
CELEBRATING 10 YEARS

Annual Report 2015

Cheryl Barabash, RN, BScN, MEd
Primary Care Manager

Jessica Schaub, MPH
Evaluation Manager

Melanie Jaques, BHEc, RD
Primary Care Manager

Tye Babb, BPE, Bsc, CSEP-CEP
Primary Care Manager



MESSAGE FROM THE GENERAL MANAGER

Doug Craig
General Manager



Ten years, and over 600,000 patient encounters! A small group of forward-thinking family physicians joined forces in May 2005 to create Alberta's first primary care network (PCN). This partnership between family physicians, Alberta Medical Association, Alberta Health Services and Alberta Health was created to "enhance the delivery of primary care." Looking back at the past 10 years, Edmonton Southside PCN has truly changed how care is delivered, primarily through the creation of multidisciplinary teams. We have introduced nurses, social workers, dietitians, nurse practitioners, exercise specialists and respiratory therapists to the family physician practice. The founding member family physicians chose to focus on complex patient care, including chronic diseases, mental health and the challenges of aging as the core services for the organization – priorities that remain integral to the PCN today. Over the years, we've developed expertise in these areas, expanded and modified our clinical services and added new programs. We have stayed true to our foundation while increasing our clinical services to include almost all aspects of primary care.

In 2005, the PCN had 59 member physicians practicing in 12 clinics. Fourteen employees had a total of 598 patient encounters in our first year of operations. In 2015, the PCN had 229 physicians practicing from 67 clinics, and 109 staff had more than 101,000 patient encounters. Edmonton Southside's numbers are still on the rise for member physicians, clinics, staff and patients.

Our organization is now building on our success with team-based care

and beginning to develop a health home for our patients at their family physician's clinic. This involves a shared commitment and a responsibility between the patient and the practice to provide comprehensive primary care. The PCN is adding panel management assistants to the team who have the responsibility to track prevention screening and report on the well-being of the practice population. This year we asked our Healthy Aging Team to become part of the medical home and they have moved most of their services to our member clinics, building on the concept of having all services under one roof for the patient.

A significant enhancement for the PCN over the past 10 years is our capacity to provide multilingual care. We now offer clinical services in 13 languages. This helps patients access health services within a home that they can be comfortable in.

We reached out to the community this year and created a Community Council; an advisory group that will assist us with our need to educate the public about what a primary care network does and to link us better to the needs of the communities we serve. I am very proud to be part of the Edmonton Southside PCN and to work with such a dedicated team of professionals who bring their best each day to patient care. They continually enhance the delivery of primary care and are building the trusted cornerstone of a healthy community.


Doug Craig
General Manager

Shelina Merali-Tate, MSW, RSW
Primary Care Manager





Janet Schultz
Executive Assistant



Ann Comeau, MN, NP, CCN(C)
Primary Care Manager



Sheri Fielding, NP, MS
Clinical Director



Sharon Pelletier, BA (psych), BSW, RSW
Primary Care Manager



David Chamberland, CMA
Controller

Sean DeWitt
Alberta Health Services
Governance Committee

Mahmood Nizam, MD
Governance & Nominations
Committees

Michael Yan, MD
Nominations Committee

Allison Theman, MD

Glenna Ramsay, MD



2005 Numbers
57 Member Physicians
14 Staff, 12 Clinics
1 Language Spoken
81,273 Enrollees

Oct 2005
First Registered
Social Worker
hired

March 2006
First three
nurses hired

Jan 2006
First Nurse
Practitioner
hired

May 2006
1,000 Patient
Encounters

April 2007
First Registered
Dietitian hired

Stephanie Donaldson
Alberta Health Services &
Governance Committee

Richard Hanelt, MD
Governance Committee

David Cox, PhD
Finance & Audit Committee

Irene Colliton, MD
Board Co-chair
Governance & Nominations
Committees

Helen Cuddihy, MD



March 2009
100,000 Patient
Encounters

April 2011
First Exercise
Specialist
hired

May 2009
50th Employee
Hired

Jan 2010
First Respiratory
Therapist
hired

May 2011
250,000 Patient
Encounters

Dec 2011
100th Employee
Hired

Brian McPeak, MD
Finance & Audit Committee

Mark Antoniuk, MD
Finance & Audit Committee

Denise Campbell-Scherer, MD, PhD
Board Co-Chair

Alex McPherson, MD, PhD



Feb 2014
500,000 Patient Encounters

2015 Numbers
229 Member Physicians
109 Staff, 67 Clinics
13 Languages Spoken
247,948 Enrollees

Jan 2015
600,000 Patient Encounters

MESSAGE FROM THE BOARD

When Edmonton Southside PCN established the first primary care network 10 years ago, it was an experiment in the making. With a small staff hired, the founding family physicians were very hands-on with the operations of the organization. This meant the board of directors were actively involved in many of the operational decisions.

As Edmonton Southside has grown over the years and excellent staff have filled the roles to lead, guide and manage patient care, the board of directors have evolved as well. We've taken a step back from operations and are developing a true governance structure for the corporation. This involves taking a strategic view of the organization, providing oversight and ensuring that the appropriate structure and decision-making processes are in place to achieve the PCN's vision, mission and business plan. We've also changed the Board's membership by adding two public positions to complement the physicians' expertise in medicine and healthcare delivery with corporate leadership and director experience. Board sub-committees have been created to oversee finance and audits, HR and nominations of new board members. We aspire to best practice in corporate governance just as we aspire to deliver the best primary care.

