

**CHINOOK REGIONAL HEALTH AUTHORITY**

FINANCIAL STATEMENTS

**MARCH 31, 2006**

**Chinook Regional Health  
Authority**

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Financial Statements

March 31, 2006

Auditor's Report

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The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

**CHINOOK REGIONAL HEALTH AUTHORITY**

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

**FINANCIAL STATEMENTS**

**MARCH 31, 2006**

**Auditor's Report**

To the Members of the Chinook Regional Health Authority  
and the Minister of Health and Wellness

I have audited the statement of financial position of the Chinook Regional Health Authority as at March 31, 2006 and the statements of operations, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

[Original signed by Fred J. Dunn]

FCA  
Auditor General

Edmonton, Alberta  
April 28, 2006

The accompanying financial statements are the responsibility of management and have been approved by the Authority. The financial statements were prepared in accordance with Canadian Generally Accepted Accounting Principles and the Financial Directives issued by Alberta Health and Wellness, and of necessity include some amounts that are based on estimates and judgments.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded. The Authority has established a code of ethics and corporate directives, which require communication of the code to employees.

The Authority members carry out their responsibility for the financial statements through the Governance Committee. This Committee meets with management and the external auditor, the Auditor General of Alberta, to discuss and review financial matters, and recommends the financial statements to the Chinook Regional Health Authority Board for approval. The external auditor has full and free access to the Governance Committee.

The external auditor, the Auditor General of Alberta, provides an independent audit of the financial statements. Their examination is conducted in accordance with Canadian Generally Accepted Auditing Standards and includes tests and other procedures, which allow them to report on the fairness of the financial statements prepared by management.

[Original signed by Pam Whitnack]

Chief Executive Officer

Date: *April 28, 2006*

[Original signed by Robert Stratyckuk]

Chief Operating Officer

Date: *April 28, 2006*

CHINOOK REGIONAL HEALTH AUTHORITY  
STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2006  
(thousands of dollars)

	2006	2005
<b>ASSETS</b>		
Current:		
Cash and investments (Note 3)	\$ 9,401	\$ 18,698
Accounts receivable (Note 4)	10,844	8,191
Inventories	2,897	2,314
Prepaid expenses	4,540	1,578
	<u>27,682</u>	<u>30,781</u>
Non-current cash and investments (Note 3)	27,026	16,709
Contributions receivable (Note 4)	3,398	-
Capital assets (Note 5)	185,550	176,950
Other assets (Note 6)	8,463	7,818
	<u>252,119</u>	<u>232,258</u>
<b>TOTAL ASSETS</b>		
	<u>\$ 252,119</u>	<u>\$ 232,258</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current:		
Accounts payable and accrued liabilities	\$ 20,337	\$ 24,036
Accrued vacation pay	11,433	10,263
Deferred contributions (Schedule 3)	9,132	6,635
Current portion of long-term debt (Note 8)	121	56
	<u>41,023</u>	<u>40,990</u>
Deferred capital contributions (Note 7)	26,380	15,975
Long-term debt (Note 8)	149	178
Deferred Contributions - Healthy Aging Partnership (Note 9)	3,400	3,670
Unamortized external capital contributions (Note 10)	168,693	164,674
Other liabilities	2,467	367
	<u>201,089</u>	<u>184,864</u>
Net assets:		
Accumulated deficit	(6,730)	(5,788)
Investment in capital assets	16,587	12,042
Operating net assets	9,857	6,254
Endowments	150	150
	<u>10,007</u>	<u>6,404</u>
	<u>252,119</u>	<u>232,258</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		
	<u>\$ 252,119</u>	<u>\$ 232,258</u>

The accompanying notes and schedules are part of these financial statements.

CHINOOK REGIONAL HEALTH AUTHORITY  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2006  
(thousands of dollars)

	2006		2005
	Budget (Note 11)	Actual	Actual
Revenue			
Alberta Health and Wellness contributions (Note 12)	\$ 258,925	\$ 259,866	\$ 242,153
Other government contributions (Note 13)	4,045	4,382	4,451
Fees and charges (Note 14)	18,428	17,637	18,223
Ancillary operations, net (Note 15)	235	361	243
Donations	306	278	406
Investment and other income (Note 16)	6,112	7,565	5,831
Amortization of external capital contributions (Note 10)	11,278	11,464	10,301
	<u>299,329</u>	<u>301,553</u>	<u>281,608</u>
<b>TOTAL REVENUE</b>			
Expenses (Schedule 1)			
Facility-based inpatient acute nursing care services	68,807	70,229	67,394
Facility-based emergency and outpatient services	18,956	18,894	17,932
Facility-based continuing care services	36,842	35,055	35,772
Community-based care	19,108	19,514	15,616
Home care	15,663	15,359	14,870
Diagnostic and therapeutic services	52,497	51,671	49,405
Promotion, prevention and protection services	12,848	12,918	10,584
Administration (Note 17)	12,562	12,457	12,079
Information technology	6,752	5,990	6,120
Support services (Note 18)	46,282	47,831	45,718
Amortization of facilities and improvements	7,863	8,130	6,961
	<u>298,180</u>	<u>298,048</u>	<u>282,451</u>
<b>TOTAL EXPENSES</b>			
Excess (deficiency) of revenue over expenses	<u>\$ 1,149</u>	<u>\$ 3,505</u>	<u>\$ (843)</u>

CHINOOK REGIONAL HEALTH AUTHORITY  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2006  
(thousands of dollars)

CHINOOK REGIONAL HEALTH AUTHORITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2006  
(thousands of dollars)

	2006					2005
	Operating					Total
	Accumulated Surplus/(Deficit)	Invested in Capital Assets from internally funded sources	Total Operating	Endowments	Total	Total
Balance at Beginning of Year	\$ (5,788)	\$ 12,042	\$ 6,254	\$ 150	\$ 6,404	\$ 5,947
Excess (deficiency) of revenue over expense	3,505	-	3,505	-	3,505	(843)
Contributed Assets - Coaldale Health Care Centre	11	87	98	-	98	-
Capital assets internally funded	(7,388)	7,388	-	-	-	-
Land acquired with external funds	-	-	-	-	-	1,300
Amortization on internally funded capital assets	2,893	(2,893)	-	-	-	-
Repayment of long-term debt used to fund capital assets	(252)	252	-	-	-	-
Proceeds on long-term debt to purchase capital assets	289	(289)	-	-	-	-
Balance at end of year	\$ (6,730)	\$ 16,587	\$ 9,857	\$ 150	\$ 10,007	\$ 6,404

Cash generated from (used by):

	2006 Budget	2006 Actual	2005 Actual
Operating activities			
(Deficiency) excess of revenue over expenses	\$ (233)	\$ 3,505	\$ (843)
Non-cash transactions:			
Amortization of capital equipment - internally funded	2,467	2,552	2,419
Amortization of capital equipment - externally funded	3,860	3,624	3,509
Amortization of facilities and improvements	7,864	7,924	7,009
Gross amortization of external capital contributions (Note 10)	(11,278)	(11,471)	(10,308)
Gain on disposal of capital equipment	(106)	(74)	(129)
Loss on disposal of facilities and improvements	-	260	-
	2,574	6,320	1,657
Change in non-cash working capital accounts (Note 19)	(5,648)	(3,329)	4,263
Cash (used by) generated from operations	(3,074)	2,991	5,920
Investing activities:			
Purchase of capital assets:			
internally funded	(6,081)	(7,388)	(833)
externally funded - equipment	(8,949)	(2,162)	(3,769)
- facilities & improvements	(11,138)	(7,675)	(8,309)
- land	-	-	(1,300)
Proceeds on sale of capital assets	-	89	229
Capital assets transferred	-	(5,742)	-
Change in other assets	(850)	(645)	149
Change in non-current cash	646	(13,715)	2,749
Cash used by investing activities	(26,372)	(37,238)	(11,084)
Financing activities:			
Capital contributions received (Note 7)	18,711	20,242	18,909
Change in non-cash working capital accounts (Note 19)	-	(2,901)	(2,590)
Principal payments on long-term debt used to fund capital assets	56	(252)	(70)
Proceeds on long-term debt	-	289	-
Capital assets transferred	-	5,742	-
Change in other liabilities	14	2,100	299
Change in deferred contributions-Health Aging Partnership	(238)	(270)	(199)
Cash generated from financing activities	18,543	24,950	16,349
Increase (decrease) in cash and investments	(10,903)	(9,297)	11,185
Cash and investments, beginning of year	18,461	18,698	7,513
Cash and investments, end of year	\$ 7,558	\$ 9,401	\$ 18,698
Cash and cash equivalents are defined as follows:			
Cash and investments	\$ 7,558	\$ 9,401	\$ 18,698

**CHINOOK REGIONAL HEALTH AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2006**

(Thousands of dollars)

Note 1 Authority, Purpose and Operations

The Chinook Regional Health Authority (the "Authority") was established on June 24, 1994 under the authority of the Regional Health Authority Act, Chapter R-10, Revised Statutes of Alberta 2000. The Authority is exempt from the payment of income tax and is also a registered charity under the Income Tax Act.

