



Consolidated Financial Statements

Central Regional Health Authority

March 31, 2023

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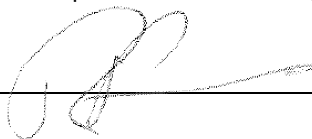
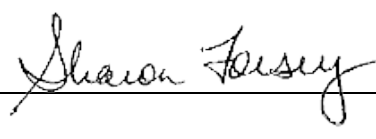
Statement of responsibility

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.

 Chair  Director

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, 2023, 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, 2023, 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 25-45 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
July 13, 2023

Grant Thornton LLP

Chartered Professional Accountants

Central Regional Health Authority

Consolidated Statement of Financial Position

March 31

2023

2022

Financial assets

Receivables (Note 4)	\$ 13,071,372	\$ 15,025,999
Residents' trust funds held on deposit	544,804	639,412
Cash restricted for security deposits	63,671	60,289
Replacement reserve funding (Note 9)	<u>272,949</u>	<u>258,181</u>
	<u>13,952,797</u>	<u>15,983,881</u>

Liabilities

Bank indebtedness (Note 3)	34,939,938	5,837,002
Payables and accruals (Note 5)	42,173,999	41,965,355
Employee future benefits		
Accrued vacation pay	20,860,401	20,761,864
Accrued severance pay	264,274	1,229,377
Accrued sick pay (Note 6)	19,372,141	19,010,016
Deferred grants and revenue (Note 7)	30,651,861	28,687,884
Long-term debt (Note 8)	3,241,100	4,157,373
Asset retirement obligation (Note 16)	6,741,125	-
Trust funds payable	544,804	639,412
Security deposits liability	63,671	60,289
Replacement reserves (Note 9)	272,949	258,181
J.M. Olds scholarship and library funds	<u>88,474</u>	<u>86,314</u>
	<u>159,214,737</u>	<u>122,693,067</u>

Net financial debt

(145,261,940) (106,709,186)

Non-financial assets

Tangible capital assets (Note 10)	73,782,308	69,157,369
Deposits on tangible capital assets	2,879,581	-
Inventories (Note 11)	3,531,080	3,591,114
Prepays (Note 12)	<u>4,403,780</u>	<u>2,841,294</u>
	<u>84,596,749</u>	<u>75,589,777</u>

Accumulated deficit

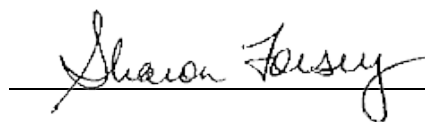
\$ (60,665,191) \$ (31,119,409)

Commitments (Note 14)
Contingencies (Note 15)
Subsequent event (Note 19)

On behalf of the Board



Trustee



Trustee

See accompanying notes to the consolidated financial statements

Central Regional Health Authority

Consolidated Statement of Operations

Year ended March 31	Budget 2023	Actual 2023	Actual 2022
Revenue			
Provincial plan operating	\$ 392,606,300	\$ 401,193,917	\$ 380,537,945
Provincial capital grants	8,034,000	7,281,083	16,373,456
Other capital contributions	-	406,676	465,320
MCP	12,284,704	11,640,961	10,903,667
Patient-resident services	12,862,000	13,519,756	13,222,573
Capital project funding	1,000,000	6,156,813	5,511,947
Recoveries	10,332,460	12,998,739	12,089,218
Cottage operations	1,552,702	1,543,788	1,470,574
Other revenue	1,877,000	2,641,445	2,955,453
	<u>440,549,166</u>	<u>457,383,178</u>	<u>443,530,153</u>
Expenditure			
Administration	34,724,938	39,260,018	48,216,971
Community and social services	119,554,520	121,077,939	119,012,139
Support services	75,913,057	84,812,725	74,350,014
Nursing inpatient services	102,613,551	111,931,338	94,775,988
Ambulatory care services	27,007,947	31,313,740	27,900,296
Diagnostic and therapeutic services	53,164,148	56,402,710	50,670,471
Medical services	15,748,704	19,998,989	15,960,993
Educational services	829,822	711,510	789,825
Undistributed	1,292,600	6,698,325	5,753,444
Cottage, operations, including amortization of \$93,525 (2022 - \$92,878)	1,552,702	1,551,533	1,460,557
	<u>432,401,989</u>	<u>473,758,827</u>	<u>438,890,698</u>
Surplus (deficit) – shareable	<u>8,147,177</u>	<u>(16,375,649)</u>	<u>4,639,455</u>
Non-shareable items			
Gain (loss) on disposal of tangible capital assets	-	145,005	(15,457)
Amortization of tangible capital assets	(6,594,282)	(7,078,455)	(6,927,015)
Accrued vacation pay – increase	(500,000)	(98,537)	(2,599,135)
Accrued severance pay – decrease (increase)	-	965,104	(21,782)
Accrued sick pay – increase	(500,000)	(362,125)	(390,508)
	<u>(7,594,282)</u>	<u>(6,429,008)</u>	<u>(9,953,897)</u>
Deficit			
- shareable and non-shareable	552,895	(22,804,657)	(5,314,442)
Accumulated deficit			
Beginning of year	(31,119,409)	(31,119,409)	(25,804,967)
Asset retirement obligation (Note 16)	-	(6,741,125)	-
	<u>(31,119,409)</u>	<u>(37,860,534)</u>	<u>(25,804,967)</u>
End of year	<u>(30,566,514)</u>	<u>\$ (60,665,191)</u>	<u>\$ (31,119,409)</u>

