

ASPEN REGIONAL HEALTH AUTHORITY #11  
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING  
FINANCIAL STATEMENTS  
MARCH 31, 2003

**ASPEN REGIONAL HEALTH AUTHORITY #11**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2003**

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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 judgment.

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 Finance Committee. This Committee meets with management and the external auditor, PricewaterhouseCoopers LLP, to discuss and review financial matters, and recommends the financial statements to the Aspen Regional Health Authority #11 Board for approval. The external auditor has full and free access to the Finance Committee.

The external auditor, PricewaterhouseCoopers LLP, 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]  
Robert B. Cable  
Chief Executive Officer

[Original Signed]  
Shelly Pusch  
Chief Financial Officer

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May 29, 2003

**Auditors' Report**

To the Members of  
Aspen Regional Health Authority #11 and the Minister of Alberta Health

We have audited the statement of financial position of Aspen Regional Health Authority #11 ("the Authority") as at March 31, 2003 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. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2003 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]

**Chartered Accountants**

PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP and the other member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

**ASPEN REGIONAL HEALTH AUTHORITY #11  
STATEMENT OF FINANCIAL POSITION**

**March 31, 2003**  
(thousands of dollars)

	2003	2002
	<u>Actual</u>	<u>Actual</u>
<b>ASSETS</b>		
Current:		
Cash and temporary investments (Note 3)	\$ 10,598	\$ 12,296
Accounts receivable	891	1,053
Contributions receivable	1,390	2,144
Inventories	516	579
Prepaid expenses	470	465
	<u>13,865</u>	<u>16,537</u>
Non-current cash and investments (Note 4)	10,452	10,176
Capital assets (Note 5)	54,172	55,686
	<u>54,172</u>	<u>55,686</u>
<b>TOTAL ASSETS</b>	<b>\$ 78,489</b>	<b>\$ 82,399</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current:		
Accounts payable and accrued liabilities	\$ 5,839	\$ 4,840
Accrued vacation pay	3,758	3,605
Deferred contributions (Note 6)	3,035	4,650
	<u>12,632</u>	<u>13,095</u>
Deferred capital contributions (Note 7)	336	2,464
Unamortized external capital contributions (Note 8)	48,915	50,093
	<u>48,915</u>	<u>50,093</u>
Net assets		
Unrestricted	2,863	2,355
Internally restricted (Note 9)	8,486	8,799
Investment in capital assets	5,257	5,593
Operating net assets	<u>16,606</u>	<u>16,747</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 78,489</b>	<b>\$ 82,399</b>

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

**ASPEN REGIONAL HEALTH AUTHORITY #11**  
**STATEMENT OF OPERATIONS**  
**March 31, 2003**  
(thousands of dollars)

	2003		2002
	Budget	Actual	Actual
Revenue			
Alberta Health and Wellness contributions (Note 12)	\$ 71,410	\$ 71,410	\$ 65,801
Other government contributions (Note 13)	1,651	2,946	1,639
Fees and charges (Note 14)	6,449	6,512	6,170
Ancillary operations, net (Note 15)	102	20	58
Donations	200	325	321
Investment and other income (Note 16)	2,176	2,188	2,624
Amortization of external capital contributions (Note 8)	2,587	3,053	2,750
<b>TOTAL REVENUE</b>	<b>84,575</b>	<b>86,454</b>	<b>79,363</b>
Expenses (Schedule 1)			
Facility-based inpatient acute care services	12,308	12,423	11,141
Facility-based emergency and outpatient services	5,755	5,444	5,240
Facility-based continuing care services	13,748	13,793	13,067
Community and home-based services	8,886	8,790	8,503
Diagnostic and therapeutic services	13,592	13,713	12,568
Promotion, prevention and protection services	4,586	4,475	3,790
Administration (Note 17)	4,108	3,943	4,217
Information technology	837	829	937
Support services (Note 18)	19,608	21,076	18,819
Amortization of facilities and improvements	1,835	2,026	1,945
<b>TOTAL EXPENSES</b>	<b>85,263</b>	<b>86,512</b>	<b>80,227</b>
Excess (deficiency) of revenue over expense	\$ (688)	\$ (58)	\$ (864)