The Authority is responsible for the delivery of appropriate, accessible and affordable health services within the Chinook Region (the "Region"). This responsibility includes operating programs designed to promote, protect, maintain, restore and enhance physical and mental well-being.

The operations of the Authority include the following facilities and sites:

- Barons-Eureka-Warner Health Unit
- Border Counties General Hospital
- Cardston General Hospital
- Children's Assessment, Rehabilitation and Education Centre Society of South-western Alberta
- Crowsnest Pass General and Auxiliary Hospital
- Fort Macleod Health Care Centre
- Fort Macleod Special Development Unit
- City of Lethbridge Health Unit
- Lethbridge Regional Hospital
- Magrath General Hospital
- Picture Butte Health Centre
- Pincher Creek Municipal Hospital
- Raymond General Hospital
- Taber and District Health Care Complex
- Raymond Care Centre

These financial statements do not include the assets, liabilities and operations of any voluntary or private facilities providing health services in the region. Information on these facilities is disclosed in Schedule 4.

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles and the reporting requirements of Financial Directives 24 issued by Alberta Health and Wellness. Following are the significant accounting policies:

(a) Basis of Presentation

These financial statements are prepared using the deferral method of accounting. The Foundations are not consolidated.

(b) Revenue Recognition

- (i) Unrestricted operating grants and other contributions are recognized as revenue when receivable.
- (ii) Externally restricted non-capital contributions are deferred and recognized as revenue in the year when related expenses are incurred.
- (iii) Externally restricted capital contributions are recorded as deferred capital contributions until the amount is invested in capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.
- (iv) Restricted contributions for the purchase of capital assets which will not be amortized are recorded as direct increases to net assets.
- (v) Unrestricted investment income is recognized in the year it is earned.
- (vi) Investment income subject to external restrictions is, depending on the nature of the restrictions, recorded as a direct increase to net assets, or is deferred and recognized as revenue in the year the related expenses are incurred.
- (vii) Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

(c) Full cost

The Authority accounts for all costs and revenues related to services carried out for which it is responsible.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

The fair value of costs of services are recorded. The fair value transactions recorded consist of the following:

- (i) Revenues earned by contracted health service operators from Ministry of Health and Wellness designated fees and charges are recorded as fees and charges of the Authority. An equivalent amount is recorded as contracted health service operator expense of the Authority.
  - (ii) Payments made by Alberta Health and Wellness directly to contracted health service operators for health programs are recorded as revenues and an equivalent amount recorded as program expenses as these payments represent part of the cost of the Authority's health programs.
  - (iii) The fair value for the use of non-acute care facilities not owned by the Authority and provided to the Authority at zero or nominal rent is recorded as other government contributions and as program expenses.
  - (iv) Other assets, supplies and service contributions that would otherwise have been purchased are recorded as revenue and expenses, at fair value at the date of contribution, when a fair value can be reasonably determined. Volunteers contribute a significant amount of time each year to assist the Authority in carrying out its programs and services. However, contributed services of volunteers are not recognized as revenues and expenses in these financial statements because fair value cannot be reasonably determined.
- (d) Employee Future Benefits

The Authority participates in the Local Authorities Pension Plan. This is a multi-employer defined benefit plan that provides pensions for the Authority's participating employees, based on years of service and earnings.

Defined contribution plan accounting is applied to a multi-employer defined benefit plan for which the Authority has insufficient information to apply defined benefit plan accounting.

Pension costs included in these financial statements comprise the amount of employer contributions required for its employees during the year, based on rates which are expected to provide for benefits payable under the pension plan. The Authority's portion of the pension plans' deficit or surplus is not recorded by the Authority.

The Authority participates in a defined benefit plan for a prescribed class of employees. Benefits are based on years of service and 1.75% of the excess of average of full calendar year earnings over a consecutive five year period for which such average is highest over average of maximum pensionable earnings as determined under the provisions of the Local Authorities Pension Plan over the same consecutive five year period multiplied by the member's total years of healthcare (LAPP) eligible service after December 31, 1991. The plan is unfunded. The Authority accrues its obligation for the defined benefit pension plan as the employee renders the service necessary to earn benefits.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

The Authority fully accrues its obligations for employee non-pension future benefits.

(e) Investments

Temporary investments are recorded at lower of cost and market. Non-current investments are recorded at cost. Where there has been a loss in the value of an investment other than a temporary decline, the investment is written down to recognize the loss. The written down value is deemed to be the new cost.

(f) Financial Instruments

The carrying value of accounts receivable, accounts payable and accrued liabilities approximates their fair value as of March 31, 2006 because of the short-term maturity of these items.

The carrying value of long-term debt approximates fair value.

(g) Inventories

Inventories are valued at the lower of cost, determined on a first-in, first-out basis, or net realizable value.

(h) Capital Assets

Capital assets and construction projects in progress are recorded at cost. Capital assets costing less than five thousand dollars are expensed.

Capital assets except land, construction in progress and art are amortized over their estimated useful lives on a straight line basis as follows:

	<u>Useful Life</u>
Land improvements	10 - 25 years
Buildings	20 - 40 years
Equipment	5 - 15 years

Construction projects in progress are not amortized until the project is complete.

Leases transferring substantially all of the benefits and risks of ownership of capital assets to the Authority are accounted for as acquisitions of capital assets financed by long-term obligations.

The Authority is subject to regulations requiring the repair, removal and disposal of friable asbestos. The obligation, under these regulations meets the definition of a conditional asset retirement obligation.

As a result of the longevity of the Authority's facilities, due in part to the Authority's maintenance procedures, and the fact that the Authority does not have plans for major changes that would require the removal of asbestos, the timing of the removal of



## Note 2 Significant Accounting Policies and Reporting Practices (continued)

asbestos in the Authority's facilities is indeterminate as at March 31, 2006. As a result, the Authority is currently unable to estimate the fair value of its asbestos removal and disposal obligation. Therefore, expenditures are recorded in accounts as they are incurred.

## (i) Measurement Uncertainty

The financial statements, by their nature, contain estimates and are subject to measurement uncertainty. Capital assets are amortized over their estimated useful lives. The amounts recorded for amortization of external capital contributions are based on estimates of the useful life of related assets. Actual results could differ from these estimates.

## Note 3 Cash and Investments

	2006		2005	
	Market Value	Carrying Value	Market Value	Carrying Value
Cash and equivalents	\$ 24,046	\$ 24,046	\$ 23,835	\$ 23,835
Term deposits <sup>(i)</sup>	647	647	634	634
Fixed income securities <sup>(ii)</sup>	9,747	9,654	9,374	8,931
Equities <sup>(iii)</sup>	3,118	2,080	2,769	2,007
	<u>\$ 37,558</u>	<u>36,427</u>	<u>\$ 36,612</u>	<u>35,407</u>
Amount held for non-current purposes		(27,026)		(16,709)
		<u>\$ 9,401</u>		<u>\$ 18,698</u>

Income and financial returns are exposed to credit and price risks. Credit risk relates to the possibility that a loss may occur when another party fails to perform according to terms of the contract. Price risk comprises interest rate risk and market risk. Interest rate risk relates to the possibility that investments will change in value with future fluctuations in market interest rates. Market risk relates to the possibility that investments will change in value due to fluctuations in market prices.

To earn optimal financial returns at an acceptable level of risk, management has established a policy asset mix of 65% to 100% for fixed-income instruments, 0% to 25% for equities, and 0% to 20% for cash and cash equivalents. Risk is reduced through asset class diversification, diversification within each asset class and quality constraints on fixed-income and equity instruments.