We believe that our PCN has thrived as an organization, in part, because of this focus on good governance. One proof of this is the recognition of the PCN as one of Canada's Best Small and Medium Employers by Aon Hewitt and Queen's School of Business two years in a row.

This year – our 10th year – is a milestone achievement in primary care transformation in Alberta. The continued growth of the PCN's multidisciplinary teams, physician members and patients served reflects an organization that is well structured, well managed, and positioned for continued success.

We foresee continued growth and further evolution in primary care as we strive to build better health homes for our patients.



Irene Colliton, MD
Board Co-Chair



Denise Campbell-Scherer, MD, PhD
Board Co-Chair

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2015
**Best Small
and Medium
Employers
in Canada**

By Aon Hewitt and
Queen's School of Business

CELEBRATING 10 YEARS OF SERVICE

The 2015 annual report marks Edmonton Southside PCN as a trailblazer with a 10 year track record of successes and achievements in supporting and caring for our health system, our family physicians, our staff, and most importantly, our patients.

This annual report takes a step back to examine how our PCN has evolved since it started delivering a different kind of primary care to family physicians and their patients in 2005. We look at the significant changes between 2005 and 2015 from when the PCN concept was first introduced to how new clinical disciplines have become embedded in the clinics. The annual report also demonstrates how the organization has grown since 2005, comparing the numbers between then and now.

What hasn't changed is the importance of the relationship between family physicians and their patients. This relationship is essential to the success of our PCN because without the trust that the patient has for their physician, they may not have readily accepted the referrals to the multidisciplinary team members. In the beginning, patients had to learn how a PCN can help improve their health, in addition to the care they received from their doctor. Today, it's common for patients to ask their physicians for a referral to one of the health team members.

As an organization that has been proving for the last 10 years we can deliver excellent primary care, we value the trust that we've earned with our physician members and their patients. Enjoy reading the history of the evolution of our PCN.

WHAT IS A PCN?

Primary Care Networks (PCNs) are a made-in-Alberta approach to improving access to and better coordination of care for patients across the province. At Edmonton Southside PCN, a group of family doctors works with a multidisciplinary team to coordinate health services for patients. The team can comprise of nurse practitioners, primary care nurses, registered dietitians, behavioural health consultants, respiratory therapists, exercise specialists and a Healthy Aging Team.



THEN & NOW

“ *Mental health was the first program to get up on its feet and get running for the PCN.* ”

CRYSTAL DEGENHARDT, RSW
Behavioural Health Consultant, 2005-2015

“ *I love this PCN. We're allowed to implement what we think we can do for our patients, in a way that seems to work best for us and our physicians.* ”

JUDY WARREN, RN
Primary Care Nurse, 2006-2015

Judy Warren has worked out of the Justik Medical Clinic for 30 years, even before the PCN was created in 2005. When she heard the news that Justik was planning to be one of the first clinics to join Edmonton Southside, she was anxious to be part of the new primary health care concept.

Crystal Degenhardt started the mental health program, now behavioural health, and was the first social worker hired. In the early days, she would meet patients wherever it was most comfortable for them — a coffee shop or a park bench. Now the program is engrained in the clinics and offers workshops and one-on-one appointments.



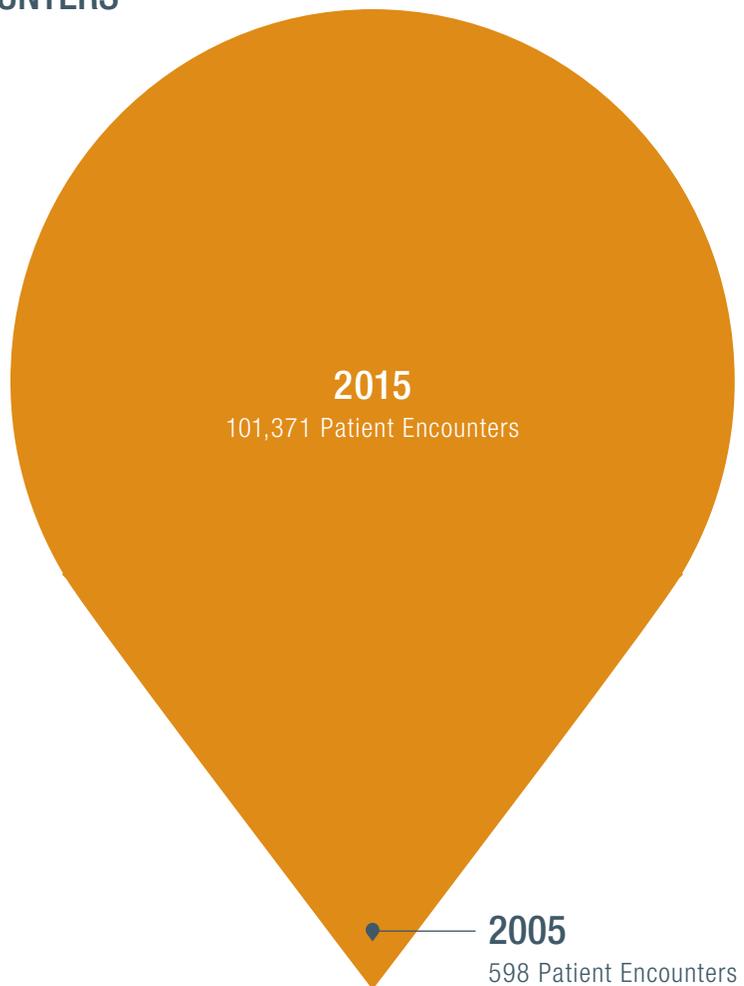
COMMUNITY & PATIENTS

Edmonton Southside PCN's patient population is based on the number of physicians who belong to the primary care network. In 2005, membership was small and the concept of a multidisciplinary team was new.

