

CHINOOK REGIONAL HEALTH AUTHORITY

FINANCIAL STATEMENTS

MARCH 31, 2009

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CHINOOK REGIONAL HEALTH AUTHORITY

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

FINANCIAL STATEMENTS

MARCH 31, 2009

The accompanying financial statements are the responsibility of management and have been reviewed and approved by Senior Management. The financial statements were prepared in accordance with Canadian Generally Accepted Accounting Principles and the financial directives issued by Alberta Health and Wellness, and of necessity include some amounts that are based on estimates and judgments.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system provides management with reasonable assurance that transactions are in accordance with governing legislation and are properly authorized, reliable financial records are maintained, and assets are adequately safeguarded. The Authority has established a code of ethics and corporate directives, which require communication of the code to employees.

The Authority members carry out their responsibility for the financial statements through the Audit and Finance Committee. This Committee meets with management and the Auditor General of Alberta to review financial matters, and recommends the financial statements to the Alberta Health Services Board for approval upon finalization of the audit. The Auditor General of Alberta has free access to the Audit and Finance Committee.

The Auditor General of Alberta provides an independent audit of the financial statements. His examination is conducted in accordance with Canadian Generally Accepted Auditing Standards and includes tests and procedures, which allow him to report on the fairness of the financial statements prepared by management.

“Original signed”

Dr. Stephen Duckett  
President and Chief Executive Officer  
– Alberta Health Services

“Original signed”

Les Tochor, CA  
Senior Vice President Finance  
– Alberta Health Services

“Original signed”

Chris Mazurkewich, CA  
Chief Financial Officer  
- Alberta Health Services

## Auditor's Report

To the Members of the Alberta Health Services Board  
and the Minister of Health and Wellness

I have audited the statement of financial position of Chinook Regional Health Authority (the Authority) as at March 31, 2009 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

"Original signed by Fred J. Dunn, FCA"

Auditor General

Edmonton, Alberta  
June 11, 2009

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

### CHINOOK REGIONAL HEALTH AUTHORITY STATEMENT OF FINANCIAL POSITION

MARCH 31, 2009

(in thousands)

|   | 2009              | 2008              |
|---|-------------------|-------------------|
| <u>ASSETS</u>   |                   |                   |
| Current:  |                   |                   |
| Cash, cash equivalents and investments (Note 3)                   | \$ 22,467         | \$ 31,372         |
| Accounts receivable   | 9,531             | 10,363            |
| Contributions receivable from Alberta Health and Wellness         | 483               | 9,654             |
| Inventories   | 3,514             | 3,528             |
| Prepaid expenses  | 802               | 1,769             |
|   | 36,797            | 56,686            |
| Non-current cash, cash equivalents and investments (Note 3)       | 69,749            | 20,277            |
| Contributions receivable  | 824               | 26,617            |
| Capital assets (Note 4)   | 193,617           | 190,482           |
| Other assets (Note 5)   | 13,935            | 10,256            |
|   | 314,922           | 304,318           |
| <b>TOTAL ASSETS</b>   | <b>\$ 314,922</b> | <b>\$ 304,318</b> |
| <u>LIABILITIES AND NET ASSETS</u>                                 |                   |                   |
| Current:  |                   |                   |
| Accounts payable and accrued liabilities                          | \$ 33,778         | \$ 29,083         |
| Accrued vacation pay  | 14,617            | 13,201            |
| Deferred contributions (Note 6)                                   | 23,563            | 24,304            |
| Current portion of long-term debt (Note 8)                        | 57                | 27                |
|   | 72,015            | 66,615            |
| Deferred contributions (Note 6)                                   | 724               | 589               |
| Deferred capital contributions (Note 7)                           | 67,292            | 42,359            |
| Long-term debt (Note 8)   | 57                | -                 |
| Deferred contributions – Healthy Aging Partnership (Note 9)       | 2,704             | 2,921             |
| Unamortized external capital contributions                        | 175,170           | 174,095           |
| Other liabilities   | 1,519             | 2,464             |
|   | 319,481           | 289,043           |
| Net Assets (Liabilities):   |                   |                   |
| Unrestricted  |                   |                   |
| Accumulated deficit (Note 11)                                     | (23,042)          | (2,084)           |
| Accumulated net unrealized gains on investments (Note 2(a)(3)(v)) | -                 | 849               |
| Investment in capital assets                                      | 18,333            | 16,360            |
|   | (4,709)           | 15,125            |
| Endowments  | 150               | 150               |
|   | (4,559)           | 15,275            |
| Commitments and contingencies (Note 12)                           |                   |                   |
|   | 314,922           | 304,318           |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>                           | <b>\$ 314,922</b> | <b>\$ 304,318</b> |

