

**REGIONAL HEALTH AUTHORITY 5**

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**FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2003  
And  
AUDITORS' REPORT**

**REGIONAL HEALTH AUTHORITY 5**

**FINANCIAL STATEMENTS**

**MARCH 31, 2003**

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

REGIONAL HEALTH AUTHORITY 5  
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING  
FINANCIAL STATEMENTS  
MARCH 31, 2003

AUDITOR'S REPORT

To the Members of the Board of David Thompson Regional Health Authority  
and the Minister of Health and Wellness

I have audited the statement of financial position of the Regional Health Authority 5 (the "Authority") as at March 31, 2003 and the statements of operations and 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, changes in its net assets 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 25, 2003

The accompanying financial statements are the responsibility of management and have been approved by the David Thompson 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 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 had established a code of ethics and corporate directives, which require communication of the code to employees.

The David Regional Health 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, Auditor General of Alberta, to discuss and review financial matters, and recommends the financial statements to the David Thompson Regional Health Authority Board for approval. The external auditor has full and free access to the Committee of the Whole.

The external auditor, 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 him to report on the fairness of the financial statements prepared by management.

[Original Signed]

\_\_\_\_\_  
*Chief Executive Officer*  
David Thompson Regional Health Authority

[Original Signed]

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*Vice President & Chief Operating Officer*  
Corporate Services  
David Thompson Regional Health Authority

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Regional Health Authority 5  
Statement of Financial Position  
March 31, 2003  
(thousands of dollars)

	2003	2002
<b>Assets</b>		
Current:		
Cash and temporary investments (Note 3)	11,416	13,040
Accounts receivable	421	578
Contributions Receivable	110	281
Inventories	451	603
Prepaid expenses	250	291
	<u>12,648</u>	<u>14,793</u>
Non-current cash (Note 4)	1,151	4,787
Capital assets (Note 5)	68,529	66,894
	<u>82,328</u>	<u>86,474</u>
<b>Liabilities and Net Assets</b>		
Current:		
Accounts payable	6,701	7,034
Accrued vacation pay	3,179	3,063
Deferred contributions (Note 6)	2,046	1,532
	<u>11,926</u>	<u>11,629</u>
Deferred capital contributions (Note 7)	1,151	602
Unamortized external capital contributions (Note 8)	61,917	64,277
	<u>74,994</u>	<u>76,508</u>
Net assets:		
Unrestricted	-	2,712
Internally restricted (Note 9)	722	4,637
Investment in capital assets	6,612	2,617
	<u>7,334</u>	<u>9,966</u>
	<u>82,328</u>	<u>86,474</u>

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

Approved by the David Thompson Regional Health Authority:

[Original Signed]  
Chairperson

[Original Signed]  
Board Member

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Regional Health Authority 5  
Statement of Operations  
For the Year Ended March 31, 2003  
(thousands of dollars)

	2003		2002
	Budget (Note 10)	Actual	Actual
<b>Revenues</b>			
Alberta Health and Wellness contributions (Note 11)	53,411	53,419	51,695
Other government contributions (Note 12)	300	1,136	338
Fees and charges (Note 13)	4,600	4,800	4,356
Net ancillary operations (Note 14)	50	99	94
Donations	60	84	93
Investment and other income (Note 15)	900	1,005	1,123
Amortization of external capital contributions (Note 8)	2,813	2,685	2,051
	<u>62,134</u>	<u>63,228</u>	<u>59,750</u>
<b>Expenses (Schedule 1)</b>			
Facility based inpatient acute services	9,435	10,552	9,218
Facility based emergency and outpatient services	2,387	2,273	2,022
Facility based continuing care services	11,580	11,853	10,983
Community and home based services	4,242	4,303	4,051
Diagnostic and therapeutic services	9,437	9,428	9,008
Promotion, prevention and protection services	2,972	3,142	2,819
Administration (Note 17)	3,587	4,394	3,205
Information technology	1,157	1,063	1,112
Support services (Note 18)	15,101	16,073	14,692
Amortization of facilities and improvements	2,236	2,196	1,458
Capital asset disposition costs (Note 5)	-	583	-
	<u>62,134</u>	<u>65,860</u>	<u>58,568</u>
Excess (deficiency) of revenues over expenses	-	(2,632)	1,182

