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AUDITOR'S REPORT

To the Members of Capital Health and the Minister of Health and Wellness

I have audited the statement of financial position of the WestView 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, 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 2, 2003

WESTVIEW REGIONAL HEALTH AUTHORITY

FINANCIAL STATEMENTS

MARCH 31, 2003

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WESTVIEW REGIONAL HEALTH AUTHORITY
STATEMENT OF MANAGEMENT RESPONSIBILITY
MARCH 31, 2003

The accompanying financial statements are the responsibility of management and have been approved by Capital Health on behalf of the former Authority (Note 23). 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.

Capital Health carries out their responsibility for the financial statements through the Chairman of the Board and a contract with the Special Executive Director. These persons meet with management and the external auditor, the Auditor General of Alberta, to discuss and review financial matters, and recommends the financial statements to Capital Health for approval. The Auditor General has full and free access to these persons.

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 him to report on the fairness of the financial statements prepared by management.

[Original Signed]

Jim Saunders
Special Executive Director
WestView Regional Health Authority

[Original Signed]

Mike Prymych
Chief Financial Officer
WestView Regional Health Authority

June 25, 2003

WESTVIEW REGIONAL HEALTH AUTHORITY
STATEMENT OF FINANCIAL POSITION
March 31, 2003
(thousands of dollars)

	<u>2003</u>	<u>2002</u>
<u>ASSETS</u>		
Current:		
Cash	\$ 1,285	\$ 5,862
Accounts receivable	1,114	1,057
Contributions receivable (Note 3)	226	2,010
Inventories	481	571
Prepaid expenses	196	881
	<u>3,302</u>	<u>10,381</u>
Non-current cash (Note 4)	330	5,314
Capital assets (Note 5)	46,264	48,707
Other assets (Note 6)	7,459	2,781
	<u>57,355</u>	<u>67,183</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current:		
Accounts payable and accrued liabilities	\$ 5,391	\$ 6,844
Accrued vacation pay	1,977	2,265
Deferred contributions (Note 8)	1,791	2,108
	<u>9,159</u>	<u>11,217</u>
Deferred contributions - long-term care partnerships (Note 8)	7,437	7,276
Deferred capital contributions (Note 9)	120	727
Unamortized external capital contributions (Note 10)	42,542	44,219
	<u>59,258</u>	<u>63,439</u>
Net assets (liabilities)		
Unrestricted	(5,625)	(744)
Investment in capital assets	3,722	4,488
	<u>(1,903)</u>	<u>3,744</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 57,355</u>	<u>\$ 67,183</u>

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

WESTVIEW REGIONAL HEALTH AUTHORITY
STATEMENT OF OPERATIONS
March 31, 2003
(thousands of dollars)

	2003		2002
	Budget (Note 12)	Actual	Actual
Revenue			
Alberta Health and Wellness contributions (Note 13)	\$ 57,669	\$ 57,762	\$ 54,980
Other government contributions (Note 14)	1,578	1,441	2,321
Fees and charges (Note 15)	5,386	5,812	5,129
Ancillary operations, net (Note 16)	39	93	58
Donations	90	168	107
Investment and other income (Note 17)	450	605	576
Amortization of external capital contributions, health operations (Note 10)	2,200	2,300	2,877
TOTAL REVENUE	67,412	68,181	66,048
Expenses (Schedule 1)			
Facility-based inpatient acute care services	9,442	9,673	9,021
Facility-based emergency and outpatient services	5,125	5,226	4,869
Facility-based continuing care services	7,587	8,382	6,940
Community and home-based services	6,934	6,734	6,725
Diagnostic and therapeutic services	11,737	12,293	11,407
Promotion, prevention and protection services	5,519	5,433	5,037
Administration and transition costs (Note 18)	4,752	6,149	4,587
Information technology	1,039	793	1,139
Support services (Note 19)	18,060	17,453	17,474
Amortization of facilities and improvements	1,388	1,428	1,399
Write-down of facilities and improvements (Note 20)	-	264	688
TOTAL EXPENSES	71,583	73,828	69,286
Deficiency of revenue over expense	<u>\$ (4,171)</u>	<u>\$ (5,647)</u>	<u>\$ (3,238)</u>

