

**WESTVIEW PHYSICIAN COLLABORATIVE NPC**  
*(Operating as Westview Primary Care Network)*

**Financial Statements**

**For the Year Ended March 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Westview Physician Collaborative NPC operating as Westview Primary Care Network

### *Opinion*

We have audited the financial statements of Westview Physician Collaborative NPC, operating as Westview Primary Care Network, (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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Independent Auditor's Report to the Members of Westview Physician Collaborative NPC operating as Westview Primary Care Network (*continued*)

*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**  
**(Operating as Westview Primary Care Network)**  
**Statement of Financial Position**  
**As at March 31, 2023**

	2023	2022 <i>(Restated)</i>
<b>ASSETS</b>		
CURRENT		
Cash <i>(Note 2)</i>	\$ 221,891	\$ 840,030
Accounts receivable	-	8,394
Due from other programs	560,994	60,434
Goods and services tax recoverable	18,210	13,835
Prepaid expenses	21,581	12,323
	<u>822,676</u>	935,016
TANGIBLE CAPITAL ASSETS <i>(Note 3)</i>	<u>79,375</u>	96,718
	<u>\$ 902,051</u>	\$ 1,031,734
<b>LIABILITIES</b>		
CURRENT		
Accounts payable and accrued liabilities	\$ 36,810	\$ (6,657)
Vacation payable	45,812	59,008
Employee deductions payable	1,882	1,231
	<u>84,504</u>	53,582
DEFERRED REVENUE <i>(Note 4)</i>	738,172	881,434
DEFERRED CAPITAL CONTRIBUTIONS <i>(Note 5)</i>	<u>79,375</u>	96,718
	<u>\$ 902,051</u>	\$ 1,031,734
COMMITMENTS <i>(Note 7)</i>		
PRIOR PERIOD ADJUSTMENT <i>(Note 11)</i>		

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**WESTVIEW PHYSICIAN COLLABORATIVE NPC**  
**(Operating as Westview Primary Care Network)**  
**Statement of Revenues and Expenditures**  
**For the Year Ended March 31, 2023**

	2023	2022 <i>(Restated)</i>
<b>REVENUE</b>		
Alberta Health operating grant <i>(Note 4)</i>	\$ 4,371,992	\$ 4,373,597
Alberta Health - NP Support program <i>(Note 4)</i>	229,792	219,375
Alberta Health fees for service	174,577	150,948
Other grants	40,000	40,000
Psychiatrist cost-sharing reimbursement	34,850	23,900
Interest income <i>(Note 4)</i>	19,186	3,013
Amortization of deferred capital contributions <i>(Note 5)</i>	17,343	20,615
Other income	14,211	-
	<b>4,901,951</b>	<b>4,831,448</b>
<b>EXPENSES</b>		
Health professional costs	2,952,559	3,014,470
Administration	623,263	687,791
Clinical programs	545,637	590,172
Pharmacist integration	211,265	30,496
Risk management	185,050	135,472
Physician management and program development	166,440	167,409
Quality assurance, research and evaluation	90,034	92,910
Technology support	79,153	66,419
Professional fees	31,207	25,694
Amortization of tangible capital assets	17,343	20,615
	<b>4,901,951</b>	<b>4,831,448</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ -</b>	<b>\$ -</b>

**WESTVIEW PHYSICIAN COLLABORATIVE NPC**  
**(Operating as Westview Primary Care Network)**  
**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
<b>NET ASSETS (DEBT) - BEGINNING OF YEAR</b>	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets	17,343	(17,343)	-	-
Amortization of deferred capital contributions	(17,343)	17,343	-	-
<b>NET ASSETS (DEBT) - END OF YEAR</b>	\$ -	\$ -	\$ -	\$ -

**WESTVIEW PHYSICIAN COLLABORATIVE NPC**  
**(Operating as Westview Primary Care Network)**

**Statement of Cash Flows**

**For the Year Ended March 31, 2023**

	2023	2022 <i>(Restated)</i>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ -	\$ -
Items not affecting cash:		
Amortization	17,343	20,615
Amortization of deferred capital contributions	<u>(17,343)</u>	<u>(20,615)</u>
	-	-
Changes in non-cash working capital:		
Accounts receivable	8,394	(8,394)
Due from other programs	(500,560)	(60,434)
Accounts payable and accrued liabilities	43,467	(250,626)
Deferred revenue	(143,262)	(127,215)
Prepaid expenses	(9,258)	10,164
Goods and services tax payable	(4,375)	6,382
Vacation payable	(13,196)	(1,691)
Employee deductions payable	<u>651</u>	<u>(12,008)</u>
	<u>(618,139)</u>	<u>(443,822)</u>
Cash flow used by operating activities	<u>(618,139)</u>	<u>(443,822)</u>
<b>INVESTING ACTIVITY</b>		
Purchase of tangible capital assets	<u>-</u>	<u>(80,906)</u>
<b>FINANCING ACTIVITY</b>		
Proceeds from deferred capital contributions	<u>-</u>	<u>80,906</u>
<b>DECREASE IN CASH FLOW</b>	<b>(618,139)</b>	<b>(443,822)</b>
Cash - beginning of year	<u>840,030</u>	<u>1,283,852</u>
<b>CASH - END OF YEAR</b>	<b>\$ 221,891</b>	<b>\$ 840,030</b>
<b>CASH CONSISTS OF:</b>		
Cash	<u>\$ 221,891</u>	<u>\$ 840,030</u>

**WESTVIEW PHYSICIAN COLLABORATIVE NPC**  
**(Operating as Westview Primary Care Network)**  
**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. The objective of Westview Physician Collaborative NPC is to enhance the delivery of primary care to the Westview region through provider and multi-jurisdictional integration, facilitate primary health services research, develop population-based health promotion and disease prevention programs, and explore community development opportunities.