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Regional Health Authority 5  
Statement of Cash Flows  
For the Year Ended March 31, 2003  
(thousands of dollars)

	2003		2002
	Budget	Actual	Actual
Cash generated from (used by):			
Operating activities			
Excess (deficiency) of revenues over expenses	-	(2,632)	1,182
Non-cash transactions:			
Amortization of capital equipment - internally funded	693	444	462
Amortization of capital equipment - externally funded	577	578	593
Amortization of facilities and improvements	2,236	2,196	1,458
Amortization of external capital contributions	(2,813)	(2,685)	(2,051)
Loss on disposal of capital equipment	-	7	7
	693	(2,092)	1,651
Changes in non-cash working capital accounts	(537)	867	2,298
Cash generated from operations	156	(1,225)	3,949
Investing activities			
Purchase of capital assets:			
Internally funded	(500)	(4,570)	(468)
Externally funded equipment	(250)	(112)	(4,345)
Externally funded facilities and improvements	(6,300)	(213)	(10,705)
Proceeds on sale of capital assets	-	34	-
Change in non-cash working capital account	(893)	(48)	3,021
Allocations (to) from non-current cash	-	3,636	7,910
Cash used by investing activities	(7,943)	(1,273)	(4,587)
Financing activities			
Capital contributions received (Note 7)	6,750	874	6,679
Cash generated from financing activities	6,750	874	6,679
Increase (decrease) in cash and temporary investments	(1,037)	(1,624)	6,041
Cash and temporary investments, beginning of year	13,040	13,040	6,999
Cash and temporary investments, end of year	12,003	11,416	13,040

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Regional Health Authority 5  
Statement of Changes in Net Assets  
For the Year Ended March 31, 2003  
(thousands of dollars)

	2003			2002	
	Unrestricted	Internally Restricted (Note 9)	Invested in Capital Assets	Total	Total
Excess (deficiency) of revenues over expenses	(2,632)	-	-	(2,632)	1,182
Capital assets purchased with internal funds	(4,570)	-	4,570	-	-
Amortization on internally funded capital assets	575	-	(575)	-	-
Net change	(6,627)	(3,915)	3,995	(2,632)	1,182
Transfer to (from) internally restricted	3,915	(3,915)	-	-	-
Balance at beginning of year	2,712	4,637	2,617	9,966	8,784
End of year	-	722	6,612	7,334	9,966

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**Note 1 Authority, Purpose and Operations**

Regional Health Authority 5 (the "Authority") was established June 24, 1994 under the authority of the Regional Health Authorities Act, Chapter R-10, revised Statutes of Alberta 2000. The Authority is a registered charity under the Income Tax Act and is exempt from payment of income tax.

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 wellbeing.

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

Didsbury District Health Services  
Drumheller District Health Services  
Hanna / Cereal District Health Services  
Strathmore District Health Services  
Three Hills District Health Services

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 Note 19 (b).

**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:

- (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 non-capital contributions are recognized as revenue in the year proportional to the related expenses incurred.

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

- (iii) 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.
- (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 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.

**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 acute care facilities not owned by the Authority is recorded as revenue from other government contributions or donations, and also as program expense, since contract payments from the Authority do not include an amount for use of these facilities.
- (iv) 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.
- (v) 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. 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 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 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 plan. 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.

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

(d) Investments

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

(e) Financial Instruments

The carrying value of accounts receivable, 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 moving average cost and net realizable value.

(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	20 - 40 years
Land improvements	15 - 20 years
Building service equipment	20 years
Equipment, furniture, and software	5-20 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. Accounts payable includes amounts related to the settlement of final construction costs for the new Drumheller care facility. Actual amounts, once settled, may vary. 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 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 future if the Authority ceases to be part of the GST free list of Alberta Government.

