



Annual report 2012

Building team care



PCN by the numbers

50,238 patients

\$8.1+
million operating budget

33
family physician clinics

54 staff

7 health profession disciplines

27,912
diabetes-related
patient encounters

operating since
2005

5,268
mental health patients

145 member physicians

11
types of workshops offered

2,458
geriatric patients

11,684
obesity-related
patient encounters

11,035
hypertension-related
patient encounters



Board of Directors



Top, left to right: Dr. Denise Campbell-Scherer, Dr. Irene Colliton**, Dr. Narpinder Hans, Dr. Kay Lavery*
Middle, left to right: Dr. Allison Theman, Dr. Patricia Verones**, Dr. Denis Vincent*
Bottom, left to right: Dr. Michael Yan, Dr. Janice Zielinski, Dr. Harry Zirk.
Missing: Dr. Sarah Bates.

*Audit Committee, **Governance Committee, #Chair



Message from the Board Chair



On behalf of the Board of Directors, it has been a pleasure to guide Edmonton Southside Primary Care Network (PCN) through a tremendous year of growth.

During the 2011-12 fiscal year, we saw eight family physicians join our PCN, the number of clinics rise to 33 and our multidisciplinary team grow to 53.9 (full-time equivalent) staff members.

Building the right health care team is essential to serve our patients' needs. Edmonton Southside helped a total of 50,238 patients in 2011-12, an increase of 14 per cent from the previous year, with the main focus on chronic disease management.

Mental health, diabetes and geriatrics (18.6 per cent, 14.4 per cent and 10.5 per cent respectively) were the top issues that our health professional staff encountered. In order to provide more support to the complexity of these issues, Edmonton Southside added an exercise specialist and a respiratory therapist as well as expanding its mental health and geriatric teams.

We will continue to strive to be the leader in delivering primary care health services while supporting our family physicians in their clinics by caring for those patients with complex and chronic health issues.

Looking ahead, we envision further growth and continuing to build a strong multidisciplinary health team. We are excited about these prospects and how this will positively change the face of health care in Alberta.



Dr. Irene Colliton
Board chair



AHS Governance Committee



Left to right: Stephanie Donaldson-Kelly and Aleem Rajani

Management team



Top: Clinical Director Sheri Fielding

Bottom, left to right: Primary Care Managers Ann Comeau, Cheryl Barabash and Sharon Pelletier



Message from the General Manager



An annual report provides an opportunity for an organization to reflect on the past year. For Edmonton Southside PCN, there is much to celebrate about 2011-12. As General Manager, I am most proud of our multidisciplinary professional team and support staff who provided exceptional health care to thousands of our patients. This year wasn't without some change and adaptation. Edmonton Southside continues to strive to deliver exceptional primary health care with its family physician members. In order to accomplish this goal, our PCN examined how our health care teams were

delivering this service and made a significant change.

We restructured our health professional staff and decentralized further by placing our mental health coordinators in member clinics. Prior to this, patients would meet mental health coordinators at our administration office. With the restructuring, mental health coordinators are on hand in the clinics to see patients at their medical home.

The reorganization also added four new leadership positions — three primary care managers and a clinical director, who provide day-to-day management and support to the multidisciplinary team members.

This provided an opportunity to break down silos and improve the lines of communication between the growing number of physicians and clinics, and the PCN, with the focus on building and improving our health care services.

Edmonton Southside entered the 2011-12 fiscal year by moving into a new and expanded office space to accommodate the growing needs of our health population.

The new office permitted us to add new programs and expand our services. With the addition of an exercise specialist on staff, patients, who have limited mobility and those who wanted medically supervised guidance to take the first steps to become active, were given tools to succeed. The Moving for Health workshop has quickly become popular with all available slots filled each time it is offered.

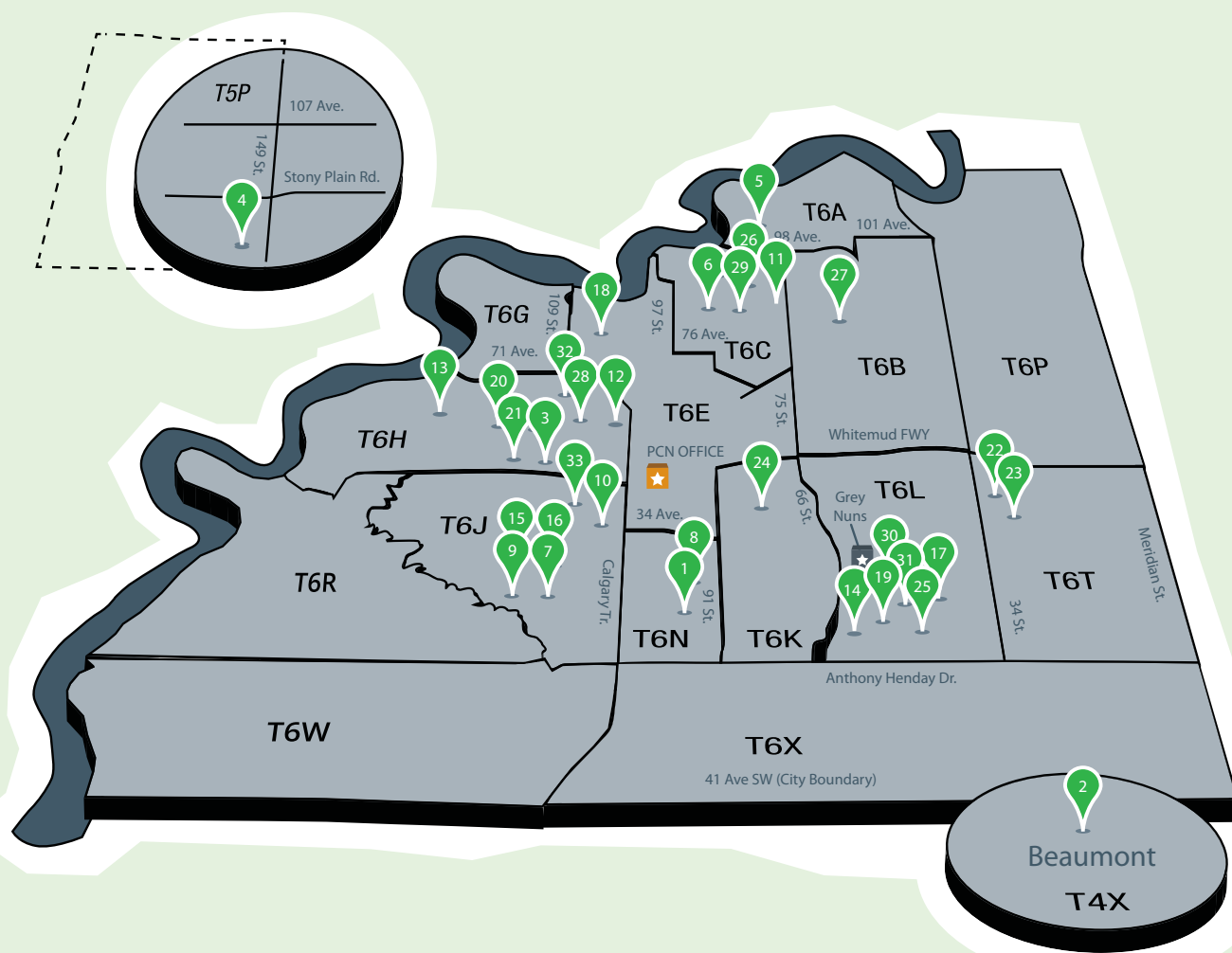
Patient education has increased by offering more workshops at the PCN in order to encourage self-management of chronic diseases.