WESTVIEW REGIONAL HEALTH AUTHORITY
STATEMENT OF CHANGES IN NET ASSETS
MARCH 31, 2003
(thousands of dollars)

	2003			2002
	Unrestricted	Invested in Capital Assets	Total	Total
Deficiency of revenue over expense	\$ (5,647)	\$ -	\$ (5,647)	\$ (3,238)
Capital assets purchased with internal funds	(55)	55	-	-
Amortization on internally funded capital assets	612	(612)	-	-
Disposal of internally purchased assets	14	(14)	-	-
Writedown of facilities and improvements – internally funded	195	(195)	-	-
Net change	(4,881)	(766)	(5,647)	(3,238)
Balance at beginning of year	(744)	4,488	3,744	6,982
Balance at end of year	<u>\$ (5,625)</u>	<u>\$ 3,722</u>	<u>\$ (1,903)</u>	<u>\$ 3,744</u>

WESTVIEW REGIONAL HEALTH AUTHORITY
STATEMENT OF CASH FLOWS
March 31, 2003
(thousands of dollars)

	2003		2002
	Budget	Actual	Actual
Cash generated from (used by):			
Operating activities:			
Deficiency of revenue over expenses	\$ (4,171)	\$ (5,647)	\$ (3,238)
Non-cash transactions:			
Amortization of capital equipment - internally funded	720	612	743
Amortization of capital equipment - externally funded	812	798	790
Amortization of facilities and improvements - health operations	1,388	1,428	1,399
Amortization of facilities and improvements - ancillary operations	20	15	20
Amortization of external capital contributions - health operations	(2,200)	(2,300)	(2,877)
Amortization of external capital contributions - ancillary operations	(20)	(15)	(20)
Amortization of advances under long-term care partnership agreements (Note 6)	-	73	-
Amortization of long-term care partnership contributions (Note 14)	-	(73)	-
Loss (gain) on disposal of capital equipment - internally funded	-	14	(28)
Write down of capital equipment - externally funded	-	5	-
Write down of facilities and improvements - internally funded	-	195	688
Write down of facilities and improvements - externally funded	-	69	-
Changes in non-cash working capital account	(818)	304	2,206
Cash used by operations	(4,269)	(4,522)	(317)
Investing activities:			
Purchase of capital assets:			
internally funded	-	(55)	(171)
externally funded - equipment (Note 10)	(728)	(577)	(930)
externally funded - facility and improvements (Note 10)	(500)	(61)	(1,693)
Advances under long-term care partnership agreements (Note 6)	(4,587)	(4,751)	(2,781)
Proceeds on disposal of capital assets	-	-	28
Allocations from (to) non-current cash	5,315	4,984	(3,715)
Cash used by investing activities	(500)	(460)	(9,262)
Financing activities:			
Capital contributions received, net (Note 9)	500	1	1,960
Capital contributions reallocated from (to) operating activities (Note 9)	-	30	(209)
Long term care partnership contributions received (Note 8)	-	374	7,368
Cash generated from financing activities	500	405	9,119
Decrease in cash	(4,269)	(4,577)	(460)
Cash, beginning of year	5,862	5,862	6,322
Cash, end of year	<u>\$ 1,593</u>	<u>\$ 1,285</u>	<u>\$ 5,862</u>

WESTVIEW REGIONAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2003

Note 1 Authority, Purpose and Operations

The Health Authority (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.

As at March 31, 2003, the Authority's operations included the following facilities and sites:

- Devon General Hospital
- Westview Health Center – Stony Plain
- Edson and District Healthcare Center
- Hinton General Hospital
- Seton General Hospital
- Jasper Health Unit
- Hinton Health Unit
- Evansburg Health Unit
- Spruce Grove Health Unit
- Edson Health Unit

Effective April 1, 2003, the assets, liabilities and net liabilities of the Authority are assumed by Capital Health and Aspen Health Authority (Note 23).