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	2003				2002
	Unrestricted	Internally Restricted	Invested in Capital Assets	Operating Total	Total
Excess (deficiency) of revenue over expense	\$ (58)	\$ -	\$ -	\$ (58)	\$ (864)
Capital assets purchased with internal funds	(704)	-	-	-	-
Amortization on internally funded capital assets	1,040	-	(1,040)	-	-
Boundary realignment	-	-	-	-	(6)
Capital assets purchased with donated funds	(83)	-	-	(83)	(65)
Net change	195	-	(336)	(141)	(935)
Transfer to unrestricted	313	(313)	-	-	-
Balance at beginning of year	2,355	8,799	5,593	16,747	17,682
Balance at end of year	\$ 2,863	\$ 8,486	\$ 5,257	\$ 16,606	\$ 16,747

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**ASPEN REGIONAL HEALTH AUTHORITY #11**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**MARCH 31, 2003**  
(thousands of dollars)

**ASPEN REGIONAL HEALTH AUTHORITY #11**  
**STATEMENT OF CASH FLOWS**  
**March 31, 2003**  
(thousands of dollars)

	2003		2002
	Budget	Actual	Actual
Cash generated from (used by):			
Operating activities:			
Excess (deficiency) of revenue over expenses	\$ (688)	\$ (58)	\$ (864)
Non-cash transactions:			
Amortization:			
of capital equipment - internally funded	666	971	912
of capital equipment - externally funded	795	919	821
of facilities and improvements - internally funded	24	24	23
of facilities and improvements - externally funded	1,811	1,989	1,931
Amortization of external capital contributions (Note 8)	(2,606)	(3,065)	(2,759)
Loss (gain) on disposal:			
of capital equipment - internally funded	-	45	9
of capital equipment - externally funded	-	21	7
of facilities and improvements - externally funded	-	136	-
Loss (gain) on disposal of investments	-	209	(22)
Transferred to deferred contributions	-	(429)	-
Net boundary realignment	-	-	(27)
Changes in non-cash working capital account	(1,724)	511	2,383
Cash generated from (used by) operations	<u>(1,722)</u>	<u>1,273</u>	<u>2,414</u>
Investing activities:			
Purchase of investments	(14,000)	(12,092)	(18,106)
Purchase of capital assets:			
internally funded - equipment	(1,100)	(559)	(946)
internally funded - facility and improvements	-	(145)	(168)
externally funded - equipment (Note 8)	(600)	(435)	(1,682)
externally funded - facility and improvements (Note 8)	(1,761)	(1,452)	(1,527)
Proceeds on sale of investments	<u>14,000</u>	<u>11,607</u>	<u>17,528</u>
Cash used by investing activities	<u>(3,461)</u>	<u>(3,076)</u>	<u>(4,901)</u>
Financing activities:			
Capital contributions received	<u>400</u>	<u>105</u>	<u>3,991</u>
Cash generated from financing activities	<u>400</u>	<u>105</u>	<u>3,991</u>
Increase (decrease) in cash and temporary investments	(4,783)	(1,698)	1,504
Cash and temporary investments, beginning of year	<u>11,885</u>	<u>12,296</u>	<u>10,792</u>
Cash and temporary investments, end of year	<u>\$ 7,102</u>	<u>\$ 10,598</u>	<u>\$ 12,296</u>

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**ASPEN REGIONAL HEALTH AUTHORITY #11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2003**  
(thousands of dollars)

**Note 1 Authority, Purpose and Operations**

The Aspen Regional Health Authority #11 (the "Authority") was established 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 payment of income tax and is a registered charity under the Income Tax Act.

The Authority is responsible for delivering appropriate, accessible and affordable health services in Alberta. This responsibility includes operating programs designed to promote, protect, maintain, restore and enhance physical and mental well-being.