Edmonton Southside continues to grow and I foresee the changes that we have made in 2011-12 will only further increase the positive impact that our health care teams have working with our patients in the future.

A handwritten signature in black ink, appearing to read 'Doug Craig'.

Doug Craig
General Manager





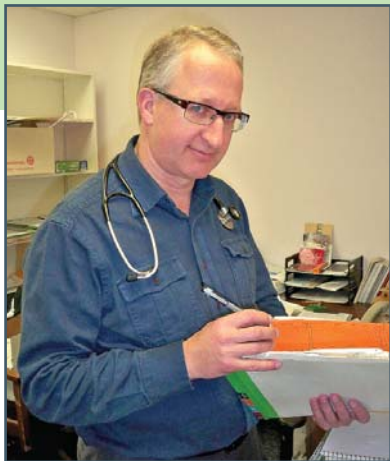
Edmonton Southside Primary Care Network

Clinic List and PCN Map

	NAME	LOCATION		PHONE	FAX
1	Arjuna Thiagarajah	2316 - 96 St.	Edmonton T6N 1J8	780.468.5999	780.469.5398
2	Beaumont Medical Clinic	#4, 5102 - 49 Ave.	Beaumont T4X 1E4	780.929.5400	780.929.2126
3	Bradstock Medical Clinic	#101, 11020 - 53 Ave.	Edmonton T6H 0S4	780.434.0939	780.434.0939
4	Canora Medical Clinic	14924 Stony Plain Rd.	Edmonton T5P 3X8	780.443.0300	780.443.0059
5	Capilano Medical Clinic	7905 - 106 Ave.	Edmonton T6A 1H7	780.465.0951	780.465.6928
6	Cite Francophone	#138, 8627 - 91 St.	Edmonton T6C 3N1	780.450.8635	780.401.3104
7	Dominion Medical Centres Century Park	2383 - 111 St.	Edmonton T6J 5E5	780.436.0020	780.436.0603
8	Dominion Medical Centres Parsons Road	9122 - 23 Ave.	Edmonton T6N 1H9	780.801.3360	780.801.3366
9	Ermieskin Medical Clinic	#301, 2377 - 111 St.	Edmonton T6J 5E5	780.436.8731	780.434.8732
10	Gateway Medical Clinic	#950, 3803 Calgary Tr.	Edmonton T6J 7A9	780.436.7240	780.436.8142
11	Good Samaritan Seniors Clinic	9534 - 87 St.	Edmonton T6C 3J1	780.440.8274	780.469.6495
12	Govindan Nair	#214, 11044 - 51 Ave.	Edmonton T6H 0L4	780.436.8671	780-436-7409
13	Grandview Medical Clinic	12313 - 63 Ave.	Edmonton T6H 1R4	780.437.1968	780.438.4395
14	Grey Nuns Family Medicine Centre	2927 - 66 St.	Edmonton T6K 4C1	780.342.1470	780.490.0953
15	Heritage Lane Medical Centre	10835 - 23 Ave.	Edmonton T6J 7B5	780.424.6490	780.425.4920
16	Heritage Medical Clinic	#105, 2841 - 109 St.	Edmonton T6J 6B7	780.436.3790	780.434.8378
17	Hewes Way Clinic	#206, 2603 Hewes Way	Edmonton T6L 6W6	780.462.4210	780.462.4214
18	Justik Medical Clinic	8225 - 105 St.	Edmonton T6E 4H2	780.432.0211	780.439.9349
19	Leela Balakrishnan	6426 - 28 Ave.	Edmonton T6L 6N3	780.462.3491	780.461.2650
20	Lendrum Medical Clinic	5526 - 111 St.	Edmonton T6H 3E9	780.436.3422	780.436.3441
21	Maguire Clinic	#206, 11044 - 51 Ave.	Edmonton T6H 5B4	780.434.7335	780.434.0437
22	Mark Antoniuk	4010 - 50 St.	Edmonton T6L 5N3	780.450.5646	780.462.4406
23	Meadowbrook Medical Clinic	3905 - 34 St.	Edmonton T6T 1L5	780.448.1166	780.448.2830
24	Millbourne Road Medical Clinic	131 Millbourne Rd. E	Edmonton T6K 1P6	780.462.4229	780.462.3315
25	Millwoods Family Clinic	#104, 2551 Hewes Way	Edmonton T6L 6W6	780.462.2767	780.463.7025
26	Montgomery Medical Clinic	9212 - 95 Ave.	Edmonton T6C 1Z7	780.465.4954	780.466.4675
27	Ottewell Medical Clinic	6138 - 90 Ave.	Edmonton T6B 0P2	780.468.6409	780.469.1261
28	Pleasantview Medical Clinic	11028 - 51 Ave.	Edmonton T6H 0L4	780.434.5129	780.434.9992
29	St. Thomas Community Health Centre	9040 - 84 Ave.	Edmonton T6C 1E4	780.434.2778	780.466.8702
30	Town Centre Family Clinic	#320, 6203 - 28 Ave.	Edmonton T6L 6K3	780.462.8120	780.461.9437
31	Urban Medical Clinic	#106, 2603 Hewes Way	Edmonton T6L 6W6	780.757.9547	780.757.9546
32	Victoria Medical Centre	6915 - 109 St.	Edmonton T6H 3B7	780.433.7211	780.433.7758
33	Whitemud Crossing Clinic	#127, 4211 - 106 St.	Edmonton T6J 6L7	780.435.7555	780.436.0582