At first, only nurses were introduced in the clinics, followed by mental health coordinators, now known as behavioural health consultants, and then support for geriatric care. The encounters for 2005 represent nurses seeing patients mainly for diabetes. The numbers for 2015 reflect patient encounters with a wider variety of clinicians – nurses, behavioural health consultants, primary care dietitians, respiratory therapists, exercise specialists and the Healthy Aging Team. With the diversity and growth of clinicians on the health team, the average number of monthly patients seen by the team is 5,710. It also demonstrates the growth of physician membership in the PCN.

The community that Edmonton Southside serves has grown as well. In order to ensure the PCN is providing the right types of services, a community council was established in 2014. The council is comprised of up to 12 members and meets quarterly. Members are learning about other community agencies and what Edmonton Southside does as a primary care network.

PATIENT ENCOUNTERS



PATIENT POPULATION



THEN & NOW

“ I’m very cognizant of the fact that the PCN has helped me so much and I thank the system very much. ”

DON KUPINA
Patient, 2005

Don Kupina was diagnosed with diabetes 15 years ago and has had a strong relationship with his doctor at the Meadowbrook Medical Clinic where he met a PCN nurse. Through the support of the PCN, Don has learned to moderate his diet and take responsibility for his health. He calls himself a “food addict” and focuses on improving the types and amount of food he chooses to consume.

Mary-Anne Janewski has a Baker’s cyst on the back of her left knee. With the right tools and advice from Dr. Narpinder Hans, primary care nurse Cheryl Barabash and registered dietitian Robin Arora-Desilet at Meadowbrook Medical Clinic, Mary-Anne has been reaching her daily goal of 10,000 steps and has modified her diet to add more fibre to her gluten free food list.

“ I am probably more pro-active with their support and help than I would have without. It’s always talked about in an encouraging manner. ”

MARY-ANNE JANEWSKI
Patient, 2015



PHYSICIANS & STAFF

Edmonton Southside PCN has been constantly growing as an organization from the start.

As new member physicians and clinics joined, the PCN expanded its multidisciplinary team's skills and services. Workshops were not offered until a few years of operations and now patients can register for 15 different classes in mental health, nutrition, seniors' housing, power of attorney, exercise and respiratory therapy. PCN staff can speak a multitude of languages including French, Mandarin, Cantonese, Hindi and Punjabi.

Staff came to the PCN from various backgrounds, such as long term care, hospitals and home care, and have become experts in primary care. They are able to assist and care for almost any patient concern that presents to the family physician. Primary care is directly connected to the social determinants of health, including income and social status; social support networks; education; employment/working conditions; social environments; physical environments; personal health practices and coping skills; healthy child development; gender; and culture. We recognize that primary care involves all of the population and our staff are prepared to respond as required.

STAFF



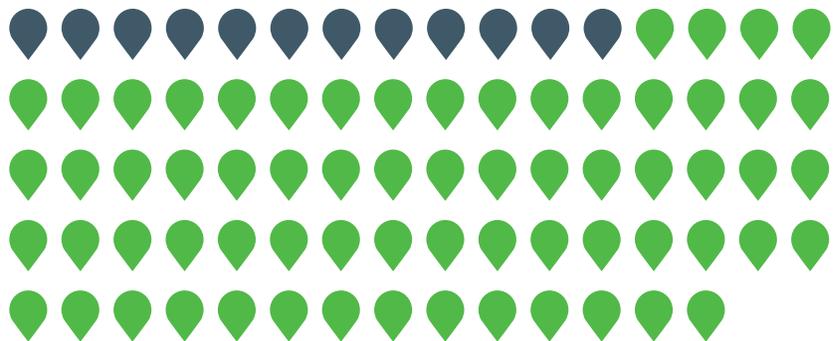
2005: 14 Staff // 2015: 109 Staff

PHYSICIANS



2005: 57 Physicians // 2015: 229 Physicians

CLINICS



2005: 12 Clinics // 2015: 67 Clinics

THEN & NOW

“ I can truly say I’m very happy I got involved in the PCN ... It’s been a wonderful time and I don’t anticipate the PCNs disappearing. ”

