



Consolidated Financial Statements

Central Regional Health Authority

March 31, 2021

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Statement of responsibility

The accompanying consolidated financial statements are the responsibility of the Board of Trustees of the Central Regional Health Authority (the "Authority") and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards as recommended by the Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

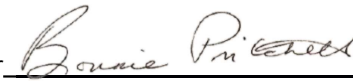
The Authority met with management and its external auditors to review a draft of the consolidated financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the consolidated finalized financial statements.

Grant Thornton LLP, as the Authority's appointed external auditors, have audited the consolidated financial statements. The auditors' report is addressed to the Authority and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of the Authority in accordance with Canadian public sector accounting standards.



Board Chair - Central Health

Chair



Director

Board Trustee

Independent Auditors' Report

To the Board of Trustees of
Central Regional Health Authority

Opinion

We have audited the consolidated financial statements of Central Regional Health Authority ("the Entity"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, changes in net financial debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the financial position of Central Regional Health Authority as at March 31, 2021, and its results of operations, its changes in its net financial debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Other Matter – Supplementary Information

Our audit was conducted for the purposes of forming an opinion on the financial statements as a whole. The schedules on pages 30–45 are presented for purposes of additional information and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied only to the extent necessary to express an opinion in the audit of the financial statements taken as a whole.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



St. John's, Canada
June 29, 2021

Chartered Professional Accountants

Central Regional Health Authority

Consolidated Statement of Financial Position

March 31

2021

2020

Financial assets

Cash (Note 3)		\$ 3,215,936
Receivables (Note 4)	\$ 17,918,519	13,018,709
Residents' trust funds held on deposit	704,526	649,363
Cash restricted for security deposits	56,804	55,245
Investments restricted for general endowment purposes	-	1,193,104
Replacement reserve funding (Note 9)	<u>231,592</u>	<u>198,616</u>
	<u>18,911,441</u>	<u>18,330,973</u>

Liabilities

Bank indebtedness (Note 3)	4,331,818	-
Payables and accruals (Note 5)	36,801,910	28,818,328
Employee future benefits		
Accrued vacation pay	18,162,729	14,800,016
Accrued severance pay	1,207,595	1,518,666
Accrued sick pay (Note 6)	18,619,508	18,432,950
Deferred grants and revenue (Note 7)	33,082,523	25,186,264
Long-term debt (Note 8)	5,025,668	5,871,723
Trust funds payable	704,526	649,363
Security deposits liability	56,804	55,245
Replacement reserves (Note 9)	231,592	198,616
J.M. Olds scholarship and library funds	<u>85,173</u>	<u>84,821</u>
	<u>118,309,846</u>	<u>95,615,992</u>

Net financial debt

(99,398,405) (77,285,019)

Non-financial assets

Tangible capital assets (Note 10)	65,532,734	59,664,161
Deposits on tangible capital assets	83,225	126,616
Inventories (Note 11)	4,770,662	2,848,923
Prepays (Note 12)	<u>3,206,817</u>	<u>3,384,701</u>
	<u>73,593,438</u>	<u>66,024,401</u>

Accumulated deficit

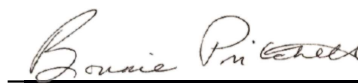
\$ (25,804,967) \$ (11,260,618)

Commitments (Note 14)
Contingencies (Note 15)
COVID-19 (Note 16)

On behalf of the Board



Trustee



Trustee

Board Chair - Central Health

See accompanying notes to the consolidated financial statements

Central Regional Health Authority

Consolidated Statement of Operations

Year ended March 31	Budget 2021	Actual 2021	Actual 2020
Revenue			
Provincial plan operating	\$ 340,501,886	\$ 340,501,886	\$ 342,235,621
Provincial capital grants	8,735,000	10,235,577	3,545,811
Other capital contributions	-	289,124	487,885
MCP	10,852,158	11,639,394	11,530,967
Patient-resident services	12,916,000	12,420,411	13,462,962
CMHC mortgage interest subsidy (Note 13)	35,000	-	34,263
Capital project funding	1,000,000	3,426,703	4,843,625
Recoveries	10,368,460	12,288,309	11,997,689
Cottage operations	1,529,114	1,530,700	1,559,469
Foundations	-	-	983,132
Other revenue	2,913,800	3,178,595	4,260,551
	<u>388,851,418</u>	<u>395,510,699</u>	<u>394,941,975</u>
Expenditure			
Administration	38,664,923	33,698,496	29,867,515
Community and social services	115,416,892	112,830,567	107,211,371
Support services	66,702,607	67,490,917	65,317,390
Nursing inpatient services	90,928,585	88,034,625	96,029,338
Ambulatory care services	25,861,671	25,858,693	27,814,289
Diagnostic and therapeutic services	49,392,477	46,636,608	48,490,947
Medical services	15,814,448	16,740,742	16,461,885
Educational services	1,112,734	1,006,719	1,375,532
Undistributed	1,200,239	4,635,121	5,251,762
Cottage, operations, including amortization of \$92,323 (2020 - \$91,801)	1,526,294	1,388,787	1,467,408
Foundations	-	-	1,206,746
	<u>406,620,870</u>	<u>398,321,275</u>	<u>400,494,183</u>
Deficit – shareable	<u>(17,769,452)</u>	<u>(2,810,576)</u>	<u>(5,552,208)</u>
Non-shareable items			
Gain on disposal of tangible capital assets	-	49,799	-
Amortization of tangible capital assets	(5,997,027)	(5,981,867)	(5,651,181)
Accrued vacation pay – increase	-	(3,376,239)	(920,305)
Accrued severance pay – decrease	500,000	311,071	10,067,682
Accrued sick pay – increase	(250,000)	(186,558)	(275,994)
	<u>(5,747,027)</u>	<u>(9,183,794)</u>	<u>3,220,202</u>
Deficit			
- shareable and non-shareable	(23,516,479)	(11,994,370)	(2,332,006)
Accumulated deficit			
Beginning of year	(11,260,618)	(11,260,618)	(8,928,612)
Adjustment for Foundations	(2,549,979)	(2,549,979)	-
	<u>(13,810,597)</u>	<u>(13,810,597)</u>	<u>(8,928,612)</u>
End of year	<u>\$ (37,327,076)</u>	<u>\$ (25,804,967)</u>	<u>\$ (11,260,618)</u>

See accompanying notes to the consolidated financial statements

Central Regional Health Authority

Consolidated Statement of Changes in Net Financial Debt

March 31	Budget 2021	Actual 2021	Actual 2020
Net debt - beginning of year	\$ (77,285,019)	\$ (77,285,019)	\$ (73,268,749)
Adjustment for Foundations	<u>(2,549,979)</u>	<u>(2,549,979)</u>	-
	(79,834,998)	(79,834,998)	(73,268,749)
Deficit	<u>(23,516,479)</u>	<u>(11,994,370)</u>	<u>(2,332,006)</u>
Changes in tangible capital assets			
Acquisition of tangible capital assets	(8,735,000)	(12,058,916)	(7,870,267)
Amortization of tangible capital assets	5,997,027	6,074,188	5,746,319
Adjustment for Foundations	96,528	96,528	-
Gain on disposal of tangible capital assets	(49,799)	(49,799)	-
Proceeds on disposal of tangible capital assets	69,426	69,426	-
Decrease in deposits on tangible capital assets	<u>43,391</u>	<u>43,391</u>	<u>45,677</u>
Increase in net book value of tangible capital assets	<u>(2,578,427)</u>	<u>(5,825,182)</u>	<u>(2,078,271)</u>
Changes in non-financial assets			
Increase in inventories	(1,921,739)	(1,921,739)	(345,666)
Decrease in prepaids	176,305	176,305	739,673
Prepaids – adjustment for Foundations	<u>1,579</u>	<u>1,579</u>	-
(Increase) decrease in non-financial assets	<u>(1,743,855)</u>	<u>(1,743,855)</u>	<u>394,007</u>
Increase in net debt	<u>(27,838,761)</u>	<u>(19,563,407)</u>	<u>(4,016,270)</u>
Net debt, end of year	<u>\$(107,673,759)</u>	<u>\$ (99,398,405)</u>	<u>\$ (77,285,019)</u>