The Authority's operations include the following facilities and sites:

Athabasca Healthcare Centre  
Barrhead Healthcare Centre  
Boyle Healthcare Centre  
Mayerthorpe Healthcare Centre  
Swan Hills Healthcare Centre  
Redwater Healthcare Centre  
Radway Continuing Care Centre  
Westlock Healthcare Centre  
Westlock Long Term Care Centre  
Whitecourt Healthcare Centre  
Aspen Health Services  
RHA Central Administration

These financial statements do not include the assets, liabilities and operations of voluntary or private facilities providing health services in the region, except to the extent disclosed in Note 19.

**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 Directive 20 issued by Alberta Health and Wellness. Following are the significant accounting policies:

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

(a) Basis of Presentation

These financial statements were prepared using the deferral method, the key elements of which are:

- (i) Unrestricted operating grants and other contributions are recognized as revenue in the year receivable.
- (ii) Externally restricted capital contributions are recorded as deferred capital contributions until 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 period in which the related amortization expense of the funded capital asset is recorded.
- (iii) Externally restricted non-capital contributions are recognized as revenue in the year proportional to the related expenses incurred.
- (iv) Restricted contributions to purchase capital assets which will not be amortized are recorded as direct increases to net assets.
- (v) Unrestricted investment income is recognized in the year earned.
- (vi) Investment income subject to external restrictions is, depending on the nature of the restriction, recorded as a direct increase to net assets, or 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.

(b) Full cost

The Authority accounts for all costs and revenue related to services for which it is responsible.

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

- (i) Revenue 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 expense of the Authority.

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

(b) Full cost (continued)

- (ii) Alberta Health and Wellness payments directly to contracted health service operators are recorded as revenue and an equivalent amount recorded as program expense as these payments represent part of the cost of the Authority's health programs.
- (iii) The fair value for 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 expense.
- (iv) Other assets, supplies and services 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. The value of volunteers' contributed services is not reported in the financial statements because a fair value cannot be reasonably determined.

(c) Employee Future Benefits

The Authority participates in the Local Authorities Pension. This multi-employer defined benefit pension plan provide 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 in the financial statements comprise the employer's contributions required for its employees during the year, based on rates expected to provide benefits payable under the pension plans. The Authority does not record its portion of the plans' deficit or surplus.

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

(d) Investments

Short-term investments are recorded at lower of cost and market value.

Non-current investments are recorded at cost unless there has been an other than temporary impairment in value. At that time, the value is reduced. Any discounts or premiums arising on purchase are amortized on a straight-line basis over the maturity period. Gains or losses on disposal are recognized in the period of disposal.

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

(e) Financial Instruments

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

(f) Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is defined using moving average method.

(g) Capital Assets

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

Capital assets are amortized over their estimated useful lives on a straight-line basis as follows:

	<u>Useful Life</u>
Buildings	15-40 years
Land improvements	8-20 years
Building service equipment	10-20 years
Vehicles and equipment	3-20 years

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

(h) Measurement Uncertainty

The financial statements, by their nature, contain estimates and are subject to measurement uncertainty. 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. Also, the Authority is currently included in the Goods and Services (GST) free list of Alberta Government entities and therefore does not record or pay GST on purchased supplies and services. This situation could change in the future if the Authority ceases to be part of the GST-free list of the Alberta Government.

The Authority has recorded an accrued liability of \$718 pertaining to anticipated retroactive settlement costs associated with outstanding union contract negotiations. Although this amount has been measured using management's best estimates, it is reasonably possible that it could change by a material amount in the near term, based on the ultimate resolution of these contract negotiations.

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**Note 3 Cash and Temporary Investments**

	<u>2003</u>	<u>2002</u>
Cash	\$ 10,553	\$ 12,256
Treasury bills	45	40
	<u>\$ 10,598</u>	<u>\$ 12,296</u>

Treasury bills mature in May 2003. The effective yield on these securities based on the carrying value at March 31, 2003 is 2.96%.