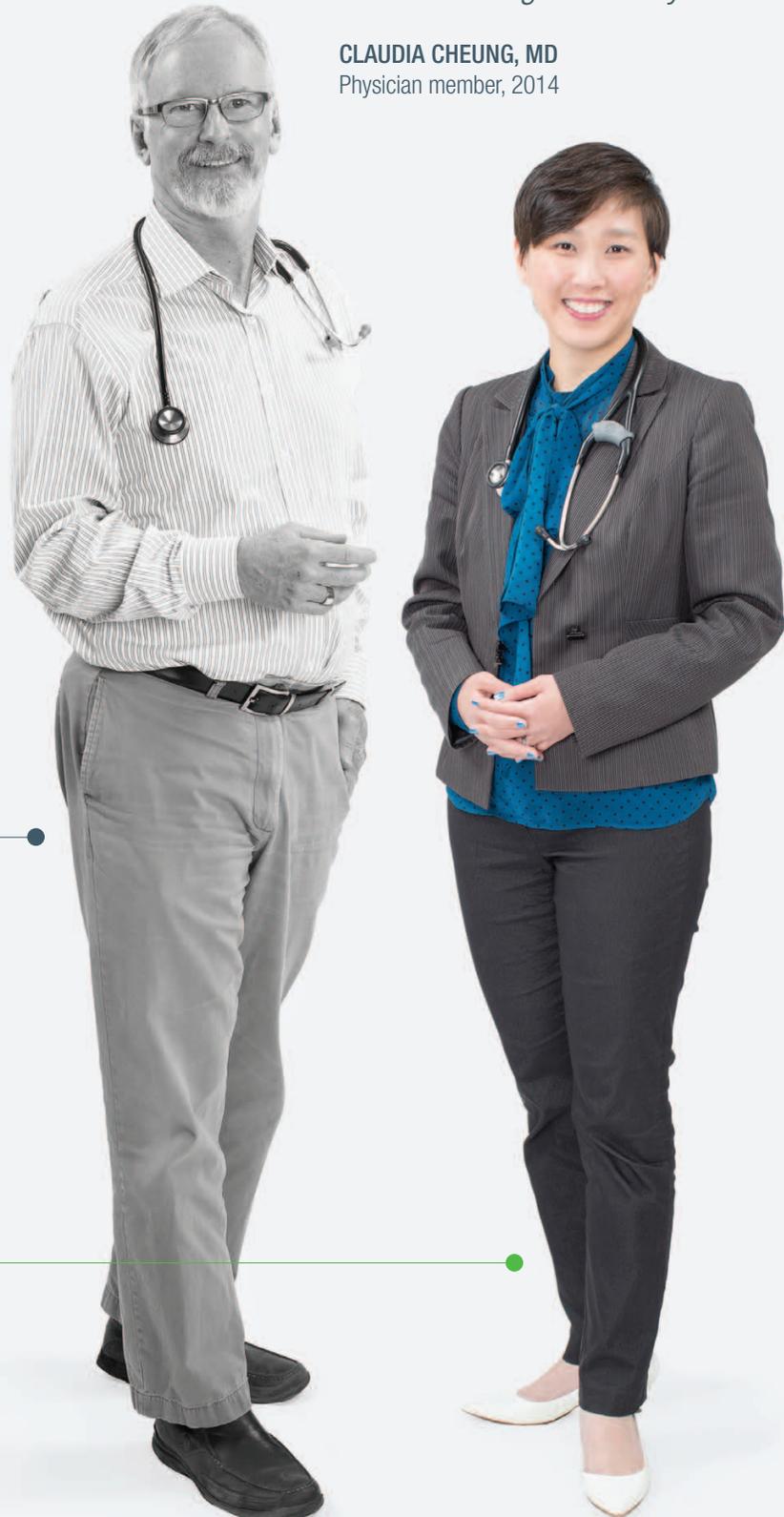
BRIAN RITCHIE, MD
Physician member, 2005

Dr. Brian Ritchie of Ermineskin Medical Clinic helped establish Edmonton Southside PCN and steer direction as a board member. Ermineskin was one of the early adopters to have a nurse in its clinic and now the team has grown to include two nurse practitioners, a behavioural health consultant, a primary care dietitian, a Healthy Aging Nurse, a respiratory therapist and a psychiatrist.

Dr. Claudia Cheung of King Edward Medical Centre opened her practice in 2014 with the intention of joining Edmonton Southside PCN. She receives support from Daisy Wong, a Cantonese and Mandarin speaking nurse.

“ With the PCN nurse here, it can actually help so much for looking after the patients. Overall, I think we all work together really well. ”