See accompanying notes to the consolidated financial statements

Central Regional Health Authority

Consolidated Statement of Changes in Net Financial Debt

March 31	Budget 2023	Actual 2023	Actual 2022
Net debt - beginning of year	\$(106,709,186)	\$(106,709,186)	\$ (99,398,405)
Deficit	<u>552,895</u>	<u>(22,804,657)</u>	<u>(5,314,442)</u>
Changes in tangible capital assets			
Acquisition of tangible capital assets	(8,034,000)	(11,836,652)	(10,660,208)
Amortization of tangible capital assets	6,594,282	7,171,980	7,020,116
(Gain) loss on disposal of tangible capital assets	-	(145,005)	15,457
Proceeds on disposal of tangible capital assets	-	184,738	-
(Increase) decrease in deposits on tangible capital assets	<u>-</u>	<u>(2,879,582)</u>	<u>83,225</u>
Decrease (increase) in net book value of tangible capital assets	<u>(1,439,718)</u>	<u>(7,504,520)</u>	<u>(3,541,410)</u>
Changes in non-financial assets			
Decrease in inventories	-	60,034	1,179,548
(Increase) decrease in prepaids	<u>-</u>	<u>(1,562,486)</u>	<u>365,523</u>
Decrease (increase) in non-financial assets	<u>-</u>	<u>(1,502,452)</u>	<u>1,545,071</u>
Increase in net debt	<u>(886,823)</u>	<u>(31,811,630)</u>	<u>(7,310,781)</u>
Asset retirement obligation	<u>-</u>	<u>(6,741,125)</u>	<u>-</u>
Net debt, end of year	<u>\$(107,596,009)</u>	<u>\$(145,261,940)</u>	<u>\$(106,709,186)</u>

See accompanying notes to the consolidated financial statements

Central Regional Health Authority

Consolidated Statement of Cash Flows

Year ended March 31

2023

2022

Operations

Deficit	\$ (22,804,657)	\$ (5,314,442)
Amortization	7,171,980	7,020,116
Gain on disposal of tangible capital assets	<u>(145,005)</u>	<u>15,457</u>

(15,777,682) 1,721,131

Changes in

Receivables	1,954,627	2,892,520
Payables and accruals	208,644	5,163,445
Accrued vacation pay	98,537	2,599,135
Accrued severance pay	(965,103)	21,782
Accrued sick pay	362,125	390,508
Deferred grants	1,963,977	(4,394,639)
Inventories	60,034	1,179,548
Prepays	<u>(1,562,486)</u>	<u>365,523</u>

Net cash provided from operations

(13,657,327) 9,938,953

Financing

Repayment of long-term debt	(916,273)	(868,295)
Net change in J.M. Olds funds	<u>2,160</u>	<u>1,141</u>

Net cash applied to financing

(914,113) (867,154)

Investing

Acquisition of tangible capital assets	(11,836,652)	(10,660,208)
(Increase) decrease in deposits on tangible capital assets	(2,879,582)	83,225
Proceeds on disposal of tangible capital assets	<u>184,738</u>	<u>-</u>

Net cash applied to investing

(14,531,496) (10,576,983)

Net decrease in cash

(29,102,936) (1,505,184)

Cash, net of bank indebtedness:

Beginning	<u>(5,837,002)</u>	<u>(4,331,818)</u>
Ending (Note 3)	<u>\$ (34,939,938)</u>	<u>\$ (5,837,002)</u>

See accompanying notes to the consolidated financial statements

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2023

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

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.

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, allowance for doubtful receivables and asset retirement obligations.

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.

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2022

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

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.

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2023

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 pay out 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. Inventories are recorded at the lower of cost and net realizable value.

General stores	Average cost
Drugs	First-in, first-out

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 – 33.3%
Motor vehicles	20.0%

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2023

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

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.

Asset retirement obligations

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

A liability for the removal of asbestos in several of the buildings owned by the Entity has been recognized based on estimated future expenses on closure of the site and post-closure care. The liability is measured at the Authority's best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date. The estimate includes costs directly attributable to the asset retirement activities. The costs also include post-retirement operation, maintenance and monitoring that are an integral part of the retirement of the tangible capital asset and the costs of tangible capital assets acquired as part of asset retirement activities to the extent those assets have no alternative use. Under the modified retroactive method, the assumptions used on initial recognition are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised yearly.

The asset retirement costs are amortized over the remaining useful life of the asset.

A recovery related to asset retirement obligation is recognized when the recovery can be appropriately measured; reasonably estimated and it is expected that future economic benefits will be obtained. The recovery is not netted against the liability.

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.

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2023

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

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 \$15,321,373 (2022 - \$15,067,144)

Financial instruments

The Authority considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Authority accounts for the following as financial instruments:

- cash and cash equivalents
- receivables
- trust funds on deposit
- replacement reserve funding
- restricted cash and investments
- bank indebtedness
- payables and accruals
- security deposits
- scholarship and library funds
- long term debt
- trust funds payable

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-arm's 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, restricted cash, 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, long-term debt, trust funds payable, security deposits, replacement reserves and scholarship and library funds payable.

The Authority removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2023

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

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. Bank indebtedness

	<u>2023</u>	<u>2022</u>
Operating:		
Cash	\$ 17,861	\$ 16,014
Bank – current accounts	<u>(35,499,742)</u>	<u>(6,362,838)</u>
	(35,481,881)	(6,346,824)
Cash and bank other:		
North Haven Manor Cottage Units Phase I, II, III	378,294	304,270
North Haven Manor Cottage Units Phase IV	22,623	29,886
Valley Vista Cottages	<u>141,026</u>	<u>175,666</u>
	<u>\$(34,939,938)</u>	<u>\$ (5,837,002)</u>

The Authority has access to a \$45 million line of credit in the form of revolving demand loans at its bankers at March 31, 2023. These loans have been approved by the Minister of Health and Community Services. The balance outstanding on this line of credit at March 31, 2023 is \$34,849,125 which is included in the current accounts balance above (2022 - \$6,469,894). Interest is being charged at prime less 1.11% on any overdraft.