Cash includes CCITF (Consolidated Cash Investment Trust Fund) funds of \$1,581 (2002 - \$4,502) to be used for capital upgrading projects.

**Note 4 Non-Current Cash and Investments**

	<u>2003</u>	<u>2002</u>
Equities	\$ 3,621	\$ 3,391
Fixed Income	6,831	6,785
	<u>\$ 10,452</u>	<u>\$ 10,176</u>

The quoted market value of non-current cash at March 31, 2003 was \$10,530 (2002 - \$10,607).

(a) To optimize returns at an acceptable level of risk, management has established a policy on asset mix such that no more than 40% of the portfolio will be in equities. Risk is reduced through diversification within and among asset classes, and quality constraints on fixed-income and equity instruments.

(b) Publicly traded Fixed-income instruments are managed to provide optimal returns while maintaining maximum security of capital. Return is optimized within risk constraints by managing portfolio duration and issuer mix.

Fixed-income securities, such as bonds, have an average effective yield of 5.04% per annum based on the market for securities maturing between one and twenty-one years. As at March 31, 2003, the securities have the following term structure based on par:

	<u>%</u>
Under 1 year	8%
1 to 5 years	42%
5 to 10 years	20%
Over 10 years	30%

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

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**Note 4 Non-Current Cash and Investments (continued)**

Non-current cash and investments represent the following:

	2003	2002
Internally restricted for capital acquisitions	\$ 8,486	\$ 8,799
Unrestricted for non-current investments	1,966	1,377
	<u>\$ 10,452</u>	<u>\$ 10,176</u>

**Note 5 Capital Assets**

	2003			2002
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 2,018		\$ 2,018	\$ 2,003
Land improvements	2,969	1,718	1,251	732
Buildings	72,047	30,199	41,848	43,429
Building service equipment	3,472	1,770	1,702	1,486
Equipment	17,400	11,728	5,672	6,748
Construction in progress	1,681	-	1,681	1,288
	<u>\$ 99,587</u>	<u>\$ 45,415</u>	<u>\$ 54,172</u>	<u>\$ 55,686</u>

Capital assets have been funded from the following sources:

	2003	2002
Externally funded (unamortized external capital contributions) (Note 8)	\$ 48,915	\$ 50,093
Internally funded (invested in capital assets)	5,257	5,593
	<u>\$ 54,172</u>	<u>\$ 55,686</u>

**Note 6 Deferred contributions**

	2003	2002
Amounts received from:		
Alberta Health and Wellness	\$ 1,409	\$ 1,580
Other government - Alberta Infrastructure	410	2,428
Fees and charges	68	59
Investments and other	4	17
Transferred from deferred capital contributions	429	-
	<u>2,320</u>	<u>4,084</u>
Amounts recognized as revenue:		
Alberta Health and Wellness (Note 12)	(1,428)	(192)
Other government (Note 13)	(2,043)	(723)
Fees and charges	(59)	(51)
Investment and other	(18)	(159)
Funds returned	(164)	(40)
Funds transferred to other health authorities	(118)	(558)
Transfer to deferred capital contributions	(105)	(416)
Change during the year	(1,615)	1,945
Balance, beginning of year	4,650	2,705
	<u>\$ 3,035</u>	<u>\$ 4,650</u>

Unspent amounts at the end of the year are restricted for the following purposes:

Current:	2003	2002
Alberta Health and Wellness		
Health Innovation Projects	\$ 1,195	\$ 1,547
Young Family Wellness	137	241
Specialist On Call	1	338
Security of Systems	168	-
IT Transition	293	-
Other Alberta Health and Wellness	17	91
Healthy Aging Partnership Initiative	-	208
Alberta Infrastructure - upgrade projects	1,155	2,150
Long-term care fees received in advance	68	59
Other projects	1	16
	<u>\$ 3,035</u>	<u>\$ 4,650</u>

**Note 7 Deferred Capital Contributions**

The deferred capital contributions balance represents amounts accounted for in accordance with the accounting policy described in Note 2a (iii).