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 21.

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:

Note 2 Significant Accounting Policies and Reporting Practices (continued)

Basis of Presentation

(a) 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 periods in which the related amortization expense of the funded capital asset is recorded.
- (iii) Externally restricted non-capital contributions are deferred and recognized as revenue in the year when the related expenses are 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 it is 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 revenues 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)

- (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 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 and its eligible employees participate 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 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) Financial Instruments

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

(e) Inventories

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

(f) 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 and improvements	40-45 years
Land improvements	20 years
Building service equipment	20 years
Vehicles and equipment	3-20 years

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

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(g) 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.

(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.

Note 3 Contributions Receivable

	<u>2003</u>	<u>2002</u>
	(thousands of dollars)	
Due from Alberta Health and Wellness		
Import/export funding	\$ -	\$ 500
Archival blood record review	-	40
Federal funded equipment	-	1,230
Reimbursement for software licences	-	4
ICD-10 Implementation	-	14
Wellnet reimbursement	-	39
Specialist on-call	227	183
Deferred capital return	(37)	-
ACCS funding adjustment	36	-
	<u>\$ 226</u>	<u>\$ 2,010</u>

Note 4 Non-Current Cash

	<u>2003</u>	<u>2002</u>
	(thousands of dollars)	
Non-current cash	<u>\$ 330</u>	<u>\$ 5,314</u>

Non-current cash represent the following:

	<u>2003</u>	<u>2002</u>
Externally restricted for capital acquisitions	\$ 120	\$ 727
Externally restricted for long-term care partnerships	<u>210</u>	<u>4,587</u>
	<u>\$ 330</u>	<u>\$ 5,314</u>

Note 5 Capital Assets

	<u>2003</u>		<u>2002</u>	
	Cost	Amortization	Net Book Value	Net Book Value
	(thousands of dollars)			
Land	\$ 1,479	\$ -	\$ 1,479	\$ 1,503
Land improvements	764	673	90	112
Buildings and improvements	55,138	15,675	39,463	41,035
Building service equipment	501	244	257	283
Vehicles and equipment	19,229	14,320	4,909	5,733
Construction in progress	<u>66</u>	<u>-</u>	<u>66</u>	<u>41</u>
	<u>\$ 77,177</u>	<u>\$ 30,913</u>	<u>\$ 46,264</u>	<u>\$ 48,707</u>

Capital assets have been funded from the following sources:

	<u>2003</u>	<u>2002</u>
	(thousands of dollars)	
Externally funded (unamortized external capital contributions)	\$ 42,542	\$ 44,219
Internally funded (invested in capital assets)	<u>3,722</u>	<u>4,488</u>
	<u>\$ 46,264</u>	<u>\$ 48,707</u>

Note 6 Other Assets

	<u>2003</u>	<u>2002</u>
	(thousands of dollars)	
Advances under long-term care partnership agreements	\$ 7,532	\$ 2,781
Advances amortized during the year	<u>(73)</u>	<u>-</u>
	<u>\$ 7,459</u>	<u>\$ 2,781</u>

During the fiscal year 2002, the Authority entered into long-term care partnership agreements with the Good Samaritan Society to provide long-term care facilities in the communities of Hinton and Evansburg. Under the terms of these agreements, the Authority is to provide the Good Samaritan Society with an amortizable advance secured on the construction costs of these continuing care facilities. This advance is to be amortized over 40 years, which is equivalent to the term of the partnership agreement plus a renewable option period. During the year \$4,751 (2002 - \$2,781) was advanced to the Good Samaritan Society for the long-term care partnerships. Advances amortized represent the use of the two facilities from the beginning of operations to the end of the fiscal period.

Note 7 Operating Line of Credit

The Authority has an operating line of credit to a maximum of \$3 million. A general security agreement covering accounts receivable and specific equipment has been pledged as security for the operating line of credit. Interest is charged at bank prime. At year end the operating line of credit has not been drawn upon (2002 - Nil).