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2023

4. Receivables	<u>2023</u>	<u>2022</u>
Operating		
Provincial grants - operating	\$ 2,902,616	\$ 5,679,902
Patient, rents and other	6,960,436	7,691,942
MCP	1,457,118	810,880
Cancer Foundation	883,498	520,618
Foundations	242,531	421,737
HST	<u>2,510,469</u>	<u>1,711,370</u>
	14,956,668	16,836,449
Allowance for doubtful	<u>(1,892,777)</u>	<u>(1,815,542)</u>
	<u>13,063,890</u>	<u>15,020,907</u>
North Haven Manor Cottages Phase I, II, III		
Trade	<u>875</u>	<u>1,694</u>
North Haven Manor Cottages Phase IV		
Trade	-	16
Due from NLHC - operating subsidy	6,479	3,200
Accrued interest	<u>128</u>	<u>182</u>
	<u>6,607</u>	<u>3,398</u>
Valley Vista Cottages		
Trade	8,952	8,952
Allowance for doubtful	<u>(8,952)</u>	<u>(8,952)</u>
	<u>-</u>	<u>-</u>
	<u>\$13,071,372</u>	<u>\$15,025,999</u>

Central Regional Health Authority
Notes to the Consolidated Financial Statements
March 31, 2023

2023						
	Total	current	Past due			
			1-30 days	31-60 days	61-90 days	Over 90 days
Service to patients, residents & clients	\$ 5,827,679	\$ 1,444,906	\$ 917,776	\$ 295,192	\$ 151,064	\$ 3,018,740
Other	<u>9,145,422</u>	<u>9,145,422</u>	-	-	-	-
Gross accounts receivable	14,973,101	10,590,328	917,776	295,192	151,064	3,018,740
Less allowance	<u>1,901,729</u>	-	-	-	-	<u>1,901,729</u>
Net accounts receivable	<u>\$13,071,372</u>	<u>\$10,590,328</u>	<u>\$ 917,776</u>	<u>\$ 295,192</u>	<u>\$ 151,064</u>	<u>\$ 1,117,011</u>
2022						
	Total	current	Past due			
			1-30 days	31-60 days	61-90 days	Over 90 days
Service to patients, residents & clients	\$ 6,658,974	\$ 486,782	2,128,929	\$ 419,746	\$ 359,689	\$ 3,263,828
Other	<u>10,191,519</u>	<u>10,191,519</u>	-	-	-	-
Gross accounts receivable	16,850,493	10,678,301	2,128,929	419,746	359,689	3,263,828
Less allowance	<u>1,824,494</u>	-	-	-	-	<u>1,824,494</u>
Net accounts receivable	<u>\$15,025,999</u>	<u>\$10,678,301</u>	<u>\$ 2,128,929</u>	<u>\$ 419,746</u>	<u>\$ 359,689</u>	<u>\$ 1,439,334</u>

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2023

5. Payables and accruals	<u>2023</u>	<u>2022</u>
Operating		
Trade	\$24,347,217	\$26,536,263
Residents comfort fund	107,099	97,557
Accrued - wages	17,699,493	15,305,748
- interest	9,752	12,590
	<u>42,163,561</u>	<u>41,952,158</u>
North Haven Manor Cottage Units Phase I, II, III		
Trade	<u>1,800</u>	<u>1,800</u>
North Haven Manor Cottage Units Phase IV		
Trade	1,613	1,613
Accrued interest	128	182
	<u>1,741</u>	<u>1,795</u>
Valley Vista Cottages		
Trade	<u>1,500</u>	<u>1,500</u>
Bonnews Lodge Apartment Complex		
Trade	4,516	4,404
Accrued interest	133	211
Due to NLHC - operating subsidy	748	3,487
	<u>5,397</u>	<u>8,102</u>
	<u>\$42,173,999</u>	<u>\$41,965,355</u>

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2023

6. Employee future benefits

Future employee benefits related to accrued sick obligations have been calculated based on an actuarial valuation as at March 31, 2021 and extrapolated to March 31, 2023. 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>2023</u>	<u>2022</u>
Wages and salary escalation	3.50%	3.50%
Interest	4.47%	3.57%

Based on actuarial valuation of the liability, at March 31, 2023 the results for sick leave are:

Accrued sick pay obligation, beginning	\$18,241,972	\$19,204,894
Current period benefit cost	1,644,800	1,651,351
Benefit payments	(2,095,005)	(2,038,933)
Interest on the accrued benefit obligations	643,202	570,958
Actuarial gains	<u>(1,160,176)</u>	<u>(1,146,298)</u>
Accrued sick pay obligations, at end	<u>\$17,274,793</u>	<u>\$18,241,972</u>

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

Sick benefits

Accrued benefit obligation	\$17,274,793	\$18,241,972
Unamortized actuarial gains	<u>2,097,348</u>	<u>768,044</u>
Accrued benefit liability	<u>\$19,372,141</u>	<u>\$19,010,016</u>

Central Regional Health Authority
Notes to the Consolidated Financial Statements
 March 31, 2023

7. Deferred grants and revenue **2023** **2022**

Operating

Deferred operating grants	\$ 6,691,655	\$ 3,199,360
Deferred capital grants	<u>23,960,206</u>	<u>25,488,524</u>
	<u>\$30,651,861</u>	<u>\$28,687,884</u>

8. Long-term debt **2023** **2022**

Operating

7.5% CMHC mortgage on Lakeside Homes; repayable in equal monthly instalments of \$4,574, interest included; maturing July 2023.

\$ 19,310 \$70,687

2.67% Canadian Imperial Bank of Commerce loan for Carmelite House, unsecured; repayable in equal monthly instalments of \$56,108, interest included; maturing January 2027.

2,446,051 3,043,964

4.49% Canadian Imperial Bank of Commerce mortgage on land and building at 3 Twomey Dr, Botwood; repayable in equal monthly instalments of \$399, interest included; maturing July 2027.

18,864 22,758

8.25% Canadian Imperial Bank of Commerce mortgage on land and building at 145 Commonwealth Ave, Botwood; repayable in equal monthly instalments of \$357, interest included; mortgage paid September 2022.

- 20,714

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 August 2027.

455,620 537,696

7.88% Newfoundland and Labrador Housing Corporation mortgage on Authority offices; repayable in equal monthly instalments of \$8,165, interest included; maturing August 2024.