	<u>2003</u>	<u>2002</u>
Amounts received:		
Restricted Alberta Health and Wellness contributions	\$ 105	\$ 823
Restricted other government contributions	-	2,919
Refund to Alberta Infrastructure	-	(67)
Restricted Hospitalta Funding Foundation	-	316
Donations restricted for capital purposes	<u>83</u>	<u>65</u>
	188	4,056
Transferred (to) from:		
Unamortized external capital contributions (Note 8)	(1,887)	(3,209)
Deferred contributions	<u>(429)</u>	<u>-</u>
Change during the year	(2,128)	847
Balance, beginning of year	<u>2,464</u>	<u>1,617</u>
Balance, end of year	<u>\$ 336</u>	<u>\$ 2,464</u>

Balance at the end of the year is restricted for the following purposes:

	<u>2003</u>	<u>2002</u>
Equipment replacement	-	247
Betterment of capital assets	<u>336</u>	<u>2,217</u>
	<u>\$ 336</u>	<u>\$ 2,464</u>

**Note 8 Unamortized External Capital Contributions**

Unamortized external capital contributions reflect transactions accounted in accordance with the accounting policy described in Note 2a (ii). The balance at the end of year represents the external capital contribution to be recognized as revenue in future years.

	<u>2003</u>	<u>2002</u>
Balance, beginning of year	\$ 50,093	\$ 48,803
Transfers from (to) deferred capital contributions (Note7)	1,887	3,209
Net Boundary Transfers	-	840
Less amounts recognized as revenue:		
Amortization of External capital contributions	(3,053)	(2,750)
Amortization - Ancillary operations	<u>(12)</u>	<u>(9)</u>
Balance, end of year	<u>\$ 48,915</u>	<u>\$ 50,093</u>

**Note 9 Internally restricted net assets**

The Authority has internally restricted the following amounts for:

	<u>2003</u>	<u>2002</u>
Future capital expenditures	<u>\$ 8,486</u>	<u>\$ 8,799</u>

**Note 10 Commitments and Contingencies**

The Authority has been named as a defendant in various legal actions. The outcome of these actions cannot be estimated at this time. However, management believes the amount of damages, if any, resulting from these claims would not materially affect the financial position of the Authority. In accordance with standard provincial requirements, the Authority maintains adequate liability insurance coverage. Any costs in excess of the Authority's liability insurance on settlement would be recorded as an expense of the period of settlement.



**Note 11 Budget**

	2002/03 Approved Budget <sup>(1)</sup>	Additional Funding <sup>(2)</sup>	Adjustments <sup>(3)</sup>	2002/03 Reported Budget
<b>Revenue</b>				
Alberta Health and Wellness contributions	\$ 70,328	\$ 1,082		\$ 71,410
Other government contributions	1,651			1,651
Fees and charges	6,449			6,449
Ancillary operations, net	102			102
Donations	200			200
Investment and other income	2,176			2,176
Amortization of external capital contributions	2,587			2,587
<b>TOTAL REVENUE</b>	<u>83,493</u>	<u>1,082</u>	<u>-</u>	<u>84,575</u>
<b>Expenses</b>				
Facility-based inpatient acute care services	11,834	474		12,308
Facility-based emergency and outpatient services	6,049	(294)		5,755
Facility-based continuing care services	14,094		(346)	13,748
Community and home-based services	8,921		(35)	8,886
Diagnostic and therapeutic services	13,374	218		13,592
Promotion, prevention and protection services	4,191	395		4,586
Administration	4,189		(81)	4,108
Information technology	584	253		837
Support services	19,110	36	462	19,608
Amortization of facilities and improvements	1,835			1,835
<b>TOTAL EXPENSES</b>	<u>84,181</u>	<u>1,082</u>	<u>-</u>	<u>85,263</u>
Excess (deficiency) of revenue over expense	<u>\$ (688)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (688)</u>

- (1) The budget was approved by the Board of the Authority on April 25, 2002, and approved by the Minister of Health and Wellness.
- (2) Over the course of the fiscal year, the Minister provided additional funding. The Board has allocated these additional resources to address funding expectations.
- (3) The budget was adjusted for reallocations between expense categories related to updated information from private contractors.