Regional Health Authority 5  
Notes To The Financial Statements  
For The Year Ended March 31, 2003

**Note 3 Cash and Temporary Investments**

	<u>2003</u>	<u>2002</u>
	(thousands of dollars)	
Cash	10,448	11,911
Federal Government Bonds	407	408
Provincial Government Bonds	332	423
Royal Managed Government Bonds	<u>229</u>	<u>298</u>
	<u>11,416</u>	<u>13,040</u>

The Government of Canada guarantees federal government bonds maturing at various intervals ending June 1, 2011. The Government of Alberta guarantees provincial government bonds maturing at various intervals ending November 19, 2010. The Royal Managed Corporate Bond Pool fund invests primarily in Corporate Bond securities with a minimum credit rating of A- as rated by the Dominion Bond rating services. Payments from these bonds are backed by the ability of the corporation to pay and are not guaranteed. All bonds held at March 31, 2003 bear interest at rates ranging from 4.75% to 9.00% paid annually. The effective yield on these bonds based on the carrying value at March 31, 2003 is 5.8%

**Note 4 Non-Current Cash**

	<u>2003</u>	<u>2002</u>
	(thousands of dollars)	
Externally restricted for equipment	537	4,283
Externally restricted for building construction/ betterment	<u>614</u>	<u>504</u>
	<u>1,151</u>	<u>4,787</u>

Non-current cash is comprised of cash and bonds to be used for purposes as disclosed in Note 7. The bonds have the same characteristics, guarantees and maturity dates as those described in Note 3.

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Regional Health Authority 5  
Notes To The Financial Statements  
For The Year Ended March 31, 2003

**Note 5 Capital Assets**

	<u>2003</u>		<u>2002</u>	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	(thousands of dollars)			
Land	1,081	-	1,081	1,082
Land improvements	1,008	786	222	256
Buildings	84,043	24,488	59,555	57,697
Building service equipment	485	234	251	275
Equipment	16,484	9,431	7,053	7,409
Capital projects in progress	<u>367</u>	<u>-</u>	<u>367</u>	<u>175</u>
	<u>103,468</u>	<u>34,939</u>	<u>68,529</u>	<u>66,894</u>

Capital assets have been funded from the following sources:

	<u>2003</u>	<u>2002</u>
	(thousands of dollars)	
Unamortized external capital contributions (Note 8)	61,917	64,277
Net assets invested in capital assets	<u>6,612</u>	<u>2,617</u>
	<u>68,529</u>	<u>66,894</u>

**Capital asset disposition costs**

The Authority has entered into an obligation to demolish the former continuing care facility in Drumheller. Included in these financial statements are the estimated costs of disposal of \$575 and the related funding from Alberta Infrastructure of \$450.

**Acute care facility**

During the year the Authority completed construction of a new care facility in Drumheller. While the Authority is not currently using the former acute care facility for the provision of acute care services, it is pursuing options related to alternative uses for the building. Should these options not materialize the net book value of \$196 will be charged to income along with the corresponding amortization of external capital contributions. Management estimates the potential cost of demolition to be approximately \$1,100 to \$1,500 for which no funding has been secured.

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**Note 6 Deferred contributions**

	2003	2002
	(thousands of dollars)	
Amounts received from:		
Alberta Health and Wellness	1,488	1,258
Other government		
Alberta Infrastructure	973	755
Other	-	85
Donations	36	36
Investments and other	-	15
	<u>2,497</u>	<u>2,149</u>
Amounts recognized as revenue:		
Alberta Health and Wellness (Note 11)	(900)	(1,023)
Other government contributions	(1,129)	(338)
Other Income	-	(60)
Donations	(20)	-
Refunds	-	(44)
Reclassification from Def. Capital Contributions (Note 7)	66	-
	<u>(1,983)</u>	<u>(1,465)</u>
Change during the year	514	684
Balance, beginning of year	1,532	848
Balance, end of year	<u>2,046</u>	<u>1,532</u>

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

	2003	2002
	(thousands of dollars)	
Current:		
Restricted Donations	155	138
Healthy Aging Partnership Initiative	47	486
Telehealth Operations	10	-
Basic Life Support Training	9	9
Young Family Wellness	158	158
Physician on Call	616	15
ICD-10	-	53
Cervical Screening	-	40
Aboriginal Liaison	35	6
Repair and Maintenance Projects	1,016	627
	<u>2,046</u>	<u>1,532</u>