- (i) Term deposits with Alberta Treasury Branches maturing as follows:
- Maturing May 2006 and bearing interest at 3.75%.
  - Maturing July, 2009 and bearing interest at 4.27% paid annually.
- (ii) Fixed-income securities have an average effective yield of 4.94% per annum for securities maturing between 1 and 10 years. As at March 31, 2006, the securities have the following term structure based on par:

	<u>%</u>
1 to 5 years	37.77
5 to 10 years	37.77
Over 10 years	24.46

## Note 3 Cash and Investments (continued)

- (iii) Equities comprise publicly traded equities. Risk is reduced by prudent security selection and sector rotation.

Non-current cash and investments represent the following:

	<u>2006</u>	<u>2005</u>
Endowments	\$ 150	\$ 150
Externally restricted for capital acquisitions	26,380	15,975
Externally restricted for specific purposes	496	584
	<u>\$ 27,026</u>	<u>\$ 16,709</u>

## Note 4 Accounts Receivable

	<u>2006</u>	<u>2005</u>
Contributions receivable	\$ 9,720	\$ 3,421
Accounts receivable - patient and other	4,522	4,770
	<u>14,242</u>	<u>8,191</u>
Non-current contributions receivable	(3,398)	-
	<u>\$ 10,844</u>	<u>\$ 8,191</u>

## Note 5 Capital Assets

	Cost					Accumulated Amortization					Net Book Value 2006	Net Book Value 2005
	Opening Balance	Transfers from CIP	Additions	Disposals	Closing Balance	Opening Balance	Transfers	Current Year Amortization	Amortization on Disposals	Closing Balance		
	Land	\$ 3,702	\$ 57	\$ -	\$ -	\$ 3,712	\$ -	\$ -	\$ -	\$ -		
Other Non-depreciable Assets	46	-	-	-	46	-	-	-	-	-	46	46
Land Improvements	4,192	123	-	15	4,300	3,684	79	100	10	3,853	\$ 447	\$ 508
Buildings and Improvements	249,375	2,960	-	1,099	251,236	99,836	1,738	6,517	298	107,793	\$ 143,443	\$ 149,539
Building Service Equipment	-	10,778	-	-	10,778	-	3,210	612	-	3,822	\$ 6,956	\$ -
Leasehold Improvements	1,208	1	-	-	1,209	136	-	93	-	229	\$ 980	\$ 1,072
Major Equipment - Other	62,972	607	4,314	5,634	62,259	47,264	587	4,503	5,623	46,731	\$ 15,528	\$ 15,708
Major Equipment - Information Systems	13,524	-	129	231	13,422	10,989	-	1,539	226	12,302	\$ 1,120	\$ 2,535
Major Equipment - Software Licenses	826	10	111	-	947	402	10	134	-	546	\$ 401	\$ 424
Construction in Progress (CIP)	3,416	(3,204)	12,705	-	12,917	-	-	-	-	-	\$ 12,917	\$ 3,416
	<u>\$ 339,261</u>	<u>\$ 11,332</u>	<u>\$ 17,259</u>	<u>\$ 7,026</u>	<u>\$ 360,826</u>	<u>\$ 162,311</u>	<u>\$ 5,624</u>	<u>\$ 13,498</u>	<u>\$ 6,157</u>	<u>\$ 175,276</u>	<u>\$ 185,550</u>	<u>\$ 176,950</u>

Assets comprised the Coaldale Health Care Centre, acquired from the Province which are included in the above transferred amounts:

	Cost	Accumulated Amortization	Net Transferred
Land	\$ 57	\$ -	\$ 57
Land Improvements	123	79	44
Buildings & Improvements	10,339	4,828	5,511
Building Service Equipment	230	120	110
Major Equipment - Other	607	587	20
Major Equipment-Software Licenses	10	10	-
	<u>\$ 11,366</u>	<u>\$ 5,624</u>	<u>\$ 5,742</u>

## (a) Land

Land at the Crowsnest Pass General and Auxiliary Hospital and Picture Butte Health Centre has been provided to the Authority at nominal value.

## (b) Leased Capital Assets

	2006		2005	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings and Improvements <sup>(1)</sup>	\$ 38,586	\$ 9,149	\$ 23,437	\$ 24,516
Major Equipment - Other	414	133	281	76
	<u>\$ 39,000</u>	<u>\$ 9,282</u>	<u>\$ 23,718</u>	<u>\$ 24,592</u>

<sup>(1)</sup> The building and improvements under capital lease pertain to the transfer of assets from St. Michael's Health Centre and Coaldale Health Care Centre to Alberta Infrastructure. Alberta Infrastructure subsequently leased these assets to the Authority.

## Note 5 Capital Assets (continued)

Capital assets have been funded from the following sources:

	2006	2005
Externally funded	\$ 168,693	\$ 164,674
Internally funded	16,587	12,042
Financed by debt	270	234
	<u>\$ 185,550</u>	<u>\$ 176,950</u>

## Note 6 Other Assets

	2006	2005
Long-term receivable		
Supportive Living Options	\$ 8,402	\$ 7,739
Participating Physicians	61	79
	<u>\$ 8,463</u>	<u>\$ 7,818</u>

The amounts included in the Supportive Living Options are forgivable for services rendered by the contracted health service provider over the life of the Continuing Care Agreement. The Continuing Care Agreement is for a term of 20 years effective from the date of commencement of operations, unless otherwise terminated.

The Chinook Health Region provided financial assistance to participating physicians to assist in a portion of costs of the Sleep Apnea clinic. These costs will be reimbursed to the Chinook Health Region over the term of the existing agreement of 5 years.



## Note 7 Deferred Capital Contributions

Deferred capital contributions balance represents amounts accounted for in accordance with accounting policy described in Note 2(b).

	2006	2005
Amounts received:		
Restricted Alberta Health and Wellness	\$ 6,476	\$ 8,243
Restricted other government	12,971	9,645
Restricted investment income (Note 16)	14	11
Other	53	316
Regional shared information program	-	75
Transferred from (to) deferred contributions (Schedule 3)		
Donations	942	658
Other	(214)	(39)
	<u>20,242</u>	<u>18,909</u>
Transferred (to) from:		
Unamortized external capital contributions (Note 10)		
Other	(8,895)	(11,345)
Donations	(942)	(658)
Regional shared information program	-	(75)
	<u>(9,837)</u>	<u>(12,078)</u>
Investment in Capital Assets	-	(1,300)
	<u>(9,837)</u>	<u>(13,378)</u>
Change during the year	10,405	5,531
Balance beginning of year	15,975	10,444
Balance, end of year	<u>\$ 26,380</u>	<u>\$ 15,975</u>
Balance at end of year is restricted for the following purposes:		
Equipment replacement	3,581	1,335
New construction	22,799	14,640
	<u>\$ 26,380</u>	<u>\$ 15,975</u>

## Note 8 Long-term Debt

	2006	2005
Debentures	\$ -	\$ 138
Obligations under capital leases	270	96
	<u>270</u>	<u>234</u>
Less: current portion	121	56
Long-term portion	<u>\$ 149</u>	<u>\$ 178</u>

## Note 8 Long-term Debt (continued)

Future payments	Capital Leases
For the year ended March 31:	
2007	\$ 121
2008	121
2009	28
2010 and thereafter	-
	<u>\$ 270</u>

Capital leases expire on various dates to June, 2008.

## Note 9 Deferred Contributions – Healthy Aging Partnership

Funds received from Alberta Health and Wellness for the purpose of providing supportive living options to the Region's residents are recorded as long-term deferred contributions.

During the year the Authority amortized \$238 (2005 - \$257) of the Healthy Aging Partnership program to community and home-based services and recognized an equal amount as revenue under Alberta Health and Wellness Contributions.

## Note 10 Unamortized External Capital Contributions

The region follows the deferral method of recognizing capital contributions as described in Note 2 (b) (iii). The balance of unamortized external capital contributions at the end of year represents the external capital contribution to be recognized as revenue in future years.