**Note 12 Alberta Health and Wellness Contributions**

	2003	2002
Unrestricted contributions	\$ 69,670	\$ 65,297
Transfers from deferred contributions (Note 6)	1,428	192
Restricted contributions directly from Alberta Health and Wellness to contract operators	312	312
	<u>\$ 71,410</u>	<u>\$ 65,801</u>

**Note 13 Other Government Contributions**

	2003	2002
Fair value of rent less rent charges for non-acute care facilities used by the Authority	\$ 192	\$ 194
Restricted transfers from deferred contributions (Note 6)	2,043	723
Funding for special programs provided by: Alberta Mental Health Board	711	722
	<u>\$ 2,946</u>	<u>\$ 1,639</u>

**Note 14 Fees and charges**

**Acute Care**

Non-entitled revenue - inpatients	\$ 20	\$ 66
Non-entitled revenue - outpatients	20	33
Preferred accomodation	190	190
Other	33	31

**Continuing Care**

Accomodation charges	130	109
Preferred accomodation	5,071	4,617
Home care fees	29	21
Federal government	45	41
Other provincial government	270	324
Workers Compensation Board (WCB)	704	738
	<u>\$ 6,512</u>	<u>\$ 6,170</u>

**Note 15 Ancillary Operations**

	2003		2002	
	Non-Patient Food Services Operations	Rental Operations	Total	Total
Revenue				
Revenue	\$ 413	\$ 79	\$ 492	\$ 518
Amortization of deferred capital contributions	12	-	12	9
	<u>425</u>	<u>79</u>	<u>504</u>	<u>527</u>
Expenses				
Other expenses	436	36	472	456
Amortization	12	-	12	13
	<u>448</u>	<u>36</u>	<u>484</u>	<u>469</u>
Excess (deficiency) of revenue over direct expenses 2002/03	<u>\$ (23)</u>	<u>\$ 43</u>	<u>\$ 20</u>	<u>\$ 58</u>

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**Note 16 Investment and other income**

	2003	2002
Investment income	\$ 539	\$ 896
Other income	1,649	1,728
	<u>\$ 2,188</u>	<u>\$ 2,624</u>

Investment income comprises interest, dividends, amortization of discount and premiums, and net gains (losses) on disposal of investments.

Other income comprises recoveries from sources external to the Health Authority for salary and supplies, WCB compensation, food licensing permits, vaccines, laundry services and other miscellaneous revenues.

**Note 17 Administration**

	2003	2002
General Administration	\$ 1,925	\$ 2,163
Finance	673	664
Personnel	709	828
Administration - contract operators (Note 19 (c))	636	562
	<u>\$ 3,943</u>	<u>\$ 4,217</u>

**Note 18 Support services**

	2003	2002
Building maintenance, operations and security	\$ 7,613	\$ 5,645
Education	383	445
Housekeeping	1,957	1,873
Laundry and Linen	959	924
Materials management	975	990
Patient food services	3,594	3,511
Patient health records	1,118	992
Patient registration	767	738
Patient transportation	1,586	1,566
Support services - contract operators (Note 19 (c))	2,124	2,135
	<u>\$ 21,076</u>	<u>\$ 18,819</u>

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**Note 19 Related Parties**

(a) Province of Alberta

The Authority is established under the Regional Health Authorities Act. Two-thirds of the members of the Authority are elected. The Minister of Health and Wellness appoints the remaining members. The Authority is economically dependent upon the Ministry of Health and Wellness since the viability of its on-going operations depends on contributions from the Ministry. Transactions between the Authority and the Province are disclosed in the Statement of Operations and in notes 6, 7, 11 and 12 to the financial statements.