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**Note 7 Deferred Capital Contributions**

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

	2003	2002
	(thousands of dollars)	
Amounts received:		
Restricted Alberta Health and Wellness	-	624
Investments and other income	-	10
Restricted other government contributions	846	5,926
Donations restricted for capital purposes	94	129
Refund to Alberta Infrastructure	-	(10)
	<u>940</u>	<u>6,679</u>
Transferred to:		
Deferred contributions (Note 6)	(66)	-
Unamortized external capital contributions (Note 8)	(325)	(15,050)
Change during the year	549	(8,371)
Balance, beginning of year	602	8,973
Balance, end of year	<u>1,151</u>	<u>602</u>

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

Equipment replacement	17	91
Betterment of capital assets	614	511
Telehealth equipment	520	-
	<u>1,151</u>	<u>602</u>

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**Note 8 Unamortized External Capital Contributions**

Unamortized external capital contributions reflect transactions accounted in accordance with the accounting policy described in Note 2 (a). 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>
	(thousands of dollars)	
Balance, beginning of year	64,277	51,278
Transfers from deferred capital contributions (Note 7)	325	15,050
Less amounts recognized as:		
Amortization of External capital contributions	<u>(2,685)</u>	<u>(2,051)</u>
Balance, end of year	<u>61,917</u>	<u>64,277</u>

**Note 9 Internally Restricted Net Assets**

The Authority has internally restricted the following amounts for:

	<u>2003</u>	<u>2002</u>
	(thousands of dollars)	
Reserve for demolition of former Drumheller care facility	662	-
Other reserves	-	452
Reserve for future equipment replacement	<u>60</u>	<u>4,185</u>
	<u>722</u>	<u>4,637</u>

**Note 10 Budget**

The budget was approved by the Board of the Authority on August 28, 2002, and approved by the Minister of Health and Wellness.

**Note 11 Alberta Health and Wellness Contributions**

	<u>2003</u>	<u>2002</u>
	(thousands of dollars)	
Unrestricted Contributions	52,519	50,672
Transferred from deferred contributions (Note 6)	<u>900</u>	<u>1,023</u>
	<u>53,419</u>	<u>51,695</u>

**Note 12 Other Government Contributions**

	<u>2003</u>	<u>2002</u>
	(thousands of dollars)	
Alberta Infrastructure	650	238
Healthy Aging Partnership Initiative	440	100
Other	<u>46</u>	<u>-</u>
	<u>1,136</u>	<u>338</u>

Regional Health Authority 5  
Notes To The Financial Statements  
For The Year Ended March 31, 2003

**Note 13 Fees and Charges**

	2003	2002
	(thousands of dollars)	
<b>Acute Care</b>		
Non-entitled Revenue – Inpatients	210	241
Non-entitled Revenue – Outpatients	503	471
Preferred Accommodation	35	127
Other	213	177
<b>Continuing Care</b>		
Accommodation Charges	3,677	3,270
Federal Government	3	5
Other Provincial Government	159	65
<b>Total Fees and Charges</b>	<u>4,800</u>	<u>4,356</u>

**Note 14 Ancillary Operations**

	2003			2002
	(thousands of dollars)			
	Non-patient Food Services Operations	Rental Operations	Total	Total
<b>Revenues</b>				
Revenues	316	25	341	284
<b>Expenses</b>				
Other expenses	227	15	242	190
<b>Excess (deficiency) of revenues over direct expenses, 2003</b>	<u>89</u>	<u>10</u>	<u>99</u>	<u>94</u>
<b>Excess (deficiency) of revenues over direct expenses, 2002</b>	<u>73</u>	<u>21</u>	<u>94</u>	

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Regional Health Authority 5  
Notes To The Financial Statements  
For The Year Ended March 31, 2003

**Note 15 Investment and other income**

	2003	2002
	(thousands of dollars)	
Unrestricted interest income	431	492
Other income	574	631
	<u>1,005</u>	<u>1,123</u>

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

Other income is comprised of laundry recoveries, compensation reimbursed from Workers Compensation and collective agreements, recovery of supplies and services provided to physicians' offices and recovery of outpatient supplies.