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

**CHINOOK REGIONAL HEALTH AUTHORITY**  
**STATEMENT OF OPERATIONS**  
**For the Year Ended March 31, 2009**  
(in thousands)

|   | 2009                |                    | 2008              |
|---|---------------------|--------------------|-------------------|
|   | Budget<br>(Note 13) | Actual             | Actual            |
| Revenue   |                     |                    |                   |
| Alberta Health and Wellness contributions (Note 14) | \$ 315,776          | \$ 321,559         | \$ 299,264        |
| Other government contributions (Note 15)            | 3,479               | 5,885              | 3,967             |
| Fees and charges                                    | 11,766              | 19,887             | 18,398            |
| Ancillary operations (Note 16)                      | 1,764               | 2,049              | 2,067             |
| Donations   | 528                 | 278                | 528               |
| Investment and other income (Note 17)               | 11,903              | 11,002             | 11,325            |
| Amortization of external capital contributions      | 13,437              | 14,373             | 13,820            |
| <b>TOTAL REVENUE</b>                                | <b>358,653</b>      | <b>375,033</b>     | <b>349,369</b>    |
| Expenses (Schedule 1)                               |                     |                    |                   |
| Inpatient acute nursing services                    | 87,740              | 91,298             | 83,264            |
| Emergency and outpatient services                   | 21,803              | 21,807             | 20,397            |
| Facility-based continuing care services             | 39,870              | 40,699             | 35,519            |
| Community-based care                                | 33,463              | 38,050             | 29,576            |
| Home care   | 20,055              | 22,058             | 18,204            |
| Diagnostic and therapeutic services                 | 64,938              | 68,721             | 63,019            |
| Promotion, prevention and protection services       | 15,946              | 16,605             | 14,096            |
| Administration                                      | 13,997              | 16,615             | 15,436            |
| Information technology                              | 12,716              | 11,087             | 10,759            |
| Support services                                    | 48,972              | 58,222             | 54,196            |
| Amortization of facilities and improvements         | 8,535               | 8,856              | 8,210             |
| <b>TOTAL EXPENSES</b>                               | <b>368,035</b>      | <b>394,018</b>     | <b>352,676</b>    |
| Deficiency of revenue over expenses                 | <b>\$ (9,382)</b>   | <b>\$ (18,985)</b> | <b>\$ (3,307)</b> |

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

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**CHINOOK REGIONAL HEALTH AUTHORITY**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**For the Year Ended March 31, 2009**

(in thousands)