	2006	2005
Balance, beginning of year	\$ 164,674	\$ 162,904
Transfers from deferred capital contributions (Note 7)		
Other	8,895	11,345
Donations	942	658
Regional shared health information program	-	75
Other	5,653	-
	<u>15,490</u>	<u>12,078</u>
Less amounts recognized as revenue		
Amortized external capital contributions: Equipment	(3,622)	(3,505)
Amortized external capital contributions: facilities and improvements	(7,842)	(6,796)
Amortization - Ancillary operations	(7)	(7)
	<u>(11,471)</u>	<u>(10,308)</u>
Balance, end of year	<u>\$ 168,693</u>	<u>\$ 164,674</u>

## Note 11 Budget

	2006 Approved Budget <sup>(1)</sup>	Additional Funding <sup>(2)</sup>	2006 Reported Budget
<b>Revenue:</b>			
Alberta Health and Wellness contributions	\$ 257,543	\$ 1,382	\$ 258,925
Other government contributions	4,045	-	4,045
Fees and charges	18,428	-	18,428
Net ancillary operations	235	-	235
Donations	306	-	306
Investment and other income	6,112	-	6,112
Amortization of external capital contributions	11,278	-	11,278
	-	-	-
<b>Total revenue</b>	<b>297,947</b>	<b>1,382</b>	<b>299,329</b>
<b>Expenses:</b>			
Facility-based inpatient acute nursing care services	68,807	-	68,807
Facility-based emergency and outpatient services	18,956	-	18,956
Facility-based continuing care services	36,842	-	36,842
Community-based care	19,108	-	19,108
Home care	15,663	-	15,663
Diagnostic and therapeutic services	52,497	-	52,497
Promotion, prevention and protection services	12,848	-	12,848
Administration	12,562	-	12,562
Information technology	6,752	-	6,752
Support services	46,282	-	46,282
Amortization of facilities and improvements	7,863	-	7,863
	-	-	-
<b>Total expenses</b>	<b>298,180</b>	<b>-</b>	<b>298,180</b>
<b>Excess of revenue over expense</b>	<b>\$ (233)</b>	<b>\$ 1,382</b>	<b>\$ 1,149</b>

- (1) The budget was approved by the members of the Authority on May 11, 2005 and submitted to the Minister of Health and Wellness.
- (2) On March 23, 2006, Alberta Health & Wellness announced additional funding to address paid nursing hours in long-term care facilities.

## Note 12 Alberta Health and Wellness Contributions

	2006	2005
Unrestricted contributions	\$ 251,155	\$ 234,758
Transfers from deferred contributions (Schedule 3)	8,295	6,960
Healthy Aging Partnership (Note 9)	238	257
Alberta Health and Wellness payments to contract operators		
Non-district nursing home capital upgrade program	178	178
	<u>\$ 259,866</u>	<u>\$ 242,153</u>

## Note 13 Other Government Contributions

	2006	2005
Person's with Developmental Disabilities		
South Alberta Board (Schedule 3)	\$ 2,297	\$ 2,387
Transfers from deferred contributions (Schedule 3)	1,017	780
Alberta Infrastructure (Schedule 3)	110	346
	<u>3,424</u>	<u>3,513</u>
Fair value of rent less rent charges for non-acute care facilities used by the Authority	958	938
	<u>\$ 4,382</u>	<u>\$ 4,451</u>

## Note 14 Fees and Charges

	Inpatient/Resident		Outpatient		Total	Total
	2006	2005	2006	2005	2006	2005
<b>Acute Care</b>						
Uninsured resident of Alberta	\$ 67	\$ 9	\$ 57	\$ 32	\$ 124	\$ 41
Out-of-province	1,576	1,371	1,349	1,300	2,925	2,671
Out-of-country base amount	46	118	55	66	101	184
Out-of-country surcharge	58	148	50	64	108	212
WCB Standard charges	510	311	1,028	1,044	1,538	1,355
Federal	45	9	68	65	113	74
Uninsured medical services	65	42	218	158	283	200
Continuing care standard ward	87	101	-	-	87	101
Continuing care semi-private	47	63	-	-	47	63
Continuing care private	88	76	-	-	88	76
	<u>\$ 2,589</u>	<u>\$ 2,248</u>	<u>\$ 2,825</u>	<u>\$ 2,729</u>	<u>\$ 5,414</u>	<u>\$ 4,977</u>
<b>Continuing Care</b>						
Continuing care standard ward	\$ 308	\$ 307	\$ -	\$ -	\$ 308	\$ 307
Continuing care semi-private	2,263	2,327	-	-	2,263	2,327
Continuing care private	1,953	1,964	-	-	1,953	1,964
Out-of-province	1	-	-	-	1	-
	<u>\$ 4,525</u>	<u>\$ 4,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,525</u>	<u>\$ 4,598</u>
<b>Home Care</b>						
Homemaking Fees	\$ -	\$ -	\$ 28	\$ 19	\$ 28	\$ 19
<b>Public Health</b>						
	\$ -	\$ -	\$ 228	\$ 264	\$ 228	\$ 264
<b>Other</b>						
	\$ 7,399	\$ 8,329	\$ 43	\$ 36	\$ 7,442	\$ 8,365
<b>Total</b>						
	<u>\$ 14,513</u>	<u>\$ 15,175</u>	<u>\$ 3,124</u>	<u>\$ 3,048</u>	<u>\$ 17,637</u>	<u>\$ 18,223</u>

## Note 15 Ancillary Operations

	2006					2005	
	Non-Patient Food Services Operations	Laundry Operations	Parking Operations	Other Operations	Total	Budget	Total
Revenues							
Revenues	\$ 1,218	\$ 88	\$ 377	\$ 286	\$ 1,969	\$ 1,628	\$ 1,793
Amortization of deferred capital contributions	-	2	5	-	7	-	7
Expenses							
Other expenses	1,117	88	60	297	1,562	1,345	1,505
Amortization	5	2	46	-	53	48	52
	\$ 1,122	\$ 90	\$ 106	\$ 297	\$ 1,615	\$ 1,393	\$ 1,557
Excess (deficiency) of revenues over expenses	\$ 96	\$ -	\$ 276	\$ (11)	\$ 361	\$ 235	\$ 243

## Note 16 Investments and Other Income

	2006	2005
Investment Income Earned		
Unrestricted resources	\$ 1,193	\$ 1,691
Restricted resources for capital assets	14	11
Resources held for endowment	7	5
Other Income	1,214	1,707
Transfers from deferred contributions (Schedule 3)	1,611	1,469
Other	4,754	2,666
	7,579	5,842
Less amounts deferred:		
Restricted for capital asset acquisition (Note 7)	(14)	(11)
Restricted for special purpose programs	-	-
	\$ 7,565	\$ 5,831

Investment income is comprised of interest and dividends and gains or losses on the sale of investments.

Other income is comprised of recoveries from sources external to the Health Authority for compensation, material and supplies.

## Note 17 Administration

	2006	2005
General administration	\$ 6,739	\$ 6,456
Finance	1,686	1,625
Human Resources	2,178	2,058
Administration - contract operators (Schedule 4)	<u>1,854</u>	<u>1,940</u>
	<u>\$ 12,457</u>	<u>\$ 12,079</u>

## Note 18 Support Services

	2006	2005
Bad Debt Expense	\$ 108	\$ 613
Bio-Medical Engineering	796	740
Building maintenance, operations and security	13,784	11,728
Communications	719	661
Education	804	775
Housekeeping	4,749	4,520
Laundry and linen	207	198
Materials management	4,459	4,114
Patient food services	7,596	7,208
Patient health records	2,784	2,631
Patient registration	1,356	1,269
Patient transportation	1,881	1,802
Volunteer services	432	370
Support Services-contract operators (Schedule 4)	<u>8,156</u>	<u>9,089</u>
	<u>\$ 47,831</u>	<u>\$ 45,718</u>

## Note 19 Changes in Non-Cash Working Capital Accounts

	2006	2005
Accounts receivable	\$ (2,653)	\$ (2,863)
Inventories	(583)	(203)
Prepaid expenses	(2,962)	15
Accounts payable and accrued liabilities	(3,699)	1,421
Accrued vacation pay	1,170	704
Current portion of deferred contributions	<u>2,497</u>	<u>2,599</u>
	<u>\$ (6,230)</u>	<u>\$ 1,673</u>
Reflected in the Statement of Cash Flows as:		
Operating activities	\$ (3,329)	\$ 4,263
Financing activities	<u>(2,901)</u>	<u>(2,590)</u>
	<u>\$ (6,230)</u>	<u>\$ 1,673</u>

## Note 20 Related Parties

## (a) Provincial Government

The Authority is established under the Regional Health Authorities Act. The Minister of Health and Wellness appoints the members. The Authority is economically dependent upon the Minister of Health and Wellness since the viability of its on-going operations depends on contributions from the Minister. Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Transactions between the Authority and the Province of Alberta are disclosed in the Statement of Operations and in the notes and Schedule 3 to the financial statements.