**Note 16 Facility-based continuing care services**

Facility-based continuing care services include expenses for the Healthy Aging Partnership Initiative of \$440 (2002: \$100).

**Note 17 Administration**

	2003	2002
	(thousands of dollars)	
General administration	2,835	1,800
Finance	529	462
Quality Management	253	321
Personnel	703	538
Administration – contract operators (Note 19(b))	74	84
	<u>4,394</u>	<u>3,205</u>

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**Note 18 Support services**

	2003	2002
	(thousands of dollars)	
Building maintenance, operations and security	4,651	3,866
Communications	494	472
Education	301	218
Housekeeping	1,999	1,833
Laundry and linen	665	655
Materials management	925	1,143
Patient food services	3,366	3,183
Patient health records, registration, volunteer	1,638	1,536
Patient transportation	1,573	1,320
Support services—contract Operators (Note 19b)	461	466
	<u>16,073</u>	<u>14,692</u>

**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. 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) Voluntary and Private Health Service Operators

The Authority contracts with a voluntary and private health service operator to provide health services in the Region. The Board of Directors of the contracted service operator has full control of operations and the Authority treats the contract as an economic interest. The operator and cost of the contracted health services for the year are as follows:

	2003		2002	
	(thousands of dollars)			
	Direct Authority Funding	Approved Patient Fees and Charges	Total	Total
Linden Nursing Home	1,084	405	1,489	1,462
	<u>1,084</u>	<u>405</u>	<u>1,489</u>	<u>1,462</u>

Reported in the following expense categories:

	2003	2002
	(thousands of dollars)	
Facility based continuing care services	849	811
Diagnostic and therapeutic services	105	101
Administration	74	84
Support services	461	466
	<u>1,489</u>	<u>1,462</u>

Regional Health Authority 5  
Schedule of Expenses by Object  
For the Year Ended March 31, 2003  
(thousands of dollars)

**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 \$1,101 for the year ended March 31, 2003 (2002 \$1,008).

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

**Note 21 Commitments**

The Authority has contracted for the provision of electricity for the period January 1, 2001 to December 31, 2004. The authority has the right to draw up to 10,466,400 kilowatt hours per year at a fixed price of 11.487 cents per kilowatt hour. If the electricity provider is able to acquire it at a reduced rate this savings is passed on to the Authority.

**Note 22 Trust Funds**

The Authority holds patient trust accounts of \$58. These amounts are not reflected in these financial statements.

**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 \$2,632 for the year ended March 31, 2003. In accordance with Section 2.9(3) of the Regulation, the Authority used previously accumulated unrestricted net assets to offset the deficit.

**Note 24 Boundary Realignment**

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

The assets, liabilities and net assets of the Authority will be assumed in part by the David Thompson Health Region and the Calgary Health Region at carrying value.

	<u>Budget</u>	<u>2003</u>	<u>2002</u>
Salaries, benefits, allowances and severance (Schedule 2)	40,698	42,382	38,832
Contracts with health service operators (Note 19(b))	1,462	1,489	1,462
Drugs, medical and surgical supplies	1,980	2,418	1,984
Consulting services and interpretation fees	4,659	2,856	1,732
Other	10,090	13,157	12,235
Amortization:			
Capital equipment - internally funded	469	443	462
Capital equipment - externally funded	592	578	593
Facilities and improvements	2,192	2,196	1,458
Capital assets write-down – facilities and improvements	-	583	-
	<u>62,142</u>	<u>66,102</u>	<u>58,758</u>
Less amount reported in ancillary operations (Note 14)	<u>(8)</u>	<u>(242)</u>	<u>(190)</u>
	<u>62,134</u>	<u>65,860</u>	<u>58,568</u>
Other expenses are comprised of:			
Utilities		1,946	1,420
Dietary and food supplies		1,195	1,248
Diagnostic and therapeutic supplies		679	568
Patient and staff travel		1,603	1,706
Referred out services		2,160	1,985
Healthy Aging Partnership Initiative		440	100
Equipment purchase and maintenance		1,724	1,567
Various		3,410	3,641
		<u>13,157</u>	<u>12,235</u>