The WestView Primary Care Network (the "PCN") is among a number of initiatives developed and operated by Westview Physician Collaborative NPC. The PCN is a joint venture between Westview Physician Collaborative NPC and Alberta Health Services. It is formed to bring local physicians and other health care professionals together to provide comprehensive patient care within the geographic catchment area of Spruce Grove, Stony Plain, and Parkland County. The PCN is funded by Alberta Health through the Alberta Primary Care Initiative (PCI) Grant Agreement.

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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. These are non-consolidated financial statements and only include assets, liabilities, revenue and expenses relating to the operations of the PCN.

Revenue recognition

The PCN 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.

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

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.

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**WESTVIEW PHYSICIAN COLLABORATIVE NPC**  
**(Operating as Westview Primary Care Network)**  
**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:

Computer equipment	45%	declining balance method
Furniture and fixtures	20%	declining balance method
Computer software	100%	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 PCN'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 PCN 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 PCN 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 PCN 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.

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 expenditures 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.

**WESTVIEW PHYSICIAN COLLABORATIVE NPC**  
**(Operating as Westview Primary Care Network)**

**Notes to Financial Statements**

**Year Ended March 31, 2023**

**2. CASH**

	<b>2023</b>	2022 <i>(Restated)</i>
Chequing Account	\$ (98,489)	\$ 501,263
Savings Account	<b>320,380</b>	338,768
	<b>\$ 221,891</b>	\$ 840,031

**3. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	<b>2023 Net book value</b>	2022 Net book value
Leasehold improvements	\$ 408,093	\$ 344,919	\$ 63,174	\$ 70,669
Computer equipment	71,722	61,520	<b>10,202</b>	18,550
Furniture and fixtures	76,839	70,840	<b>5,999</b>	7,499
Computer software	5,000	5,000	-	-
	<b>\$ 561,654</b>	<b>\$ 482,279</b>	<b>\$ 79,375</b>	<b>\$ 96,718</b>

**4. DEFERRED REVENUE**

The PCN receives funding from various third parties and are restricted to the eligible operating projects as approved in the funding agreements for a specified purpose. These amounts are recognized as revenue in the period in which the related expenditures are incurred.

	Alberta Health - Operating	Alberta Health - NP Support	Family and Community Support Services	<b>2023</b>	2022 <i>(Restated)</i>
Balance, beginning of the year	\$ 608,637	\$ 135,047	\$ 137,750	<b>\$ 881,434</b>	\$ 1,008,649
Correction of AH NP Support	135,047	(135,047)	-	-	-
Grants received during the year	4,238,730	229,792	30,000	<b>4,498,522</b>	4,586,664
Restricted interest income	19,186	-	-	<b>19,186</b>	3,013
Grants recognized as revenue	(4,371,992)	(229,792)	(40,000)	<b>(4,641,784)</b>	(4,632,973)
Recognized interest income	(19,186)	-	-	<b>(19,186)</b>	(3,013)
Transfer to deferred capital contributions (Note 5)	-	-	-	-	(80,906)

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**WESTVIEW PHYSICIAN COLLABORATIVE NPC**  
**(Operating as Westview Primary Care Network)**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

4. **DEFERRED REVENUE** *(continued)*

			2023		(Restated)	
	Alberta Health - Operating	Alberta Health - NP Support	Family and Community Support Services	2023		(Restated)
Balance, end of the year	\$ 610,422	\$ -	\$ 127,750	\$ 738,172	\$	881,434

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	\$	79,375	\$	96,718

6. **ECONOMIC DEPENDENCE**

The Organization is financially dependent on the Government of Alberta, Alberta Health for 97.5% (2022 - 98.2%) of its funding through contract for services. Should this funding cease, the PCN would not be able to continue to operate without alternate sources of revenue.

7. **COMMITMENTS**

The PCN 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.

2024	\$ 76,447
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8. **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)*.

**WESTVIEW PHYSICIAN COLLABORATIVE NPC**  
**(Operating as Westview Primary Care Network)**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

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**9. 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 PCN mitigates this risk by monitoring cash activities and expected outflows through budgeting.

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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	<u>229,792</u>	<u>219,375</u>
	<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	<u>143,175</u>	<u>138,640</u>
	<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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**WESTVIEW PHYSICIAN COLLABORATIVE NPC**  
**(Operating as Westview Primary Care Network)**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

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**11. PRIOR PERIOD ADJUSTMENT**

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 \$119,352;
  - On the statement of financial position, the 2022 due from other programs increased by \$60,434;
  - On the statement of financial position, the 2022 accounts payable and accrued liabilities decreased by \$91,524;
  - On the statement of financial position, the 2022 deferred revenue increased by \$32,606;
  - On the statement of operations, the 2022 Alberta Health operating grant decreased by \$32,606;
  - On the statement of operations, the 2022 health professional costs increased by \$58,918;
  - 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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