|   | 2009                                |   |                                 |                   | 2008          |                   |                  |
|---|-------------------------------------|---|---------------------------------|-------------------|---------------|-------------------|------------------|
|   | Accumulated<br>Deficit<br>(Note 11) | Accumulated net<br>unrealized<br>gains/(losses) on<br>investments | Investment in<br>capital assets | Sub-Total         | Endowments    | Total             | Total            |
| Balance at beginning of year  | \$ (2,084)                          | \$ 849  | \$ 16,360                       | \$ 15,125         | \$ 150        | \$ 15,275         | \$ 18,813        |
| Deficiency of revenues over expenses  | (18,985)                            | -   | -                               | (18,985)          | -             | (18,985)          | (3,307)          |
| Contributed assets  | -                                   | -   | -                               | -                 | -             | -                 | 408              |
| Capital assets purchased<br>with internal funds   | (6,233)                             | -   | 6,233                           | -                 | -             | -                 | -                |
| Amortization of internally funded<br>capital assets   | 2,732                               | -   | (2,732)                         | -                 | -             | -                 | -                |
| Disposal of land  | -                                   | -   | -                               | -                 | -             | -                 | (19)             |
| Transfer related to the acquisition of plant equipment<br>from internally funded to externally funded sources | 1,612                               | -   | (1,612)                         | -                 | -             | -                 | -                |
| Repayment of long-term debt used<br>to fund capital assets  | (84)                                | -   | 84                              | -                 | -             | -                 | -                |
| Net unrealized losses on available for sale financial<br>assets arising during the year                       | -                                   | (643)   | -                               | (643)             | -             | (643)             | (799)            |
| Transfer of net realized gains (losses) on investments to<br>revenue (Note 2(a)(3)(v))                        | -                                   | (206)   | -                               | (206)             | -             | (206)             | 179              |
| Balance at end of year  | <u>\$ (23,042)</u>                  | <u>\$ -</u>   | <u>\$ 18,333</u>                | <u>\$ (4,709)</u> | <u>\$ 150</u> | <u>\$ (4,559)</u> | <u>\$ 15,275</u> |

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

**CHINOOK REGIONAL HEALTH AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended March 31, 2009**  
(in thousands)

|   | 2009                |             | 2008       |
|---|---------------------|-------------|------------|
|   | Budget<br>(Note 13) | Actual      | Actual     |
| Cash generated from (used by):                                |                     |             |            |
| Operating activities:   |                     |             |            |
| Deficiency of revenue over expenses                           | \$ (9,382)          | \$ (18,985) | \$ (3,307) |
| Non-cash transactions:  |                     |             |            |
| Amortization (Schedule 1)                                     | 16,709              | 16,242      | 16,443     |
| Gross amortization of external capital contributions          | (13,432)            | (14,373)    | (13,824)   |
| Loss on disposal of assets                                    | 5                   | 870         | 3          |
|   | (6,100)             | (16,246)    | (685)      |
| Changes in non-cash working capital account                   | 17,017              | (10,520)    | 4,515      |
| Cash generated from (used by) operations                      | 10,917              | (26,766)    | 3,830      |
| Investing activities:   |                     |             |            |
| Purchase of capital assets:                                   |                     |             |            |
| internally funded - equipment                                 | (3,499)             | (4,469)     | (428)      |
| internally funded - facility and improvements                 | (1,200)             | (1,764)     | (3,018)    |
| externally funded - equipment                                 | (2,864)             | (1,731)     | (6,189)    |
| externally funded - facility and improvements                 | (13,772)            | (12,442)    | (5,640)    |
| debt funded - equipment                                       | -                   | (170)       | (88)       |
| Proceeds on sale of capital assets                            | -                   | 329         | 105        |
| Proceeds on sale of investments                               | -                   | 10,724      | 11,185     |
| Acquisition of investments                                    | -                   | (11,586)    | (11,881)   |
| Allocation (from) to current cash and investments             | (26,692)            | (49,458)    | 8,193      |
| Capital assets transferred                                    | -                   | -           | (408)      |
| Changes in other assets                                       | 3,014               | (3,679)     | (2,415)    |
| Changes in non-cash working capital account                   | -                   | 26,874      | -          |
| Changes in non-current contributions                          | 24,214              | 25,793      | (24,110)   |
| Cash used by investing activities                             | (20,799)            | (21,579)    | (34,694)   |
| Financing activities:   |                     |             |            |
| Capital contributions received                                | 12,324              | 40,381      | 31,260     |
| Change in non-cash working capital accounts                   | -                   | -           | 209        |
| Principal payments on long-term debt                          | -                   | (84)        | (209)      |
| Proceeds from long-term debt                                  | -                   | 170         | 88         |
| Capital assets transferred                                    | -                   | -           | 408        |
| Changes in other liabilities                                  | 22                  | (945)       | 44         |
| Change in non-current deferred contributions                  | (390)               | (82)        | 1,287      |
| Cash generated from financing activities                      | 11,956              | 39,440      | 33,087     |
| Increase (decrease) in cash, cash equivalents and investments | 2,074               | (8,905)     | 2,223      |
| Cash, cash equivalents and investments, beginning of year     | 31,372              | 31,372      | 29,149     |
| Cash, cash equivalents and investments, end of year (Note 3)  | \$ 33,446           | \$ 22,467   | \$ 31,372  |