See accompanying notes to the consolidated financial statements

Central Regional Health Authority

Consolidated Statement of Cash Flows

Year ended March 31

2021

2020

Operations

Deficit	\$ (11,994,370)	\$ (2,332,006)
Adjustment for Foundations	(2,549,979)	-
Amortization	6,074,188	5,746,319
Gain on disposal of tangible capital assets	(49,799)	-
Investment loss	-	123,997

(8,519,960) 3,538,310

Changes in

Receivables	(4,899,810)	486,089
Payables and accruals	7,983,582	(786,536)
Accrued vacation pay	3,362,713	923,522
Accrued severance pay	(311,071)	(10,067,682)
Accrued sick pay	186,558	275,996
Deferred grants	7,896,259	2,008,543
Inventories	(1,921,739)	(345,666)
Prepays	177,884	739,673

Net cash provided from (applied to) operations

3,954,416 (3,227,751)

Financing

Repayment of long-term debt	(846,055)	(984,131)
Net change in J.M. Olds funds	352	594

Net cash applied to financing

(845,703) (983,537)

Investing

Acquisition of tangible capital assets	(12,058,916)	(7,870,267)
Adjustment for Foundations – capital assets	96,528	-
Decrease in deposits on tangible capital assets	43,391	45,676
Decrease (increase) in general endowment fund investments	1,193,104	(187,575)
Proceeds on disposal of tangible capital assets	69,426	-

Net cash applied to investing

(10,656,467) (8,012,166)

Net decrease in cash

(7,547,754) (12,223,454)

Cash, net of bank indebtedness:

Beginning	3,215,936	15,439,390
Ending (Note 3)	\$ (4,331,818)	\$ 3,215,936

See accompanying notes to the consolidated financial statements

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2021

1. Nature of operations

The Central Regional Health Authority ("Central Health") or ("the Authority") is charged with the responsibility for the provision of health care services in the Central region of Newfoundland and Labrador.

The mandate of Central Health is to provide the best possible health and community services and programs which respond to the identified needs of the people of Central Newfoundland and Labrador within available resources.

Central Health is a not-for-profit corporation and is exempt from income taxes and is constituted under the Regional Health Authorities Act.

2. Summary of significant accounting policies

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. Outlined below are those policies considered particularly significant by the Authority.

Basis of consolidation

These consolidated statements represent the consolidated assets, liabilities, revenues and expenditures of the following entities which comprise the reporting entity. The reporting entity is comprised of all organizations which are controlled by Central Health, including the following:

- North Haven Manor Cottages
- Valley Vista Cottages
- Bonnews Lodge Apartment Complex

In the previous year, the consolidated statements included Central Northeast Health Foundation Inc. and South and Central Health Foundation (the "Foundations"). In the current year, upon completion of the reporting entity assessment and reviewing the indicators of control applicable under the accounting standards, Central Health concluded that the indicators of control have not been met. For accounting purposes, control is defined as the power to govern the financial and operating policies of another organization with expected benefits or the risk of loss to Government from the other organization's activities. Therefore, in the current year, the Foundations are not included in Central Health's consolidated statements.

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenues and expenditures during the reporting period. Items requiring the use of significant estimates include accrued severance, accrued sick leave, useful life of tangible capital assets and allowance for doubtful receivables.

See accompanying notes to the consolidated financial statements

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2021

2. Summary of significant accounting policies (cont'd.)

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates. The results of the sick accrual do not reflect the unknown impacts of the COVID-19 pandemic nor related measures to slow the spread of the disease.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of any overdrafts. Bank overdrafts are considered a component of cash and cash equivalents and are secured by approved authority to borrow authorized by the Province's Minister of Health and Community Services.

Revenues

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Transfers are recognized as revenues when the transfer is authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made. Transfers are recognized as deferred revenue when amounts have been received but not all eligibility criteria have been met.

Expenses

Expenses are reported on an accrual basis. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

Deferred revenue

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services in transactions. These amounts are recognized as revenue in the fiscal year the related expenses are incurred, services are performed or when stipulations are met.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives generally extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenditures, provides the change in net financial assets for the year.

See accompanying notes to the consolidated financial statements

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2021

2. Summary of significant accounting policies (cont'd.)

Severance and sick pay liability

An accrued liability for severance is recorded in the accounts for all employees who have a vested right to receive such payments. Central Health provides their employees, upon termination, retirement or death with at least nine years of service, with severance benefits equal to one week of pay per year of service up to a maximum of twenty weeks.

Based on collective agreements signed with the Newfoundland and Labrador Association of Public and Private Employees ("NAPE") as at March 31, 2018, NAPE employees with at least one year of eligible service will receive a lump sum payout of their accrued severance benefit based on pay and service as at March 31, 2018. This was extended to management and non-bargaining employees with at least one year of service as at May 31, 2018. Individuals have either taken payment by March 31, 2020 or have elected to defer payment for a short period, but no further changes in the amount payable will occur due to salary change or the accrual of additional service. In May 2020, this was extended to NLNU employees with at least one year of service as at March 31, 2018. Individuals have either taken payment by March 31, 2021 or have elected to defer payment for a short period, but no further changes in the amount payable will occur due to salary change or the accrual of additional service. An estimate for the provision of the remaining employees with less than nine years of service has been determined and recorded by the Authority.

An actuary determined accrued liability has been recorded on the consolidated financial statements for non-vesting sick leave benefits. The cost of non-vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, long-term inflation rates and discount rates. Actuarial gains or losses are being amortized to the liability and the related expense straight-line over the expected average remaining service life of the employee group.

Inventories

Inventories have been determined using the following methods for the various areas. Cost includes purchase price plus the non-refundable portion of applicable taxes.

General stores
Drugs

Average cost
First-in, first-out

See accompanying notes to the consolidated financial statements

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2021

2. Summary of significant accounting policies (cont'd.)

Tangible capital assets

The Authority has control over certain lands, buildings and equipment with the title resting with the Government. Consequently these assets are not recorded under Central Health tangible capital assets.

Purchased tangible capital assets are recorded at cost. Assets are not amortized until placed in use. Contributed tangible capital assets are recorded at fair value at the date of contribution. Tangible capital assets are amortized on a declining balance basis over their useful lives, at the following rates:

Land improvements	5.0%
Buildings and service equipment	5.0%
Equipment	12.5%
Information Systems Equipment	33.3%
Motor vehicles	20.0%

Capital and operating leases

A lease that transfers substantially all of the risks and rewards incidental to the ownership of property is accounted for as a capital lease. Assets acquired under capital lease result in a capital asset and an obligation being recorded equal to the lesser of the present value of the minimum lease payments and the property's fair value at the time of inception. All other leases are accounted for as operating leases and the related payments are expensed as incurred.

Impairment of long-lived assets

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances indicating that the value of the assets may not be recoverable, as measured by comparing their net book value to the estimated undiscounted cash flows generated by their use. Impaired assets are recorded at fair value, determined principally using discounted future cash flows expected from their use and eventual disposition.

Replacement reserves

Under certain operating agreements with Newfoundland and Labrador Housing Corporation (NLHC) the Authority is required to maintain a Replacement Reserve Fund which is to be used to fund major maintenance and the purchase of tangible capital assets. These funds may only be used as approved by NLHC. Transactions in the reserves are shown in Note 9.

Pension costs

Employees of Central Health are covered by the Public Service Pension Plan and the Government Money Pension Plan administered by the Province of Newfoundland and Labrador. Contributions to the plans are required from both the employees and Central Health. The annual contributions for pensions are recognized in the accounts on a current basis. Current year pension expenditures totaled \$14,650,599 (2020 - \$14,481,578).

See accompanying notes to the consolidated financial statements

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2021

2. Summary of significant accounting policies (cont'd.)

Financial instruments

The Authority recognizes a financial asset or a financial liability on its statement of financial position when the Authority becomes a party to the contractual provision of the financial instrument. The Authority initially measures its financial assets and liabilities at fair value, except for certain non-arms length transactions. The Authority subsequently measures all its financial assets and liabilities at amortized cost except for investments restricted for endowment purposes which are subsequently measured at fair value.

