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**Keeweenok Lakes  
Regional Health  
Authority #15  
Financial Statements**  
March 31, 2003

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

**Keeweenok Lakes Regional Health Authority #15  
Management's Responsibility for Financial Reporting  
Financial Statements  
March 31, 2003**

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The accompanying financial statements are the responsibility of management and have been approved by the Aspen Regional Health 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 judgements.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal 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 Committee of the Whole. This Committee meets with management and the external auditor, the Auditor General of Alberta, to discuss and review financial matters. The Auditor General has full and free access to the Committee of the Whole.

The Auditor General of Alberta, provides an independent audit of the financial statements. His 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]  
Bob Cable  
Chief Executive Officer  
Aspen Regional Health Authority

[Original Signed]  
Shelly Pusch  
Chief Financial Officer  
Aspen Regional Health Authority

[Original Signed]  
Trevor McLeod  
Chief Financial Officer  
Keeweenok Lakes Regional  
Authority #15

AUDITOR'S REPORT

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

I have audited the statement of financial position of the Keeweenok Lakes Regional Health Authority ("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. 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, 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 by Fred J. Dunn, FCA] FCA  
Auditor General

Edmonton, Alberta  
June 18, 2003

**Keewetino Lakes Regional Health Authority #15**  
**Statement of Financial Position**

March 31, 2003 2003 2002

(Thousands of dollars)

<b>Assets</b>			
<b>Current</b>			
Cash and investments (Note 3)	\$ 2,807	\$ 944	
Accounts receivable	946	987	
Contributions receivable	252	200	
Inventories	306	302	
Prepaid expenses	<u>143</u>	<u>101</u>	
	4,454	2,534	
Non-current cash and investments (Note 4)	1,080	5,238	
Non-current receivable	-	522	
Capital assets (Note 5)	<u>30,608</u>	<u>30,112</u>	
Total assets	<u>\$ 36,142</u>	<u>\$ 38,406</u>	
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable (Note 24)	\$ 2,814	\$ 1,111	
Accrued vacation pay	1,057	1,093	
Deferred contributions (Note 6)	<u>518</u>	<u>701</u>	
	4,389	2,905	
Deferred capital contributions (Note 7)	93	1,217	
Unamortized external capital contributions (Note 8)	<u>27,116</u>	<u>26,734</u>	
	<u>31,598</u>	<u>30,856</u>	
<b>Net assets</b>			
Unrestricted (Note 9)	65	3,071	
Internally restricted (Note 10)	987	1,101	
Investments in capital assets	<u>3,492</u>	<u>3,378</u>	
	<u>4,544</u>	<u>7,550</u>	
Total liabilities and net assets	<u>\$ 36,142</u>	<u>\$ 38,406</u>	

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

**Keewetino Lakes Regional Health Authority #15**  
**Statement of Operations**

Year Ended March 31, 2003

(Thousands of dollars)

	2003	2002
	<u>Budget</u> (Note 11)	<u>Actual</u> <u>Actual</u>
<b>Revenue</b>		
Alberta Health and Wellness contributions (Note 12)	\$ 22,570	\$ 22,097
Other Government contributions (Note 13)	600	570
Fees and charges (Note 14)	1,300	1,075
Ancillary operations, net (Note 15)	-	(98)
Donations	200	50
Investment and other income (Note 16)	1,050	499
Amortization of external capital contributions, general operations (Note 8)	<u>1,300</u>	<u>1,287</u>
	<u>27,020</u>	<u>25,850</u>
<b>Expenses (Schedule 1)</b>		
Facility based inpatient acute services	5,489	4,691
Facility based emergency and outpatient services	2,205	2,607
Facility based continuing care services	1,822	2,237
Community and home based services	1,496	1,348
Diagnostic and therapeutic services	4,121	4,644
Promotion, prevention and protection services	2,311	2,560
Administration (Note 17)	1,619	1,942
Information technology	633	607
Support services (Note 18)	7,425	7,777
Amortization of facilities and improvements	<u>884</u>	<u>845</u>
	<u>28,005</u>	<u>29,258</u>
Excess (deficiency) of revenue over expenses (Note 23)	<u>\$ (985)</u>	<u>\$ (3,006)</u>
	<u>\$ (985)</u>	<u>\$ (1,190)</u>