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

**CHINOOK REGIONAL HEALTH AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2009**  
(in thousands)

**Note 1 Authority, Purpose and Operations**

The Chinook Regional Health Authority ("the Authority") was established on June 24, 1994 under the Alberta Regional Health Authority Act, Chapter R-10, Revised Statutes of Alberta 2000. The Authority is exempt from the payment of income tax and is also a registered charity under the Income Tax Act. Effective April 1, 2009 the Authority will be disestablished and all the assets and liabilities will be transferred to Alberta Health Services (Note 20).

The Authority delivers appropriate, accessible and affordable health services in Alberta, operating programs that promote, protect, maintain, restore and enhance physical and mental well-being.

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

Rural Hospital/Health Centre Sites

- Chinook Health – Milk River Health Centre
- Chinook Health – Pincher Creek Health Centre
- Chinook Health – Taber Health Centre
- Chinook Health – Fort Macleod Health Centre
- Chinook Health – Crowsnest Pass Health Centre
- Chinook Health – Raymond Health Centre
- Chinook Health – Cardston Health Centre
- Chinook Health – Magrath Health Centre
- Chinook Health – Coaldale Health Centre
- Chinook Health – Piyami Health Centre

Community Health Sites:

- Chinook Health – Lethbridge Community Health Site
- Chinook Health – Vauxhall Community Health Site
- Chinook Health – Taber Community Health Site
- Chinook Health – Coaldale Community Health Site
- Chinook Health – Raymond Community Health Site
- Chinook Health – Crowsnest Pass Community Health Site
- Chinook Health – Magrath Community Health Site
- Chinook Health – Pincher Creek Community Health Site

**Note 1 Authority, Purpose and Operations (continued)**

Other Sites/Locations:

- Chinook Regional Hospital
- Chinook Health – Children’s CARE Centre
- Chinook Health – Raymond Care Centre
- Chinook Health – Lethbridge Community Care Services
- Chinook Health – Community Mental Health
- Chinook Health – Population Health

These financial statements do not include the assets, liabilities and operations of any voluntary or private facilities providing health services in the region, except as disclosed in Note 18.

**Note 2 Significant Accounting Policies and Reporting Practices**

(a) Basis of Presentation

- (1) The financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles and the reporting requirements of Alberta Health and Wellness’ Financial Directive 34.
- (2) These financial statements were prepared on a consolidated basis and include the following:
  - (i) The Authority uses the proportionate consolidation method to account for its 50% interest in the Chinook Primary Care Network, a joint venture.
  - (ii) The Authority uses the proportionate consolidation method to account for its share in the Regional Shared Health Information Program (“RSHIP”).
  - (iii) The controlled foundations are not consolidated.
- (3) These financial statements use the deferral method of accounting for contributions, key elements of which are:
  - (i) Unrestricted contributions are recognized as revenue in the year receivable.
  - (ii) Externally restricted non-capital contributions are deferred and recognized as revenue in the year the related expenses are incurred.
  - (iii) Externally restricted capital contributions are recorded as deferred capital contribution until the amount is invested in capital assets. Invested amounts are transferred to unamortized external capital contributions and recognized as revenue in the period the related amortization expense of the capital asset is recorded.