Financial assets measured at amortized cost include cash and cash equivalents, receivables, trust funds and replacement reserve funding. Financial assets measured at fair value are investments restricted for endowment purposes.

Financial liabilities measured at amortized cost include bank indebtedness, payables and accruals, employee future benefits, long-term debt, trust funds payable, security deposits, replacement reserves and scholarship and library funds payable.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net annual surplus.

3. Cash

	<u>2021</u>	<u>2020</u>
Operating:		
Cash	\$ 16,175	\$ 16,675
Bank – current accounts	<u>(4,719,246)</u>	<u>1,500,790</u>
	(4,703,071)	1,517,465
Cash and bank other:		
North Haven Manor Cottage Units Phase I, II, III	255,062	138,480
North Haven Manor Cottage Units Phase IV	39,102	10,352
Valley Vista Cottages	77,089	19,135
Central Northeast Health Foundation Inc.	-	759,514
South and Central Health Foundation	<u>-</u>	<u>770,990</u>
	<u>\$ (4,331,818)</u>	<u>\$ 3,215,936</u>

The Authority has access to a \$15 million line of credit in the form of revolving demand loans at its bankers. These loans have been approved by the Minister of Health and Community Services. The balance outstanding on this line of credit at March 31, 2021 is \$4,968,024 which is included in the \$4,719,246 current accounts balance above (2020 - NIL). Interest is being charged at prime less 1.11% on any overdraft.

See accompanying notes to the consolidated financial statements

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2021

4. Receivables

	<u>2021</u>	<u>2020</u>
Operating		
Provincial grants - operating	\$ 9,994,044	\$ 5,941,660
Patient, rents and other	6,977,464	5,058,203
MCP	367,097	381,207
Cancer Foundation	611,144	1,148,375
Foundations	128,122	-
HST	<u>1,049,450</u>	<u>1,251,260</u>
	19,127,321	13,780,705
Allowance for doubtful	<u>(1,241,119)</u>	<u>(948,168)</u>
	<u>17,886,202</u>	<u>12,832,537</u>
North Haven Manor Cottages Phase I, II, III		
Trade	<u>15</u>	<u>2,477</u>
North Haven Manor Cottages Phase IV		
Trade	-	342
Due from NLHC - operating subsidy	-	4,293
Accrued interest	<u>234</u>	<u>285</u>
	<u>234</u>	<u>4,920</u>
Valley Vista Cottages		
Trade	9,307	8,952
Allowance for doubtful	<u>(8,952)</u>	<u>(8,952)</u>
	<u>355</u>	<u>-</u>
Bonnews Lodge Apartment Complex		
Due from NLHC – operating	<u>31,713</u>	<u>55,881</u>
Central Northeast Health Foundation Inc.		
Trade	-	1,948
Capital Grant	<u>-</u>	<u>60,000</u>
	<u>-</u>	<u>61,948</u>
South and Central Health Foundation		
Trade	-	946
Capital grant	<u>-</u>	<u>60,000</u>
	<u>-</u>	<u>60,946</u>
	<u>\$17,918,519</u>	<u>\$13,018,709</u>

See accompanying notes to the consolidated financial statements

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2021

5. Payables and accruals	<u>2021</u>	<u>2020</u>
Operating		
Trade	\$23,807,088	\$17,358,826
Residents comfort fund	98,509	92,343
Accrued - wages	12,848,670	11,336,319
- interest	15,090	17,563
	<u>36,769,357</u>	<u>28,805,051</u>
North Haven Manor Cottage Units Phase I, II, III		
Trade	1,800	1,800
North Haven Manor Cottage Units Phase IV		
Trade	1,613	4,200
Accrued interest	234	285
Due to NLHC - operating subsidy	14,262	-
	<u>16,109</u>	<u>4,485</u>
Valley Vista Cottages		
Trade	1,500	1,500
Bonnews Lodge Apartment Complex		
Trade	4,054	4,099
Accrued interest	287	360
Due to NLHC - operating subsidy	8,803	-
	<u>13,144</u>	<u>4,459</u>
Central Northeast Health Foundation Inc.		
Trade	-	1,033
	<u>\$36,801,910</u>	<u>\$28,818,328</u>

See accompanying notes to the consolidated financial statements

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2021

6. Employee future benefits

Future employee benefits related to accrued sick obligations have been calculated based on an actuarial valuation as at March 31, 2018 and extrapolated to March 31, 2021. The assumptions are based on future events. The economic assumptions used in the valuation are Central Health's best estimates of expected rates as follows:

	<u>2021</u>	<u>2020</u>
Wages and salary escalation (2022 and thereafter – 3.50%)	2.75%	3.50%
Interest	3.11%	3.25%

Based on actuarial valuation of the liability, at March 31, 2021 the results for sick leave are:

Accrued sick pay obligation, beginning	\$19,429,483	\$20,009,153
Current period benefit cost	1,699,643	1,707,996
Benefit payments	(2,401,433)	(2,342,849)
Interest on the accrued benefit obligations	620,055	600,599
Actuarial gains	<u>(142,854)</u>	<u>(545,416)</u>
Accrued sick pay obligations, at end	<u>\$19,204,894</u>	<u>\$19,429,483</u>

A reconciliation of the accrued benefit obligation and the accrued benefit liability is as follows:

Sick benefits

Accrued benefit obligation	\$19,204,894	\$19,429,483
Unamortized actuarial gains	<u>(585,386)</u>	<u>(996,553)</u>
Accrued benefit liability	<u>\$18,619,508</u>	<u>\$18,432,950</u>

See accompanying notes to the consolidated financial statements

Central Regional Health Authority
Notes to the Consolidated Financial Statements
 March 31, 2021

7. Deferred grants and revenue	<u>2021</u>	<u>2020</u>
Operating		
Deferred operating grants	\$ 3,334,307	\$ 1,495,754
Deferred capital grants	<u>29,748,216</u>	<u>23,560,702</u>
	33,082,523	25,056,456
North Haven Manor Cottages Phase I, II, III	-	9,808
Central Northeast Health Foundation Inc.	-	60,000
South and Central Health Foundation	<u>-</u>	<u>60,000</u>
	<u>\$33,082,523</u>	<u>\$25,186,264</u>

8. Long-term debt	<u>2021</u>	<u>2020</u>
Operating		
0.99% CMHC mortgage, repaid during the year.	\$ -	\$ 11,711
7.5% CMHC mortgage on Lakeside Homes; repayable in equal monthly instalments of \$4,574, interest included; maturing July 2023.	118,417	162,783
2.67% Canadian Imperial Bank of Commerce loan for Carmelite House, unsecured; repayable in equal monthly instalments of \$56,038, interest included; maturing January 2027.	3,628,721	4,196,053
3.54% Canadian Imperial Bank of Commerce mortgage on on land and building at 3 Twomey Dr, Botwood; repayable in equal monthly instalments of \$390, interest included; maturing June 2027.	26,883	30,261
3.54% Canadian Imperial Bank of Commerce mortgage on on land and building at 145 Commonwealth Ave, Botwood; repayable in equal monthly instalments of \$357, interest included; maturing July 2027.	24,207	27,307

See accompanying notes to the consolidated financial statements

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2021

8. Long-term debt (cont'd.)	<u>2021</u>	<u>2020</u>
8.0% Newfoundland and Labrador Housing Corporation mortgage on Valley Vista Senior Citizens Home; repayable in equal monthly instalments of \$10,124, interest included; maturing September 2027.	613,579	683,853
7.88% Newfoundland and Labrador Housing Corporation mortgage on Authority offices; repayable in equal monthly instalments of \$8,165, interest included; maturing November 2024.	304,103	375,297
2.60% Bank of Nova Scotia 1st mortgage, repaid during the year.	<u>-</u>	<u>349</u>
	<u>4,715,910</u>	<u>5,487,614</u>
North Haven Manor Cottages Phase IV		
1.81% Newfoundland and Labrador Housing Corporation mortgage on North Haven Manor Cottages; repayable in equal monthly instalments of \$3,046, interest included maturing July 2025.	<u>152,234</u>	<u>185,713</u>
Bonnews Lodge Apartment Complex		
2.04% Newfoundland and Labrador Housing Corporation 1st mortgage on Bonnews Apartment Complex; repayable in equal monthly instalments of \$3,714, interest included; maturing November 2024.	<u>157,524</u>	<u>198,396</u>
	<u>\$ 5,025,668</u>	<u>\$ 5,871,723</u>