(b) Health Authorities

The Authority shares a common relationship with other Health Authorities through its relationship with the Province of Alberta. Transactions between the Authority and other Health Authorities are reported in the Statement of Operations and disclosed in notes 6, 8, and 21 to the financial statements.

(c) Private Health Service Operators

The Authority contracts with private health service operators to provide health services in the Region. Details are as follows:

			2003	2002
	Direct Authority Funding	Approved Patient Fees and Charges	Full Cost Adjustments	Total
Extendicare Athabasca	\$ 1,720	\$ 562	\$ 157	\$ 2,439
Extendicare Mayerthorpe	1,778	554	155	2,487
Guardian Foundation	1,100	574	-	1,674
	<u>\$ 4,598</u>	<u>\$ 1,690</u>	<u>\$ 312</u>	<u>\$ 6,600</u>
				<u>\$ 6,365</u>

Reported in the following expense categories:

	2003	2002
Facility-based continuing care services	\$ 3,404	\$ 3,263
Diagnostic and therapeutic services	436	405
Support services	2,124	2,135
Administration	636	562
	<u>\$ 6,600</u>	<u>\$ 6,365</u>

**Note 20 Pension Costs**

The Authority participates in the Local Authorities Pension Plan which is a multi-employer defined benefit plan. Pension expense in these financial statements is equal to the Authority's annual contributions payable of \$1,753 for the year ended March 31, 2003 (2002 \$1,614).

At December 31, 2002, the Local Authorities Pension Plan reported an actuarial deficiency of \$444,980 (2001 surplus of \$634,960).

**Note 21 Boundary Realignment**

On December 19, 2002, the Minister of Health and Wellness announced that the number of Regional Health Authorities will be reduced to nine, effective April 1, 2003.

The assets, liabilities, and net assets of the Keeweenok Lakes Regional Health Authority #15 will be assumed in part by the Aspen Regional Health Authority #11 and the Mistahia Regional Health Authority at carrying value.

The assets, liabilities, and net assets of the Lakeland Regional Health Authority will be assumed in part by the Aspen Regional Health Authority #11, East Central Regional Health Authority 7 and the Capital Health Authority at carrying value.

The assets, liabilities, and net assets of the Westview Regional Health Authority #9 will be assumed in part by the Aspen Regional Health Authority #11 and the Capital Health Authority at carrying value.

The portion of assets, liabilities, and net assets of the Aspen Regional Health Authority #11 related to the County of Sturgeon will be assumed by the Capital Health Authority at carrying value.

**Note 22 Comparative Figures**

Certain 2002 figures have been reclassified to conform to the 2003 presentation.

**Note 23 Approval of Financial Statements**

These financial statements have been approved by the Authority.

**ASPEN REGIONAL HEALTH AUTHORITY #11**  
**SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SEVERANCE**  
**FOR THE YEAR ENDED MARCH 31, 2003**  
(thousands of dollars)