Peel back the layers of Edmonton Southside PCN and you'll see many facets.

First, there is the layer of the family physician, who first encounters the patient and decides if further support is needed.

Second, the PCN nurses or nurse practitioners are caring for patients seamlessly alongside physicians in the medical clinics. They delve into the complexity of a patient's health condition and can spend additional time educating them about their situation. The nurse collaborates with the family physician and discusses what is the next step for the patient.

The final layer consists of more specialized health professionals who further support the patient, the family physician and the primary care nurse. Health professionals include nurse practitioners, nurses, mental health coordinators, respiratory therapists, geriatric nurses and social worker, dietitians and an exercise specialist.

If you blend the layers together, you have a multidisciplinary team working towards improving the lives of complex and chronic disease patients.

The majority of the patients are between the ages of 20 and 64 (*Table 1*) with a slightly higher percentage of females (*Table 2*).

More patients were seen by mental health coordinators in the last year because of the decentratization of these services (*Table 3*).

The nurses see a majority of these patients (*Table 4*) with the encounters rising each year as more family medical clinics join the PCN.

The majority of health issues that the PCN professionals see are related to chronic diseases.

Within chronic disease encounters,

diabetes at 42 per cent is the top health issue, followed by hypertension at 18 per cent, obesity at 18 per cent and dyslipidemia at 16 per cent (*Table 5*).

Dietitian and geriatric services continue to be in demand while respiratory therapy is rapidly growing.

Besides one-on-one health services, patients have the opportunity to take workshops through the PCN and learn skills to become responsible for their own health. In 2011-12, almost 970 patients registered for 11 different workshops, including Changeways, Grocery Shopping Tours and Personal Directives.

Layers of team care are built at Edmonton Southside to serve what is best for its patient population.

**PCN Wide Patient Population
Age Distribution-Year 2011**

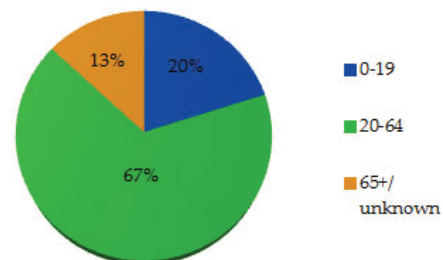


Table 1



PCN Wide Patient Population Gender

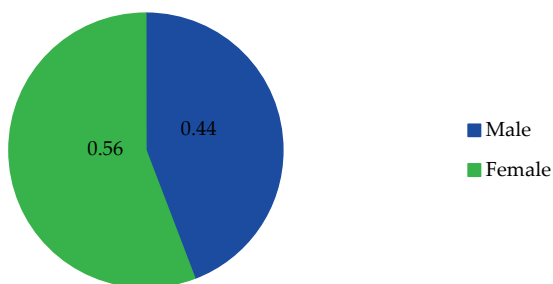


Table 2

Edmonton Southside PCN's data demonstrates how the demand for its services continues to grow. As seen in *Table 3*, mental health grew because our professionals started seeing more patients in the clinics in addition to a referral system at the main office. Dietitians and respiratory therapists visit clinics on a set schedule while geriatric nurses will make home visit appointments with patients after a referral from a primary care nurse or family physician.