The aggregate amount of principal payments estimated to be required in each of the next five years and thereafter is as follows:

2022	\$ 866,202
2023	899,753
2024	899,045
2025	855,740
2026	772,608
Thereafter	732,320

See accompanying notes to the consolidated financial statements

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2021

9. Replacement reserves	<u>2021</u>	<u>2020</u>
North Haven Manor Cottages Phase I, II, III		
Balance, beginning	\$ 34,099	\$ 3,683
Add:		
Allocation for year	30,220	30,220
Contributions from Authority	<u>12,900</u>	<u>12,900</u>
	77,219	46,803
Less:		
Approved expenditures	<u>24,552</u>	<u>12,704</u>
Balance, ending	<u>52,667</u>	<u>34,099</u>
North Haven Manor Cottages Phase IV		
Balance, beginning	82,643	82,643
Less:		
Approved expenditures	<u>-</u>	<u>-</u>
Balance, ending	<u>82,643</u>	<u>82,643</u>
Valley Vista Cottages		
Balance, beginning	19,474	9,824
Add:		
Allocation for year	30,000	30,000
Interest	<u>28</u>	<u>-</u>
	49,502	39,824
Less:		
Approved expenditures	<u>15,620</u>	<u>20,350</u>
Balance, ending	<u>33,882</u>	<u>19,474</u>
Bonnews Lodge Apartment Complex		
Balance, beginning	62,400	62,400
Less:		
Approved expenditures	<u>-</u>	<u>-</u>
Balance, ending	<u>62,400</u>	<u>62,400</u>
	<u>\$ 231,592</u>	<u>\$ 198,616</u>
Funding		
Replacement reserve funds	\$ 86,549	\$ 53,573
Due from Newfoundland and Labrador Housing Corporation	<u>145,043</u>	<u>145,043</u>
	<u>\$ 231,592</u>	<u>\$ 198,616</u>

See accompanying notes to the consolidated financial statements

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2021

10. Tangible capital assets

March 31, 2021

Cost

Opening balance	\$ 532,675	\$ 1,212,046	\$87,026,149	\$144,175,653	\$ 3,683,077	\$ 236,629,600
Adjustment for Foundations	(33,134)	-	(119,141)	-	-	(152,275)
Additions	-	-	4,140,210	7,259,712	658,994	12,058,916
Disposals	-	-	-	-	453,568	453,568
Closing balance	499,541	1,212,046	91,047,218	151,435,365	3,888,503	248,082,673

Accumulated amortization

Opening balance	-	989,072	59,104,044	114,123,727	2,748,596	176,965,439
Adjustment for Foundations	-	-	(55,747)	-	-	(55,747)
Additions	-	11,149	1,253,690	4,494,444	314,734	6,074,017
Disposals	-	-	-	-	433,770	433,770
Closing balance	-	1,000,221	60,301,987	118,618,171	2,629,560	182,549,939
Net book value	\$ 499,541	\$ 211,825	\$30,745,231	\$32,817,194	\$ 1,258,943	\$ 65,532,734

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Central Regional Health Authority
Notes to the Consolidated Financial Statements

March 31, 2021

10. Tangible capital assets (cont'd.)

March 31, 2020

Cost	<u>Land</u>	<u>Land improvements</u>	<u>Building and service equipment</u>	<u>Equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
Opening balance	\$ 532,675	\$ 1,212,046	\$83,058,621	\$140,450,817	\$ 3,505,174	\$ 228,759,333
Additions	-	-	3,967,528	3,724,836	177,903	7,870,267
Disposals	-	-	-	-	-	-
Closing balance, as restated	<u>532,675</u>	<u>1,212,046</u>	<u>87,026,149</u>	<u>144,175,653</u>	<u>3,683,077</u>	<u>236,629,600</u>
Accumulated amortization						
Opening balance	-	977,336	57,883,310	109,843,496	2,514,977	171,219,119
Additions	-	11,736	1,220,734	4,280,231	233,619	5,746,320
Disposals	-	-	-	-	-	-
Closing balance, as restated	<u>-</u>	<u>989,072</u>	<u>59,104,044</u>	<u>114,123,727</u>	<u>2,748,596</u>	<u>176,965,439</u>
Net book value, as restated	<u>\$ 532,675</u>	<u>\$ 222,974</u>	<u>\$27,922,105</u>	<u>\$30,051,926</u>	<u>\$ 934,481</u>	<u>\$ 59,664,161</u>

Book value of capitalized items that have not been amortized is \$9,850,819 (2020- \$6,515,354).

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2021

11. Inventories	<u>2021</u>	<u>2020</u>
General stores	\$ 3,095,328	\$ 1,065,919
Drugs	<u>1,675,334</u>	<u>1,783,004</u>
	<u>\$ 4,770,662</u>	<u>\$ 2,848,923</u>

12. Prepaids	<u>2021</u>	<u>2020</u>
Operating		
Equipment maintenance	\$ 567,859	\$ 419,179
Malpractice and membership fees	6,440	12,588
General insurance	336,843	322,217
Municipal taxes	723,176	729,359
Other	<u>1,475,499</u>	<u>1,794,452</u>
	3,109,817	3,277,795
Municipal taxes		
North Haven Manor Cottage Units Phase I, II, III	53,288	60,410
North Haven Manor Cottage Units Phase IV	6,817	7,028
Valley Vista Cottages	36,895	37,889
South and Central Health Foundation	<u>-</u>	<u>1,579</u>
	<u>\$ 3,206,817</u>	<u>\$ 3,384,701</u>

13. Operating subsidies

The Authority has received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 56.1 of the National Housing Act to reduce operating costs. The amount of assistance received from Newfoundland and Labrador Housing Corporation in 2021 was \$Nil (2020 - \$34,263) for operating facilities and \$295,471 (2020 - \$358,549) for the Authority's Cottage operations.

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2021

14. Commitments

Operating leases

The Authority has a number of agreements whereby it leases property and equipment. These agreements range in terms from one to five years. These leases are accounted for as operating leases. Future minimum lease payments under operating leases are as follows:

2022	\$ 188,439
2023	158,932
2024	84,362
2025	60,189
2026	19,228

15. Contingencies

As of March 31, 2021 there were a number of legal claims against the Authority in varying amounts for which no provision has been made. It is not possible to determine the amounts, if any, that may ultimately be assessed against the Authority with respect to these claims, but management and the insurers believe any claims, if successful, will be covered by liability insurance.

16. Impacts of COVID-19

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

During the year, the organization had to manage many operational challenges due to the global pandemic. In response, Central Health reduced services several times throughout the year during high alert levels and setup numerous testing, assessment, and vaccination clinics throughout the region, as well as new COVID inpatient and ICU units in one of our acute care centers. Central Health was provided additional funding to help offset the extra costs of staffing, equipment and personal protective equipment requirements due to ongoing public health measures. A provincial warehouse was setup under Eastern Health for storing personal protective equipment. Central Health also had a small amount of COVID vaccine inventory on hand with costing unavailable at year end.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Authority for future periods.

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2021

17. Expenditures by object	<u>2021</u>	<u>2020</u>
Expenditure		
Salaries	\$ 195,880,267	\$ 202,290,850
Employee benefits	35,926,999	36,873,190
Supplies		
- plant operations and maintenance	6,109,740	6,680,531
- drugs	11,763,621	12,649,833
- medical and surgical	9,629,578	10,489,027
- other	13,518,162	10,496,129
Direct client costs - MHA, CS, HP, and CC	72,707,689	69,766,286
Other shareable expenses		
- sundry	11,722,064	9,341,977
- equipment expense	6,630,201	8,238,383
- contracted-out services	21,059,031	19,842,820
- building, grounds and equipment expense	11,791,194	10,927,696
Long-term debt - interest	193,940	223,307
Cottage operations	1,388,789	1,467,408
Foundations	-	1,206,746
	<u>\$ 398,321,275</u>	<u>\$ 400,494,183</u>

18. Financial instruments

The Authority, as part of its operations, carries a number of financial instruments. It is management's opinion the Authority is not exposed to significant interest, currency, liquidity or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values.