Note 8 Deferred Contributions

	2003	2002
	(thousands of dollars)	
Amounts received from:		
Alberta Health and Wellness	\$ 1,228	\$ 1,360
Other government - Long-term care partnerships	374	7,368
- Other Alberta Infrastructure	92	1,538
- Other	1,172	615
Donors	119	199
Investments and other	-	4
	<u>2,985</u>	<u>11,084</u>
Amounts recognized as revenue:		
Alberta Health and Wellness (Note 13)	(1,496)	(1,272)
Other government (Note 14)	(1,441)	(2,321)
Donors	(168)	(107)
Interest on restricted investment and other	(6)	-
	<u>(3,111)</u>	<u>(3,700)</u>
Amounts transferred (to) from deferred capital contributions		
Alberta Health and Wellness (Note 9)	-	222
Donations	(30)	(13)
	<u>(30)</u>	<u>209</u>
Change during the year	(156)	\$ 7,593
Balance, beginning of year	9,384	1,791
Balance, end of year	<u>\$9,228</u>	<u>\$9,384</u>

Note 8 Deferred Contributions (continued)

Deferred balances at end of the year are restricted for the following purposes:

	2003	2002
Current:		
Alberta Health and Wellness		
Specialists on-call	-	183
Early Childhood Development program	150	170
Other	24	89
Other Government programs		
Healthy Aging Partnership Initiative	-	85
Long-term care partnership funding	232	92
Other Alberta Infrastructure	975	1,106
Other	136	24
Donations	260	339
Patient fees and charges received in advance	<u>14</u>	<u>20</u>
	1,791	2,108
Long-term:		
Other Government-long-term care partnerships	<u>7,437</u>	<u>7,276</u>
	<u>\$9,228</u>	<u>\$ 9,384</u>

Note 9 Deferred Capital Contributions

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

	<u>2003</u>	<u>2002</u>
	(thousands of dollars)	
Amounts received (returned):		
Restricted Alberta Health and Wellness contributions	\$ (4)	\$ 638
Other regional health authorities	-	130
Restricted other government contributions	<u>5</u>	<u>1,192</u>
	<u>1</u>	<u>1,960</u>
Transferred (to) from:		
Unamortized external capital contributions (Note 10)	(638)	(2,623)
Deferred contributions (Note 8)		
Alberta Health and Wellness	-	(222)
Donations	<u>30</u>	<u>13</u>
	<u>(608)</u>	<u>(2,832)</u>
Change during the year	(607)	(872)
Balance, beginning of year	<u>727</u>	<u>1,599</u>
Balance, end of year	<u>\$ 120</u>	<u>\$ 727</u>

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

High priority medical equipment	\$ -	\$ 35
Federal equipment funding	-	535
Telehealth equipment funding	48	29
Capital upgrading projects - Alberta Infrastructure	37	30
WestView Health Center, Stony Plain - construction	<u>35</u>	<u>98</u>
	<u>\$ 120</u>	<u>\$ 727</u>

Note 10 Unamortized External Capital Contributions

Unamortized external capital contributions reflect transactions accounted for 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>
	(thousands of dollars)	
Balance, beginning of year	\$44,219	\$44,493
Transfers from deferred capital contributions (Note 9)	638	2,623
Less amounts recognized as revenue:		
Amortization of external capital contributions, health operations	(2,300)	(2,877)
Amortization of external capital contributions, ancillary operations	<u>15</u>	<u>(20)</u>
Balance, end of year	<u>\$42,542</u>	<u>\$44,219</u>

Note 11 Commitments and Contingencies

(thousands of dollars)

Commitments: The Authority is committed to the following future annual payments:

	Long-term care	Operating Leases	Contracted Services
	<u>Partnerships</u>	<u>Leases</u>	<u>Services</u>
2004	\$ 210	\$ 19	\$6,696
2005	-	6	6,896
2006	-	-	7,103
2007	-	-	7,316
2008	-	-	7,536

In addition to the above, the Authority has an agreement for the purchase of electricity at a rate of 9.515 cents per kilowatt-hour. The agreement expires December 31, 2004.