Patients seen by PCN Professionals for selected services

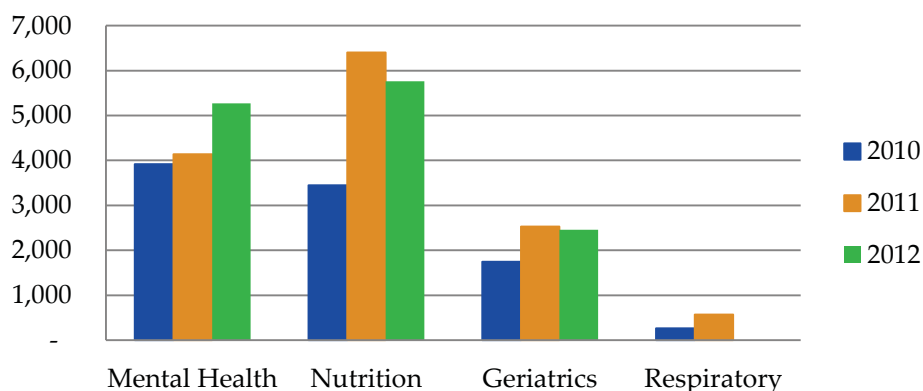


Table 3



Patients seen by Primary Care Nurses

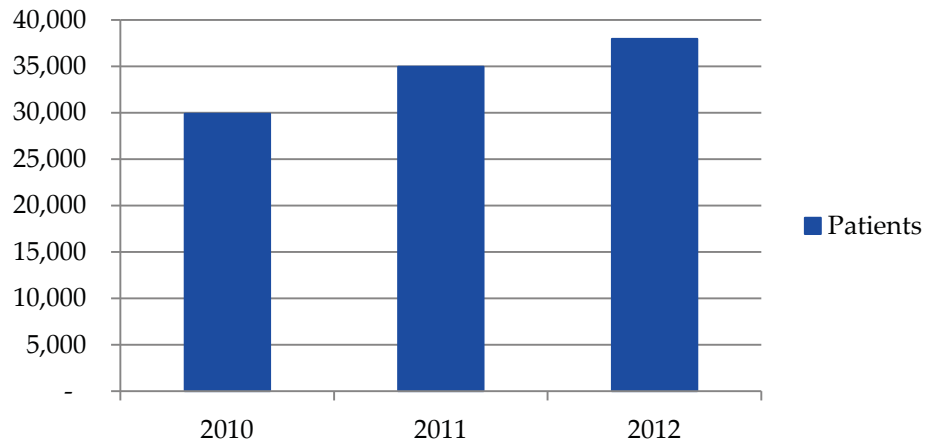


Table 4

Chronic disease prevention and education aids in reducing the burden on the overall Alberta health care system. As seen in *Table 4*, primary care nurses are seeing more patients each year, predominantly for chronic diseases. The types of chronic disease outlined in *Table 5* shows how diabetes still remains a significant health issue for Edmonton Southside PCN's patient population. Obesity-related encounters have decreased while hypertension and dyslipidemia-related encounters were on the rise towards the end of the 2011-12 fiscal year.

Percent Encounters by Chronic Disease Type

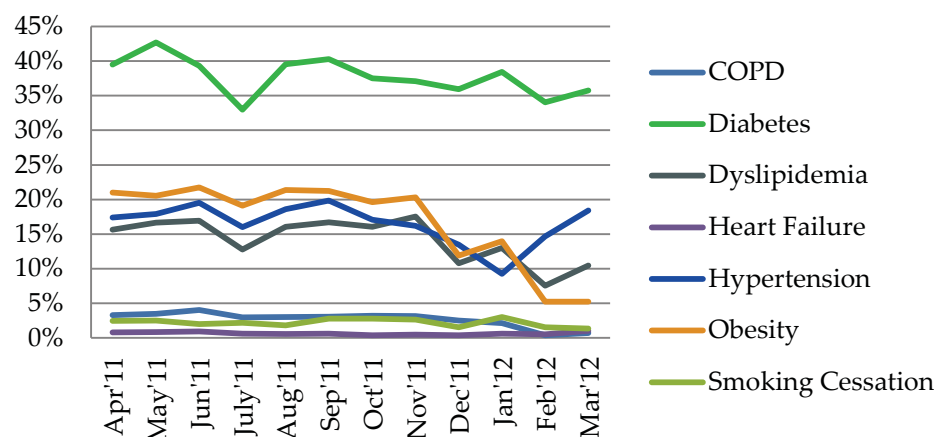


Table 5



Injection Related Encounters

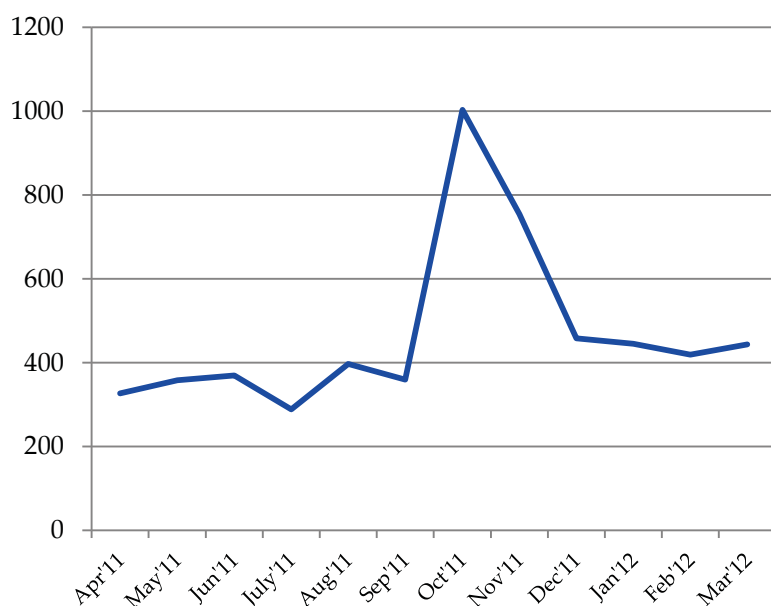


Table 6

Nurses in the PCN have a wide scope of practice and a range of roles in their clinics. Not only do they support patients with chronic disease, they provide comprehensive care to the practice population, which may include women's health, wound management, ear syringing, injections (Table 6) and INR monitoring (Table 7).