Central Regional Health Authority

Appendix

March 31, 2021

Financial Statement Appendix

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Central Regional Health Authority

Operating Statement of Financial Position

March 31

2021

2020

Financial assets

Cash (Note 3)		\$ 1,517,465
Receivables (Note 4)	\$ 17,886,202	12,832,537
Residents' trust funds held on deposit	704,526	649,363
Due from cottage operations and foundations - net	<u>425,366</u>	<u>691,826</u>
	<u>19,016,094</u>	<u>15,691,191</u>

Liabilities

Bank indebtedness (Note 3)	4,703,071	-
Payables and accruals (Note 5)	36,769,357	28,805,051
Employee future benefits		
Accrued vacation pay	18,162,729	14,786,490
Accrued severance pay	1,207,595	1,518,666
Accrued sick pay (Note 6)	18,619,508	18,432,950
Deferred grants (Note 7)	33,082,523	25,056,456
Long-term debt (Note 8)	4,715,910	5,487,614
Trust funds payable	704,526	649,363
J.M. Olds scholarship and library funds	<u>85,173</u>	<u>84,821</u>
	<u>118,050,392</u>	<u>94,821,411</u>

Net financial debt (99,034,298) (79,130,220)

Non-financial assets

Tangible capital assets	64,825,757	58,768,333
Deposits on tangible capital assets	83,225	126,615
Inventories (Note 11)	4,770,662	2,848,923
Prepays (Note 12)	<u>3,109,817</u>	<u>3,277,795</u>
	<u>72,789,461</u>	<u>65,021,666</u>

Accumulated deficit \$ (26,244,837) \$ (14,108,554)

Central Regional Health Authority

Operating Statement of Operations

Year ended March 31	Budget 2021	Actual 2021	Actual 2020
Revenue			
Provincial plan	\$ 340,501,886	\$ 340,501,886	\$ 342,235,621
Provincial capital grants	8,735,000	10,235,577	3,545,811
Other capital contributions	-	289,124	487,885
MCP	10,852,158	11,639,394	11,530,967
Inpatient	1,625,000	1,544,143	1,310,243
Outpatient	2,396,000	2,152,170	3,257,546
Resident	8,895,000	8,724,098	8,895,173
CMHC mortgage interest subsidy (Note 13)	35,000	-	34,263
Capital project funding	1,000,000	3,426,703	4,843,625
Recoveries - salaries	1,297,460	3,911,642	3,000,555
- services	655,000	537,139	654,489
- ambulance	294,000	290,661	291,716
- drugs	8,122,000	7,548,867	8,050,927
Other revenue	2,913,800	3,178,595	4,260,551
	<u>387,322,304</u>	<u>393,979,999</u>	<u>392,399,372</u>
Expenditure			
Administration	38,664,923	33,698,496	29,867,515
Community and social services	115,416,892	112,830,567	107,211,371
Support services	66,702,607	67,490,917	65,317,390
Nursing inpatient services	90,928,585	88,034,625	96,029,338
Ambulatory care services	25,861,671	25,858,693	27,814,289
Diagnostic and therapeutic services	49,392,477	46,636,608	48,490,947
Medical services	15,814,448	16,740,742	16,461,885
Educational services	1,112,734	1,006,719	1,375,532
Undistributed	1,200,239	4,635,121	5,251,762
	<u>405,094,576</u>	<u>396,932,488</u>	<u>397,820,029</u>
Deficit – shareable	<u>(17,772,272)</u>	<u>(2,952,489)</u>	<u>(5,420,657)</u>
Non-shareable items			
Gain on disposal of tangible capital assets	-	49,799	-
Amortization of tangible capital assets	(5,997,027)	(5,981,867)	(5,651,181)
Accrued vacation pay – increase	-	(3,376,239)	(920,305)
Accrued severance pay – decrease	500,000	311,071	10,067,682
Accrued sick pay – increase	(250,000)	(186,558)	(275,994)
	<u>(5,747,027)</u>	<u>(9,183,794)</u>	<u>3,220,202</u>
Deficit - shareable and non-shareable	<u>(23,519,299)</u>	<u>(12,136,283)</u>	<u>(2,200,455)</u>
Accumulated deficit			
Beginning of year	<u>(14,108,554)</u>	<u>(14,108,554)</u>	<u>(11,908,099)</u>
End of year	<u>\$ (37,627,853)</u>	<u>\$ (26,244,837)</u>	<u>\$ (14,108,554)</u>

Central Regional Health Authority

Operating Statement of Changes in Net Financial Debt

Year ended March 31

2021

2020

Net debt - beginning of year	<u>\$ (79,130,220)</u>	<u>\$ (75,154,162)</u>
Deficit	<u>(12,136,283)</u>	<u>(2,200,455)</u>
Changes in tangible capital assets		
Acquisition of tangible capital assets	(12,058,917)	(7,870,265)
Amortization of tangible capital assets	5,981,865	5,651,181
Gain on disposal of tangible capital assets	(49,799)	-
Proceeds on disposal of tangible capital assets	69,426	-
Decrease in deposits on tangible capital assets	<u>43,391</u>	<u>45,676</u>
Increase in net book value of tangible capital assets	<u>(6,014,034)</u>	<u>(2,173,408)</u>
Changes in other non-financial assets		
Decrease in prepaids	167,978	743,471
Increase in inventories	<u>(1,921,739)</u>	<u>(345,666)</u>
(Increase) decrease in other non-financial assets	<u>(1,753,761)</u>	<u>397,805</u>
Increase in net debt	<u>(19,904,078)</u>	<u>(3,976,058)</u>
Net debt - end of year	<u>\$ (99,034,298)</u>	<u>\$ (79,130,220)</u>

Central Regional Health Authority

Operating Statement of Cash Flows

Year ended March 31

2021

2020

Operations

Deficit	\$ (12,136,283)	\$ (2,200,455)
Amortization	5,981,865	5,651,181
Gain on disposal on tangible capital assets	<u>(49,799)</u>	<u>-</u>

(6,204,217) 3,450,726

Changes in

Receivables	(5,053,665)	541,516
Due from cottage operations and Foundations	266,460	17,561
Payables and accruals	7,964,306	(775,422)
Accrued vacation pay	3,376,239	920,304
Accrued severance pay	(311,071)	(10,067,682)
Accrued sick pay	186,558	275,994
Deferred grants	8,026,067	1,985,113
Inventories	(1,921,739)	(345,666)
Prepays	<u>167,978</u>	<u>743,472</u>

Net cash provided from (applied to) operations 6,496,916 (3,254,084)

Financing

Repayment of long-term debt	(771,704)	(911,271)
Net change in J.M. Olds funds	<u>352</u>	<u>595</u>

Net cash applied to financing (771,352) (910,676)

Investing

Acquisition of tangible capital assets	(12,058,917)	(7,870,267)
Decrease in deposits on tangible capital assets	43,391	45,676
Proceeds from disposal of tangible capital assets	<u>69,426</u>	<u>-</u>

Net cash applied to investing (11,946,100) (7,824,591)

Net decrease in cash (6,220,536) (11,989,351)

Cash, net of bank indebtedness

Beginning 1,517,465 13,506,816

Ending (Note 3) \$ (4,703,071) \$ 1,517,465

Central Regional Health Authority
 North Haven Manor Cottages Phase I, II, III
 Statement of Financial Position

March 31	2021	2020
Financial assets		
Cash (Note 3)	\$ 255,062	\$ 138,480
Receivables (Note 4)	15	2,477
Cash restricted for security deposits	29,132	27,570
Replacement reserve funding (Note 9)	<u>52,667</u>	<u>34,099</u>
	<u>336,876</u>	<u>202,626</u>
Liabilities		
Payables and accruals (Note 5)	1,800	1,800
Deferred revenue	-	9,808
Due to Central Regional Health Authority	216,321	183,278
Security deposit liability	29,132	27,570
Replacement reserves (Note 9)	<u>52,667</u>	<u>34,099</u>
	<u>299,920</u>	<u>256,555</u>
Net financial surplus (debt)	<u>36,956</u>	<u>(53,929)</u>
Non-financial assets		
Tangible capital assets	355,236	373,208
Prepays (Note 12)	<u>53,288</u>	<u>60,410</u>
	<u>408,524</u>	<u>433,618</u>
Accumulated surplus	<u>\$ 445,480</u>	<u>\$ 379,689</u>