Contingencies: The collective agreement with the Health Sciences Association of Alberta expired March 31, 2002. The Authority has recorded an accrual for salaries for the estimated contract settlement related to retroactive salary increases.

Effective April 1, 2003, these commitments and contingencies are assumed by Aspen Regional Health Authority and Capital Health.

Note 12 Budget

The budget was approved by the Official Administrators and submitted to the Minister of Health and Wellness on December 18th, 2002. The Minister of Health and Wellness approved the budget on February 4th, 2003.

Note 13 Alberta Health and Wellness Contributions

	<u>2003</u>	<u>2002</u>
	(thousands of dollars)	
Unrestricted contributions	\$56,266	\$49,164
Import/export funding	-	500
One time financial assistance	-	4,044
Transfers from deferred contributions (Note 8)	<u>1,496</u>	<u>1,272</u>
	<u>\$57,762</u>	<u>\$54,980</u>

Note 14 Other Government Contributions

	<u>2003</u>	<u>2002</u>
	(thousands of dollars)	
Restricted transfers from deferred contributions (Note 8)		
Long-term care partnerships	\$ 73	\$ -
Other Alberta Infrastructure	597	1,239
Alberta Mental Health Board	309	298
Alberta Cancer Board	84	41
Seniors	85	464
Other Provincial funding	<u>293</u>	<u>279</u>
	<u>\$ 1,441</u>	<u>\$ 2,321</u>

Note 15 Fees and Charges

	<u>2003</u>	<u>2002</u>
	(thousands of dollars)	
Acute care		
Non-entitled revenue – inpatients	\$ 885	\$ 630
Non-entitled revenue – outpatients	561	651
Federal government	47	29
Workers Compensation Board	852	734
Other	<u>-</u>	<u>63</u>
	<u>2,345</u>	<u>2,107</u>
Continuing care		
Accommodation charges	608	578
Preferred accommodation	890	776
Fair market value adjustments	<u>1,897</u>	<u>1,500</u>
	<u>3,395</u>	<u>2,854</u>
Other fees		
Home care fees	3	2
Other provincial government	1	83
Public health fees	<u>68</u>	<u>83</u>
	<u>72</u>	<u>168</u>
	<u>\$ 5,812</u>	<u>\$ 5,129</u>

Note 16 Ancillary Operations

(thousands of dollars)

	<u>2003</u>			<u>2002</u>	
	Non-Patient Food Services Operations	Rental Operations	Other Operations	Total	Total
Revenue					
Revenue	\$ 348	\$ 171	\$ 56	\$ 575	\$ 598
Amortization of deferred capital contributions	-	15	-	15	20
	<u>348</u>	<u>186</u>	<u>56</u>	<u>590</u>	<u>618</u>
Expenses					
Amortization	-	15	-	15	20
Other expenses	337	97	48	482	540
	<u>337</u>	<u>112</u>	<u>48</u>	<u>497</u>	<u>560</u>
Excess of revenue over direct expenses	<u>\$ 11</u>	<u>\$ 74</u>	<u>\$ 8</u>	<u>\$ 93</u>	<u>\$ 58</u>

Note 17 Investment and Other Income

	<u>2003</u>	<u>2002</u>
	(thousands of dollars)	
Investment income	\$ 176	\$ 208
Other income	<u>429</u>	<u>368</u>
	<u>\$ 605</u>	<u>\$ 576</u>

Investment income is comprised of interest. Other income is comprised of cost recoveries.