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

**Keeweenok Lakes Regional Health Authority #15**  
**Statement of Changes in Net Assets**

March 31, 2003  
(thousands of dollars)

	2003			2002	
	Unrestricted (Note 9)	Internally Restricted (Note 10)	Invested in Capital Assets	Total	Total
(Deficiency) of revenue over expenses	\$ (3,006)	\$ -	\$ -	\$ (3,006)	\$ (1,190)
Capital assets purchased with internal funds	-	(972)	972	-	-
Amortization on internally funded capital assets	858	-	(858)	-	-
Transfer to internally restricted	(858)	858	-	-	-
Net change	(3,006)	(114)	114	(3,006)	(1,190)
Balance at beginning of year	3,071	1,101	3,378	7,550	8,740
Balance at end of year	\$ 65	\$ 987	\$ 3,492	\$ 4,544	\$ 7,550

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

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**Keeweenok Lakes Regional Health Authority #15**  
**Statement of Cash Flows**

Year Ended March 31, 2003  
(thousands of dollars)

	2003		2002
	Budget (Note 11)	Actual	Actual
Cash generated from (used by):			
<b>Operating activities</b>			
(Deficiency) of revenue over expenses	\$ (985)	\$ (3,006)	\$ (1,190)
Non-cash transactions:			
Loss on disposal of equipment	-	-	4
Amortization of capital equipment - internally funded	692	829	831
- externally funded	477	471	325
Amortization of facilities and improvements			
- internally funded	-	29	-
- externally funded	864	863	863
Amortization of external capital contributions	(1,341)	(1,334)	(1,188)
	(293)	(2,148)	(355)
Change in non-cash working capital account (Note 19)	-	1,427	(320)
Cash used from operations	(293)	(721)	(675)
<b>Investing activities</b>			
Net change in non current cash and investments	1,392	4,158	1,847
Proceeds on sale of assets	-	-	7
Purchase of capital assets:			
Internally funded - equipment	(600)	(972)	(1,108)
Externally funded - equipment	(510)	(1,716)	(1,109)
Cash generated (used) by investing activities	282	1,470	(363)
<b>Financing activities</b>			
Capital contributions received, net (Note 7)	-	592	918
Change in non-current receivables	-	522	(522)
Cash generated by financing activities	-	1,114	396
Increase (decrease) in cash	(11)	1,863	(642)
Cash, beginning of year	944	944	1,586
Cash, end of year	\$ 933	\$ 2,807	\$ 944

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

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## Keeweenok Lakes Regional Health Authority #15 Notes to the Financial Statements

March 31, 2003

### Note 1 Authority, Purpose and Operations

The Keeweenok Lakes Regional Health Authority #15 (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 in Alberta. This responsibility includes the 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:

- High Prairie Health Complex
- Slave Lake Health Complex
- Wabasca/Desmarais General Hospital
- J.B. Wood Extended Care Unit
- Keeweenok Lakes Regional Health Authority #15 Ambulance Program
- Community Health Services Offices located at the following sites:
  - High Prairie      - Red Earth Creek
  - Slave Lake       - Desmarais
  - Kinuso            - Peerless Lake
  - Gift Lake         - Trout Lake

### 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. The following are the significant accounting policies:

#### (a) Basis of Presentation

These financial statements have been 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 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.

## Keeweenok Lakes Regional Health Authority #15 Notes to the Financial Statements

March 31, 2003

### (a) Basis of Presentation (continued)

- (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 and goods or services would have otherwise been purchased.

### (b) Full Cost

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

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

- (i) 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.
- (ii) 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 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 revenue and expense in these financial statements because fair value can not be reasonably determined.

### (c) Employee Future Benefits

The authority participates in the Local Authorities Pension Plan. This is a multi-employer defined benefit pension 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 plans. The authority's portion of the pension plan's deficit or surplus is not recorded by the Authority.

**Keeweenok Lakes Regional Health Authority #15**

**Notes to the Financial Statements**

March 31, 2003

**(d) Investments**

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

Non-current investments are recorded at cost. Cost includes the amount of applicable amortization of discount or premium using the straight-line method over the period to maturity. The cost of disposal is determined on the average cost basis. Gains or losses realized on disposal are recognized in the period of disposal.

