

WESTVIEW PHYSICIAN COLLABORATIVE NPC
Financial Statements
For The Year Ended March 31, 2022

INDEPENDENT AUDITORS' REPORT

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, 2022, and the statements of operations, 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, 2022, 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.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

(continues)



Auditors' 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 auditors' 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 auditors' 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
June 1, 2022

WESTVIEW PHYSICIAN COLLABORATIVE NPC**Statement of Financial Position****As at March 31, 2022**

	2022	2021
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 1,606,137	\$ 1,844,030
Accounts receivable (Note 2)	140,213	-
Goods and Services Tax recoverable	26,743	32,482
Prepaid expenses	12,323	22,487
	<u>1,785,416</u>	<u>1,898,999</u>
TANGIBLE CAPITAL ASSETS (Note 3)	<u>96,718</u>	<u>36,427</u>
	<u>\$ 1,882,134</u>	<u>\$ 1,935,426</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 95,916	\$ 246,117
Vacation payable	59,008	60,699
Employee deductions payable	1,231	13,239
	<u>156,155</u>	<u>320,055</u>
DEFERRED REVENUE (Note 4)	<u>1,370,035</u>	<u>1,306,354</u>
DEFERRED CAPITAL CONTRIBUTIONS (Note 5)	<u>96,718</u>	<u>36,427</u>
	<u>1,622,908</u>	<u>1,662,836</u>
NET ASSETS		
Unrestricted	<u>259,226</u>	<u>272,590</u>
	<u>\$ 1,882,134</u>	<u>\$ 1,935,426</u>
COMMITMENTS (Note 7)		

ON BEHALF OF THE BOARD:_____
Director_____
Director

The accompanying notes are an integral part of these financial statements.

WESTVIEW PHYSICIAN COLLABORATIVE NPC**Statement of Operations****For The Year Ended March 31, 2022**

	2022	2021
REVENUE		
Alberta Health operating grant <i>(Note 4)</i>	\$ 4,406,204	\$ 4,424,291
University of Alberta service agreement <i>(Sch 1)</i>	502,125	485,430
Alberta Health - NP Support program <i>(Note 4)</i>	219,375	200,283
Other grants <i>(Note 4) (Sch 1)</i>	179,117	155,331
Alberta Health fees for service	150,948	144,182
Psychiatrist cost-sharing reimbursement	23,900	32,510
Amortization of deferred capital contributions <i>(Note 5)</i>	20,615	22,852
Interest income <i>(Note 4)</i>	3,152	16,301
	<u>5,505,436</u>	<u>5,481,180</u>
EXPENSES		
Health professional costs	3,379,172	3,042,425
Clinical programs	618,419	1,113,288
Administration	854,426	976,805
Physician management and program development	167,409	211,949
Risk management	151,547	126,134
Pharmacist integration	122,020	124,347
Quality assurance, research and evaluation	92,910	106,416
Technology support	86,588	52,741
Professional fees	25,694	36,261
Amortization of tangible capital assets	20,615	22,852
	<u>5,518,800</u>	<u>5,813,218</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (13,364)</u>	<u>\$ (332,038)</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, 2022**

	Unrestricted Net Assets	Invested in Tangible Capital Assets	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 272,590	\$ -	\$ 272,590	\$ 604,628
Deficiency of revenue over expenses	(13,364)	-	(13,364)	(332,038)
Purchase of tangible capital assets	(80,906)	80,906	-	-
Amortization of tangible capital assets	20,615	(20,615)	-	-
Deferred capital contributions	80,906	(80,906)	-	-
Amortization of deferred capital contributions	(20,615)	20,615	-	-
NET ASSETS - END OF YEAR	\$ 259,226	\$ -	\$ 259,226	\$ 272,590

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, 2022**

	2022	2021
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ (13,364)	\$ (332,038)
Items not affecting cash:		
Amortization of tangible capital assets	20,615	22,852
Amortization of deferred capital contributions	(20,615)	(22,852)
	<u>(13,364)</u>	<u>(332,038)</u>
Changes in non-cash working capital:		
Accounts receivable	(140,213)	57,618
Goods and Services Tax	5,739	1,940
Prepaid expenses	10,164	(10,500)
Accounts payable and accrued liabilities	(150,201)	(57,224)
Vacation payable	(1,691)	27,144
Employee deductions payable	(12,008)	13,239
Deferred revenue	63,681	(36,992)
Operational Stability Fund	-	(238,698)
	<u>(224,529)</u>	<u>(243,473)</u>
	<u>(237,893)</u>	<u>(575,511)</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(80,906)	(39,706)
Disposal of Investments	-	375,000
	<u>(80,906)</u>	<u>335,294</u>
Cash flow from (used by) investing activities		
	<u>(80,906)</u>	<u>335,294</u>
FINANCING ACTIVITY		
Deferred capital contributions received	80,906	39,706
	<u>80,906</u>	<u>39,706</u>
DECREASE IN CASH FLOW	(237,893)	(200,511)
Cash and cash equivalents - beginning of year	<u>1,844,030</u>	<u>2,044,541</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,606,137	\$ 1,844,030

The accompanying notes are an integral part of these financial statements.

WESTVIEW PHYSICIAN COLLABORATIVE NPC

Notes to Financial Statements

For the Year Ended March 31, 2022

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.

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.

(continues)

WESTVIEW PHYSICIAN COLLABORATIVE NPC

Notes to Financial Statements

For the Year Ended March 31, 2022

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.

Investments

Long term investments, which consist of guaranteed investment certificates with original maturities at date of purchase beyond twelve months, are carried at amortized cost.