Regional Health Authority 5  
 Schedule of Salaries, Honoraria, Benefits, Allowances and Severance  
 For the Year Ended March 31, 2003

- (1) Full time equivalent (FTE) has been determined in annual hours as follows:
  - Management persons reporting to the CEO 2,022.75
  - Other management 2,022.75 All other
  - Regulated nurses 1,921.48 Registered nurses  
2,022.75 Licensed Practical Nurses  
1,827.00 Community Health Nurses
  - Other technical health and professional 2,022.75 All other
  - Unregulated health service providers 2,022.75 All other
  - Other staff 2,022.75 All other
- Total actual discrete number of individuals employed: 1,075
- (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 include the employer's 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, Employment Insurance, workers compensation, car benefits and allowances and tuition.
- (4) Severance includes:
  - All monies paid directly or on behalf of an employee upon termination which have not been included in salaries and benefits.

Regional Health Authority 5  
 Schedule of Salaries, Honoraria, Benefits, Allowances and Severance  
 For the Year Ended March 31, 2003  
 (thousands of dollars)

	2003					2002				
	Number of Individuals (U)	Salaries and Honoraria (U)	Benefits and Allowances (U)	Severance (U)	Total	Number of Individuals (U)	Salaries, Honoraria, Benefits & Allowances (U)	Severance (U)	Total	
<b>Authority/Board Compensation</b>										
101's Chair	15	15	15	15	15	6	6	6	6	
Peerson, Brian	5	5	5	5	5	2	2	2	2	
101A Board Members	5	5	5	5	5	2	2	2	2	
Chapman, Robert	1	1	1	1	1	1	1	1	1	
Gilmore, Ross	7	7	7	7	7	3	3	3	3	
Guadalupe, Don	8	8	8	8	8	3	3	3	3	
Hemmel, Grant	8	8	8	8	8	5	5	5	5	
Johnson, Ed	6	6	6	6	6	7	7	7	7	
Olsen, Yvonne	7	7	7	7	7	1	1	1	1	
Olsen, Yvonne	7	7	7	7	7	3	3	3	3	
Prebeck, George	9	9	9	9	9	5	5	5	5	
Spurling, John	10	10	10	10	10	3	3	3	3	
Taylor, Sarah	10	10	10	10	10	8	8	8	8	
Wern, Carol	7	7	7	7	7	7	7	7	7	
<b>Total honoraria</b>	77	77	77	77	77	72	72	72	72	
<b>Staff</b>										
Chief Executive Officer	1.00	179	17	1	184	1.00	191	-	191	
Medical Officer of Health	0.40	45	3	48	48	.40	48	-	48	
Management persons reporting to the CEO	2.00	253	28	231	511	2.00	245	-	245	
Director	3.00	253	39	292	592	3.00	257	-	257	
<b>Other management persons reporting to their direct</b>	6.4	730	87	817	1,251	6.40	741	-	741	
<b>Other management</b>	9.77	837	137	994	1,174	10.00	1,064	-	1,064	
<b>Regulated nurses</b>	146.62	1,285	212	1,497	1,766	17.51	1,526	-	1,526	
<b>Unregulated health service providers</b>	221.48	12,907	2,100	15,007	15,210	222.48	13,902	-	13,902	
<b>Other health technical and professional</b>	93.50	5,311	816	6,127	6,129	89.30	5,928	-	5,928	
<b>Unregulated health service providers</b>	131.64	3,816	635	4,451	4,502	144.47	4,412	-	4,412	
<b>Other staff</b>	339.28	10,145	1,861	12,006	12,153	334.39	10,998	189	11,187	
<b>Total staff</b>	818.69	35,051	5,848	40,899	42,305	824.55	38,571	189	38,760	
<b>Total honoraria and staff</b>	896.38	35,128	5,935	40,976	42,382	830.95	38,643	189	38,832	