Central Regional Health Authority
 North Haven Manor Cottages Phase I, II, III
 Statement of Operations

Year ended March 31	Budget 2021	Actual 2021	Actual 2020
Revenue			
Rentals	\$ 561,420	\$ 537,439	\$ 522,762
NLHC subsidy (Note 13)	<u>117,660</u>	<u>121,142</u>	<u>117,893</u>
	<u>679,080</u>	<u>658,581</u>	<u>640,655</u>
Expenditure			
Administration	9,300	9,300	9,300
Allocation to replacement reserve	30,220	30,220	30,220
Amortization	17,972	17,972	18,941
Heat and light	169,000	143,484	167,481
Insurance	8,300	9,143	10,538
Municipal taxes	73,100	77,848	76,164
Office	500	512	587
Professional fees	2,400	2,400	2,400
Repairs and maintenance	182,393	122,456	131,999
Salaries and benefits	140,395	125,207	95,904
Snowclearing	42,500	51,128	42,500
Telephone	<u>3,000</u>	<u>3,120</u>	<u>3,000</u>
	<u>679,080</u>	<u>592,790</u>	<u>589,034</u>
Annual surplus	\$ -	65,791	51,621
Accumulated surplus			
Beginning of year		<u>379,689</u>	<u>328,068</u>
End of year		<u>\$ 445,480</u>	<u>\$ 379,689</u>

Central Regional Health Authority
 North Haven Manor Cottages Phase I, II, III
 Statement of Changes in Net Financial Debt

Year ended March 31	2021	2020
Net debt - beginning of year	\$ (53,929)	\$ (121,086)
Annual surplus	65,791	51,621
Changes in tangible capital assets		
Amortization of tangible capital assets	17,972	18,941
Decrease in net book value of tangible capital assets	17,972	18,941
Changes in non-financial assets		
Increase in prepaids	7,122	(3,405)
Increase in other non-financial assets	7,122	(3,405)
Decrease in net debt	90,885	67,157
Net surplus (debt) - end of year	\$ 36,956	\$ (53,929)

Central Regional Health Authority
 North Haven Manor Cottages Phase I, II, III
 Statement of Cash Flows

Year ended March 31

2021

2020

Operations

Annual surplus	\$ 65,791	\$ 51,621
Amortization	<u>17,972</u>	<u>18,941</u>

	83,763	70,562
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Changes in		
Receivables	2,462	(2,477)
Deferred revenue	(9,808)	(270)
Due to Central Regional Health Authority	33,043	(148,612)
Prepays	<u>7,122</u>	<u>(3,405)</u>

Net cash provided from (applied to) operations	<u>116,582</u>	<u>(84,202)</u>
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Net increase (decrease) in cash	116,582	(84,202)
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Cash

Beginning	<u>138,480</u>	<u>222,682</u>
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Ending (Note 3)	<u>\$ 255,062</u>	<u>\$ 138,480</u>
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Central Regional Health Authority
 North Haven Manor Cottages Phase IV
 Statement of Financial Position

March 31	2021	2020
Financial assets		
Cash (Note 3)	\$ 39,102	\$ 10,352
Receivables (Note 4)	234	4,920
Cash restricted for security deposits	1,429	1,422
Replacement reserve funding (Note 9)	<u>82,643</u>	<u>82,643</u>
	<u>123,408</u>	<u>99,337</u>
Liabilities		
Payables and accruals (Note 5)	16,109	4,485
Due to Central Regional Health Authority	30,013	17,784
Long-term debt (Note 8)	152,234	185,713
Security deposit liability	1,429	1,422
Replacement reserve (Note 8)	<u>82,643</u>	<u>82,643</u>
	<u>282,428</u>	<u>292,047</u>
Net financial debt	<u>(159,020)</u>	<u>(192,710)</u>
Non-financial assets		
Tangible capital assets	167,203	200,682
Prepays (Note 12)	<u>6,817</u>	<u>7,028</u>
	<u>174,020</u>	<u>207,710</u>
Accumulated surplus	<u>\$ 15,000</u>	<u>\$ 15,000</u>

Central Regional Health Authority
 North Haven Manor Cottages Phase IV
 Statement of Operations

Year ended March 31	Budget 2021	Actual 2021	Actual 2020
Revenue			
Rentals	\$ 50,184	\$ 52,316	\$ 50,093
NLHC subsidy (Note 13)	<u>59,689</u>	<u>50,023</u>	<u>96,678</u>
	<u>109,873</u>	<u>102,339</u>	<u>146,771</u>
Expenditure			
Administration	3,600	3,600	3,600
Amortization	33,479	33,479	32,287
Heat and light	19,350	16,664	18,005
Insurance	1,212	1,052	1,212
Mortgage interest	3,069	3,019	3,631
Municipal taxes	9,328	9,259	8,935
Office supplies	400	400	1,000
Professional fees	1,620	1,620	1,620
Repairs and maintenance	15,420	9,562	56,388
Salaries and benefits	11,535	10,597	8,653
Snowclearing	10,500	12,607	10,500
Telephone	<u>360</u>	<u>480</u>	<u>360</u>
	<u>109,873</u>	<u>102,339</u>	<u>146,771</u>
Annual surplus	\$ -	-	-
Accumulated surplus			
Beginning of year		<u>15,000</u>	<u>15,000</u>
End of year		<u>\$ 15,000</u>	<u>\$ 15,000</u>

Central Regional Health Authority
 North Haven Manor Cottages Phase IV
 Statement of Changes in Net Financial Debt

Year ended March 31	2021	2020
Net debt, beginning of year	\$ (192,710)	\$ (225,185)
Annual surplus	-	-
Changes in tangible capital assets		
Amortization of tangible capital assets	<u>33,479</u>	<u>32,867</u>
Decrease in net book value of tangible capital assets	<u>33,479</u>	<u>32,867</u>
Changes in non-financial assets		
Decrease (increase) in prepaids	<u>211</u>	<u>(392)</u>
Decrease (increase) in non-financial assets	<u>211</u>	<u>(392)</u>
Decrease in net debt	<u>33,690</u>	<u>32,475</u>
Net debt, end of year	<u>\$ (159,020)</u>	<u>\$ (192,710)</u>

Central Regional Health Authority
 North Haven Manor Cottages Phase IV
 Statement of Cash Flows

Year ended March 31

2021

2020

Operations

Amortization	\$ <u>33,479</u>	\$ <u>32,867</u>
Changes in		
Receivables	4,686	2,240
Prepays	211	(392)
Payables and accruals	11,624	(8,001)
Due to Central Regional Health Authority	<u>12,229</u>	<u>(15,374)</u>

Net cash provided from operations

62,229 11,340

Financing

Repayment of long-term debt	<u>(33,479)</u>	<u>(32,867)</u>
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Net cash applied to financing

(33,479) (32,867)

Net increase (decrease) in cash

28,750 (21,527)

Cash

Beginning	<u>10,352</u>	<u>31,879</u>
Ending (Note 3)	<u>\$ 39,102</u>	<u>\$ 10,352</u>

Central Regional Health Authority
Valley Vista Cottages
Statement of Financial Position

March 31	2021	2020
Financial assets		
Cash (Note 3)	\$ 77,089	\$ 19,135
Receivables (Note 4)	355	-
Cash restricted for security deposits	26,243	26,253
Replacement reserve funding (Note 9)	<u>33,882</u>	<u>19,474</u>
	<u>137,569</u>	<u>64,862</u>
Liabilities		
Payables and accruals (Note 5)	1,500	1,500
Due to Central Regional Health Authority	160,463	179,271
Security deposit liability	26,243	26,253
Replacement reserves (Note 9)	<u>33,882</u>	<u>19,474</u>
	<u>222,088</u>	<u>226,498</u>
Net financial debt	<u>(84,519)</u>	<u>(161,636)</u>
Non-financial assets		
Tangible capital assets	27,014	27,014
Prepays (Note 12)	<u>36,895</u>	<u>37,889</u>
	<u>63,909</u>	<u>64,903</u>
Accumulated deficit	<u>\$ (20,610)</u>	<u>\$ (96,733)</u>