144,662 227,620

\$ 3,084,507 \$ 3,923,439

Central Regional Health Authority
Notes to the Consolidated Financial Statements
March 31, 2023

8. Long-term debt (cont'd.)	<u>2023</u>	<u>2022</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>83,452</u>	\$ <u>118,153</u>
Bonnews Lodge Apartment Complex		
2.14% Newfoundland and Labrador Housing Corporation 1st mortgage on Bonnews Apartment Complex; repayable in equal monthly instalments of \$3,725, interest included; maturing November 2024.	<u>73,141</u>	<u>115,781</u>
	<u>\$ 3,241,100</u>	<u>\$ 4,157,373</u>

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

2024	\$899,053
2025	855,940
2026	772,601
2027	672,400
Thereafter	41,106

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2023

9. Replacement reserves	<u>2023</u>	<u>2022</u>
North Haven Manor Cottages Phase I, II, III		
Balance, beginning	\$ 60,082	\$ 52,667
Add:		
Allocation for year	30,220	30,220
Contributions from Authority	<u>12,900</u>	<u>12,900</u>
	103,202	95,787
Less:		
Approved expenditures	<u>41,904</u>	<u>35,705</u>
Balance, ending	<u>61,298</u>	<u>60,082</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	53,056	33,882
Add:		
Allocation for year	30,000	30,000
Interest	<u>1,333</u>	<u>98</u>
	84,389	63,980
Less:		
Approved expenditures	<u>17,781</u>	<u>10,924</u>
Balance, ending	<u>66,608</u>	<u>53,056</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>\$ 272,949</u>	<u>\$ 258,181</u>
Funding		
Replacement reserve funds	127,906	\$ 113,138
Due from Newfoundland and Labrador Housing Corporation	<u>145,043</u>	<u>145,043</u>
	<u>\$ 272,949</u>	<u>\$ 258,181</u>

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2023

10. Tangible capital assets

	<u>Land</u>	<u>Land improvements</u>	<u>Building and service equipment</u>	<u>Equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
March 31, 2023						
Cost						
Opening balance	\$ 499,541	\$ 1,212,046	\$93,945,672	\$158,744,224	\$ 4,197,443	\$ 258,598,926
Adjustment for asset retirement obligation, prior year	-	-	<u>6,741,125</u>	-	-	<u>6,741,125</u>
Adjusted opening balance	499,541	1,212,046	100,686,797	158,744,224	4,197,443	265,340,051
Additions	-	-	3,441,882	8,187,536	207,234	11,836,652
Disposals	-	-	<u>(87,733)</u>	-	<u>(140,437)</u>	<u>(228,170)</u>
Closing balance	<u>499,541</u>	<u>1,212,046</u>	<u>104,040,946</u>	<u>166,931,760</u>	<u>4,264,239</u>	<u>276,948,533</u>
Accumulated amortization						
Opening balance	-	1,010,812	61,965,052	123,625,356	2,840,338	189,441,558
Adjustment for asset retirement obligation, prior year	-	-	<u>6,741,125</u>	-	-	<u>6,741,125</u>
Adjusted opening balance	-	1,010,812	68,706,177	123,625,356	2,840,338	196,182,683
Additions	-	10,062	1,607,585	5,243,122	311,211	7,171,980
Disposals	-	-	<u>(56,282)</u>	-	<u>(132,156)</u>	<u>(188,438)</u>
Closing balance	-	<u>1,020,874</u>	<u>70,257,480</u>	<u>128,868,478</u>	<u>3,019,396</u>	<u>203,166,225</u>
Net book value	<u>\$ 499,541</u>	<u>\$ 191,172</u>	<u>\$33,783,466</u>	<u>\$38,063,282</u>	<u>\$ 1,244,847</u>	<u>\$ 73,782,308</u>

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2023

10. Tangible capital assets (cont'd.)

	<u>Land</u>	<u>Land improvements</u>	<u>Building and service equipment</u>	<u>Equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
March 31, 2022						
Cost						
Opening balance	\$ 499,541	\$ 1,212,046	\$91,047,218	\$151,435,365	\$ 3,888,503	\$ 248,082,673
Additions	-	-	2,898,455	7,308,859	452,894	10,660,208
Disposals	-	-	-	-	(143,954)	(143,954)
Closing balance	<u>499,541</u>	<u>1,212,046</u>	<u>93,945,673</u>	<u>158,744,224</u>	<u>4,197,443</u>	<u>258,598,927</u>
Accumulated amortization						
Opening balance	-	1,000,221	60,301,987	118,618,171	2,629,560	182,549,939
Additions	-	10,591	1,663,065	5,007,185	339,275	7,020,116
Disposals	-	-	-	-	(128,497)	(128,497)
Closing balance	<u>-</u>	<u>1,010,812</u>	<u>61,965,052</u>	<u>123,625,356</u>	<u>2,840,338</u>	<u>189,441,558</u>
Net book value	<u>\$ 499,541</u>	<u>\$ 201,234</u>	<u>\$31,980,621</u>	<u>\$35,118,868</u>	<u>\$ 1,357,105</u>	<u>\$ 69,157,369</u>

Book value of capitalized items that have not been amortized is \$6,143,654 (2022- \$1,989,888).

March 31, 2023 opening balances for buildings and improvements have been restated by \$6,741,125 due to the modified retroactive approach under Section PS 3280, asset retirement obligation.

Central Regional Health Authority
Notes to the Consolidated Financial Statements
March 31, 2023

11. Inventories	<u>2023</u>	<u>2022</u>
General stores	\$ 1,715,384	\$ 1,806,560
Drugs	<u>1,815,696</u>	<u>1,784,554</u>
	<u>\$ 3,531,080</u>	<u>\$ 3,591,114</u>

12. Prepaids	<u>2023</u>	<u>2022</u>
Operating		
Equipment maintenance	\$ 765,461	\$ 497,875
Malpractice and membership fees	47,615	57,193
General insurance	378,449	379,434
Municipal taxes	923,687	740,726
Workers' Compensation	-	29,403
Other	<u>2,186,134</u>	<u>1,037,297</u>
	4,301,346	2,741,928
Municipal taxes		
North Haven Manor Cottage Units Phase I, II, III	56,779	54,794
North Haven Manor Cottage Units Phase IV	7,252	7,023
Valley Vista Cottages	<u>38,403</u>	<u>37,549</u>
	<u>\$ 4,403,780</u>	<u>\$ 2,841,294</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 2023 was \$297,848 (2022 - \$266,307) for the Authority's Cottage operations.

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:

2024	\$ 297,029
2025	237,304
2026	153,588
2027	30,534
2028	7,249

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2023

15. Contingencies

As of March 31, 2023, 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. Asset retirement obligation

PS 3280 Asset Retirement Obligations:

On April 1, 2022, the Entity adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing accounting standard PS 3270 Solid Waste Landfill Closure and Post-Closure Liability. The standard was adopted on the modified retroactive basis at the date of adoption.