INR Monitoring Related Encounters

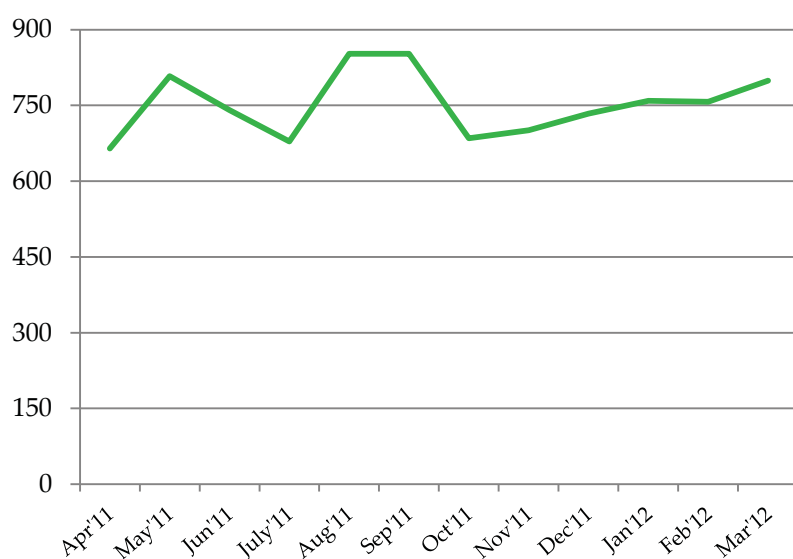


Table 7



W

orkshops are held at Edmonton Southside Primary Care Network's offices five days a week. A description of the workshops and the number of registered patients is listed below.

Workshop		Registered patients
Anxiety	This workshop focuses on self-management strategies such as relaxation techniques, distorted thought recognition and how to implement change.	83
Changeways™	A group that meets the needs of patients diagnosed with depression who are interested in learning about and developing antidepressive skills.	140
Craving Change™	Participants learn to manage emotional eating using cognitive behavioural therapy techniques.	92
Group Prenatal	Expectant mothers are introduced to all aspects of having a baby, including nutrition and mental health.	27
Grocery Shopping Tours	A two-hour evening session at a grocery store provides insight by a dietitian on how to make healthy food choices.	102
Meal Planning	Participants learn how to plan meals ahead of time.	45
Moving for Health	A two-month supervised group exercise program for currently inactive individuals or those with chronic health conditions.	196
Personal Directives/ Enduring Power of Attorney	A geriatric social worker helps guide participants in developing their own personal directive and enduring power of attorney legal documents.	64
Relaxation™	A small group course designed to provide participants with training in effective relaxation strategies.	55
Rise-Up	A four-week antidepressive skills group program which uses a cognitive behavioural therapy approach.	40
Weight Management Group	Open to participants who want to work on managing their weight on a regular drop-in basis.	10 to 15 per month



Sometimes a passing comment to a family physician can change a patient's life. For Tara (name changed to protect her identity), this chance remark lead her down a path that she had been afraid to take for 15 years. She was visiting her family physician, Dr. Sheela Duia, at the Meadowbrook Medical Clinic for high blood pressure and fibromyalgia when she decided to mention that she was having problems at home. Dr. Duia referred her to Cheryl Barabash, a primary care nurse with Edmonton Southside PCN.

"I wasn't really expecting too much. I met with Cheryl who asked me about my home life. I never put a name to what was happening

to me," says Tara, who was in an abusive relationship.

"I liked Cheryl right from the start. I was coming every week to see her in the clinic and she suggested we meet with a PCN mental health coordinator."

Dr. Duia says Tara appeared to have symptoms of depression and by having Cheryl help coordinate care resulted in a much quicker diagnosis and treatment.

Tara, 62, had been married to her husband for 20 years. Their relationship evolved around the emotional and psychological abuse, which Tara became used to and what she was familiar with.

"I had been suicidal and self-abusive in the past and I didn't want to be that

way anymore," says Tara.

Her husband began physically abusing Tara two years ago by pushing her and did not shy away from demonstrating this in public.

Cheryl gave her the resources and the courage to take the next steps.

Tara met with Sharon Pelletier, a PCN mental health coordinator.

"Cheryl and my role have been to support her and start where she is at. If she wanted to remain in the marriage, we wouldn't write her off.

We would continue to support her,

recognizing it is a huge step," says Sharon.

When she did decide to escape from the relationship, Cheryl asked her to call as

"If my doctor was not involved with this program, there's no way that I would be where I am now."

soon as Tara was safely living in her new residence.

"I don't know what I would have done or how it would have ended if I couldn't talk to Cheryl about leaving and what I needed to do to get out and stay safe," says Tara. "She let me know what I was feeling was normal."

Since leaving her husband, Tara's blood pressure is down and she has lost 11 pounds. Her emotional state and the way she perceives herself improved.

She appreciates that her family physician is part of a primary care network so she can access these resources.

"If my doctor was not involved with this program, there's no way that I would be where I am now," says Tara.



Jim McLaws pulls out his laptop and inserts a USB stick. This is not an ordinary USB stick. It allows him to input his blood glucose measurements directly into the computer, resulting in a much better quality of life for a diabetic who is constantly on the road for his job.

The results are sent to his Edmonton Southside PCN nurse, Suzanne Irwin, who can call back and chide him for not following his nutritional plan. She can quickly answer any concerns that Jim has as well.

"I chart everything out and put it together with my food

log and I send it down to her. That's great. For me, it's been a big door opener because sometimes trying to schedule to be up here (Edmonton) so I can go to the physician or the nurse is difficult," says Jim.

Jim lives in Calgary but has been seeing a family physician at Gateway Medical Clinic for over 20 years.

How the PCN works within the clinic hit home for Jim when he was diagnosed with Type 2 diabetes. He went for an annual physical with Dr. Greg Keough and was sent for routine tests.

He was put on a plan that helped him shed almost 50 pounds and boosted his energy over several months. However, his job pulled him back on the road and Jim began eating poorly again.

When he returned to Gateway for a check-up, he was reminded of the health contract that he signed and how he missed the mark for improvement.

Suzanne and Dr. Keough developed a new plan, which included medication and the USB digital glucose meter.