CLAUDIA CHEUNG, MD
Physician member, 2014



DELIVERY OF CARE & HEALTH SYSTEM

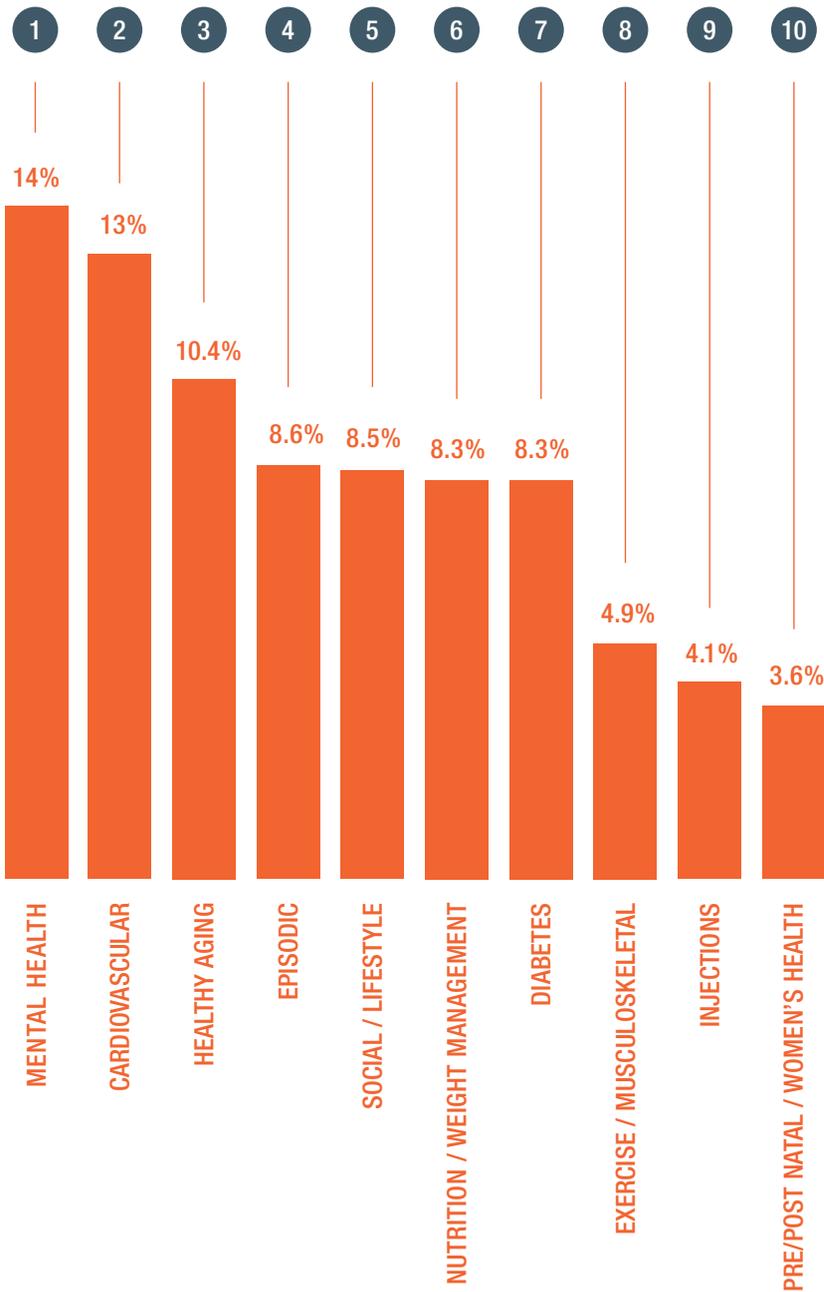
When Edmonton Southside PCN started in 2005, only primary care nurses were in the clinics and focused on diabetes counselling and management. Not only has their role expanded in the clinics, but the number of different providers has as well.

The PCN has evolved from silos of care providers to all the clinicians being integrated into health teams. With these multidisciplinary teams, there is more of a focus of creating a health home for our patients in the clinics where their family physician is based.

The health home became a huge focus for Edmonton Southside in the last year. Family physicians have been encouraged to increase the screenings for their patients in order to identify any health concerns before the patients walk through the clinic door. Thirty-one member physicians were engaged in panel management or other clinic improvement projects.

Edmonton Southside physicians and their clinics have been working on increasing screening rates. With the help of newly hired panel management assistants and clinical improvement facilitators, patient screening rates for participating physicians have increased by 27%.

