

**WESTVIEW PHYSICIAN COLLABORATIVE NPC**  
**Financial Statements**  
**For the Year Ended March 31, 2023**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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The financial statements of Westview Physician Collaborative NPC have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Westview Physician Collaborative NPC's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets periodically with management and the Members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the Members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the Members by Metrix Group LLP, in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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Dr. Nikki Whitaker, Executive Director

Spruce Grove, Alberta  
September 18, 2023

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Westview Physician Collaborative NPC

### *Opinion*

We have audited the financial statements of Westview Physician Collaborative NPC (the Organization), which comprise the statement of financial position as at March 31, 2023, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Emphasis of Matter*

We draw attention to note 11 of the financial statements, which describes the effects of prior period adjustments made to the balances for the prior year ended March 31, 2022. Our opinion is not modified in respect of this matter.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**METRIX GROUP LLP**

Chartered Professional Accountants

Edmonton, Alberta  
September 18, 2023

**WESTVIEW PHYSICIAN COLLABORATIVE NPC****Statement of Financial Position****As at March 31, 2023**

	2023	2022 <i>(Restated)</i>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 1,317,049	\$ 1,486,786
Accounts receivable <i>(Note 2)</i>	8,305	140,213
Due from other programs	645	-
Goods and services tax recoverable	27,213	26,743
Prepaid expenses	21,581	12,323
	<u>1,374,793</u>	1,666,065
TANGIBLE CAPITAL ASSETS <i>(Note 3)</i>	<u>79,375</u>	96,718
	<u>\$ 1,454,168</u>	<u>\$ 1,762,783</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 37,950	\$ 4,390
Vacation payable	45,812	59,008
Employee deductions payable	1,882	1,231
	<u>85,644</u>	64,629
DEFERRED REVENUE <i>(Note 4)</i>	1,043,102	1,342,208
DEFERRED CAPITAL CONTRIBUTIONS <i>(Note 5)</i>	<u>79,375</u>	96,718
	1,208,121	1,503,555
NET ASSETS	<u>246,047</u>	259,228
	<u>\$ 1,454,168</u>	<u>\$ 1,762,783</u>

COMMITMENTS *(Note 7)*PRIOR PERIOD ADJUSTMENT *(Note 11)***ON BEHALF OF THE BOARD**\_\_\_\_\_  
*Director*\_\_\_\_\_  
*Director*

The accompanying notes are an integral part of these financial statements

**WESTVIEW PHYSICIAN COLLABORATIVE NPC****Statement of Revenues and Expenditures****For the Year Ended March 31, 2023**

	2023	2022 <i>(Restated)</i>
<b>REVENUE</b>		
Alberta Health operating grant	\$ 4,371,992	\$ 4,373,597
Other grants	570,744	239,551
University of Alberta service agreement	547,223	502,125
Alberta Health - NP Support program	229,792	219,375
Alberta Health fees for service	174,577	150,948
Psychiatrist cost-sharing reimbursement	34,850	23,900
Other income	24,854	-
Interest income	19,615	3,152
Amortization of deferred capital contributions	17,343	20,615
	<u>5,990,990</u>	<u>5,533,263</u>
<b>EXPENSES</b>		
Health professional costs	3,766,806	3,498,523
Administration	810,676	854,424
Clinical programs	576,839	618,419
Risk management	227,605	151,547
Pharmacist integration	211,265	30,496
Physician management and program development	166,440	167,409
Quality assurance, research and evaluation	101,198	92,910
Technology support	94,792	86,588
Professional fees	31,207	25,694
Amortization of tangible capital assets	17,343	20,615
	<u>6,004,171</u>	<u>5,546,625</u>
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<u>\$ (13,181)</u>	<u>\$ (13,362)</u>

The accompanying notes are an integral part of these financial statements

**WESTVIEW PHYSICIAN COLLABORATIVE NPC****Statement of Changes in Net Assets****For the Year Ended March 31, 2023**

	Unrestricted Net Assets	Invested in Tangible Capital Assets	<b>2023</b>	2022 <i>(Restated)</i>
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 259,228	\$ -	<b>\$ 259,228</b>	\$ 272,590
Deficiency of revenue over expenses	(13,181)	-	<b>(13,181)</b>	(13,362)
Amortization of tangible capital assets	17,343	(17,343)	-	-
Amortization of deferred capital contributions	(17,343)	17,343	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 246,047</b>	<b>\$ -</b>	<b>\$ 246,047</b>	<b>\$ 259,228</b>