"I was very fortunate. My diabetes is relatively mild. It can be controlled predominantly with my eating habits and obviously with some exercise and the new meds they put me on," says Jim.

With the new medication and armed with a meal plan designed by a PCN dietitian, Jim is feeling the difference in his body.

"At the end of the day, the system for me is working."

"I can honestly say I feel much better than what I did previously.

I am getting back to the way I was when I was in my late thirties and forties. I'm feeling the energy levels and I'm nowhere near as tired," he explains.

He's making smarter meal portion sizes and is staying away from caffeine, sugar and salt. Jim is now going to the gym three times a week and logging everything he is eating.

He has glowing reviews for his PCN nurse and how she has worked as a team with his family physician.

"At the end of the day, the system for me is working," says Jim. "My biggest problem was absorbing the information and trying to understand it correctly so I can educate myself a little better. It's part of the issue of coming face to face with Type 2 diabetes and dealing with it as effectively as I can. This is where the PCN comes in and latterly my physician. There is a certain personal responsibility that you have to take as well."



Joyce Hastings turned to the Edmonton Southside PCN for solutions and support while caring for her ailing husband.

Irving was diagnosed with a mild cognitive impairment in 2004 and thought he could handle it, says Joyce.

"Irving didn't want anyone else interfering. He had a plan to cure himself. He was exercising his brain and did yoga," she explains.

Edmonton Southside's geriatrics specialist, Shannon Daly, became

Joyce's saving grace when she started visiting the couple in their home in 2005. Joyce was starting

to burnout from caring for Irving. She had been told by the doctor that her husband was too erratic to be left alone. However, Irving became adamant that Joyce had to be at his side all the time.

When Shannon came for a visit, Joyce was able to take a break.

Edmonton Southside PCN stepped in when the couple was moving out of their home of 42 years into a seniors' assisted living residence in 2009.

"When it came time for moving, Irving was absolutely distraught. The PCN helped Irving to realize he had to go," says Joyce.

By October 2010, Joyce was experiencing stomach pains and caregiver burnout. She was making repeated trips to the emergency room and was diagnosed with a bladder infection. However, her health was not improving.

Meanwhile, Irving, 80, was able to hide the fact that he had Alzheimer's from

friends and family.

"He had an amazing way of pulling himself together when someone came. He didn't act like a person with Alzheimer's. A lot of the family had no idea. It would last one or two hours. After (a visitor would leave), all hell would break loose," says Joyce.

Joyce remembers calling Shannon on December 31, 2010 and telling her she couldn't handle this situation any more.

Shannon contacted Joyce's daughter-in-law to inform her about what was going on and made arrangements for Joyce to be admitted into the Grey Nuns

Community Hospital. Irving was told he could not go along and was taken care of by his son and daughter-in-law.

Shannon also helped the family admit Irving into the Grey Nuns before he was transitioned into long term care. It was a very emotional experience for Joyce because she felt it was the end of her life with Irving.

"The thing with Alzheimer's is the caregiver ends up worse than the patient. The primary care network was trying to help me but Irving was refusing help. He could feed and dress himself and didn't wander. He looked healthy. No one saw him when he was violent," adds the 78-year-old.

Joyce says she wouldn't have been able to manage the past five years without the support from Shannon and Edmonton Southside PCN.

"The primary care network will come and help if you ask them. They know how to navigate the system," says Joyce.

"The PCN was trying to help me but Irving was refusing help."



Having a mild heart attack four years ago has made Georg Gutzmann monitor his health more closely, including changing the way he eats and moves.

Georg is borderline diabetic and must watch his sugar intake.

He's been meeting with an Edmonton

Southside Primary Care Network dietitian to monitor his food on a monthly basis. He also joined the PCN Moving for Health program to find out how exercise could help him after his family physician, Dr. Allison Theman, recommended he needed more physical activity.

"I do more exercise than I have before."

Georg says meeting PCN exercise specialist Sandra Pelchat has helped motivate him.

"She is talking about how not to focus on losing weight but to get the muscles and bones exercising for health," he adds.

Before retiring, he used to walk more and went to a drop-in swimming program. Now the

80-year-old targets to achieve 5,000 steps a day and has learned how to use exercise equipment.

"I noticed when I did these stages of exercise, my heart feels better. I do more exercise than I have before. I can last longer than I have before," says Georg.

Being diagnosed with asthma or chronic obstructive pulmonary disease (COPD) can leave a patient overwhelmed and unsure of how to care for themselves if they are not given some good information.

That's where Edmonton Southside PCN's

respiratory therapy program fits

in. Kirsten Goddard and Colleen Makarowski are Respiratory Therapists/Educators who divide their time among PCN medical clinics seeing patients of all ages with such respiratory illness.

During a typical day, they would see patients for an hourly appointment. This appointment would entail

"I've seen big results."

a review of the patient's medical history, their current respiratory medications and their performance on the spirometry, a lung function test. Patients are also educated on their lung disease with a strong focus on the importance of taking their

inhalers as prescribed with a hands on demonstration of the devices.

"Physicians like us coming in because we can spend a lot of time with patients," says Kirsten.

She's seen the difference in her patients after they are educated about managing their asthma or COPD.

"I've seen big results. It depends when you see the patient and what stage they are at," says Kirsten.



PUBLICATIONS AND ABSTRACTS

Edmonton Southside PCN's profile was raised during the 2011-2012 fiscal year with the following poster abstracts, presentations and publications:

Dobbs, B. M., & Daly, S. (2011, March). *The SIMARD MD and the Medically At-Risk Driver Protocol*. Presentation at the Edmonton West Primary Care Network, March 9, Edmonton, AB.