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

- (iv) Endowment and restricted contributions to purchase capital assets that will not be amortized are recorded as direct increases to net assets.
- (v) Investment income includes dividend and interest income, and realized and unrealized investment gains and losses. Unrealized gains and losses on available-for-sale financial assets are included directly in net assets or deferred contributions as appropriate, until the asset is removed from the Statement of Financial Position or it is determined that an impairment of these financial assets is other than temporary. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Other unrestricted investment income is recognized as revenue when earned.
- (vi) Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

(b) Capital Disclosure

Effective April 1, 2008, the Authority implemented new capital disclosure requirements per section 1535 in the CICA Handbook. For operating purposes, the Authority defines capital as including working capital and unrestricted net assets. For capital purposes, the Authority defines capital as including deferred capital contributions, long term debt, unamortized external capital contributions, and investment in capital assets.

The Authority’s objectives for managing capital are:

- In the short term to safeguard the Authority’s financial ability to continue to deliver health services; and
- In the long term to plan and to build sufficient physical capacity to meet future needs for health services.

The majority of the Authority’s operating funds are from Alberta Health and Wellness which is paid on the first of each month. As a result, significantly less working capital is required. The Authority monitors its working capital and cash flow forecasts.

Alberta Health and Wellness approves health care facilities based on long-term capital plans and provides the majority of the funding through one-time capital grants. The Authority funds the required equipment and systems by a combination of allocating a portion of operating funds and obtaining external funding from charitable donations and capital grants. The Authority borrows to finance capital investments related to ancillary operations since Alberta Health and Wellness does not fund ancillary operations.

Where a health authority has incurred an accumulated deficit, legislation requires submission of a deficit elimination plan (Note 11).

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

(c) Full cost

The Authority records the full cost of services for which it is responsible. Full cost transactions comprise the following:

- (1) Revenues that contracted health service operators earn from Ministry of Health and Wellness designated fees and charges are recorded as fees and charges of the Authority. An equivalent amount is recorded as contracted health service operator expense of the Authority.
- (2) Alberta Health and Wellness direct payments to contracted health service operators are recorded as revenue and a program expense as they represent part of the cost of the Authority's health programs costs.
- (3) Fair value to use non-acute care facilities not owned by the Authority and provided to the Authority at zero or nominal rent is recorded as other government contributions and as program expenses.
- (4) Other assets, supplies and service contributions that would otherwise have been purchased are recorded as revenue and expenses, at fair value at the date of contribution, when a fair value can be reasonably determined. Volunteers' contributed services are not reported because a fair value cannot be reasonably determined.

(d) Employee Future Benefits

The Authority participates in the Local Authorities Pension Plan. This multi-employer defined benefit plan provides pensions for participating employees based on years of service and earnings. Defined contribution plan accounting is applied where information is insufficient to apply defined benefit plan accounting. Pension costs comprise the employer's contributions during the year, based on rates expected to provide benefits payable under the pension plans. The Authority does not record its portion of the plan's deficit or surplus.

The Authority provides a defined benefit Supplemental Executive Retirement Plan to senior executives. Costs of these benefits are actuarially determined using the projected benefit method pro-rated on services, a market interest rate, and management's best estimate of expected costs and benefit coverage period. Net actuarial gains and losses of the benefit obligation are amortized over the average remaining service life of the group. Current service cost is the actuarial present value of the benefits earned in the fiscal year. Prior service and other costs include amortization of past service costs on plan initiation, amortization of actuarial gains and losses, and interest accruing on the actuarial liability. The plan is unfunded.

The Authority fully accrues its obligations for employee non-pension future benefits, including its self-insured extended health, dental and vision care plan.

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

(e) Investments

Investments are accounted for in accordance with the accounting policies described in Note 2 (f).

Transaction costs associated with the acquisition and disposal of investments are expensed when incurred. The purchase and sale of investments are accounted for using the trade date.

(f) Financial Instruments

Initial measurement of financial instruments is at fair value and subsequent measurement and recognition changes in value depend upon the classification. Financial assets classified as "available-for-sale" are measured at fair value with changes in fair values recognized in the Statement of Changes in Net Assets or deferred contributions until realized, at which time the cumulative changes in fair value are recognized in the Statement of Operations. "Loans and receivables", and financial liabilities classified as "other financial liabilities" are measured at amortized cost using the effective interest method.