TOP 10 REASONS FOR PATIENT ENCOUNTERS



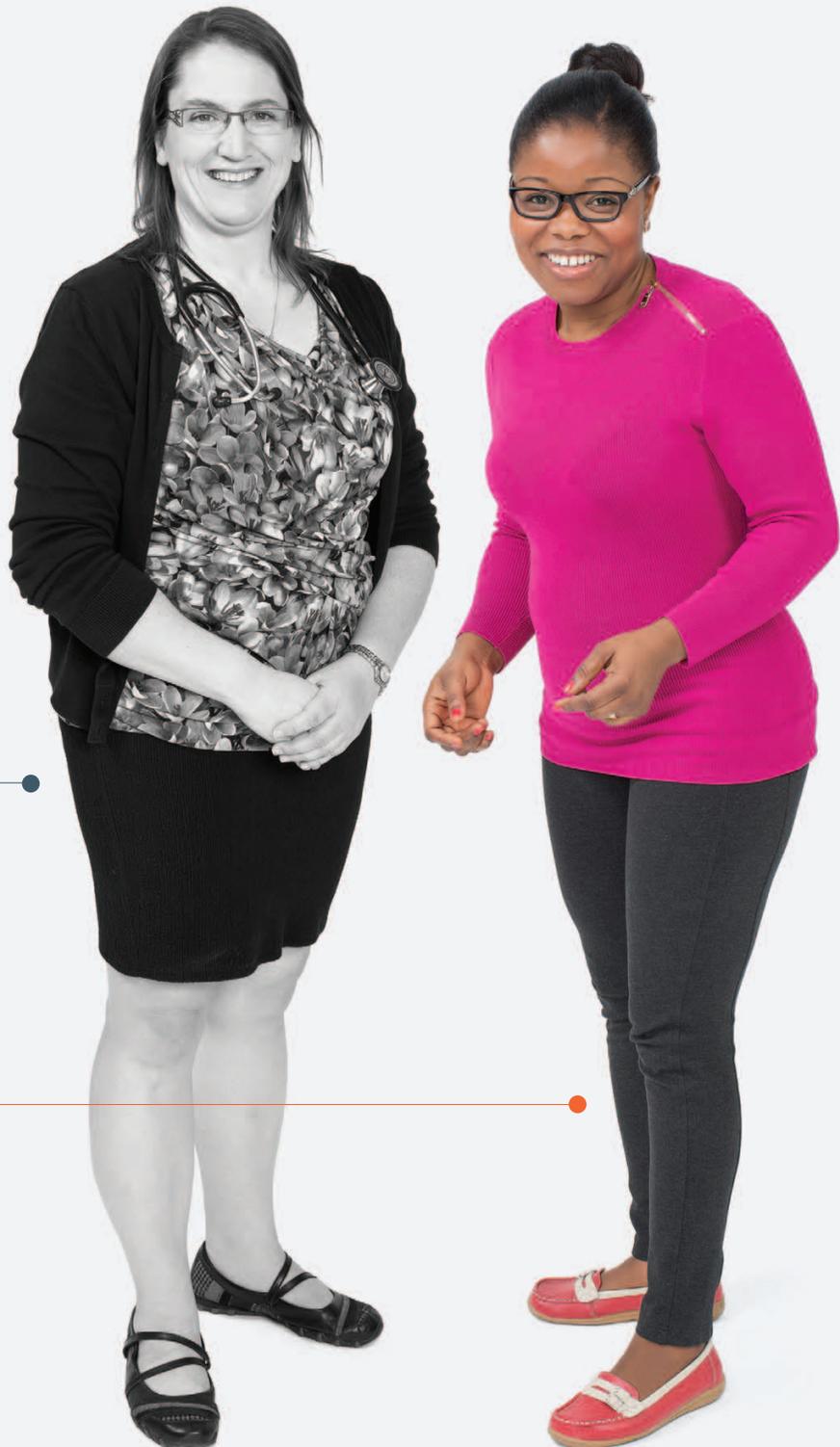
THEN & NOW

“ We’re providing better care for patients by identifying their critical health needs through consistent screening practices. ”

STELLA ARMAH
Panel Management Assistant, 2014

“ I started working with the PCN concept before it became PCN and we had a vision of what our clinics could look like if this came to be. ”

JENNINE WISMARK, MD
Physician Member &
Board Chair, 2005



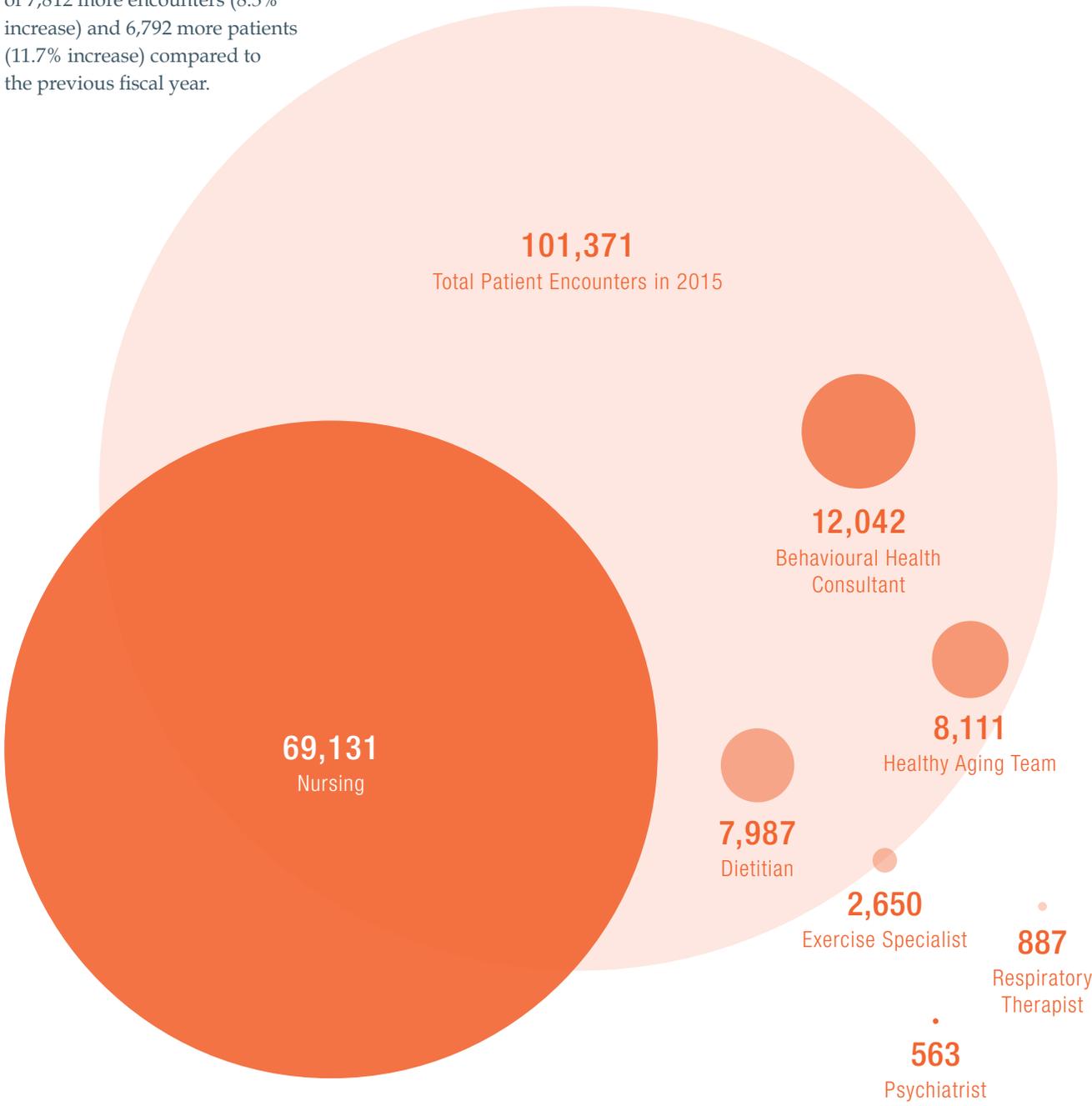
Dr. Jennine Wismark of Heritage Medical Clinic was the first board chair for Edmonton Southside PCN and helped make the vision of a primary care network become a reality. Ten years later she heavily relies on the multidisciplinary team to support her practice and her patients.