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.

**(e) Financial Instruments**

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

**(f) Inventories**

Inventories are valued at the lower of moving average cost or net realizable value.

**(g) Capital Assets**

Capital assets and construction projects in progress are recorded at cost.

Capital assets costing less than \$5,000 are expensed.

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

	<u>Useful Life</u>
Buildings	40 years
Land Improvements	20 years
Building service equipment	20 years
Vehicles and equipment	5-20 years

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

**(h) Restructuring Costs**

Restructuring costs are expensed in the period the decision to restructure is made. If actual costs are unknown at the time of the decision, an estimate is recorded.

**Keeweenok Lakes Regional Health Authority #15**

**Notes to the Financial Statements**

March 31, 2003

(Thousands of dollars)

**(i) Measurement Uncertainty**

The financial statements by their nature contain estimates and are subject to measurement uncertainty. The amounts recorded for amortization of capital assets and amortization of external capital contributions are based on estimates of the useful life of the related assets. Actual results could significantly differ from these estimates. Also, the Authority is currently included in the Goods and Services (GST) free list of the Alberta Government entities and therefore does not record or pay GST on purchased supplies and services. This situation could change in future if the Authority ceases to be part of the GST free list of Alberta Government.

**Note 3 Cash and Investments**

	<u>2003</u>	<u>2002</u>
Cash and non-current cash and investments	\$ 3,887	\$ 6,182
Non-current cash and investments (Note 4)	<u>(1,080)</u>	<u>(5,238)</u>
	<u>\$ 2,807</u>	<u>\$ 944</u>

Cash consists of amounts on deposit in interest-bearing accounts at major financial institutions, bonds and equities. Interest rates vary in accordance with the prime rate.

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

	<u>2003</u>	<u>2002</u>
Cash	1,080	851
Bonds	-	2,766
Equities	<u>-</u>	<u>1,621</u>
	<u>\$ 1,080</u>	<u>\$ 5,238</u>
Market value of non-current cash and investments	<u>\$ 1,080</u>	<u>\$ 4,860</u>

## Keeweenok Lakes Regional Health Authority #15

### Notes to the Financial Statements

March 31, 2003  
(Thousands of dollars)

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

- (i) 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 75% for fixed-income instruments and 25% to 35% equities. Risk is reduced through asset class diversification, diversification within each asset class and quality constraints on fixed-income and equity instruments.

- (ii) Publicly traded fixed income instruments are managed with the objective of providing optimal returns while maintaining maximum security of capital. Return is optimized within risk constraints on the portfolio by management of portfolio duration and issuer mix.
- (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>2003</u>		<u>2002</u>
Externally restricted for capital acquisitions	\$ 93	\$	695
Internally restricted for capital acquisitions	987		1,101
Non-current investments	-		3,442
	<u>\$ 1,080</u>	\$	<u>5,238</u>

#### Note 5 Capital Assets

	<u>2003</u>		Net Book Value	2002 Net Book Value
	Cost	Accumulated Amortization		
Land	\$ 283	-	\$ 283	\$ 283
Buildings	33,868	10,446	23,422	24,302
Equipment & Vehicles	13,303	7,684	5,619	4,482
Land Improvements	592	466	126	139
Construction in Progress	<u>1,158</u>	-	<u>1,158</u>	<u>906</u>
	<u>\$ 49,204</u>	<u>\$ 18,596</u>	<u>\$ 30,608</u>	<u>\$ 30,112</u>

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## Keeweenok Lakes Regional Health Authority #15

### Notes to the Financial Statements

March 31, 2003  
(Thousands of dollars)

#### Note 5 Capital Assets (continued)

Capital assets have been funded from the following sources:

	<u>2003</u>		<u>2002</u>
Externally funded (unamortized external capital contributions)(Note 8)	\$ 27,116		\$ 26,734
Internally funded (invested in capital assets)	<u>3,492</u>		<u>3,378</u>
	<u>\$ 30,608</u>		<u>\$ 30,112</u>