On April 1, 2022, the Entity recognized an asset retirement obligation relating to several buildings owned by the Entity that contain asbestos. The buildings were originally purchased more than 40 years ago, and the liability was measured as of the date of purchase of the buildings, when the liability was assumed. The buildings had an expected useful life of 40 years, and the estimate has not been changed since purchase.

In accordance with the provisions of this new standard, the Entity reflected the following adjustments at April 1, 2022:

Asbestos obligation:

- An increase of \$6,741,125 to the buildings tangible capital asset account, representing the original estimate of the obligation as of the date of purchase, and an accompanying increase of \$6,741,125 to accumulated amortization, representing increased amortization had the liability originally been recognized.
 - An asset retirement obligation in the amount of \$6,741,125, representing the original obligation.
 - A decrease to opening accumulated deficit of \$6,741,125, because of the recognition of the liability and accompanying increase in amortization expense for the years since construction
-

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2023

17. Expenditures by object	<u>2023</u>	<u>2022</u>
Expenditure		
Salaries	\$ 237,282,607	\$ 206,786,920
Employee benefits	41,619,213	38,894,369
Supplies		
- plant operations and maintenance	10,896,689	8,162,453
- drugs	14,402,027	12,631,257
- medical and surgical	11,769,255	11,735,508
- other	12,171,332	17,151,296
Direct client costs - MHA, CS, HP, and CC	79,275,391	75,247,535
Other shareable expenses		
- sundry	15,336,415	21,086,945
- equipment expense	7,765,713	7,637,257
- contracted-out services	25,021,752	23,954,667
- building, grounds and equipment expense	16,535,115	13,978,978
Long-term debt - interest	131,784	162,957
Cottage operations	1,551,533	1,460,556
	<u>\$ 473,758,827</u>	<u>\$ 438,890,698</u>

18. Financial instruments

The main risks the Authority is exposed to through its financial instruments are credit risk, liquidity risk, and market risk.

Credit risk

Credit risk is the risk of financial loss to the Authority if a debtor fails to discharge their obligation (e.g., pay the accounts receivable owing to the Authority). The Authority is exposed to this risk arising from its receivables. The entity provides credit to its clients in the normal course of its operations. There was no significant change in exposure from the prior year. The Authority has a collection policy and monitoring process intended to mitigate potential credit losses. Management believes that the credit risk with respect to accounts receivable is not material.

Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet all cash outflow obligations as they come due. The Authority is exposed to this risk mainly in respect of its bank indebtedness, long-term debt, and accounts payable, totaling \$62.5 million at March 31, 2023. There was no significant change in exposure from the prior year. The Authority mitigates this risk by having access to a line of credit in the amount of \$45 million. In addition, consideration will be given to obtaining additional funds through third party funding in the Province, assuming these can be obtained.

Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Authority is not significantly impacted by these market risks.

Central Regional Health Authority

Notes to the Consolidated Financial Statements

March 31, 2023

19. Subsequent event

Effective April 1, 2023, the Provincial Health Authority was established through the Provincial Health Authority Act (RSNL2022 Chapter P-30.1). All title to property and assets as well as interests to real property and obligations and liabilities of the former regional health authorities (Eastern Health, Central Health, Western Health, Labrador-Grenfell Health) and Newfoundland and Labrador Centre for Health Information were transferred to the Provincial Health Authority trading as Newfoundland and Labrador Health Services. This was a recommendation of the Health Accord NL to ensure consistent and quality health care delivery across Newfoundland and Labrador.

Central Regional Health Authority

Appendix

March 31, 2023

Financial Statement Appendix

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Central Regional Health Authority

Operating Statement of Financial Position

March 31

2023

2022

Financial assets

Receivables (Note 4)	\$ 13,063,891	\$ 15,020,907
Residents' trust funds held on deposit	544,804	639,412
Due from cottage operations	<u>552,623</u>	<u>531,362</u>
	<u>14,161,318</u>	<u>16,191,681</u>

Liabilities

Bank indebtedness (Note 3)	35,481,881	6,346,824
Payables and accruals (Note 5)	42,163,561	41,952,158
Employee future benefits		
Accrued vacation pay	20,860,401	20,761,864
Accrued severance pay	264,274	1,229,377
Accrued sick pay (Note 6)	19,372,141	19,010,016
Deferred grants (Note 7)	30,651,861	28,687,884
Asset retirement obligation (Note 16)	6,741,125	-
Long-term debt (Note 8)	3,084,507	3,923,439
Trust funds payable	544,804	639,412
J.M. Olds scholarship and library funds	<u>88,474</u>	<u>86,314</u>
	<u>159,253,029</u>	<u>122,637,288</u>

Net financial debt

(145,091,711) (106,445,607)

Non-financial assets

Tangible capital assets	73,261,732	68,543,268
Deposits on tangible capital assets	2,879,582	-
Inventories (Note 11)	3,531,080	3,591,114
Prepays (Note 12)	<u>4,301,346</u>	<u>2,741,928</u>
	<u>83,973,740</u>	<u>74,876,310</u>

Accumulated deficit

\$ (61,117,971) \$ (31,569,297)

