of Operations

Year ended March 31

	2018 $	2017 $
Revenue		
Alberta Health grant		
Operating	**18,777,636**	17,698,282
Capital	**326,470**	413,157
Other grants	**177,375**	84,036
	19,317,481	18,195,475
Expenses		
Advertising	**141,792**	132,070
Allowance for goods and services tax receivable	**18,102**	18,559
Contract services	**85,808**	115,277
Dues and subscriptions	**127,886**	80,877
Small equipment purchases	**53,919**	51,887
Evaluation costs	**75,748**	83,192
Insurance	**34,379**	22,924
Information technology	**185,782**	132,370
Bank charges and fees	**39,018**	24,565
Management consulting fees	**—**	1,950
Office and supplies	**100,910**	56,146
Payments to physicians [*note 8*]	**3,878,917**	3,848,988
Professional development	**35,417**	52,347
Professional fees	**27,434**	29,982
Rent	**352,357**	468,945
Repairs and maintenance	**10,552**	8,158
Surplus reduction plan	**—**	26,689
Telephone and communications	**45,034**	92,058
Travel	**33,979**	29,772
Wages and benefits [*note 9*]		
Administration	**2,619,881**	2,601,102
Health professionals	**11,088,096**	9,904,460
	18,955,011	17,782,318
Excess of revenue over expenses before other items	**362,470**	413,157
Amortization of capital assets	**(362,470)**	(413,157)
Excess of revenue over expenses for the year	**—**	—

See accompanying notes

Statement of Cash Flows

As at March 31

	2018 $	2017 $
Operating activities		
Excess of revenue over expenses for the year	—	—
Add items not requiring a current outlay of cash		
Amortization of capital assets	**362,470**	413,157
Amortization of deferred capital contributions	**(362,470)**	(413,157)
	—	—
Changes in non-cash working capital account balances related to operations		
Decrease (increase) in accounts receivable	**(33,637)**	49,462
Decrease (increase) in prepaid expenses	**(82,326)**	(13,405)
Increase (decrease) in accounts payable and accrued liabilities	**15,962**	(4,996)
Increase (decrease) in deferred revenue	**1,066,057**	(4,203,521)
Cash provided (used) in operating activities	**966,056**	(4,172,460)
Investing activities		
Purchases of capital assets	**(6,916)**	(82,579)
Cash provided (used) by investing activities	**(6,916)**	(82,579)
Investing activities		
Contribution received for purchase of capital assets	**6,916**	82,579
Cash provided (used) by investing activities	**6,916**	82,579
Net increase (decrease) in cash during the year	**966,056**	(4,172,460)
Cash and cash equivalents, beginning of the year	**1,210,857**	5,383,317
Cash and cash equivalents, end of the year	**2,176,913**	1,210,857

See accompanying notes

Notes to Financial Statements

March 31, 2018

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 implement a local primary care initiative with Alberta Health Services in accordance with the terms of agreement between Alberta Health, Alberta Medical Association and Alberta Health Services for the purpose of:

[i] increasing the proportion of Alberta residents with ready access to primary health care;

[ii] providing coordinated 24 hour, 7 day per week management of access to appropriate primary health care services;

[iii] increasing the emphasis on health promotion, disease and injury prevention, care of medically complex patients and care of patients with chronic disease;

[iv] improving coordination and integration with other health care services including secondary, tertiary and longterm care through specialty care linkages to primary health care; and

[v] facilitating the greater use of multi-disciplinary teams to provide comprehensive primary health 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.

Notes to Financial Statements

March 31, 2018

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.

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. During the period, the organization was directed by Alberta Health to update their amortization policy to depreciate their capital assets. Effective April 1st, 2017, 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

This change in accounting estimates was accounted for prospectively as of the current period and reduced amortization expense for the period by $3,879.

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.

Notes to Financial Statements

March 31, 2018

3. Capital assets

	2018			2017		
	Cost $	Accumulated amortization $	Net book value $	Cost $	Accumulated amortization $	Net book value $
Tangible						
Leasehold improvements	**1,310,750**	**421,933**	**888,817**	1,310,750	234,562	1,076,188
Office equipment	**563,240**	**354,581**	**208,659**	563,240	289,551	273,689
Clinic equipment	**446,326**	**240,550**	**205,776**	446,326	207,361	238,965
Computer equipment	**175,241**	**143,891**	**31,350**	175,240	99,903	75,337
Clinic renovations	**154,778**	**154,778**	**–**	154,778	127,330	27,448
Intangible						
Computer software	**97,242**	**80,590**	**16,652**	90,326	75,145	15,181
	2,747,577	**1,396,323**	**1,351,254**	2,740,660	1,033,852	1,706,808

4. Government remittances payable

As at March 31, 2018, accounts payable and accrued liabilities include government remittances payable of $80,001 [2017 – $75,028].

5. Deferred revenue

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

			2018	2017
	Alberta Health $	Other grants $	Ending balance $	Ending balance $
Balance, beginning of the year	**(11,597)**	**67,044**	**55,447**	4,258,968
Received during the year	**19,769,909**	**169,928**	**19,939,837**	13,589,494
Restricted investment income	**88,147**	**–**	**88,147**	71,882
Recognized as revenue	**(18,777,636)**	**(177,375)**	**(18,955,011)**	(17,782,318)
Transferred to deferred capital contributions	**(6,916)**	**–**	**(6,916)**	(82,579)
Balance, end of the year	**1,061,907**	**59,597**	**1,121,504**	55,447

Notes to Financial Statements

March 31, 2018

6. Deferred capital contributions

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

	2018 $	2017 $
Balance, beginning of the year	**1,706,808**	2,037,386
Transferred from deferred revenue	**6,916**	82,579
Less amounts recognized as revenue	**(362,470)**	(413,157)
Balance, end of the year	**1,351,254**	1,706,808

7. Commitments

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

	$
2019	275,094
2020	275,094
2021	279,140
2022	291,276
2023	218,457
	1,339,061

In addition to the minimum lease payments, the Organization is required to pay annual operating costs of approximately $100,000.

Notes to Financial Statements

March 31, 2018

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.

	2018 $	2017 $
Services	**133,056**	151,213
After hours care	**1,127,885**	1,436,351
Multidisciplinary team overhead	**2,617,976**	2,261,424
	3,878,917	3,848,988

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 $825,754 [2017 - $755,637] 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 $258,031 [2017 - $234,518] to employee savings accounts.

Notes to Financial Statements

March 31, 2018

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	19,769,909
Paid	
Alberta Health Services – Support Services & Misc.	75,298
Members of the Board of Directors	43,506
Accounts receivable include amounts receivable from:	
Alberta Health Services – Consulting Care Program	194
Accounts payable and accrued liabilities include amounts payable to:	
Members of the Board of Directors	1,896

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.

Primary Care Network
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