#### Note 6 Deferred Contributions

	<u>2003</u>		<u>2002</u>
Amounts received:			
Alberta Health and Wellness contributions	\$ 807	\$	910
Deferred Capital Contributions (Note 7)	-		50
Neegan Awasi Sak	20		-
Donations	35		56
Alberta Infrastructure	<u>313</u>		<u>342</u>
	1,175		1,358
Amounts recognized as revenue:			
Telehealth	-		(159)
Alberta Infrastructure	(372)		(304)
Alberta Health and Wellness Contributions (Note 12)	(893)		(770)
Donations	(50)		(30)
Amounts returned	(43)		(25)
Amounts transferred to deferred capital contributions (Note 7)	-		(600)
Change during the year	<u>(183)</u>		<u>(530)</u>
Balance, beginning of year	<u>701</u>		<u>1,231</u>
	<u>\$ 518</u>	\$	<u>701</u>

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## Keeweenok Lakes Regional Health Authority #15

### Notes to the Financial Statements

March 31, 2003  
(Thousands of dollars)

#### Note 6 Deferred Contributions (continued)

Unspent amounts at end of year are restricted:

	<u>2003</u>	<u>2002</u>
Current:		
Alberta Infrastructure	\$ 211	\$ 270
Alberta Health and Wellness	165	294
Donation	122	137
Other	<u>20</u>	<u>-</u>
	<u>\$ 518</u>	<u>\$ 701</u>

#### Note 7 Deferred Capital Contributions

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

	<u>2003</u>	<u>2002</u>
Amounts received:		
Alberta Infrastructure	\$ -	\$ 120
Alberta Health and Wellness	-	266
Transferred from deferred contributions (Note 6)	-	600
Aspen Health Authority	105	-
Donations	487	-
Transferred to:		
Returned to Alberta Infrastructure	-	(18)
Deferred Contributions (Note 6)	-	(50)
Unamortized external capital contributions (Note 8)	<u>(1,716)</u>	<u>(1,109)</u>
Change during the year	(1,124)	(191)
Balance, beginning of year	<u>1,217</u>	<u>1,408</u>
Balance, end of year	<u>\$ 93</u>	<u>\$ 1,217</u>
Balance at end of year is restricted for the following purposes:		
Betterment of capital assets	\$ -	\$ 872
New Construction	<u>93</u>	<u>345</u>
	<u>\$ 93</u>	<u>\$ 1,217</u>

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## Keeweenok Lakes Regional Health Authority #15

### Notes to the Financial Statements

March 31, 2003  
(Thousands of dollars)

#### Note 8 Unamortized External Capital Contributions

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

	<u>2003</u>	<u>2002</u>
Balance at beginning of year	\$ 26,734	\$ 26,813
Add amounts transferred from		
Deferred capital contributions (Note 7)	1,716	1,109
Less amounts recognized as revenue:		
General operations	(1,287)	(1,141)
Ancillary operations (Note 14)	<u>(47)</u>	<u>(47)</u>
	<u>\$ 27,116</u>	<u>\$ 26,734</u>

#### Note 9 Unrestricted and Internally Restricted Net Assets

The balance of unrestricted and internally restricted net assets can be analyzed as follows:

	<u>2003</u>	<u>2002</u>
Unrestricted and internally restricted net assets at regionalization – April 1, 1995	\$ 2,636	\$ 2,636
Changes since regionalization		
Cumulative operating (deficit) surplus	(611)	2,395
Invested in capital assets (net of amortization)	<u>(973)</u>	<u>(859)</u>
	<u>\$ 1,052</u>	<u>\$ 4,172</u>
Unrestricted	\$ 65	\$ 3,071
Internally restricted (Note 10)	<u>987</u>	<u>1,101</u>
	<u>\$ 1,052</u>	<u>\$ 4,172</u>

#### Note 10 Internally Restricted Net Assets

Net assets internally restricted represent amounts restricted by the Authority for the following purposes:

	<u>2003</u>	<u>2002</u>
Future equipment replacement	\$ <u>987</u>	\$ <u>1,101</u>

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**Keeweenok Lakes Regional Health Authority #15**

**Notes to the Financial Statements**

March 31, 2003  
(Thousands of dollars)

**Note 11 Budget**

	Approved Budget (1)
Revenue:	
Alberta Health and Wellness contributions	22,570
Other government contributions	600
Fees and charges	1,300
Donations	200
Investment and other revenue	1,050
Amortization of external capital contributions	1,300
	<u>27,020</u>
Expenses:	
Facility based inpatient acute services	5,489
Facility based emergency and outpatient services	2,205
Facility based continuing care services	1,822
Community and home based services	1,496
Diagnostic and therapeutic services	4,121
Promotion, prevention and protection services	2,311
Administration	1,619
Information technology and wellnet	633
Support services	7,425
Amortization of facilities and improvements	884
	<u>28,005</u>
Excess of revenues over expenses	<u>(985)</u>

(1) The budget was approved by the Board of the Authority in May 2002, and approved by the Minister of Health and Wellness in July 2002.