Central Regional Health Authority

Operating Statement of Operations

Year ended March 31	Budget 2023	Actual 2023	Actual 2022
Revenue			
Provincial plan	\$ 392,606,300	\$ 401,193,917	\$ 380,537,945
Provincial capital grants	8,034,000	7,281,083	16,373,456
Other capital contributions	-	406,676	465,320
MCP	12,284,704	11,640,961	10,903,667
Inpatient	1,315,000	1,292,101	1,500,894
Outpatient	2,412,000	2,007,603	2,481,725
Resident	9,135,000	10,220,052	9,239,954
Capital project funding	1,000,000	6,156,813	5,511,947
Recoveries - salaries	1,297,460	3,089,209	3,494,510
- services	630,000	714,506	618,490
- ambulance	283,000	363,931	294,012
- drugs	8,122,000	8,831,093	7,682,206
Other revenue	1,877,000	2,641,445	2,955,453
	<u>438,996,464</u>	<u>455,839,390</u>	<u>442,059,579</u>
Expenditure			
Administration	34,724,938	39,260,018	48,216,971
Community and social services	119,554,520	121,077,939	119,012,139
Support services	75,913,057	84,812,725	74,350,014
Nursing inpatient services	102,613,551	111,931,338	94,775,988
Ambulatory care services	27,007,947	31,313,740	27,900,296
Diagnostic and therapeutic services	53,164,148	56,402,710	50,670,471
Medical services	15,748,704	19,998,989	15,960,993
Educational services	829,822	711,510	789,825
Undistributed	1,292,600	6,698,325	5,753,444
	<u>430,849,287</u>	<u>472,207,294</u>	<u>437,430,141</u>
Surplus (deficit) – shareable	<u>8,147,177</u>	<u>(16,367,904)</u>	<u>4,629,438</u>
Non-shareable items			
(Loss) gain on disposal of tangible capital assets	-	145,005	(15,457)
Amortization of tangible capital assets	(6,594,282)	(7,078,455)	(6,927,015)
Accrued vacation pay – increase	(500,000)	(98,537)	(2,599,136)
Accrued severance pay – decrease (increase)	-	965,104	(21,782)
Accrued sick pay – increase	(500,000)	(362,125)	(390,508)
	<u>(7,594,282)</u>	<u>(6,429,008)</u>	<u>(9,953,898)</u>
Deficit - shareable and non-shareable	552,895	(22,796,912)	(5,324,460)
Accumulated deficit			
Beginning of year	(31,119,409)	(31,569,297)	(26,244,837)
Asset retirement obligation	-	(6,741,125)	-
End of year	<u>\$ (30,566,514)</u>	<u>\$ (61,107,335)</u>	<u>\$ (31,569,297)</u>

Central Regional Health Authority

Operating Statement of Changes in Net Financial Debt

Year ended March 31

2023**2022**

Net debt - beginning of year	<u>\$(106,445,607)</u>	<u>\$ (99,034,298)</u>
Deficit	<u>(22,796,913)</u>	<u>(5,324,460)</u>
Changes in tangible capital assets		
Acquisition of tangible capital assets	(11,836,652)	(10,660,208)
Amortization of tangible capital assets	7,078,455	6,927,015
(Gain) loss on disposal of tangible capital assets	(145,005)	15,457
Proceeds on disposal of tangible capital assets	184,738	-
(Increase) decrease in deposits on tangible capital assets	<u>(2,879,582)</u>	<u>83,225</u>
Increase in net book value of tangible capital assets	<u>(7,598,046)</u>	<u>(3,634,511)</u>
Changes in other non-financial assets		
(Increase) decrease in prepaids	(1,559,418)	367,890
Decrease in inventories	<u>60,034</u>	<u>1,179,548</u>
(Increase) decrease in other non-financial assets	<u>(1,499,384)</u>	<u>1,547,438</u>
Increase in net debt	<u>(31,894,343)</u>	<u>(7,411,309)</u>
Asset retirement obligation, prior year	<u>(6,741,125)</u>	<u>-</u>
Net debt - end of year	<u>\$(145,081,075)</u>	<u>\$(106,445,607)</u>

Central Regional Health Authority

Operating Statement of Cash Flows

Year ended March 31

2023

2022

Operations

Deficit	(22,796,913)	\$ (5,324,460)
Amortization	7,078,455	6,927,015
(Gain) loss on disposal on tangible capital assets	<u>(145,005)</u>	<u>15,457</u>

(15,863,463) 1,618,012

Changes in

Receivables	1,957,016	2,865,295
Due from cottage operations & foundations	(21,261)	(105,996)
Payables and accruals	211,403	5,182,801
Accrued vacation pay	98,537	2,599,136
Accrued severance pay	(965,103)	21,782
Accrued sick pay	362,125	390,508
Deferred grants	1,953,339	(4,394,416)
Inventories	60,034	1,179,548
Prepays	<u>(1,559,418)</u>	<u>367,890</u>

Net cash provided from operations (13,766,791) 9,724,560

Financing

Repayment of long-term debt	(838,932)	(792,471)
Net change in J.M. Olds funds	<u>2,160</u>	<u>1,141</u>

Net cash applied to financing (836,772) (791,330)

Investing

Acquisition of tangible capital assets	(11,836,652)	(10,660,208)
(Increase) decrease in deposits on tangible capital assets	(2,879,582)	83,225
Proceeds from disposal of tangible capital assets	<u>184,738</u>	<u>-</u>

Net cash applied to investing (14,531,496) (10,576,983)

Net decrease in cash (29,135,059) (1,643,753)

Cash, net of bank indebtedness

Beginning (6,346,824) (4,703,071)

Ending (Note 3) (35,481,883) \$ (6,346,824)

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

March 31	2023	2022
Financial assets		
Cash (Note 3)	\$ 378,294	\$ 304,270
Receivables (Note 4)	875	1,694
Cash restricted for security deposits	34,062	31,572
Replacement reserve funding (Note 9)	<u>61,298</u>	<u>60,082</u>
	<u>474,529</u>	<u>397,618</u>
Liabilities		
Payables and accruals (Note 5)	1,800	1,800
Deferred revenue	10,638	-
Due to Central Regional Health Authority	229,550	210,309
Security deposit liability	34,062	31,572
Replacement reserves (Note 9)	<u>61,298</u>	<u>60,082</u>
	<u>337,348</u>	<u>303,763</u>
Net financial surplus	<u>137,181</u>	<u>93,855</u>
Non-financial assets		
Tangible capital assets	321,998	338,184
Prepays (Note 12)	<u>56,779</u>	<u>54,794</u>
	<u>378,777</u>	<u>392,978</u>
Accumulated surplus	<u>\$ 515,958</u>	<u>\$ 486,833</u>