## (b) Foundations

The Authority exercises control over the following Foundations by virtue of its ability to appoint a majority of the voting members of the Boards of Directors. These Foundations were established under the Regional Health Authorities Act and are registered charities under the Income Tax Act.

The controlled Foundations are not consolidated in these financial statements.

## Note 20 Related Parties (continued)

## (i) Crowsnest Pass Health Foundation (established August 28, 1996)

	<u>2006</u>	<u>2005</u>
Total assets	\$ 216	\$ 183
Total liabilities	<u>(3)</u>	<u>(3)</u>
Net assets	<u>\$ 213</u>	<u>\$ 180</u>
Revenue	\$ 165	\$ 200
Expenses	<u>(132)</u>	<u>(113)</u>
Excess of revenue over expenses	<u>\$ 33</u>	<u>\$ 87</u>

The resources of the Foundation amounting to \$78 have been restricted by the donors for the exclusive use of Crowsnest Pass Health Care Facility.

The financial statements for the Crowsnest Pass Health Foundation are prepared using the Restricted Fund method.

## (ii) Cardston and District Health Foundation (established August 28, 1996)

	<u>2006</u>	<u>2005</u>
Total assets	\$ 25	\$ 28
Total liabilities	<u>(12)</u>	<u>(3)</u>
Net assets	<u>\$ 13</u>	<u>\$ 25</u>
Revenue	\$ 54	\$ 52
Expenses	<u>(67)</u>	<u>(33)</u>
Excess (deficiency) of revenue over expenses	<u>\$ (13)</u>	<u>\$ 19</u>

The resources of the Foundation amounting to \$nil have been restricted by the donors for the exclusive use of Cardston Health Care Facility.

The financial statements for the Cardston and District Health Foundation are prepared using the Restricted Fund method.

## Note 20 Related Parties (continued)

## (iii) North County Health Foundation (established October 16, 1997)

	<u>2006</u>	<u>2005</u>
Total assets	\$ 41	\$ 73
Total liabilities	<u>-</u>	<u>(7)</u>
Net assets	<u>\$ 41</u>	<u>\$ 66</u>
Revenue	\$ 28	\$ 62
Expenses	<u>(53)</u>	<u>(53)</u>
Excess (deficiency) of revenue over expenses	<u>\$ (25)</u>	<u>\$ 9</u>

The resources of the Foundation amounting to \$5 have been restricted by the donors for the exclusive use of Picture Butte Health Care Facility.

The financial statements for the North County Health Foundation are prepared using the Restricted Fund method.

## (iv) Fort Macleod and District Health Foundation (established April 21, 1998)

	<u>2006</u>	<u>2005</u>
Total assets	\$ 63	\$ 63
Total liabilities	<u>(1)</u>	<u>(1)</u>
Net assets	<u>\$ 62</u>	<u>\$ 62</u>
Revenue	\$ 31	\$ 31
Expenses	<u>(3)</u>	<u>(3)</u>
Excess of revenue over expenses	<u>\$ 28</u>	<u>\$ 28</u>

The resources of the Foundation amounting to \$nil have been restricted by the donors for the exclusive use of Fort Macleod Health Care Facility.

The financial statements for the Fort Macleod and District Health Foundation are prepared using the Restricted Fund method.

## Note 20 Related Parties (continued)

## (v) Windy Slopes Health Foundation (established April 28, 1998)

	2006	2005
Total assets	\$ 72	\$ 59
Total Liabilities	(6)	(5)
Net assets	<u>\$ 66</u>	<u>\$ 54</u>
Revenue	\$ 145	\$ 157
Expenses	(134)	(154)
Excess of revenue over expenses	<u>\$ 11</u>	<u>\$ 3</u>

The resources of the Foundation amounting to \$13 have been restricted by the donors for the exclusive use of Pincher Creek Health Care Facility.

The financial statements for the Windy Slopes Health Foundation are prepared using the Restricted Fund method.

	Contributions Received by Health Authority		Resources held by Foundation	
	Year ended March 31		At March 31, 2006	
	2006	2005	Externally Restricted	Unrestricted
Crowsnest Pass Health Foundation	\$ 107	\$ 78	\$ 175	\$ 37
Cardston and District Health Foundation	42	7	-	12
North County Health Foundation	36	32	5	35
Fort Macleod and District Health Foundation	-	-	-	-
Windy Slopes Health Foundation	<u>103</u>	<u>122</u>	<u>13</u>	<u>53</u>
	<u>\$ 288</u>	<u>\$ 239</u>	<u>\$ 193</u>	<u>\$ 137</u>

## Note 20 Related Parties (continued)

## (c) Other Foundations

The Authority has an economic interest in the Lethbridge Regional Hospital Foundation and the Taber and District Health Foundation by virtue of its representation on the Board of Directors. The Foundations were established to raise funds for use in the respective community. The Foundations were continued under the Regional Health Authorities Act and are registered charities under the income Tax Act. Financial information for these foundations is as follows:

	Contributions Received by Health Authority		Resources held by Foundation	
	Year ended March 31		At March 31, 2006	
	2006	2005	Externally Restricted	Unrestricted
Lethbridge Regional Hospital Foundation	\$ 581	\$ 543	\$ 4,684	\$ 362
Taber and District Health Foundation	65	73	566	368
	<u>\$ 646</u>	<u>\$ 616</u>	<u>\$ 5,250</u>	<u>\$ 730</u>

Contributions include externally restricted amounts for equipment, programs, research, and education for the specific communities supported by the Foundations.

## Note 20 Related Parties (continued)

The value of administrative support provided to Foundations, and the accounts receivable from the Foundations at year end are as follows:

	Administrative Support		Accounts Receivable	
	Year ended March 31		As at March 31	
	2006	2005	2006	2005
<b>Controlled Foundations:</b>				
Crowsnest Pass				
Health Foundation	\$ 19	\$ 18	\$ 3	\$ 3
Cardston and District				
Health Foundation	19	18	12	3
North County				
Health Foundation	15	12	-	7
Fort Macleod and District				
Health Foundation	-	-	-	-
Windy Slopes				
Health Foundation	19	17	-	5
<b>Other Foundations:</b>				
Lethbridge Regional				
Hospital Foundation	258	220	80	263
Taber and District				
Health Foundation	12	14	44	4
	<u>\$ 342</u>	<u>\$ 299</u>	<u>\$ 139</u>	<u>\$ 285</u>

## (d) Society of Friends of the Lethbridge Regional Hospital (the "Society")

The Authority significantly influences the Society through its provision of administrative and financial services and by representation on the Board. The Society is incorporated under the Societies Act of Alberta and operates the gift shop, telephone and television rentals, and other various fund-raising activities. All funds earned are used to support the activities of the Lethbridge Regional Hospital Site of the Authority by transferring funds through the Lethbridge Regional Hospital Foundation.

As at March 31, 2006, \$19 (2005 - \$35) was due to the Authority for net inter-entity transactions.

## Note 20

## Related Parties (Continued)

## (e) Voluntary and Private Health Service Operations

The Authority has an economic interest through its contracts with voluntary and private health service operators to provide health services in the Region. Details are presented in Schedule 4.

## (f) Regional Shared Health Information Program ("RSHIP")

The Authority participates in the Regional Shared Health Information Program ("RSHIP"), a special purpose, limited liability, not-for-profit company incorporated under the laws of Alberta. The Purpose of RSHIP is to provide and manage a shared information systems infrastructure for the participating regions to process patient data and to provide health care services to the public; to share information, expertise and resources; and to develop, implement and manage consistent and scaleable standards across regions as a foundation to the ongoing development of electronic health records.

The Authority may only terminate its participation in RSHIP as a direct and demonstrable result of a Ministry Directive by providing 180 days notice to the other parties. In addition, the Authority may terminate its participation in RSHIP in the event of any other region is in material breach of the terms of conditions of the Governance Agreement on 60 days notice or where any other region is in breach of its obligation confidentiality.

Funding is provided by Alberta Health and Wellness as follows:

RSHIP	\$4,783
Community Care Systems Project	<u>547</u>
	<u>\$5,330</u>

The Authority accounts for its interest in RSHIP on a proportionate consolidation basis.