**Keeweenok Lakes Regional Health Authority #15**

**Notes to the Financial Statements**

March 31, 2003  
(Thousands of dollars)

**Note 12 Alberta Health and Wellness Contributions**

	2003	2002
Unrestricted contributions	\$ 21,976	\$ 21,327
Transferred from deferred contributions (Note 6)	<u>893</u>	<u>770</u>
	<u>\$ 22,869</u>	<u>\$ 22,097</u>

**Note 13 Other Government Contributions**

	2003	2002
Alberta Infrastructure		
Fair value of rent less rent charges for non-acute care facilities used by the Authority	\$ 51	\$ 37
Repairs and Maintenance	372	304
Alberta Cancer Board	40	
Other	20	80
Alberta Mental Health Board	<u>85</u>	<u>151</u>
	<u>\$ 570</u>	<u>\$ 572</u>

**Note 14 Fees and Charges**

	2003	2002
<b>Acute Care</b>		
Non-entitled revenue – inpatients	\$ 55	\$ 37
Non-entitled revenue – outpatients	82	86
Other	8	2
<b>Continuing Care</b>		
Accommodation charges	320	366
Preferred accommodation	245	142
Other	103	184
Federal Government	9	12
Workers Compensation Board	<u>253</u>	<u>230</u>
	<u>\$ 1,075</u>	<u>\$ 1,059</u>

## Keeweenok Lakes Regional Health Authority #15

### Notes to the Financial Statements

March 31, 2003

(Thousands of dollars)

#### Note 15 Ancillary Operations

	2003				2002	
	Non-Patient Food Services	Rental Operations	Ambulance	Total	Total	Total
Revenues						
Revenues	\$ 155	\$ 73	\$ 1,500	\$ 1,728	\$ 1,559	
Amortization of external Capital contributions	-	47	-	47	47	
	<u>155</u>	<u>113</u>	<u>1,500</u>	<u>1,775</u>	<u>1,606</u>	
Expenses						
Other expenses	155	115	1,495	1,765	1,587	
Amortization	-	47	61	108	113	
	<u>155</u>	<u>162</u>	<u>1,556</u>	<u>1,873</u>	<u>1,700</u>	
Excess (deficiency) of revenues over direct expenses 02/03	\$ -	\$ (49)	\$ (56)	\$ (98)	\$ (94)	
Excess (deficiency) of revenues over direct expenses 01/02	\$ -	\$ (50)	\$ (44)	\$ (94)		

#### Note 16 Investment and Other Income

	2003	2002
Unrestricted investment income	\$ 493	\$ 296
Write down of investments	(498)	-
Other income	<u>504</u>	<u>590</u>
	<u>\$ 499</u>	<u>\$ 886</u>

Investment income is comprised of interest, dividends, amortization of discount and premiums, and net gains on disposal of investments.

Bonds and equities have been written down to their market value at March 31, 2003.

Other income is comprised of miscellaneous recoveries.

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## Keeweenok Lakes Regional Health Authority #15

### Notes to the Financial Statements

March 31, 2003

(Thousands of dollars)

#### Note 17 Administration

	2003	2002
General administration	\$ 887	\$ 913
Finance	492	271
Personnel	<u>563</u>	<u>655</u>
	<u>\$ 1,942</u>	<u>\$ 1,839</u>

#### Note 18 Support Services

	2003	2002
Building maintenance, operations, and security	\$ 2,387	\$ 2,245
Communications	527	697
Education	93	103
Housekeeping	962	825
Laundry and linen	371	434
Materials management	221	167
Patient food services	1,290	1,229
Patient health records	940	841
Patient registration	333	329
Patient transportation	<u>653</u>	<u>524</u>
	<u>\$ 7,777</u>	<u>\$ 7,394</u>