Central Regional Health Authority
Valley Vista Cottages

Statement of Operations

Year ended March 31

Budget
2021

Actual
2021

Actual
2020

Revenue

Rentals	\$ 563,300	\$ 572,177	\$ 558,437
---------	------------	------------	------------

Expenditure

Allocation to replacement reserve	30,000	30,000	30,000
Bad debts	-	-	8,952
Cable television	24,000	22,120	21,434
Heat and light	150,000	121,362	135,640
Insurance	11,400	9,970	11,169
Lawn care	8,500	4,465	5,080
Municipal taxes	55,000	49,963	50,288
Office	1,000	879	886
Professional fees	2,400	2,400	2,400
Repairs and maintenance	195,000	145,264	175,253
Salaries and benefits	70,000	72,328	64,594
Snow clearing	16,000	37,304	12,300

	563,300	496,055	517,996
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Annual surplus

\$ -	76,122	40,441
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Accumulated deficit

Beginning of year	(96,733)	(137,174)
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End of year	\$ (20,611)	\$ (96,733)
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Central Regional Health Authority
Valley Vista Cottages
Statement of Changes in Net Financial Debt

Year ended March 31	2021	2020
Net debt - beginning of year	\$ (161,636)	\$ (202,075)
Annual surplus	76,122	40,441
Changes in non-financial assets		
Decrease (increase) in prepaids	995	(2)
Decrease (increase) in non-financial assets	995	(2)
Decrease in net debt	77,117	40,439
Net debt - end of year	\$ (84,519)	\$ (161,636)

Central Regional Health Authority
Valley Vista Cottages
Statement of Cash Flows

Year ended March 31

2021

2020

Operations

Annual surplus	\$ 76,122	\$ 40,441
Changes in		
Receivables	(355)	-
Prepays	995	(2)
Due to Central Regional Health Authority	<u>(18,808)</u>	<u>(40,088)</u>

Net cash provided from operations

57,954 351

Net increase (decrease) in cash

57,954 351

Cash

Beginning	<u>19,135</u>	<u>18,784</u>
Ending (Note 3)	<u>\$ 77,089</u>	<u>\$ 19,135</u>

Central Regional Health Authority
Bonnews Lodge Apartment Complex
Statement of Financial Position

March 31	2021	2020
Financial assets		
Receivables (Note 4)	\$ 31,713	\$ 55,881
Replacement reserve funding (Note 9)	<u>62,400</u>	<u>62,400</u>
	<u>94,113</u>	<u>118,281</u>
Liabilities		
Payables and accruals (Note 5)	13,144	4,459
Long-term debt (Note 8)	157,524	198,396
Due to Central Regional Health Authority	18,569	51,422
Replacement reserve (Note 9)	<u>62,400</u>	<u>62,400</u>
	<u>251,637</u>	<u>316,677</u>
Net financial debt	<u>(157,524)</u>	<u>(198,396)</u>
Non-financial assets		
Tangible capital assets	<u>157,524</u>	<u>198,396</u>
Accumulated surplus	<u>\$ -</u>	<u>\$ -</u>

Central Regional Health Authority
Bonnews Lodge Apartment Complex
Statement of Operations

Year ended March 31	Budget 2021	Actual 2021	Actual 2020
Revenue			
Rentals	\$ 66,780	\$ 65,302	\$ 61,578
NLHC subsidy (Note 13)	99,376	124,306	143,978
Surcharges - utilities	3,120	3,060	3,080
- laundry	1,440	1,410	1,420
- other	3,325	3,525	3,550
	<u>174,041</u>	<u>197,603</u>	<u>213,606</u>
Expenditure			
Administration allowance	14,765	10,919	9,648
Amortization	40,872	40,872	39,993
Fire and safety	1,630	1,431	1,376
Heat and light	24,150	22,869	24,710
Insurance	2,889	2,888	2,280
Mortgage interest	3,825	3,752	4,631
Municipal taxes	9,024	9,900	9,900
Professional fees	2,400	2,400	2,400
Repairs and maintenance	54,736	82,822	98,918
Snowclearing	19,750	19,750	19,750
	<u>174,041</u>	<u>197,603</u>	<u>213,606</u>
Annual surplus	\$ -	-	-
Accumulated surplus			
Beginning of year		-	-
End of year		<u>\$ -</u>	<u>\$ -</u>

Central Regional Health Authority
 Bonnews Lodge Apartment Complex
 Statement of Changes in Net Financial Debt

Year ended March 31

2021

2020

Net debt - beginning of year	\$ (198,396)	\$ (238,389)
Annual surplus	-	-
Changes in tangible capital assets		
Amortization of tangible capital assets	<u>40,872</u>	<u>39,993</u>
Decrease in net book value of tangible capital assets	<u>40,872</u>	<u>39,993</u>
Decrease in net debt	<u>40,872</u>	<u>39,993</u>
Net debt - end of year	<u>\$ (157,524)</u>	<u>\$ (198,396)</u>

Central Regional Health Authority
Bonnews Lodge Apartment Complex
Statement of Cash Flows

Year ended March 31

2021

2020

Operations

Amortization	\$ <u>40,872</u>	\$ <u>39,993</u>
	40,872	39,993
Changes in		
Receivables	24,168	(28,195)
Payables and accruals	8,685	(2,581)
Due from Central Regional Health Authority	<u>(32,853)</u>	<u>30,776</u>

Net cash provided from operations

40,872 39,993

Financing

Repayment of long-term debt	<u>(40,872)</u>	<u>(39,993)</u>
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Net cash applied to financing

(40,872) (39,993)

Net increase in cash

- -

Cash

Beginning	<u>-</u>	<u>-</u>
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Ending (Note 3)	<u>\$ -</u>	<u>\$ -</u>
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Supplementary Financial Information

Central Regional Health Authority

March 31, 2021

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Independent Auditors' Comments on Supplementary Financial Information

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To the Board of Trustees of the
Central Regional Health Authority

The accompanying supplementary financial information, which comprise the expenditures – operating/shareable, revenue and expenditure for government reporting – operating, funding and capital expenditure for government reporting – capital, reconciliation of accumulated operating deficit for government reporting, accumulated operating deficit for government reporting, deferred revenue for Early Childhood Development (ECD) and deferred operating revenue as at March 31, 2021 and the year then ended are derived from the audited consolidated financial statements of Central Regional Health Authority as at March 31, 2021. We expressed an unmodified audit opinion on those financial statements in our report dated June 29, 2021.

The supplementary financial information does not contain all the disclosures required by Canadian public sector accounting standards. Reading the supplementary financial information, therefore, is not a substitute for reading the audited consolidated financial statements of Central Regional Health Authority.

Management's responsibility for the supplementary financial information

Management is responsible for the preparation of the supplementary financial information of the audited consolidated financial statements of Central Regional Health Authority.

Auditors' responsibility

Our responsibility is to express an opinion on the supplementary financial information based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the supplementary financial information derived from the audited consolidated financial statements of Central Regional Health Authority for the year ended March 31, 2021 are a fair summary of those financial statements.