Stella Armah is one of six panel management assistants in six member clinics who screen patients for upcoming medical tests such as mammograms and request that the patients take the tests before seeing a family doctor. This supports family doctors who can see the results prior to meeting with the patients.

DELIVERY OF CARE & HEALTH SYSTEM

In 2015, we saw 101,371 total patient encounters, with 5,710 patients seen on average per month by the team. This is an increase of 7,812 more encounters (8.3% increase) and 6,792 more patients (11.7% increase) compared to the previous fiscal year.

ENCOUNTERS BY PROVIDER TYPE



INDEPENDENT AUDITORS' REPORT

To the Directors 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, 2015 and the statements of operations, changes in net assets, and 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 in our audit 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, 2015 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.

May 20, 2015
Edmonton, Canada

Ernst + Young LLP
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As at March 31

	2015 \$	2014 \$
ASSETS		
Current		
Cash	6,029,080	620,648
Short-term investments	-	5,375,000
Accounts receivable	59,646	45,949
Prepaid expenses	100,783	80,359
Total current assets	6,189,509	6,121,956
Capital assets [note 3]	734,609	626,672
Restricted cash [note 6]	2,400,000	2,400,000
	9,324,118	9,148,628
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities [note 4]	1,148,046	1,405,135
Net assets		
Unrestricted net assets	5,041,463	4,716,821
Internally restricted net assets [note 6]	2,400,000	2,400,000
Investment in tangible capital assets	734,609	626,672
Total net assets	8,176,072	7,743,493
	9,324,118	9,148,628

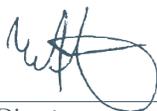
Commitments [note 8]

See accompanying notes

On behalf of the Board:



Director



Director

STATEMENT OF OPERATIONS

Year ended March 31

	2015 \$	2014 \$
REVENUE		
Alberta Health operating grants	13,483,202	12,001,712
Registry nurse contract	-	80,000
Program cost recovery	10,907	11,423
Other revenue	13,480	20,712
Interest income	143,891	125,108
	13,651,480	12,238,955
EXPENSES		
Advertising	79,937	97,656
Allowance for GST receivable	16,627	17,795
Contract services	43,955	27,544
Dues and subscriptions	91,264	47,285
Equipment purchases	13,848	22,245
Evaluation costs	100,100	103,049
Insurance	19,926	17,835
Information technology	74,027	66,600
Fees and bank charges	19,171	7,569
Management consulting fees	28,336	72,560
Office and supplies	83,422	58,174
Payments to physicians <i>[note 5]</i>	2,904,851	2,564,674
Professional development	48,248	71,810
Professional fees	41,005	46,487
Rent	210,686	197,511
Repairs and maintenance	1,886	1,689
Surplus reduction plan	137,938	1,584
Telephone and communications	63,401	42,205
Travel	39,967	37,042
Wages and benefits <i>[note 9]</i>		
Administration	2,141,094	1,734,071
Health professionals	6,755,334	6,145,794
	12,915,023	11,381,179
Excess of revenue over expenses before other item	736,457	857,776
Loss on disposal of capital assets	(1,513)	(5,864)
Excess of revenue over expenses before amortization	734,944	851,912
Amortization of capital assets	(302,365)	(240,404)
Excess of revenue over expenses for the year	432,579	611,508

See accompanying notes

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	Unrestricted net assets \$	Internally restricted net assets \$	Investment in tangible capital assets \$	Total \$
NET ASSETS, MARCH 31, 2013	4,643,032	1,799,975	688,978	7,131,985
Excess of revenue over expenses	611,508	-	-	611,508
Purchases of capital assets	(183,962)	-	183,962	-
Loss on disposal of capital assets	5,864	-	(5,864)	-
Increase in internally restricted net assets	(600,025)	600,025	-	-
Amortization of capital assets	240,404	-	(240,404)	-
NET ASSETS, MARCH 31, 2014	4,716,821	2,400,000	626,672	7,743,493
Excess of revenue over expenses	432,579	-	-	432,579
Purchases of capital assets	(411,815)	-	411,815	-
Loss on disposal of capital assets	1,513	-	(1,513)	-
Amortization of capital assets	302,365	-	(302,365)	-
NET ASSETS, MARCH 31, 2015	5,041,463	2,400,000	734,609	8,176,072