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

	2003	2002
Accounts receivable	\$ 41	\$ (228)
Contributions receivable	(52)	150
Inventories	(4)	(67)
Prepaid expenses	(42)	(33)
Accounts payable	1,703	192
Accrued vacation pay	(36)	196
Deferred contributions	<u>(183)</u>	<u>(530)</u>
	<u>\$ 1,427</u>	<u>\$ (320)</u>

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## Keeweenok Lakes Regional Health Authority #15

### Notes to the Financial Statements

March 31, 2003  
(Thousands of dollars)

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#### Note 20 Pension Costs

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 \$654 for the year ended March 31, 2003 (2002 - \$ 533).

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

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#### Note 21 Restructuring of Health Operations

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.

Pursuant to Ministerial Orders 17, and 18 of 2003 each dated March 28, 2003, effective April 1, 2003, the assets and liabilities of the Keeweenok Lakes Regional Health Authority #15 are assumed in part by the Aspen Regional Health Authority, which becomes Region #7, and by the Mistahia Health Region, which becomes Region #8. Ministerial Order 25/2003 disestablishes the Keeweenok Lakes Regional Health Authority #15.

Specified assets and liabilities are to be distributed at carrying value to Regions 7 and 8 on the basis of their location in, or relationship to the programs provided in, the geographical areas transferred to these two regions. The remaining net assets of the Keeweenok Lakes Regional Health Authority #15 is to be pooled with surpluses and insufficiencies of the other disestablished regional health authorities and the aggregate surplus or insufficiency allocated to the continuing regional health authorities on a defined population basis.

The allocation of the surplus of net assets of Keeweenok Lakes Regional Health Authority #15 at March 31, 2003 has yet to be determined.

Severance and salary costs associated with the cessation of Keeweenok Lakes Regional Health Authority #15 on April 1, 2003 and the transfer of programs, personnel, assets and liabilities to the newly formed Health Regions, 7 and 8, are recorded in the financial statements (see Schedule 2).

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#### Note 22 Related Party Transactions

##### (a) Province of Alberta

The Authority is established under the Regional Health Authority Act. Two-thirds of the members of the Authority were elected. The Minister of Health and Wellness appoints the remaining members. Transactions between the Authority and the province are disclosed in the statement of operations and Notes 6, 7, 8, 12 and 13.

##### (b) Health Authorities

The Authority shares a common relationship with other health authorities by way of 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 note 21 to the financial statements

## Keeweenok Lakes Regional Health Authority #15

### Notes to the Financial Statements

March 31, 2003  
(Thousands of dollars)

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#### Note 23 Operating Deficit

The Authority is prohibited by Section 2.9(2) of the Regional Health Authorities Regulation from incurring an annual operating deficit. The Authority incurred an operating deficit of \$3,006 for the year ended March 31, 2003. Any actions required under the Regulation as a result of incurring the operating deficit lapse on April 1, 2003, the date the Authority ceases to exist (see note 21).

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#### Note 24 Trust Funds

The Authority holds funds on behalf of Long Term Care Clients. The amount included in Accounts Payable for this is \$83 (2002 - \$85).

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#### Note 25 Comparative Figures

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

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#### Note 26 Approval of Financial Statements

The Aspen Regional Health Authority has approved these financial statements.

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**Keewetino Lakes Regional Health Authority #15**

**Schedule 1 - Expenses by Object**

For the year ended March 31, 2003  
(Thousands of dollars)

	<u>Budget</u>	<u>2003</u>	<u>2002</u>
Salaries, benefits, allowances and severance (Schedule 2)	\$ 18,348	\$ 19,906	\$ 17,195
Drugs, gases, medical and surgical supplies	1,225	1,032	1,128
Consulting services	1,250	1,392	1,154
Other	6,702	6,609	7,244
Amortization:			
Capital equipment - internally funded	692	829	831
Capital equipment - externally funded	477	471	325
Facilities and improvements			
- internally funded	-	29	-
- externally funded	864	863	863
	29,558	31,131	28,740
Less amounts reported in ancillary operations (Note 15)	(1,553)	(1,873)	(1,700)
	<u>\$ 28,005</u>	<u>\$ 29,258</u>	<u>\$ 27,040</u>