Chartered Professional Accountants

St. John's, Canada
June 29, 2021

Central Regional Health Authority
Revenue and Expenditure for Government Reporting - Operating
Schedule 1

Year ended March 31

2021

2020

Administration

General administration	\$ 11,782,054	\$ 10,689,292
Finance	4,120,653	3,964,536
Personnel services	3,862,641	3,926,676
Systems support	67,964	4,447,757
Other	<u>13,865,184</u>	<u>6,839,254</u>
	<u>33,698,496</u>	<u>29,867,515</u>

Community and social services

Mental health and addictions	11,493,785	10,755,519
Community support	95,420,126	90,388,544
Health promotion and protection	<u>5,916,656</u>	<u>6,067,308</u>
	<u>112,830,567</u>	<u>107,211,371</u>

Support services

Housekeeping	10,076,011	9,010,625
Laundry and linen	2,290,558	2,272,694
Plant services	21,362,993	20,602,133
Patient food services	13,220,421	13,283,962
Other	<u>20,540,934</u>	<u>20,147,976</u>
	<u>67,490,917</u>	<u>65,317,390</u>

Nursing inpatient services

Acute care	50,355,351	57,999,967
Long-term care	<u>37,679,274</u>	<u>38,029,371</u>
	<u>88,034,625</u>	<u>96,029,338</u>

Ambulatory care services

	<u>25,858,693</u>	<u>27,814,289</u>
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Diagnostic and therapeutic services

Clinical laboratory	14,598,075	14,548,873
Diagnostic imaging	9,792,040	10,515,914
Other	<u>22,246,493</u>	<u>23,426,160</u>
	<u>46,636,608</u>	<u>48,490,947</u>

Medical services

	<u>16,740,742</u>	<u>16,461,885</u>
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Education

	<u>1,006,719</u>	<u>1,375,532</u>
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Undistributed

Capital projects	3,262,725	4,066,474
Municipal taxes	917,631	904,554
Bad debts	<u>454,765</u>	<u>280,734</u>
	<u>4,635,121</u>	<u>5,251,762</u>

\$ 396,932,488 \$ 397,820,029

Central Regional Health Authority

Revenue and Expenditure for Government Reporting - Operating Schedule 2

Year ended March 31

2021

2020

Revenue

Provincial plan	\$ 340,501,886	\$ 342,235,621
Capital equipment grants	10,235,577	3,545,811
Other capital contributions	289,124	487,885
MCP	11,639,394	11,530,967
Inpatient	1,544,143	1,310,243
Outpatient	2,152,170	3,257,546
Resident	8,724,098	8,895,173
Mortgage interest subsidy	-	34,263
Capital project funding	3,426,703	4,843,625
Recoveries - salaries	3,911,642	3,000,555
- services	537,139	654,489
- ambulance	290,661	291,717
- drugs	7,548,867	8,050,928
Other revenue	3,178,595	4,260,550
	<u>393,979,999</u>	<u>392,399,373</u>

Expenditures

Salaries	195,880,269	202,290,850
Employee benefits	35,926,999	36,873,190
Supplies - plant operations and maintenance	6,109,740	6,680,531
- drugs	11,763,621	12,649,833
- medical and surgical	9,629,578	10,489,027
- other	13,518,162	10,496,129
Direct client costs - MHA, CS, HP, and CC	72,707,689	69,766,286
Other shareable expenses		
- sundry	11,722,064	9,341,977
- equipment expense	6,630,201	8,238,383
- contracted-out services	21,059,031	19,842,820
- building, grounds and equipment expense	11,791,194	10,927,696
Long-term debt - interest	193,940	223,307
- principal	771,703	911,271
	<u>397,704,191</u>	<u>398,731,300</u>
	(3,724,192)	(6,331,927)

Capital equipment grants	(10,235,577)	(3,545,811)
Other capital contributions	(289,124)	(487,885)
Deficit for government reporting	(14,248,893)	(10,365,623)
Long-term debt principal	771,703	911,271
Deficit before non-shareable items	<u>\$ (13,477,190)</u>	<u>\$ (9,454,352)</u>

Central Regional Health Authority
Revenue and Expenditure for Government Reporting - Operating
Schedule 2

Year ended March 31

2021

2020

Deficit before non-shareable items (cont'd.)	<u>\$ (13,477,190)</u>	<u>\$ (9,454,352)</u>
Non-shareable items		
Gain on disposal of capital assets	49,799	-
Capital equipment grants	10,235,577	3,545,811
Other capital contributions	289,124	487,885
Amortization of capital assets	(5,981,867)	(5,651,181)
Accrued vacation pay – increase	(3,376,239)	(920,306)
Accrued severance pay – increase	311,071	10,067,682
Accrued sick pay – increase	<u>(186,558)</u>	<u>(275,994)</u>
	<u>1,341,079</u>	<u>7,253,897</u>
Deficit	<u>\$ (12,136,283)</u>	<u>\$ (2,200,455)</u>

Central Regional Health Authority

Funding and Expenditure for Government Reporting - Capital

Schedule 3

Year ended March 31

2021

2020

Source of funds

Deferred capital grants from prior year		
Capital equipment	\$ 4,994,780	\$ 5,554,561
Capital projects	<u>11,715,763</u>	<u>13,006,732</u>
	16,710,543	18,561,293
Provincial grants in current year		
Capital equipment	11,295,137	3,110,300
Capital projects	7,520,000	6,646,539
Construction in progress	1,036,249	266,224
Capital grant reallocated to operating fund for		
Minor equipment purchased	(138,800)	(542,033)
Renovation and repair projects	(3,250,948)	(4,011,530)
Transfers from other projects	(908,696)	-
Deferred capital grants from current year		
Capital equipment	(9,282,898)	(4,994,780)
Capital projects	(11,234,295)	(11,715,763)
Provincial funding used in current year	11,746,292	7,320,250
Other contributions		
Health foundation donations	289,124	487,885
Other	23,501	62,132
Total funding	<u>12,058,917</u>	<u>7,870,267</u>
Expenditure		
Capital assets	7,918,707	3,902,739
Construction in progress	<u>4,140,210</u>	<u>3,967,528</u>
Total expenditure	<u>12,058,917</u>	<u>7,870,267</u>
Deficit on capital purchases	\$ -	\$ -

Central Regional Health Authority
Reconciliation of Accumulated Operating Deficit for
Government Reporting
Schedule 4A

Year ended March 31	2021	2020
Current assets		
Cash	\$ -	\$ 1,517,465
Receivables	17,886,202	12,832,537
Due from cottage operations and foundations	425,366	691,826
Inventory	4,770,662	2,848,923
Prepaid expenses	<u>3,109,817</u>	<u>3,277,795</u>
Total current assets	<u>26,192,047</u>	<u>21,168,546</u>
Current liabilities		
Bank overdraft	4,703,071	-
Payables and accruals	36,769,357	28,805,051
Deferred grants and donations	<u>33,082,523</u>	<u>25,056,456</u>
	<u>74,554,951</u>	<u>53,861,507</u>
Accumulated deficit	<u>\$ (48,362,904)</u>	<u>\$ (32,692,961)</u>
Reconciliation of accumulated operating deficit		
Balance, beginning	\$ (32,692,961)	\$ (18,537,039)
Deficit for government reporting	(14,248,893)	(10,365,623)
Deposits on capital assets	43,391	45,676
Construction in progress	(3,335,469)	(3,836,570)
P3 equipment purchased by department	1,801,250	-
Proceeds from disposal of capital assets	69,426	-
J. M. Olds funds spent - net	<u>352</u>	<u>595</u>
Balance, ending	<u>\$ (48,362,904)</u>	<u>\$ (32,692,961)</u>

Central Regional Health Authority
Accumulated Operating Deficit for Government Reporting
Schedule 4B

Year ended March 31

2021

2020

**Accumulated operating deficit – end of year
per Schedule 4A**

\$ (48,362,904) \$ (32,692,961)

Adjustments

Add

Capital assets	54,974,938	52,252,979
Construction in progress	9,850,819	6,515,354
Deposits on capital assets	83,225	126,615

16,546,078 26,201,987

Less

Accrued vacation pay	(18,162,729)	(14,786,490)
Accrued severance pay	(1,207,595)	(1,518,666)
Accrued sick pay	(18,619,508)	(18,432,950)
Long-term debt	(4,715,910)	(5,487,614)
J.M. Olds scholarship and library funds	(85,173)	(84,821)

(42,790,915) (40,310,541)

**Accumulated deficit per operating statement of
financial position**

\$ (26,244,837) \$ (14,108,554)

Central Regional Health Authority
Deferred Operating Revenue
Schedule 6

Year ended March 31	2021	2020
Deferred operating grants	\$ 3,303,480	\$ 1,465,227
Other deferred revenue (various accounts)	<u>30,827</u>	<u>30,527</u>
	<u>\$ 3,334,307</u>	<u>\$ 1,495,754</u>