See accompanying notes

STATEMENT OF CASH FLOWS

Year ended March 31

	2015 \$	2014 \$
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	432,579	611,508
Add items not affecting cash		
Amortization of capital assets	302,365	240,404
Loss on disposal of capital assets	1,513	5,864
	<u>736,457</u>	<u>857,776</u>
Changes in non-cash working capital balances related to operations		
Increase in accounts receivable	(13,697)	(5,283)
Increase in prepaid expenses	(20,424)	(3,255)
(Decrease) increase in accounts payable and accrued liabilities	(257,089)	889,803
Cash provided by operating activities	<u>445,247</u>	<u>1,739,041</u>
INVESTING ACTIVITIES		
Decrease (increase) in short-term investments	5,375,000	(5,375,000)
Increase in restricted cash	-	(600,025)
Purchases of capital assets	(411,815)	(183,962)
Cash provided by (used in) investing activities	<u>4,963,185</u>	<u>(6,158,987)</u>
Change in cash during the year	<u>5,408,432</u>	<u>(4,419,946)</u>
Cash, beginning of year	620,648	5,040,594
Cash, end of year	<u>6,029,080</u>	<u>620,648</u>

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

1. NATURE OF 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 long-term 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

These financial statements were 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 recording revenue. Alberta Health operating grants received by the Organization are unrestricted and therefore recorded as revenue in the period in which they are received. All other grant revenue is recognized in the year for which it is granted, as indicated in the specific funding agreement entered into by the Organization. Accountable revenues which have not yet been spent in accordance with funding contracts are carried over to the next fiscal period. This recognition is based on Alberta Health operating agreement with the Organization, which expires on March 31, 2017.

Interest income is recognized on the basis of the passage of time when collectability is reasonably assured.

Cash

Cash consists of cash on deposit with a short term to maturity of approximately three months or less from the date of purchase.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

Financial instruments

Investments are recorded at fair value. Other 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

Purchased capital assets are recorded at acquisition cost. Amortization is provided annually at rates calculated to write off the assets over their estimated useful lives as follows:

Tangible

Leasehold improvements	Straight-line over the term of the lease
Office equipment	20% diminishing balance
Clinic equipment	20% diminishing balance
Computer equipment	30% - 100% diminishing balance
Clinic renovations	Straight-line over five years

Intangible

Computer software	100% diminishing balance
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Employee future benefits

The Organization maintains a defined contribution group RRSP plan under which amounts are contributed to eligible employees' accounts. The expenditure for this plan is equal to the Organization's required contributions for the year.

3. CAPITAL ASSETS

	2015			2014		
	Cost \$	Accumulated amortization \$	Net book value \$	Cost \$	Accumulated amortization \$	Net book value \$
Tangible						
Leasehold improvements	562,176	479,845	82,331	558,259	367,634	190,625
Office equipment	278,441	175,990	102,451	257,640	152,977	104,663
Clinic equipment	408,483	77,673	330,810	70,880	37,171	33,709
Computer equipment	124,885	47,942	76,943	89,249	31,981	57,268
Clinic renovations	405,817	266,249	139,568	405,817	174,239	231,578
Intangible						
Computer software	55,666	53,160	2,506	50,653	41,824	8,829
	1,835,468	1,100,859	734,609	1,432,498	805,826	626,672

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

4. GOVERNMENT REMITTANCES PAYABLE

As at March 31, 2015, accounts payable and accrued liabilities include government remittances payable of \$21,119 [2014 - \$209,404].

5. 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, 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 PCN's multidisciplinary team of professionals.

	2015	2014
	\$	\$
Services	142,233	144,354
After hours care	1,193,018	1,001,078
Multidisciplinary team overhead	1,569,600	1,419,242
	<u>2,904,851</u>	<u>2,564,674</u>

6. RESTRICTED CASH

Alberta Health requires the maintenance of cash funds sufficient to cover the obligations of the Organization should the Organization cease operations. These funds are currently held in cash accounts [2014 - invested in short-term investments]. Internally restricted net assets are regularly reviewed and revised to reflect changes in potential obligations should the Organization cease operations.

7. ECONOMIC DEPENDENCE

The Organization relies on government funding for its revenue. The Alberta Government has committed to supplying funding. Should this funding cease, the Organization would not be able to continue operations without alternate sources of revenue.

The Alberta Government has given notice that the Organization will be required to utilize unexpended surpluses in the upcoming fiscal year for operations as the annual funding for the year will be reduced. The exact amount is unknown at this time.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

8. COMMITMENTS

The Organization is committed to the following future minimum annual lease payment for office premises, expiring November 30, 2015:

	\$
2016	75,829

The Organization is committed to the following future minimum annual lease payments for office premises expiring November 30, 2022:

	\$
2016	78,859
2017	236,576
2018	241,505
2019	251,362
2020 and thereafter	951,233
	1,759,535

In addition to the minimum rental payments, the Organization is also required to pay its proportionate share of operating costs.

9. RRSP AND TFSA CONTRIBUTIONS

The Organization contributes to a group registered retirement savings plan ["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 \$559,316 [2014 - \$469,318] to the savings plan.

The Organization contributes to employees' tax-free savings accounts ["TFSA"] an amount up to 2% of eligible employee earnings. During the year the Organization contributed \$175,218 [2014 - \$146,106] to the savings account.

10. FINANCIAL INSTRUMENTS

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

Interest rate risk

The Organization is exposed to interest rate risk with respect to its investments in fixed income investments because the interest earned will fluctuate due to changes in market interest rates.

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.

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

GET IN TOUCH WITH US

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Fridays: 8 a.m. to 4:30 p.m.

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