	2003				2002			
	Number of Individuals <sup>(1)</sup>	Salaries and Honoraria <sup>(2)</sup>	Benefits and Allowances <sup>(3)</sup>	Sub-total	Number of Individuals	Salaries and Honoraria <sup>(2)</sup>	Benefits and Allowances <sup>(3)</sup>	Sub-total
RIA Champness - Robert Jackson	23			23	26			26
Gary Pollock	3			3	6			6
Judy Kidd	5			5	10			10
Ted Cole	2			2	4			4
Maryanne Belsille	3			3	6			6
Jack Demet	4			4	4			4
Debbie Hagan	3			3	5			5
Ernie Halon	3			3	3			3
Jerry Kamp	2			2	4			4
Eileen McChladery	3			3	4			4
Dale Johnson	4			4	7			7
Robert Lee	3			3	8			8
Total honoraria	3			3	5			5
<b>Staff</b>	60			60	89			89
Chief Executive Officer	1.0	161	27	188	1.0	168		168
Acad/Program Managers	5.0	462	81	543	5.1	519		519
Chief Financial Officer	1.0	96	16	112	1.0	99		99
Other management person(s) reporting above:	22.2	1,595	284	1,879	21.8	1,813		1,813
(avg. 2003 \$84,733, avg. 2002 \$83,332)								
Other management:	13.1	812	142	954	13.7	923	32.0	955
(avg. 2003 \$72,619, avg. 2002 \$67,587)								
Regulated nurses not included above	321.4	18,301	3,287	21,588	3.4	50	21,638	20,585
(avg. 2003 \$67,175, avg. 2002 \$62,678)								
Other health technical and professionals	146.8	8,685	1,530	10,215	10.215	8,742		8,742
(avg. 2003 \$69,588, avg. 2002 \$63,515)								
Unregulated health service providers	177.2	4,933	894	5,827	175.8	5,468		5,468
(avg. 2003 \$32,881, avg. 2002 \$31,101)								
Other staff	335.2	10,273	1,811	12,084	0.3	1	12,085	11,757
(avg. 2003 \$36,014, avg. 2002 \$34,551)								
(avg. salaries above excluding severance)								
Total	1,022.9	45,378	8,072	53,450	3.7	51	53,501	50,195

**Schedule 1**

**ASPEN REGIONAL HEALTH AUTHORITY #11**  
**SCHEDULE OF EXPENSES BY OBJECT**  
**FOR YEAR ENDED MARCH 31, 2003**  
(thousands of dollars)

	Budget	2003	2002
Salaries, honoraria, benefits, allowances and severance (Schedule 2)	54,848	53,501	50,195
Contracts with health service operators (Note 19 (c))	6,521	6,600	6,365
Drugs, gases, medical and surgical supplies	2,738	2,669	2,604
Other contracted services	3,871	4,310	3,535
Other *	14,404	15,841	14,348
Amortization:			
Capital equipment - internally funded	666	971	912
Capital equipment - externally funded	842	919	821
Facilities and improvements - internally funded	24	24	23
Facilities and improvements - externally funded	1,820	1,989	1,931
Net (gain)/loss on disposal		172	(38)
	85,734	86,996	80,696
Less amounts reported in ancillary operations (Note 15)	(471)	(484)	(469)
	<u>\$ 85,263</u>	<u>\$ 86,512</u>	<u>\$ 80,227</u>

\*Other: Specify significant amounts below:

1. Utilities - \$2,819 (2002- \$2,026)
2. Renovations - \$2,177 (2002 - \$1,010)
3. Patient transport - \$1,564 (2002 - \$1,536)
4. Other fees - \$1,437 (2002 - \$1,429)
5. Food - \$1,192 (2002 - \$1,202)

Schedule 2 (continued)

**SCHEDULE OF SALARIES, HONORARIA, BENEFITS,  
ALLOWANCES AND SEVERANCE  
FOR THE YEAR ENDED MARCH 31, 2003**

1. The average number of individuals is calculated based on a weighted average number of individuals occupying a category or position for the year based on a standard work year. The standard year is 2,022.75 hours for all employees except those who are part of the United Nurses of Alberta employment contract where a year is based on 1,921 hours and employees of Aspen Health Services where a year is based on 1,827 hours.

Total actual discrete number of individuals employed: 1,626 (2002 1,552).

2. Salaries include regular base pay, overtime, lumpsum payments, honoraria and any other direct cash remuneration including sick leave, short-term disability and vacation.
3. Benefits and allowances include the employer's share of employee benefits and contributions on behalf of employees including pension, health care, dental coverage, out-of-country medical benefits, group life insurance, accidental death and dismemberment, long-term disability plans, Canada Pension Plan, employment insurance and workers compensation.
4. The Chief Executive Officer is provided with an automobile; no dollar amount is included under benefits and allowances.
5. Severance includes:  
  
All monies paid or payable directly or on behalf of an employee upon termination which are not included in salaries and benefits.
6. The total amount is reported in Schedule 1.