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

Year ended March 31	Budget 2023	Actual 2023	Actual 2022
Revenue			
Rentals	\$ 581,580	\$ 560,104	\$ 526,868
NLHC subsidy (Note 13)	<u>117,660</u>	<u>127,624</u>	<u>110,238</u>
	<u>699,240</u>	<u>687,728</u>	<u>637,106</u>
Expenditure			
Administration	9,300	9,300	9,300
Allocation to replacement reserve	30,220	30,220	30,220
Amortization	16,184	16,184	17,054
Heat and light	177,000	160,373	159,116
Insurance	8,300	11,091	12,317
Municipal taxes	75,100	73,376	71,220
Office	500	494	512
Professional fees	2,400	2,400	2,400
Repairs and maintenance	186,342	173,753	106,344
Salaries and benefits	148,395	135,731	141,591
Snow clearing	42,500	42,500	42,500
Telephone	<u>3,000</u>	<u>3,180</u>	<u>3,180</u>
	<u>699,240</u>	<u>658,602</u>	<u>595,753</u>
Annual surplus	-	29,126	41,353
Accumulated surplus			
Beginning of year	<u>486,833</u>	<u>486,833</u>	<u>445,480</u>
End of year	<u>\$ 486,833</u>	<u>\$ 515,958</u>	<u>\$ 486,833</u>

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

Year ended March 31	2023	2022
Net surplus - beginning of year	\$ 93,855	\$ 36,956
Annual surplus	29,126	41,353
Changes in tangible capital assets		
Amortization of tangible capital assets	<u>16,184</u>	<u>17,052</u>
Decrease in net book value of tangible capital assets	16,184	17,052
Changes in non-financial assets		
Increase in prepaids	<u>(1,985)</u>	<u>(1,506)</u>
Increase in other non-financial assets	(1,985)	(1,506)
Increase in net surplus	43,325	56,899
Net surplus - end of year	\$ 137,181	\$ 93,855

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

Year ended March 31	2023	2022
Operations		
Annual surplus	\$ 29,126	\$ 41,351
Amortization	<u>16,184</u>	<u>17,054</u>
	45,310	58,405
Changes in		
Receivables	819	(1,679)
Deferred revenue	10,638	-
Due to Central Regional Health Authority	19,241	(6,012)
Prepays	<u>(1,985)</u>	<u>(1,506)</u>
Net cash provided from operations	<u>74,023</u>	<u>49,208</u>
Net increase in cash	74,023	49,208
Cash		
Beginning	<u>304,270</u>	<u>255,062</u>
Ending (Note 3)	<u>\$ 378,294</u>	<u>\$ 304,270</u>

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

March 31	2023	2022
Financial assets		
Cash (Note 3)	\$ 22,623	\$ 29,886
Receivables (Note 4)	6,607	3,398
Cash restricted for security deposits	1,962	1,429
Replacement reserve funding (Note 9)	<u>82,643</u>	<u>82,643</u>
	<u>113,835</u>	<u>117,356</u>
Liabilities		
Payables and accruals (Note 5)	1,741	1,795
Due to Central Regional Health Authority	34,711	38,481
Long-term debt (Note 8)	83,452	118,153
Security deposit liability	1,962	1,429
Replacement reserve (Note 9)	<u>82,643</u>	<u>82,643</u>
	<u>204,509</u>	<u>242,501</u>
Net financial debt	<u>(90,674)</u>	<u>(125,145)</u>
Non-financial assets		
Tangible capital assets	98,422	133,122
Prepays (Note 12)	<u>7,252</u>	<u>7,023</u>
	<u>105,674</u>	<u>140,145</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 2023	Actual 2023	Actual 2022
Revenue			
Rentals	\$ 53,328	\$ 48,771	\$ 53,323
NLHC subsidy (Note 13)	<u>59,638</u>	<u>66,774</u>	<u>58,209</u>
	<u>112,966</u>	<u>115,545</u>	<u>111,532</u>
Expenditure			
Administration	3,600	3,600	3,600
Amortization	34,700	34,700	34,081
Heat and light	20,300	18,025	18,622
Insurance	1,056	1,279	1,421
Mortgage interest	1,848	1,795	2,415
Municipal taxes	9,323	9,396	9,116
Office supplies	450	-	-
Professional fees	1,620	1,620	1,620
Repairs and maintenance	18,420	23,287	18,880
Salaries and benefits	10,749	10,944	10,877
Snow clearing	10,500	10,500	10,500
Telephone	<u>400</u>	<u>400</u>	<u>400</u>
	<u>112,966</u>	<u>115,545</u>	<u>111,532</u>
Annual surplus	-	-	-
Accumulated surplus			
Beginning of year	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
End of year	<u>\$ 15,000</u>	<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	2023	2022
Net debt, beginning of year	\$ <u>(125,145)</u>	\$ <u>(159,020)</u>
Annual surplus	<u>-</u>	<u>-</u>
Changes in tangible capital assets		
Amortization of tangible capital assets	<u>34,700</u>	<u>34,081</u>
Decrease in net book value of tangible capital assets	<u>34,700</u>	<u>34,081</u>
Changes in non-financial assets		
Increase in prepaids	<u>(229)</u>	<u>(206)</u>
Increase in non-financial assets	<u>(229)</u>	<u>(206)</u>
Decrease in net debt	<u>34,471</u>	<u>33,875</u>
Net debt, end of year	\$ <u>(90,674)</u>	\$ <u>(125,145)</u>

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

Year ended March 31

2023

2022

Operations

Amortization	\$ <u>34,700</u>	\$ <u>34,081</u>
Changes in		
Receivables	(3,209)	(3,164)
Prepays	(229)	(206)
Payables and accruals	(54)	(14,314)
Due to Central Regional Health Authority	<u>(3,770)</u>	<u>8,468</u>

Net cash provided from operations

27,437 24,865

Financing

Repayment of long-term debt	<u>(34,701)</u>	<u>(34,081)</u>
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Net cash applied to financing

(34,700) (34,081)

Net decrease in cash

(7,264) (9,216)

Cash

Beginning	<u>29,886</u>	<u>39,102</u>
Ending (Note 3)	<u>\$ 22,623</u>	<u>\$ 29,886</u>

Central Regional Health Authority
Valley Vista Cottages
Statement of Financial Position