Dobbs, B. M., Zirk, H., & Daly, S. (2011, March). *Identifying, assessing, and managing the medically at-risk driver*. Presentation to the Alberta Heartland Primary Care Network, March 3, Fort Saskatchewan, AB.

Dobbs, B. M., Zirk, H., & Daly, S. (2011, April). *The Medically At-Risk Driver Protocol: Assessing changes in knowledge and practice for family physicians and allied health care professionals in a primary care setting*. Poster presentation at the Canadian Geriatrics Society 31st Annual Scientific Meeting, April 15, Vancouver, BC.

Dobbs, B. M., Daly, S., & Zirk, H. (2011, October). *Medically at-risk drivers: An evidence-based protocol for use in the primary care setting*. Poster presentation at the Accelerating Primary Care Conference, October 2, Edmonton, AB.

Dobbs, B. M., Zirk, H., & Daly, S. (2011, October). *Cognitively impaired drivers: An evidence-based protocol for the medical community*. Poster presentation at the 6th Canadian Conference on Dementia, October 28, Montreal, QC.

Baker, K., Bootsma, J., Born, L. & Degenhardt, C. *Rise Up: Alberta & Ontario Approaches to Treating Patients Affected by Depression*. 12th Annual Canadian Collaborative Mental Health Care Conference, Halifax, NS. 2011, June. Oral Presentation.

Degenhardt, C., Kinniburgh, N., Ludwick, D., Prince, G. & Starko, J. *Moving into the Future: A Practical Perspective*. Accelerating Primary Care, Edmonton, AB. 2011, October. Panel discussion.

Spooner, G.R., Craig, D., Kuropatwa, R. & Campbell-Scherer, D. *Starting the Dialogue: Enhanced Primary Care*. Accelerating Primary Care, Edmonton, AB. 2011, October. Poster Presentation.

Makarowski, C. & Fielding, S. *Integration of a Respiratory Therapist to Edmonton Southside Primary Care Network*. Accelerating Primary Care, Edmonton, AB. 2011, October. Poster presentation.



INDEPENDENT AUDITORS' REPORT

To the Members of the Board 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, 2012 and the statements of changes in net assets, cash flows and operations 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 generally accepted accounting principles 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.

Auditor's 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, these financial statements present fairly, in all material respects, the financial position of 1157178 Alberta Ltd. as at March 31, 2012 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Chartered Accountants

Edmonton, Alberta
May 16, 2012



1157178 Alberta LTD.

(Operating as Edmonton Southside Primary Care Network)

STATEMENT OF FINANCIAL POSITION

As at March 31, 2012

	2012	2011
Assets		
Current		
Cash and cash equivalents (Note 5)	\$ 5,003,065	\$ 5,411,108
Accounts receivable	147,750	52,709
Prepaid expenses (Note 8)	114,324	205,228
	5,265,139	5,669,045
Tangible capital assets (Note 6 and 8)	756,426	676,321
	\$ 6,021,565	\$ 6,345,366
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 484,201	\$ 757,900
Net Assets		
Operating surplus	4,780,939	4,911,145
Investment in tangible capital assets	756,425	676,321
	5,537,364	5,587,466
	\$ 6,021,565	\$ 6,345,366
Commitments (Notes 7 and 8)		
See accompanying notes		

Approved on behalf of the Board:



Director



Director



1157178 Alberta LTD.

(Operating as Edmonton Southside Primary Care Network)

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2012

	2012	2011
Operating surplus		
Balance, beginning of year	\$ 4,911,145	\$ 5,515,691
Excess of revenue over expenses before year	160,123	28,990
	5,071,268	5,544,681
Tangible capital assets purchased	(290,329)	(633,536)
Balance, end of year (Note 5)	\$ 4,780,939	\$ 4,911,145

Investment in tangible capital assets

Balance, beginning of year	\$ 676,321	\$ 126,913
Amortization of tangible capital assets	(210,225)	(84,128)
Tangible capital assets purchased	290,329	633,536
Balance, end of year	\$ 756,425	\$ 676,321

See accompanying notes



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STATEMENT OF OPERATIONS

For the year ended March 31, 2012

	2012	2011
Revenue		
Alberta Health operating grants	\$ 7,904,625	\$ 6,887,000
Registry nurse contract	106,473	120,200
Capital Health registry	-	690
Specialty linkages grant	-	41,704
Other revenues	9,043	-
Interest income	84,702	72,068
	8,104,843	7,121,662
Expenses		
Advertising	35,258	28,036
Contract services	500,151	387,882
Dues and subscriptions	42,099	10,525
Evaluation costs	52,831	37,000
Insurance	12,618	14,030
Information technology	50,803	29,874
Fees and bank charges	4,033	4,737
Management consulting fees	159,173	141,388
Office and supplies	78,605	49,302
Payments to physicians	1,803,828	1,708,180
Professional development	39,455	33,577
Professional fees	82,873	51,721
Rent	163,445	142,876
Repairs and maintenance	5,429	4,290
Surplus reduction plan (Note 8)	42,501	150,735
Telephone and communications	45,788	36,726
Travel	29,727	40,160
Wages and benefits (Note 9)		
Administration	688,967	524,905
Health professionals	4,102,626	3,696,728
	7,940,210	7,092,672
Excess of revenue over expenses before other items	164,633	28,990
Loss on disposal of tangible capital assets	(4,510)	-
Excess of revenue over expenses before amortization	160,123	28,990
Amortization of tangible capital assets	(210,225)	(84,128)
Excess of expenses over revenue after amortization	\$ (50,102)	\$ (55,138)