## Note 21 Pension Costs

- a) The Authority participates in the Local Authorities Pension Plan, which is a multi-employer defined benefit plan. The pension expense recorded in these financial statements is equivalent to the Authority's annual contributions payable of \$8,090 for the year ended March 31, 2006 (2005 - \$7,064).

At December 31, 2005, the Local Authorities Pension Plan reported a deficiency of \$863,558 (2004 - deficiency of \$1,288,924).

- d) The Authority established a defined benefit pension plan for a prescribed class of employees effective March 3, 2004. The pension plan is unfunded. At March 31, 2006 the unamortized accrued benefit obligation is \$391. The significant actuarial assumptions in measuring the Authority's accrued benefit obligation as of March 31, 2006 are as follows:

Discount Rate	6.00%
Increase in pensionable earnings	3.50%
Increase in maximum pension permitted Under income tax act	3.50%

## Note 22 Commitments and Contingencies

- a) The Authority is committed to future capital upgrade projects in the amount of \$6,850. The Authority procured natural gas futures brokered through Cinergy Canada Inc. for the period of April 1, 2006 to October 31, 2006. This natural gas was contracted for supply to the Lethbridge Regional, Crowsnest Pass, Raymond, Taber, Fort Macleod, Milk River and St. Michael's Health Care facilities for 500 gigajoules per day. All usage above this amount during the contract period is purchased from the spot market.
- b) The Authority has entered into various commitments for the purchase of consumables, reagents and chemicals. The commitments expire at various dates to June, 2008.
- c) The Authority has not recognized a liability of certain legal obligations, primarily special handling for the removal and disposal of encapsulated asbestos from facilities and equipment. The fair value cannot be reasonably estimated as the settlement dates are unknown.
- d) The Authority, in the conduct of its normal activities, is named a defendant in various legal proceedings. While the ultimate outcome of these proceedings cannot be predicted at this time, it is the opinion of management that adequate provision for these proceedings have been made in the Authority's accounts. It is believed that the resolution of the proceedings will not have a material effect on the financial position of the Authority, however, should any loss result from the resolution of these proceedings, such amounts would be expensed as the related amounts become known to the Authority.
- e) The Authority has a contingent liability in respect of a claim concerning the methodology used to calculate pension benefit payments under LAPP. The claim has

## Note 22 Commitments and Contingencies (continued)

been filed jointly and severally against the Province of Alberta and the employers participating in LAPP. The claim specified an amount of \$1.25 billion. The outcome of the claim is not determinable.

- f) The Authority has been named as a defendant in a legal action in respect of increased long-term care accommodation charges levied effective August 1, 2003. The claim has been filed against the Province of Alberta and the Regional Health Authorities. The amount of the claim is in excess of \$150 million based on the amount of the increase in accommodation charges levied, which came into effect August 1, 2003. The outcome of the claim is not determinable.

## Note 23 Comparative Figures

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

## Note 24 Approval of Financial Statements

These financial statements have been approved by the Board of the Authority.

CHINOOK REGIONAL HEALTH AUTHORITY  
SCHEDULE OF EXPENSES BY OBJECT  
FOR YEAR ENDED MARCH 31, 2006  
(thousands of dollars)

Schedule 1

	Budget	2006	2005
Salaries and Benefits (Schedule 2)	\$ 169,731	\$ 169,715	\$ 161,797
Contracts with health service operators (Schedule 4)	50,869	49,751	46,935
Drugs and gases	4,706	5,610	4,736
Medical and surgical supplies	7,333	7,581	7,064
Other contracted services	20,439	19,411	19,790
Interest on long term debt	-	41	15
Other <sup>(1)</sup>	32,304	33,278	30,863
Amortization:			
Capital equipment - internally funded	2,467	2,478	2,295
Capital equipment - externally funded	3,860	3,624	3,509
Facilities and Improvements	7,864	8,174	7,004
	<u>299,573</u>	<u>299,663</u>	<u>284,008</u>
	(1,393)	(1,615)	(1,557)
	<u>\$ 298,180</u>	<u>\$ 298,048</u>	<u>\$ 282,451</u>

Less amounts reported in ancillary operations (Note 15)

	2006	2005
(1) Other		
Included in other expense are the following:		
Supplies	\$ 14,441	\$ 14,781
Minor equipment and maintenance	6,092	6,653
Travel	3,542	3,667
Utilities	4,675	5,463
Other	3,554	2,714
	<u>\$ 32,304</u>	<u>\$ 33,278</u>
	<u>\$ 32,304</u>	<u>\$ 30,863</u>

CHINOOK REGIONAL HEALTH AUTHORITY  
SCHEDULE OF SALARIES AND BENEFITS  
FOR THE YEAR ENDED MARCH 31, 2006  
(thousands of dollars)

Schedule 2

		2006						2005			
		Number of Individuals <sup>(1)</sup>	Salaries and Honoraria <sup>(2)</sup>	Benefits and Allowances <sup>(3)</sup>	Sub-total	Severance <sup>(4)</sup>		Number of Individuals <sup>(1)</sup>	Salaries, Benefits, Honoraria <sup>(2) (3)</sup>	Severance <sup>(4)</sup>	Total
						Number of	Amount				
<b>Authority/Member Compensation</b>											
Chairperson	Ady, Jack	1	\$ 35	\$ -	\$ 35	-	\$ -	1	\$ 30	\$ -	\$ 30
Members	Bier, Donna	1	13	1	14	-	-	1	12	-	12
	Bishoff, Phyllis	1	9	-	9	-	-	1	8	-	8
	Farr, James	1	15	-	15	-	-	1	11	-	11
	Hickman, Lloyd	1	12	1	13	-	-	1	7	-	7
	Kelly, Inez	1	9	-	9	-	-	1	9	-	9
	Marra, Sam	1	11	-	11	-	-	1	16	-	16
	Olsen, Thaine	1	11	-	11	-	-	1	9	-	9
	Paterson, Beverley	1	13	-	13	-	-	1	13	-	13
	Reti, Roy	1	10	-	10	-	-	1	10	-	10
	Sanford, Arthur	1	12	-	12	-	-	1	12	-	12
	Schindeler, Douglas J.	1	12	-	12	-	-	1	13	-	13
<b>Total Honoraria</b>		<b>12</b>	<b>162</b>	<b>2</b>	<b>164</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>150</b>	<b>-</b>	<b>150</b>
<b>Staff Compensation</b>											
	Chief Executive Officer <sup>5, 6</sup>	1.00	243	72	315	-	-	0.10	30	-	30
	Chief Executive Officer - (retired) <sup>5, 6</sup>	-	-	-	-	-	-	0.90	581	-	581
<b>Management reporting to CEO:</b>											
	Chief Clinical Officer <sup>6</sup>	1.00	304	-	304	-	-	0.10	24	-	24
	Chief Operating Officer <sup>6</sup>	1.00	181	50	231	-	-	0.10	23	-	23
	Executive Director Fund Development	1.00	108	24	132	-	-	1.00	126	-	126
	Director Corporate Communications	1.00	86	21	107	-	-	1.00	89	-	89
	Director Corporate Planning & Support	1.00	97	19	116	-	-	1.00	113	-	113
	Director Issues Management	1.00	116	9	125	-	-	1.00	117	-	117
	Director of Planning	1.00	112	21	133	-	-	1.00	116	-	116
	Manager of Executive Suite	1.00	75	11	86	-	-	-	-	-	-
	Senior Vice President <sup>6</sup>	-	-	-	-	-	-	0.90	185	-	185
	Vice President Medical Services <sup>6</sup>	-	-	-	-	-	-	0.90	267	-	267
	Vice President Finance & Administration <sup>6</sup>	-	-	-	-	-	-	0.90	142	-	142
	-	-	-	-	-	-	-	-	-	-	-
<b>Other management persons reporting directly to those above</b>		<b>11.00</b>	<b>1,335</b>	<b>255</b>	<b>1,590</b>	<b>-</b>	<b>-</b>	<b>20.00</b>	<b>2,425</b>	<b>-</b>	<b>2,425</b>
<b>Other Management</b>		<b>111.88</b>	<b>9,423</b>	<b>2,460</b>	<b>11,883</b>	<b>-</b>	<b>-</b>	<b>95.01</b>	<b>9,573</b>	<b>68</b>	<b>9,641</b>
<b>Medical Doctors not included above</b>		<b>5.83</b>	<b>1,718</b>	<b>279</b>	<b>1,997</b>	<b>-</b>	<b>-</b>	<b>6.04</b>	<b>1,924</b>	<b>-</b>	<b>1,924</b>
<b>Regulated Nurses not included above - RN's, Reg, Psych Nurses, Grad Nurses</b>		<b>733.75</b>	<b>53,115</b>	<b>11,268</b>	<b>64,383</b>	<b>1</b>	<b>6</b>	<b>752.89</b>	<b>61,939</b>	<b>-</b>	<b>61,939</b>
<b>LPN's</b>		<b>170.42</b>	<b>6,704</b>	<b>1,479</b>	<b>8,183</b>	<b>1</b>	<b>3</b>	<b>167.69</b>	<b>8,390</b>	<b>71</b>	<b>8,461</b>
<b>Other Health Technical and Professionals</b>		<b>448.28</b>	<b>30,118</b>	<b>6,210</b>	<b>36,328</b>	<b>-</b>	<b>-</b>	<b>404.60</b>	<b>32,329</b>	<b>-</b>	<b>32,329</b>
<b>Unregulated Health Service Providers</b>		<b>159.56</b>	<b>4,697</b>	<b>1,094</b>	<b>5,791</b>	<b>-</b>	<b>-</b>	<b>147.67</b>	<b>5,711</b>	<b>14</b>	<b>5,725</b>
<b>Other Staff</b>		<b>840.99</b>	<b>30,960</b>	<b>6,794</b>	<b>37,754</b>	<b>4</b>	<b>84</b>	<b>843.02</b>	<b>37,319</b>	<b>71</b>	<b>37,390</b>
<b>Total Staff Compensation</b>		<b>2,490.71</b>	<b>139,392</b>	<b>30,066</b>	<b>169,458</b>	<b>6</b>	<b>93</b>	<b>2,445.82</b>	<b>161,423</b>	<b>224</b>	<b>161,647</b>
<b>Total</b>		<b>2,502.71</b>	<b>\$ 139,554</b>	<b>\$ 30,068</b>	<b>\$ 169,622</b>	<b>6</b>	<b>\$ 93</b>	<b>2,457.82</b>	<b>\$ 161,573</b>	<b>\$ 224</b>	<b>\$ 161,797</b>