The accompanying notes are an integral part of these financial statements

**WESTVIEW PHYSICIAN COLLABORATIVE NPC****Statement of Cash Flows****For the Year Ended March 31, 2023**

	<b>2023</b>	2022 <i>(Restated)</i>
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenses	<b>\$ (13,181)</b>	\$ (13,362)
Items not affecting cash:		
Amortization	<b>17,343</b>	20,615
Amortization of deferred capital contributions	<b>(17,343)</b>	(20,615)
	<b>(13,181)</b>	(13,362)
Changes in non-cash working capital:		
Accounts receivable	<b>131,908</b>	(140,213)
Due from other programs	<b>(645)</b>	-
Accounts payable and accrued liabilities	<b>33,560</b>	(241,727)
Deferred revenue	<b>(299,106)</b>	35,854
Prepaid expenses	<b>(9,258)</b>	10,164
Goods and services tax payable	<b>(470)</b>	5,739
Vacation payable	<b>(13,196)</b>	(1,691)
Employee deductions payable	<b>651</b>	(12,008)
	<b>(156,556)</b>	(343,882)
<b>DECREASE IN CASH FLOW</b>	<b>(169,737)</b>	(357,244)
Cash - beginning of year	<b>1,486,786</b>	1,844,030
<b>CASH - END OF YEAR</b>	<b>\$ 1,317,049</b>	\$ 1,486,786
<b>CASH CONSISTS OF:</b>		
Cash	<b>\$ 1,317,049</b>	\$ 1,486,786

The accompanying notes are an integral part of these financial statements



# WESTVIEW PHYSICIAN COLLABORATIVE NPC

## Notes to Financial Statements

Year Ended March 31, 2023

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### NATURE OF OPERATIONS

Westview Physician Collaborative NPC (the "Organization") was established on April 15, 2005 under the Companies Act of Alberta as a non-profit organization. Under the auspices of Westview Physician Collaborative NPC, the physician board and members will apply for research and other grants for the purpose of developing and implementing strategies that aim to facilitate primary care research and enhance the delivery of primary care to the population of Spruce Grove, Stony Plain, and Parkland County.

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### Revenue recognition

The Organization follows the deferral method of accounting for contributions. 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. The recognition is based on the Alberta Health operating agreement with the Organization. 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.

Restricted contributions are recognized as revenue in the year 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.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is restricted and recognized on an accrual basis.

#### Cash and cash equivalents

Cash and cash equivalents include items that are readily convertible to known amounts of cash, subject to insignificant risk of change in value and have a maturity of three months or less at acquisition.

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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# WESTVIEW PHYSICIAN COLLABORATIVE NPC

## Notes to Financial Statements

Year Ended March 31, 2023

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Equipment	20%	declining balance method
Computer equipment	45%	declining balance method
Computer software	100%	declining balance method
Furniture and fixtures	20%	declining balance method
Leasehold improvements	10 years	straight-line method

The Organization regularly reviews its tangible capital assets to eliminate obsolete items.

#### Financial Instruments

The Organization's financial instruments consist of cash and cash equivalents, investments, accounts payable and accrued liabilities. It is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted

#### *Measurement of financial instruments*

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

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, wages payable and source deductions payable.

The Organization has no financial assets or liabilities measured at fair value.

#### *Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

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### 2. ACCOUNTS RECEIVABLE

	<u>2023</u>	<u>2022</u>
Grant receivable	\$ 8,305	\$ 131,819
Other receivables	-	8,394
	<u>\$ 8,305</u>	<u>\$ 140,213</u>

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**WESTVIEW PHYSICIAN COLLABORATIVE NPC****Notes to Financial Statements****Year Ended March 31, 2023****3. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Leasehold improvements	\$ 408,093	\$ 344,919	\$ 63,174	\$ 70,669
Computer equipment	71,722	61,520	10,202	18,550
Furniture and fixtures	78,178	72,179	5,999	7,499
Computer software	5,000	5,000	-	-
	<u>\$ 562,993</u>	<u>\$ 483,618</u>	<u>\$ 79,375</u>	<u>\$ 96,718</u>