See accompanying notes



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STATEMENT OF CASH FLOWS

For the year ended March 31, 2012

	2012	2011
Operating Activities		
Excess of expenses over revenue for the year	\$ (50,102)	\$ (55,138)
Add items not affecting cash and cash equivalents:		
Amortization of tangible capital assets	210,225	84,128
Loss on disposal tangible capital assets	4,510	-
	164,633	28,990
Changes in non-cash working capital balances		
Increase in accounts receivable	(95,041)	(10,154)
Decrease (increase) in prepaid expenses	90,904	(195,140)
(Decrease) increase in accounts payable and accrued liabilities	(273,700)	428,203
	(277,837)	222,909
Cash (used in) provided from operating activities	(113,204)	251,899
Investing Activities		
Tangible capital assets purchased	(294,839)	(633,536)
Decrease in cash and cash equivalents	(408,043)	(381,637)
Cash and cash equivalents, beginning of year	5,411,108	5,792,745
Cash and cash equivalents, end of year (Note 5)	\$ 5,003,065	\$ 5,411,108
<i>See accompanying notes</i>		
Supplementary information		
Interest received	\$ 83,780	\$ 69,719



1157178 Alberta LTD.

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NOTES TO THE FINANCIAL STATEMENTS

March 31, 2012

1. Nature of operations

1157178 Alberta Ltd. (the "Organization") was incorporated on March 8, 2005 and began operations on May 1, 2005. The Organization was established to implement a local primary care initiative with Alberta Health Services (formerly Capital Health) in accordance with the terms of agreement between Alberta Health and Wellness, 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 multidisciplinary teams to provide comprehensive primary health care.

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

The Organization is considered to be a non-profit Organization and is exempt from income taxes under paragraph 149(1)(l) of the Income Tax Act.

2. Significant accounting policies

The preparation of financial statements in accordance with Canadian generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in income in the period in which they become known.

(a) Cash and cash equivalents

Cash and cash equivalents consist of funds held in three bank accounts and a petty cash fund.

(b) Amortization

Tangible capital assets are recorded at cost and amortized annually with a corresponding reduction in investment in tangible capital assets. Amortization is provided annually at rates calculated to write off the assets over their estimated useful lives as follows:

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
Computer software	100% diminishing balance
Clinic renovations	Straight-line over five years



NOTES TO THE FINANCIAL STATEMENTS

March 31, 2012

2. Significant accounting policies - continued

(c) Revenue recognition

Alberta Health and Wellness operating grants received by the Organization are unrestricted and therefore recorded as revenue in the period in which they are received. For all other grant revenue the Organization uses the deferral method of recording revenue. 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 and Wellness operating agreements with the Organization which expired on March 31, 2012. A continuance has been issued to continue operating under the terms of the prior agreement until March 31, 2013 or at such time that a new agreement is signed.

Interest income is recorded on an accrual basis in the period in which it is earned.

(d) 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. Recent accounting pronouncements issued but not yet adopted

In March 2012, the Canadian Accounting Standards Board confirmed that Canadian not-for-profit organizations will need to adopt CICA Handbook Part III - Accounting standards for not-for-profit organizations. These standards for not-for-profit organizations apply to fiscal years beginning for the annual reporting period that commences on or after January 1, 2012.

The Organization continues to evaluate the impact of the adoption of the above new standards on its financial statements.

4. Financial instruments

The Organization's financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The fair value of these financial instruments approximates their carrying values unless otherwise noted.

5. Restricted cash

At March 31, 2012 the Organization maintains a separate bank account that includes \$1,800,000 (2011 - \$1,183,582) of funds which are internally restricted by the Organization for future contingency purposes. These funds represent management's reasonable estimate of potential contingency costs due to the nature of the business.



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NOTES TO THE FINANCIAL STATEMENTS

March 31, 2012

6. Tangible capital assets

	2012		2011	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Leasehold improvements	547,177	144,330	523,422	34,895
Office equipment	217,614	111,401	206,130	89,404
Clinic equipment	38,350	19,681	38,350	15,014
Computer equipment	54,250	26,383	84,363	48,085
Computer software	22,909	22,909	26,811	15,357
Clinic renovations	251,038	50,208	-	-
	1,131,338	374,912	879,076	202,755
Net book value	756,426		676,321	

7. Commitments

The Organization rents its premises under a lease which expires in November 30, 2016. The yearly commitments including operating costs under this lease agreement are as follows:

2013	\$	166,987
2014		181,561
2015		191,277
2016		127,518
	\$	<u>667,343</u>

The Organization has an information technology services agreement for the support of its information management and technology through March 31, 2013. The monthly commitment under this agreement is \$2,962 (2011 - \$2,199).



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NOTES TO THE FINANCIAL STATEMENTS

March 31, 2012

8. Surplus reduction plan

The Organization has adopted a surplus reduction plan whereby the operating fund is drawn down systematically through several separate activities. These activities include locating, planning and developing new office premises, developing multi-disciplinary team space at member clinics, acquiring an Electronic Medical Record, installing Health Unlimited Television at member clinics, acquiring an enterprise license subscription for an online clinical resource tool, conducting an organizational review, and contracting two new staff to fixed term positions. The expenses related to these activities will be incurred over more than one fiscal period. The expenses relating to this program incurred during the year include:

	2012	2011
Equipment purchases for member clinics	\$ 42,501	\$ 17,847
Network registry support	-	33,419
Moving expenses	-	89,624
Organizational review	-	9,846
	<u>\$ 42,501</u>	<u>\$ 150,736</u>

Some expenditures that were identified through the surplus reduction plan have been recorded as assets in the current year. These include the leasehold improvements from the new office premises recorded in tangible capital assets, and the enterprise license which is being recorded over the life of the subscription as dues and subscriptions expense on the statement of operations.

9. Pension plan

The Organization contributes to a group RRSP an amount up to 9% of eligible employee earnings. Eligible employees are required to contribute a minimum amount equal to 1% of annual earnings. During the year, the Organization contributed \$300,047 (2011 - \$263,036) to the pension plan.





Edmonton Southside Primary Care Network

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