**SCHEDULE OF SALARIES AND BENEFITS  
FOR THE YEAR ENDED MARCH 31, 2006**

- 1) Full Time Equivalent (FTE) is determined at the rate of 2022.75 annual hours for each full-time employee. Total actual discrete number of individuals employed: 4,210 (2005 – 4,147).
- 2) “Individuals” are those on salary or wage, including contract persons considered employees under Canada Customs and Revenue Agency (CCRA) guidelines and rulings.
- 3) Salaries include regular base pay, overtime, lump sum payments, shift differential, honoraria, sick leave, short term disability, earned vacation leave and other remuneration.
- 4) Benefits and allowances includes employer’s share of all employee benefits and contributions or payments paid or payable on behalf of employees including pension, health care, dental coverage, vision coverage, out-of-country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, Canada Pension Plan, employment insurance, workers compensation, car allowance, professional membership, recruitment and relocation expenses and tuition.
- 5) Severance includes all monies paid or payable directly or on behalf of an employee upon termination that do not relate to salaries and benefits. The number of individuals receiving severance’s disclosed in the schedule is the discrete number of individuals.
- 6) The Chief Executive Officer is provided with an automobile; no dollar amount is included under benefits and allowance.
- 6) The Chief Executive Officer retired February 28, 2005.  
The Senior Vice President assumed responsibility of the Chief Executive Officer on March 1, 2005.  
The Vice President Finance and Administration assumed responsibility of the Chief Operating Officer on March 1, 2005 accepting new responsibilities.  
The Vice President Medical Services assumed responsibility of the Chief Clinic Officer on March 1, 2005.



CHINOOK REGIONAL HEALTH AUTHORITY  
 SCHEDULE OF DEFERRED CONTRIBUTIONS  
 AS AT MARCH 31, 2006  
 (thousands of dollars)

Schedule 3

SCHEDULE OF DEFERRED CONTRIBUTIONS	Amounts received or receivable					Amounts recognized as revenue				Transfer to Equity	Contributions Returned	Transfers (to)/From Capital	Closing Balance March 31, 2006
	Opening Balance April 1, 2005	Alberta Health and Wellness	Other government contributions	Foundations and Other	Investments and other	Alberta Health and Wellness	Other government contributions	Foundations	Investments and other				
<b>Alberta Health and Wellness:</b>													
Aboriginal Health Initiative	\$ 46	\$ 49	\$ -	\$ -	\$ -	\$ 42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53
Aboriginal Seniors	-	45	-	-	-	8	-	-	-	-	-	-	37
Ambulance Transition	152	-	-	-	-	1	-	-	-	-	-	-	151
Capacity building fund (integrated chronic disease prevention and management)	956	655	-	-	-	1,388	-	-	-	-	-	-	223
Early childhood development	289	435	-	-	-	660	-	-	-	-	-	-	64
Early childhood development-mental health	-	174	-	-	-	174	-	-	-	-	-	-	-
Emergency Medical Technician-Paramedic Training	139	-	-	-	-	-	-	-	-	-	-	-	139
Enhancement of Discharge Planning	6	-	-	-	-	5	-	-	-	-	(1)	-	-
Equity buyout - Coaldale	914	-	-	-	-	-	-	-	-	(914)	-	-	-
Health Families (Action for Health)	-	100	-	-	-	96	-	-	-	-	-	-	4
Immunization ARI (Enhanced Surveillance)	-	250	-	-	-	-	-	-	-	-	-	(9)	241
Immunization Grant	273	64	-	-	-	318	-	-	-	-	-	-	19
Information security compliance	312	270	-	-	-	14	-	-	-	-	-	(62)	506
Innovation Funds-MH Child's Service	-	739	-	-	-	-	-	-	-	-	-	-	739
Innovation Funds-MH Seniors Outreach	-	390	-	-	-	-	-	-	-	-	-	-	390
Innovation Funds-Shared Mental Health Network	-	509	-	-	-	-	-	-	-	-	-	-	509
InterRAI tools for resident Assessment	-	173	-	-	-	-	-	-	-	-	-	-	173
Max Utilization of Specialty Assessment Resources Across the Continuum of Care	167	-	-	-	-	81	-	-	-	-	-	-	86
Primary Care Access and Office Redesign	-	500	-	-	-	-	-	-	-	-	-	-	500
Regional Health Information Program - CCSP	65	358	-	-	-	17	-	-	-	-	-	-	406
RSHIP	17	-	-	-	-	-	-	-	-	-	-	(17)	-
Rural on call	282	1,365	-	-	-	1,295	-	-	-	-	-	-	352
Safe Lifting Devices for LTC Residents	-	431	-	-	-	-	-	-	-	-	-	-	431
Service delivery changes	434	-	-	-	-	128	-	-	-	-	-	-	306
Smallpox Preparedness	-	9	-	-	-	8	-	-	-	-	-	-	1
Specialist on call	1,146	4,348	-	-	-	3,878	-	-	-	-	-	-	1,616
Stanford Management Training	63	163	-	-	-	37	-	-	-	-	-	-	189
System transition	162	-	-	-	-	85	-	-	-	-	-	3	80
Taber Project	19	-	-	-	-	-	-	-	-	-	-	-	19
Telehealth Clinical Funding	-	177	-	-	-	-	-	-	-	-	-	-	177
Telehealth Grant	-	60	-	-	-	60	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>5,442</b>	<b>11,264</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,295</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(914)</b>	<b>(1)</b>	<b>(85)</b>	<b>7,411</b>
<b>Other Government contributors:</b>													
AADAC grant	38	-	49.00	-	-	-	55	-	-	-	(2)	-	30
AHFMR-Seniors Health	6	-	-	-	-	-	-	-	-	-	-	-	6
Lethbridge Youth Foundation (sponsor for Health Canada)	-	-	139.00	-	-	-	139	-	-	-	-	-	-
Persons with Development Disabilities (SDU unit)	36	-	2,333.00	-	-	-	2,297	-	-	-	-	-	72
Southwest Alberta Child and Family Services Authority - Families First	-	-	341.00	-	-	-	341	-	-	-	-	-	-
Southwest Alberta Child and Family Services Authority - First Steps	-	-	232.00	-	-	-	232	-	-	-	-	-	-
Staff Cessation-Health Canada funding	-	-	60.00	-	-	-	60	-	-	-	-	-	-
Transfer from Capital-Infrastructure Admin fee/Feasibility Studies	-	-	-	-	-	-	300	-	-	-	-	299	(1)
<b>Sub-Total</b>	<b>80</b>	<b>-</b>	<b>3,154</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,424</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>299</b>	<b>107</b>