Note 18 Administration and Transition Costs

	<u>2003</u>	<u>2002</u>
	(thousands of dollars)	
Administration		
General	\$1,660	\$ 2,382
Finance	925	857
Human resources	730	878
Contract operators (Note 21 (d))	470	470
Transition costs	<u>2,364</u>	<u>-</u>
	<u>\$6,149</u>	<u>\$4,587</u>

Note 19 Support Services

	<u>2003</u>	<u>2002</u>
	(thousands of dollars)	
Building maintenance, operations and security	\$4,605	\$4,842
Communications	644	646
Education	369	452
Housekeeping	1,610	1,552
Laundry and linen	600	603
Materials management	1,172	1,200
Patient food services	2,187	2,212
Patient health records	1,296	1,168
Patient registration	973	779
Patient transportation	1,502	1,524
Volunteer services	210	211
Support services - contract operators (Note 21 (d))	<u>2,285</u>	<u>2,285</u>
	<u>\$17,453</u>	<u>\$17,474</u>

Note 20 Write-down of Facilities and Improvements

(thousands of dollars)

During the fiscal year 2002, the Authority ceased using the Stony Plain Municipal Hospital. As a result, a write-down of \$688 was recorded, to reduce the carrying value of the facility to its net recoverable value. During the fiscal year 2003, the Authority transferred this facility at a nominal amount and recorded a writedown of \$24. During the year the Authority also recorded a write-down of various other buildings, construction in progress projects and leasehold improvements to reduce these assets to their net recoverable values as follows:

	<u>2003</u>	<u>2002</u>
Stony Plain Municipal Hospital site	\$ 24	\$ 688
Evansburg health unit leasehold improvements	34	-
Jasper medical clinic	127	-
Jasper staff house	43	-
Construction in progress	<u>36</u>	<u>-</u>
	<u>\$ 264</u>	<u>\$ 688</u>

Note 21 Related Parties

(thousands of dollars)

(a) Province of Alberta

The Authority was established under the Regional Health Authorities Act. Two-thirds of the members of the Authority were elected. The Minister of Health and Wellness appointed 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 3, 8, 9, 12, 13, 14, and 23 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 8, 9, 14, and 24 to the financial statements. Included within accounts payable is \$893 (2002 - \$nil) payable to Capital Health and \$48 (2002 - \$nil) payable to Aspen Regional Health Authority. These are for transition related costs paid by the respective health authorities.

Note 21 Related Parties (continued)

c) Foundations

The Authority has an economic interest in the following foundations with one representative on each of their Board of Directors. The foundations raise funds to benefit the Authority and other health related entities and are registered charities under the Income Tax Act. Information on the foundations is as follows:

	Contributions received by Health Authority		Resources held by Foundation	
	Year ended March 31		Unaudited at March 31, 2003	
	2003	2002	Externally Restricted	Unrestricted
			(thousands of dollars)	
Devon General Hospital Foundation	\$ -	\$ -	\$ (48)	\$ 246
Stony Plain Hospital Foundation	51	47	33	197
Hinton Health Care Foundation	-	20	88	43
Jasper Health Care Foundation	1	13	178	(2)
	<u>\$ 52</u>	<u>\$ 80</u>	<u>\$ 251</u>	<u>\$ 484</u>

Funds donated to the foundations are used to maintain and enhance hospital care and further health care education for the people of the community serviced by the foundation. The externally restricted funds consist of endowments and other donations, which can only be expended on purposes stipulated by the donors.

The value of administrative support provided to foundations, and accounts receivable from (payable to) the foundations at year-end are as follows:

	Administrative Support		Accounts Receivable (Payable)	
	Year ended March 31,		At March 31,	
	2003	2002	2003	2002
			(thousands of dollars)	
Devon General Hospital Foundation	\$ 1	\$ 1	\$ -	\$ -
Stony Plain Hospital Foundation	1	1	-	-
Hinton Health Care Foundation	1	1	-	-
Jasper Health Care Foundation	1	1	-	-
	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ -</u>

Note 21 Related Parties (continued)

(d) Voluntary and Private Health Service Operators

The Authority contracts with voluntary and private health service operators to provide health services in the Region and has an economic interest in these operators. The health service operators and the amount of the contracted health services for the year are as follows:

	2003			2002	
	Direct Authority Funding	Approved Patient Fees and Charges	P3 Advances for Capital Forgiven	Total	Total
	(thousands of dollars)				
Good Samaritan Society					
Stony Plain Care Center	\$ 2,763	\$ 944	\$ -	\$ 3,707	\$ 3,484
George Henning Place	826	364	-	1,190	1,139
Spruce Grove Place	826	374	-	1,200	1,126
Pembina Village, Evansburg	419	74	32	525	427
Mountain View Center - Hinton	501	141	41	683	37
Dynaicare Kasper Medical Laboratories	2,815	-	-	2,815	2,306
Physical therapy services	672	-	-	672	722
Mason Bernier - diagnostic imaging	232	-	-	232	330
Group homes	218	-	-	218	218
Home parenteral nutrition services	57	-	-	57	106
Audiology services	68	-	-	68	33
	<u>\$ 9,397</u>	<u>\$ 1,897</u>	<u>\$ 73</u>	<u>\$ 11,367</u>	<u>\$ 9,928</u>

Reported in the following expense categories:

	2003	2002
	(thousands of dollars)	
Facility based continuing care services	\$4,255	\$3,163
Community and home based service	275	324
Diagnostic and therapeutic services	4,082	3,686
Administration	470	470
Support services	<u>2,285</u>	<u>2,285</u>
	<u>\$11,367</u>	<u>\$9,928</u>

Note 22 Pension Costs

(thousands of dollars)

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 \$1,434 for the year ended March 31, 2003 (2002 - \$1,208).

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

Note 23 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 16, 17 and 22 of 2003 each dated March 28, 2003, effective April 1, 2003, the assets and liabilities of the WestView Regional Health Authority are assumed in part by the Capital Health Authority, which becomes Region 6, and by the Aspen Regional Health Authority, which becomes Region 7.

Specified assets and liabilities are to be distributed at carrying value to Regions 6 and 7 on the basis of their location in, or relationship to the programs provided in, the geographical areas transferred to these two regions. The remaining insufficiency in net assets of WestView Regional Health Authority 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 insufficiency of the net assets of WestView Regional Health Authority at March 31, 2003 has yet to be determined.

Severance and other costs associated with the cessation of the Authority on April 1, 2003 and the transfer of programs, personnel, assets and liabilities to the newly-formed Regions 6 and 7 are disclosed as transition costs (Note 18 and Schedule 2)

Note 24 Operating Deficit
(thousands of dollars)

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 \$5,647 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 (Note 23).

Note 25 Approval of Financial Statements

These financial statements have been approved by Capital Health.

Schedule 1

WESTVIEW REGIONAL HEALTH AUTHORITY
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)	\$ 42,323	\$ 43,467	\$ 39,263
Contracts with health service operators (Note 20 (d))	10,728	11,367	9,928
Drugs, gases, medical and surgical supplies	2,355	2,494	2,483
Other contracted services	2,424	2,894	2,243
Other *	11,364	10,967	12,289
Amortization:			
Capital equipment - internally funded	720	612	743
Capital equipment - externally funded	812	798	790
Facilities and improvements - health operations	1,388	1,428	1,399
Facilities and improvements - ancillary operations	20	15	20
Loss on disposal of capital equipment	-	19	-
Write-down of facilities and improvements	-	264	688
	<u>72,134</u>	<u>74,325</u>	<u>69,846</u>
Less amounts reported in ancillary operations (Note 15)	<u>551</u>	<u>497</u>	<u>560</u>
	<u>\$ 71,583</u>	<u>\$ 73,828</u>	<u>\$ 69,286</u>

*For the fiscal year 2003, "Other" comprises the following:

Non-surgical supplies and travel expenses	\$ 4,576
Sundry expenses	3,382
Equipment expenses	1,415
Referred out services	698
Building and grounds maintenance expenses	896
	<u>\$ 10,967</u>

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

1. Full time equivalent (FTE) is determined as follows:

- Management FTE calculation is based on 2,022.75 annual hours.
- Regulated nurses FTE calculation is based on 1,920.25 or 1,827 annual hours dependent on the employment contract the employee is part of.
- Other health technical and professional FTE calculation is based on 2,022.75 or 1,827 annual hours dependent on the employment contract the employee is part of.
- Unregulated health service providers FTE calculation is based on 2,022.75 annual hours.
- Other staff FTE calculation is based on 2,022.75, 1,920.75 or 1,827 annual hours dependent on the employment contract the employee is part of.