**Keewetino Lakes Regional Health Authority #15**  
**Schedule 2 - Salaries, Benefits, Allowances and Severance**

For the year ended March 31, 2003  
(Thousands of dollars)

	2003			Severance			2002		
	Number of Individuals (1)	Salaries and Honoraria (2)	Benefits and Allowances (3)	Sub-total (4)	Number of Individuals (5)	Amount (6)	Total (7)	Number of Individuals (8)	Salaries and Benefits Allowances (9)
Authority Compensation									
RHA Chairperson									
Cox, Sharon	1.0	-	-	-	-	-	-	1.0	20
Woltski, Marian	1.0	18	3	21	-	-	21	1.0	13
RHA Members									
Assaf, Ahmed Andy	1.0	7	3	10	-	-	10	1.0	6
Johnson, Valerie	0.0	-	-	-	-	-	-	1.0	10
Kasinec, Rose	1.0	8	3	11	-	-	11	1.0	6
Laboucan, Earl	0.0	-	-	-	-	-	-	1.0	9
Laderoule, Jenny	1.0	5	2	7	-	-	7	1.0	12
Norberg, Evelyn	1.0	7	3	10	-	-	10	1.0	17
Orr, Andrew	1.0	10	3	13	-	-	13	1.0	9
Ruecker, Gary	1.0	5	3	8	-	-	8	1.0	17
Savill, Marie	1.0	6	2	8	-	-	8	1.0	6
Yellowknee, Solomon	1.0	8	1	9	-	-	9	1.0	17
Total Honoraria		74	23	97			97		142
Staff									
Chief Executive Officer(4)	1.0	110	15	125	-	-	125	0.2	21
Medical Officers:									
Regional Medical Officer of Health	1.0	75	-	75	-	-	75	1.0	75
Regional Medical Director	1.0	75	-	75	-	-	75	1.0	88
Management persons reporting to the CEO:									
Director Corporate Services	-	-	-	-	-	-	-	0.2	25
Director Health Services	1.0	92	13	105	-	-	105	1.0	105
Team Manager - High Prairie	1.0	83	14	97	-	-	97	1.0	92
Team Manager - Slave Lake	1.0	83	14	97	-	-	97	1.0	92
Team Manager - Continuing Care	0.7	56	9	65	-	-	65	0.2	21
Team Manager - Community Health	1.0	83	14	97	-	-	97	1.0	92
Chief Financial Officer	1.3	104	17	121	1.0	94	215	1.0	92
Medical Doctors	1.0	331	21	352	-	-	352	1.0	243
(avg. 2003 - \$352, avg. 2002 - \$243)									
Regulated nurses not included above	101.6	6,174	881	7,055	-	-	7,055	96.6	6,395
(avg. 2003 - \$69, avg. 2002 - \$66)									
Other Health Technical and Professionals	95.2	5,269	760	6,029	-	-	6,029	87.7	5,144
(avg. 2003 - \$63, avg. 2002 - \$59)									
Unregulated Health Services Providers	29.6	916	158	1,074	-	-	1,074	28.3	948
(avg. 2003 - \$36, avg. 2002 - \$33)									
Other Staff	106.8	3,600	617	4,217	10.0	131	4,348	102.2	3,640
(avg. 2003 - \$39, avg. 2002 - \$36)									
Sub-total	343.2	17,051	2,533	19,584	11.0	225	19,809	323.4	17,053
Total (6)		17,125	2,556	19,681		225	19,906		17,195

**Keeweenok Lakes Regional Health Authority #15**  
**Schedule 2 - Salaries, Benefits, Allowances and Severance**  
**(continued)**

For the year ended March 31, 2003  
(Thousands of dollars)

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- (1) Full time equivalent (FTE) has been determined as follows:  
Standard work year equals 2,015 hours  
Total actual discrete number of individuals employed: 522 (2002 - 475).
- (2) Salaries include regular base pay, overtime, lump sum payments, honoraria and any other direct cash remuneration including sick leave, short-term disability and vacation.
- (3) Benefits and allowances included the employers share of all employee benefits and contributions or payments made 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, unemployment insurance, workers compensation and allowances.
- (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.