CHINOOK REGIONAL HEALTH AUTHORITY  
 SCHEDULE OF DEFERRED CONTRIBUTIONS (continued)  
 AS AT MARCH 31, 2006  
 (thousands of dollars)

Schedule 3 (continued)

SCHEDULE OF DEFERRED CONTRIBUTIONS	Amounts received or receivable					Amounts recognized as revenue					Transfer to Equity	Contributions Returned	Transfers (to)/From Capital	Closing Balance March 31, 2006	
	Opening Balance April 1, 2005	Alberta Health and Wellness	Other government contributions	Foundations and Other	Investments and other	Alberta Health and Wellness	Other government contributions	Foundations	Investments and other						
<b>Foundations and other:</b>															
Donations	585	-	-	1,132	-	-	-	278	-	-	-	-	(942)	497	
<b>Other Contributors:</b>															
Aboriginal Council Funding	-	-	-	-	64	-	-	-	63	-	-	-	-	1	
Aboriginal Healthy Life Styles (Aboriginal Council Funding)	-	-	-	-	17	-	-	-	-	-	-	-	-	17	
Aboriginal Home Visitation (Aboriginal Council Funding)	-	-	-	-	38	-	-	-	12	-	-	-	-	26	
AHFMR-SEARCH grant	15	-	-	-	-	-	-	-	7	-	-	-	-	8	
Alberta Cancer Board-Cervical screening program	20	-	-	-	55	-	-	-	41	-	(20)	-	-	14	
Alberta Mental Health Board-SHIP grant transferred	11	-	-	-	-	-	-	-	-	-	-	-	-	11	
Calgary Health Region-Shared Mental health (Capacity Building Fund)	247	-	-	-	188	-	-	-	335	-	-	-	-	100	
End Stage Renal Disease Program (PESRD) - Calgary Health Funding	-	-	-	-	60	-	-	-	-	-	-	-	-	60	
Evening of Psychiatry-Education	-	-	-	-	11	-	-	-	7	-	-	-	-	4	
Family Centre funding	-	-	-	-	11	-	-	-	10	-	-	-	-	1	
Glaxo-Smith Klien-Diabetes Prissime project	50	-	-	-	50	-	-	-	57	-	-	-	-	43	
Heart Failure Clinic	(1)	-	-	-	14	-	-	-	4	-	-	-	-	9	
Janssen-Ortho - Cognitive Screening Clinics	3	-	-	-	8	-	-	-	10	-	-	-	-	1	
Local Primary Care Initiative	-	-	-	-	138	-	-	-	138	-	-	-	-	-	
Manulife Financial - Group Insurance demutualization	27	-	-	-	-	-	-	-	-	-	-	-	-	27	
Obesity Clinic	13	-	-	-	6	-	-	-	19	-	-	-	-	-	
PHAA-Telehealth - Ist Nations Enhanced Discharge Planning	23	-	-	-	-	-	-	-	-	-	-	-	-	23	
Provincial Alzheimer and Dementia Front Line Training	22	-	-	-	-	-	-	-	-	-	-	-	-	22	
Raymond Care Centre canteen	-	-	-	-	44	-	-	-	44	-	-	-	-	-	
Stroke Strategy Program - Alberta Heart and Stroke Foundation	-	-	-	-	612	-	-	-	1	-	-	-	-	611	
Taber Research Project	18	-	-	-	-	-	-	-	-	-	-	-	-	18	
Telehealth-Childrens Mental Health-Calgary Health Region funding	-	-	-	-	10	-	-	-	7	-	-	-	-	3	
University of Calgary-PBMA project	31	-	-	-	-	-	-	-	27	-	-	-	-	4	
University of Lethbridge - Home Visitation Program	-	-	-	-	28	-	-	-	-	-	-	-	-	28	
Westwinds School Division-Student Health Partnership-Childrens Health	-	-	-	-	718	-	-	-	708	-	-	-	-	10	
Westwinds School Division-Student Health Partnership-Mental Health	-	-	-	-	94	-	-	-	94	-	-	-	-	-	
Other	49	-	-	-	54	-	-	-	27	-	-	-	-	76	
Sub-Total	528	-	-	-	2,220	-	-	-	1,611	-	-	-	-	1,117	
<b>Total 2005/06</b>	<b>\$ 6,635</b>	<b>\$ 11,264</b>	<b>\$ 3,154</b>	<b>\$ 1,132</b>	<b>\$ 2,220</b>	<b>\$ 8,295</b>	<b>\$ 3,424</b>	<b>\$ 278</b>	<b>\$ 1,611</b>	<b>\$ (914)</b>	<b>\$ (23)</b>	<b>\$ (728)</b>	<b>\$ 9,132</b>		

**CHINOOK REGIONAL HEALTH AUTHORITY**  
**SCHEDULE OF VOLUNTARY AND PRIVATE HEALTH SERVICE PROVIDERS**  
**FOR YEAR ENDED MARCH 31, 2006**

Schedule 4

(thousands of dollars)

Facility Name	Direct Region Funding	Direct Alberta Health Funding	Approved Patient Fees and Charges	Total Revenue	Facility-based inpatient acute nursing services	Facility-based emergency and outpatient services	Facility-based continuing care services	Community-based services	Home care	Diagnostic and therapeutic services	Admin-istration	Information Technology	Support Services	Total Expenditures
<b>Voluntary</b>														
St. Michael's Health Centre	\$ 10,038	\$ -	\$ 2,789	\$ 12,827	\$ -	\$ -	\$ 8,117	\$ -	\$ -	\$ 728	\$ 793	\$ 101	\$ 3,088	\$ 12,827
Coaldale Health Care Centre	1,701	-	402	2,103	-	372	1,032	-	-	127	110	-	462	2,103
Victorian Order of Nurses	88	-	43	131	-	-	-	131	-	-	-	-	-	131
<b>Private</b>														
Edith Cavell Nursing Home	4,995	-	1,880	6,875	-	-	4,066	-	-	390	386	-	2,033	6,875
Extencare - Lethbridge	5,148	-	1,578	6,726	-	-	4,161	-	-	406	402	-	1,757	6,726
Extencare - Fort Macleod	2,116	178	750	3,044	-	-	1,901	-	-	164	163	-	816	3,044
<b>Designated Assisted Living</b>														
Good Samaritans	6,117	-	-	6,117	-	-	-	6,117	-	-	-	-	-	6,117
Green Acres	670	-	-	670	-	-	-	670	-	-	-	-	-	670
Home Care Providers	7,857	-	-	7,857	-	-	-	-	7,857	-	-	-	-	7,857
Mental Health Community Agencies	1,099	-	-	1,099	-	-	-	1,099	-	-	-	-	-	1,099
Lodges	2,302	-	-	2,302	-	-	-	2,302	-	-	-	-	-	2,302
<b>Total 2005/2006</b>	<b>\$ 42,131</b>	<b>\$ 178</b>	<b>\$ 7,442</b>	<b>\$ 49,751</b>	<b>\$ -</b>	<b>\$ 372</b>	<b>\$ 19,277</b>	<b>\$ 10,319</b>	<b>\$ 7,857</b>	<b>\$ 1,815</b>	<b>\$ 1,854</b>	<b>\$ 101</b>	<b>\$ 8,156</b>	<b>\$ 49,751</b>
<b>Total 2004/2005</b>	<b>\$ 38,392</b>	<b>\$ 178</b>	<b>\$ 8,365</b>	<b>\$ 46,935</b>	<b>\$ -</b>	<b>\$ 489</b>	<b>\$ 19,875</b>	<b>\$ 5,674</b>	<b>\$ 7,583</b>	<b>\$ 2,184</b>	<b>\$ 1,940</b>	<b>\$ 101</b>	<b>\$ 9,089</b>	<b>\$ 46,935</b>