Total actual discrete number of individuals employed: 1,307 (2002 – 1,266)

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 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, housing subsidies, car benefits and allowances and tuition.
4. Severance includes: All monies paid or payable directly or on behalf of an employee upon termination which are not included in salaries and benefits.
5. The total amount of \$43,467 (2002 - \$39,263) is reported in Schedule 1.

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

	2003				2002			
	Number of FTEs	Salaries & Allowances (\$)	Benefits & Allowances (\$)	Sub-total	Number of Individuals	Amount	Severance	Total
Authority/Board Compensation	1.00	\$ 4	-	4	-	-	-	4
RIA Chairman - George Sewell	-	-	-	-	-	-	-	-
RIA Chairman - Peter Welshyn	-	-	-	-	-	-	-	-
Members								
Tonia Bills	1.00	-	-	-	1.00	-	-	1.00
Betsy Brown	1.00	-	-	-	1.00	-	-	1.00
Sandra Coombe	1.00	\$ 5	-	5	1.00	-	-	5
John Cosgrove	1.00	1	-	1	1.00	-	-	1
Bruce Deal	1.00	-	-	-	1.00	-	-	1.00
William Donahue	1.00	3	-	3	1.00	-	-	3
Bill Forbes	1.00	3	-	3	1.00	-	-	3
Bruce Giesbrecht	1.00	3	-	3	1.00	-	-	3
Hazel Hart	1.00	3	-	3	1.00	-	-	3
Barry Hawkins	-	-	-	-	-	-	-	-
Werner Japsen	1.00	2	-	2	1.00	-	-	2
Gail Lemke	1.00	4	-	4	1.00	-	-	4
Shirley Mahon	1.00	3	-	3	1.00	-	-	3
Marian Majeau	1.00	3	-	3	1.00	-	-	3
Loesley McGinn	1.00	3	-	3	1.00	-	-	3
Ann Myrholm	1.00	4	-	4	1.00	-	-	4
Ron Pollock	-	-	-	-	-	-	-	-
Karin Kishon	-	-	-	-	-	-	-	-
Patrick Kishon	-	-	-	-	-	-	-	-
Total honoraria	12.00	38	-	38	-	-	-	38
Staff								
Chief Executive Officer	0.28	65	4	69	1	242	-	311
Management reporting to the CEO:								
Director, Corporate Services	0.48	53	19	72	1	125	-	197
Director, Operations	1.00	128	148	148	1	187	-	335
Director, Program Planning	0.44	49	6	55	1	125	-	180
Medical Director	0.50	149	-	149	1	161	-	310
Medical Officer of Health	1.00	146	21	167	1	157	-	324
Dental Officer of Health	-	-	-	-	-	-	-	-
Other management reporting directly to those above (avg. 2003 \$109, avg. 2002 \$101) (excluding severance)	11.72	1,087	192	1,279	3	245	-	1,524
Regulated nurses not included above (avg. 2003 \$68, avg. 2002 \$63) (excluding severance)	23.61	13,661	2,239	15,900	1,000	5	-	15,905
Other health technical and professionals (avg. 2003 \$68, avg. 2002 \$63) (excluding severance)	113.49	6,731	1,092	7,823	1,000	101	-	7,924
Unregulated health service providers (avg. 2003 \$43, avg. 2002 \$32) (excluding severance)	99.42	2,840	\$12	3,552	-	-	-	3,552
Other staff (avg. 2003 \$43, avg. 2002 \$41) (excluding severance)	293.31	10,451	2,195	12,646	27,000	998	-	13,224
Total salaries, benefits and severance	755.25	\$ 35,340	\$ 6,300	\$ 41,640	38,000	\$ 1,789	\$ 43,467	\$ 91,143
Total	767.25	\$ 35,378	\$ 6,300	\$ 41,678	38,000	\$ 1,789	\$ 43,467	\$ 91,143