March 31	2023	2022
Financial assets		
Cash (Note 3)	\$ 141,026	\$ 175,666
Cash restricted for security deposits	27,648	27,288
Replacement reserve funding (Note 9)	<u>66,608</u>	<u>53,056</u>
	<u>235,282</u>	<u>256,010</u>
Liabilities		
Payables and accruals (Note 5)	1,500	1,500
Due to Central Regional Health Authority	293,759	290,675
Security deposit liability	27,648	27,288
Replacement reserves (Note 9)	<u>66,608</u>	<u>53,056</u>
	<u>389,515</u>	<u>372,519</u>
Net financial debt	<u>(154,233)</u>	<u>(116,509)</u>
Non-financial assets		
Tangible capital assets	27,014	27,014
Prepays (Note 12)	<u>38,403</u>	<u>37,549</u>
	<u>65,417</u>	<u>64,563</u>
Accumulated deficit	<u>\$ (88,816)</u>	<u>\$ (51,946)</u>

Central Regional Health Authority
Valley Vista Cottages
Statement of Operations

Year ended March 31	Budget 2023	Actual 2023	Actual 2022
Revenue			
Rentals	\$ <u>566,120</u>	\$ <u>561,159</u>	\$ <u>555,839</u>
Expenditure			
Allocation to replacement reserve	30,000	30,000	30,000
Cable television	25,000	26,718	23,188
Heat and light	150,000	130,380	130,328
Insurance	14,000	12,081	13,423
Lawn care	8,500	3,501	4,078
Municipal taxes	55,000	50,117	49,183
Office	500	233	528
Professional fees	2,400	2,400	2,400
Repairs and maintenance	159,400	219,338	215,770
Salaries and benefits	85,320	87,260	82,275
Snow clearing	<u>36,000</u>	<u>36,000</u>	<u>36,000</u>
	<u>566,120</u>	<u>598,028</u>	<u>587,174</u>
Annual deficit	-	(36,869)	(31,335)
Accumulated deficit			
Beginning of year	<u>(51,946)</u>	<u>(51,946)</u>	<u>(20,611)</u>
End of year	<u>\$ (51,946)</u>	<u>\$ (88,816)</u>	<u>\$ (51,946)</u>

Central Regional Health Authority
Valley Vista Cottages
Statement of Changes in Net Financial Debt

Year ended March 31	2023	2022
Net debt - beginning of year	\$ (116,509)	\$ (84,519)
Annual deficit	(36,869)	(31,336)
Changes in non-financial assets		
Increase in prepaids	(857)	(654)
Increase in non-financial assets	(854)	(654)
Increase in net debt	(37,726)	(31,989)
Net debt - end of year	\$ (154,233)	\$ (116,509)

Central Regional Health Authority
Valley Vista Cottages
Statement of Cash Flows

Year ended March 31

2023

2022

Operations

Annual deficit	\$ (36,869)	\$ (31,335)
Changes in		
Receivables	-	355
Prepays	(857)	(654)
Due to Central Regional Health Authority	<u>3,084</u>	<u>130,211</u>

Net cash (applied to) provided from operations

(34,642) 98,577

Net (decrease) increase in cash

(34,642) 98,577

Cash

Beginning	<u>175,666</u>	<u>77,089</u>
Ending (Note 3)	<u>\$ (141,026)</u>	<u>\$ 175,666</u>

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

March 31	2023	2022
Financial assets		
Receivables (Note 4)	\$ -	\$ -
Due from Central Regional Health Authority	5,397	8,102
Replacement reserve funding (Note 9)	<u>62,400</u>	<u>62,400</u>
	<u>67,797</u>	<u>70,502</u>
Liabilities		
Payables and accruals (Note 5)	5,397	8,102
Long-term debt (Note 8)	73,141	115,781
Replacement reserve (Note 9)	<u>62,400</u>	<u>62,400</u>
	<u>140,938</u>	<u>186,283</u>
Net financial debt	<u>(73,141)</u>	<u>(115,781)</u>
Non-financial assets		
Tangible capital assets	<u>73,141</u>	<u>115,781</u>
Accumulated surplus	<u>\$ -</u>	<u>\$ -</u>

Central Regional Health Authority
Bonnews Lodge Apartment Complex
Statement of Operations

Year ended March 31	Budget 2023	Actual 2023	Actual 2022
Revenue			
Rentals	\$ 62,688	\$ 67,806	\$ 60,417
NLHC subsidy (Note 13)	103,527	103,450	97,860
Surcharges - utilities	3,120	3,095	2,990
- laundry	1,440	1,430	1,380
- other	3,600	3,575	3,450
	<u>174,375</u>	<u>179,356</u>	<u>166,097</u>
Expenditure			
Administration allowance	13,274	11,988	12,210
Amortization	42,641	42,641	41,743
Fire and safety	1,665	4,201	1,634
Heat and light	25,300	22,251	23,461
Insurance	2,892	3,047	3,391
Mortgage interest	2,056	1,979	2,879
Municipal taxes	9,900	10,309	10,245
Professional fees	2,400	2,400	2,400
Repairs and maintenance	54,497	60,790	48,384
Snow clearing	19,750	19,750	19,750
	<u>174,375</u>	<u>179,356</u>	<u>166,097</u>
Annual surplus	-	-	-
Accumulated surplus			
Beginning of year	-	-	-
End of year	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

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

Year ended March 31	2023	2022
Net debt - beginning of year	\$ (115,781)	\$ (157,524)
Annual surplus	-	-
Changes in tangible capital assets		
Amortization of tangible capital assets	<u>42,641</u>	<u>41,743</u>
Decrease in net book value of tangible capital assets	<u>42,641</u>	<u>41,743</u>
Decrease in net debt	<u>42,641</u>	<u>41,743</u>
Net debt - end of year	<u>\$ (73,141)</u>	<u>\$ (115,781)</u>

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

Year ended March 31

2023

2022

Operations

Amortization	\$ 42,641	\$ 41,743
	42,641	41,743
Changes in		
Receivables	-	31,713
Payables and accruals	(2,705)	(5,042)
Due from Central Regional Health Authority	2,705	(26,671)

Net cash provided from operations

42,641 41,743

Financing

Repayment of long-term debt	(42,640)	(41,743)
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Net cash applied to financing

(42,640) (41,743)

Net increase in cash

- -

Cash

Beginning	-	-
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Ending (Note 3)	\$ -	\$ -
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