WESTVIEW PHYSICIAN COLLABORATIVE NPC

Notes to Financial Statements

For the Year Ended March 31, 2022

2. ACCOUNTS RECEIVABLE

	<u>2022</u>	<u>2021</u>
Grant receivable	\$ 131,819	\$ -
Other receivables	8,394	-
	<u>\$ 140,213</u>	<u>\$ -</u>

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	\$ 147,792	\$ 129,242	\$ 18,550	\$ 26,027
Furniture and fixtures	78,179	70,680	7,499	5,287
Computer software	5,000	5,000	-	-
Leasehold improvements	408,093	337,424	70,669	5,113
	<u>\$ 639,064</u>	<u>\$ 542,346</u>	<u>\$ 96,718</u>	<u>\$ 36,427</u>

4. DEFERRED REVENUE

	Alberta Health	WPC - RTC	Other grants	2022	2021
Balance, beginning of the year	\$ 1,008,649	\$ 14,449	\$ 283,256	\$ 1,306,354	\$ 1,343,346
Grants received during the year	4,408,914	-	540,369	4,949,283	4,543,921
Restricted interest income	3,013	7	132	3,152	16,301
Grants recognized as revenue	(4,625,579)	(14,449)	(164,668)	(4,804,696)	(4,779,905)
Recognized interest income	(3,013)	(7)	(132)	(3,152)	(16,301)
Transfer to deferred capital contributions (Note 5)	(80,906)	-	-	(80,906)	(39,706)
OSF transfer	-	-	-	-	238,698
Balance, end of the year	<u>\$ 711,078</u>	<u>\$ -</u>	<u>\$ 658,957</u>	<u>\$ 1,370,035</u>	<u>\$ 1,306,354</u>

WESTVIEW PHYSICIAN COLLABORATIVE NPC

Notes to Financial Statements

For the Year Ended March 31, 2022

5. DEFERRED CAPITAL CONTRIBUTIONS

	2022	2021
Balance, beginning of the year	\$ 36,427	\$ 19,573
Deferred capital contributions received	80,906	39,706
Amortization of deferred capital contributions	(20,615)	(22,852)
Balance, end of the year	<u>\$ 96,718</u>	<u>\$ 36,427</u>

6. ECONOMIC DEPENDENCE

The Organization is financially dependent on the Government of Alberta, Alberta Health for the majority 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.

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:

2023	\$ 150,623
2024	76,447
	<u>\$ 227,070</u>

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, 2022.

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.

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)*.

WESTVIEW PHYSICIAN COLLABORATIVE NPC**Notes to Financial Statements****For the Year Ended March 31, 2022**

10. RELATED PARTY TRANSACTIONS

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

	<u>2022</u>	<u>2021</u>
Received		
Alberta Health - Operating grant	\$ 4,242,664	\$ 4,202,047
Alberta Health - Fees for service	150,948	141,182
Alberta Health - PCN NP Support Program	166,250	181,874
	<u>\$ 4,559,862</u>	<u>\$ 4,525,103</u>
 Paid		
Alberta Health Services - Emergency Room Clinical Associate	\$ 89,184	\$ 88,707
Members of the Board of Directors	138,640	141,349
	<u>\$ 227,824</u>	<u>\$ 230,056</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.

11. COMPARATIVE FIGURES

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

WESTVIEW PHYSICIAN COLLABORATIVE NPC

Schedule of Programs

For the Year Ended March 31, 2022

(Schedule 1)

	Westview Primary Care Network	Westview Physician Collaborative (WPC) - Reclaiming the Circle (RTC)	Community Teaching Site	Obesity Management Program	Integrated Youth Hub	Other Programs	2022	2021
REVENUE								
Alberta Health operating grant (Note 4)	\$ 4,406,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,406,204	\$ 4,424,291
University of Alberta service agreement	-	-	502,125	-	-	-	502,125	485,430
Other grants	40,000	14,449	-	-	124,668	-	179,117	155,331
Alberta Health - NP Support program (Note 4)	219,375	-	-	-	-	-	219,375	200,283
Alberta Health fees for service	150,948	-	-	-	-	-	150,948	144,182
Psychiatrist cost-sharing reimbursement	23,900	-	-	-	-	-	23,900	32,510
Amortization of deferred capital contributions (Note 5)	20,615	-	-	-	-	-	20,615	22,852
Interest income (Note 4)	3,013	7	124	8	-	-	3,152	16,301
	4,864,055	14,456	502,249	8	124,668	-	5,505,436	5,481,180
EXPENSES								
Health professional costs	2,955,552	-	327,207	-	96,413	-	3,379,172	3,042,425
Administration	687,792	25	157,914	25	8,569	101	854,426	976,805
Clinical programs	590,172	24,611	-	-	3,636	-	618,419	1,113,288
Physician management and program development	167,409	-	-	-	-	-	167,409	211,949
Risk management	135,472	-	-	-	16,075	-	151,547	126,134
Pharmacist integration	122,020	-	-	-	-	-	122,020	124,347
Quality assurance, research and evaluation	92,910	-	-	-	-	-	92,910	106,416
Technology support	66,419	-	20,169	-	-	-	86,588	52,741
Professional fees	25,694	-	-	-	-	-	25,694	36,261
Amortization of tangible capital assets	20,615	-	-	-	-	-	20,615	22,852
	4,864,055	24,636	505,290	25	124,693	101	5,518,800	5,813,218
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ -	\$ (10,180)	\$ (3,041)	\$ (17)	\$ (25)	\$ (101)	\$ (13,364)	\$ (332,038)