**4. DEFERRED REVENUE**

	Alberta Health	Other grants	2023	2022 (Restated)
Balance, beginning of the year	\$ 683,251	\$ 658,957	\$ 1,342,208	\$ 1,306,354
Grants received during the year	4,468,522	404,900	4,873,422	4,949,283
Restricted interest income	19,185	250	19,435	3,152
Grants recognized as revenue	(4,601,784)	(570,744)	(5,172,528)	(4,832,523)
Recognized interest income	(19,185)	(250)	(19,435)	(3,152)
Transfer to deferred capital contributions (Note 5)	-	-	-	(80,906)
Balance, end of the year	<u>\$ 549,989</u>	<u>\$ 493,113</u>	<u>\$ 1,043,102</u>	<u>\$ 1,342,208</u>

**5. DEFERRED CAPITAL CONTRIBUTIONS**

	2023	2022
Balance, beginning of the year	\$ 96,718	\$ 36,427
Deferred capital contributions received	-	80,906
Amortization of deferred capital contributions	(17,343)	(20,615)
Balance, end of the year	<u>\$ 79,375</u>	<u>\$ 96,718</u>

**6. ECONOMIC DEPENDENCE**

The Organization is financially dependent on the Government of Alberta, Alberta Health for 80% (2022 - 87%) of its funding through contract for services. Should this funding cease, the Organization would not be able to continue to operate without alternate sources of revenue.

**WESTVIEW PHYSICIAN COLLABORATIVE NPC**

**Notes to Financial Statements**

**Year Ended March 31, 2023**

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**7. COMMITMENTS**

The Organization is committed to annual minimum lease payments under its current office premises lease expiring in June 30, 2023.

The following lease payments also include a proportionate share of operating expenses and realty taxes.

Contractual obligation repayment schedule:

2024	<u>\$ 76,447</u>
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**8. FINANCIAL INSTRUMENTS**

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2023.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and operating lease commitments. The Organization mitigates this risk by monitoring cash activities and expected outflows through budgeting.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

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**9. INCOME TAXES**

The Organization is registered as a non-profit entity and is exempt from income taxes under Section 149 [1] of the *Income Tax Act (Canada)*.

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# WESTVIEW PHYSICIAN COLLABORATIVE NPC

## Notes to Financial Statements

Year Ended March 31, 2023

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### 10. RELATED PARTY TRANSACTIONS

The following is a summary of the Organization's related party transactions:

	<u>2023</u>	<u>2022</u>
Received		
Alberta Health - Operating grant	\$ 4,242,395	\$ 4,189,539
Alberta Health - Fees for service	170,912	150,948
Alberta Health - PCN NP Support Program	229,792	219,375
	<u>\$ 4,643,099</u>	<u>\$ 4,559,862</u>
Paid		
Alberta Health Services - Emergency Room Clinical Associate	\$ 84,286	\$ 89,184
Members of the Board of Directors	143,175	138,640
	<u>\$ 227,461</u>	<u>\$ 227,824</u>

The amounts paid to the Board of Directors include remuneration for Board members' attendance at meetings and committees, providing program management and leadership, remuneration for physician participation in clinical programs and centralized clinics, as well as reimbursement of out-of-pocket expenses.

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### 11. PRIOR PERIOD ADJUSTMENTS

During the 2023 fiscal year, management discovered errors relating to previously recorded accounts payable and accrued liabilities pertaining to the 2022 fiscal year that should have been written off. In addition, errors were discovered related to payments made to the Clinical Programs. As a result the prior period figures were restated as follows:

- On the statement of financial position, the 2022 cash decreased by \$119,351;
  - On the statement of financial position, the 2022 accounts payable and accrued liabilities decreased by \$91,526;
  - On the statement of financial position, the 2022 deferred revenue increased by \$27,827;
  - On the statement of operations, the 2022 Alberta Health operating grant decreased by \$32,607;
  - On the statement of operations, the 2022 other grant increased by \$60,434;
  - On the statement of operations, the 2022 health professional costs increased by \$119,351;
  - On the statement of operations, the 2022 pharmacist integration decreased by \$91,524.
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### 12. COMPARATIVE FIGURES

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

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