The Authority has classified its financial assets and financial liabilities as follows:

| <u>Financial Assets and Liabilities</u>       | <u>Classification</u>       |
|---|-----------------------------|
| Cash and cash equivalents                     | Available-for-sale          |
| Investments                                   | Available-for-sale          |
| Accounts receivable, contributions receivable | Loans and receivables       |
| Accounts payable                              | Other financial liabilities |
| Long-term debt                                | Other financial liabilities |

The Authority does not use hedge accounting and accordingly, is not impacted by the requirements of Section 3865 Hedges. The Authority as a Not-for-Profit Organization has elected not to apply the standards for embedded derivatives in non-financial contracts.

When it is determined that an impairment of a financial instrument classified as available-for-sale is other than temporary, the cumulative loss that had been recognized directly in net assets or deferred contributions is removed and recognized in the Statement of Operations even though the financial asset has not been derecognized. Impairment losses recognized in the Statement of Operations for a financial instrument classified as available-for-sale are not reversed.

The carrying values of current cash, cash equivalents and investments, accounts receivable, contributions receivable from Alberta Health and Wellness, and accounts payable approximate their fair value because of the short term nature of these items. It is management's opinion that the Authority is not exposed to significant interest, currency or credit risks arising from its financial instruments.

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

(g) Inventories

In June 2007, the Canadian Institute of Chartered Accountants (the "CICA") issued a new accounting standard, Section 3031 Inventories which provides guidance on the recognition, measurement and disclosure of inventories. The standard provides specific direction for not-for-profit organizations to record inventories held for consumption or distribution at no charge at the lower of cost or current replacement cost.

The Authority adopted this new standard as of April 1, 2008, but did not adjust opening balances or restate prior periods because the adoption did not have a material impact.

Inventories for consumption or distribution at no charge are recorded at the lower of cost (defined as moving average) and current replacement cost. All other inventories are recorded as the lower of cost (defined as moving average) and net realizable value.

(h) Capital Assets

Capital assets and work in progress are recorded at cost.

Capital assets except land, construction in progress and art are amortized over their estimated useful lives on a straight line basis as follows:

|                            | <u>Useful Life</u> |
|----------------------------|--------------------|
| Land improvements          | 10 - 25 years      |
| Buildings                  | 20 - 40 years      |
| Building Service Equipment | 10 - 25 years      |
| Equipment                  | 3 - 15 years       |

Construction projects in progress are not amortized until the project is complete. Leases transferring substantially all of the benefits and risks of ownership of capital assets to the Authority are accounted for as acquisitions of capital assets financed by long-term obligations.

(i) Measurement Uncertainty

The financial statements, by their nature, contain estimates and are subject to measurement uncertainty. In order to determine whether an impairment of investments classified as available-for-sale is other than temporary, management considers specific factors including the nature and extent of the decrease in fair value of the investment below cost and the underlying credit risk associated with holding investments. Capital assets are amortized over their estimated useful lives. The amounts recorded for amortization of external capital contributions are based on estimates of the useful life of related assets. The Supplemental Executive Retirement Plan obligation is based on actuarial calculations. Actual results could differ from these estimates.

**Note 3 Cash, Cash Equivalents and Investments**

|   | <u>2009</u>       |                 | <u>2008</u>       |                 |
|---|-------------------|-----------------|-------------------|-----------------|
|   | <u>Fair Value</u> | <u>Cost</u>     | <u>Fair Value</u> | <u>Cost</u>     |
|   | (in thousands)    |                 |                   |                 |
| Cash  | \$75,566          | \$75,566        | \$25,282          | \$25,282        |
| Guaranteed investment certificates            | 3,308             | 3,308           | 13,358            | 13,358          |
| Bonds   | 10,922            | 10,905          | 10,882            | 10,515          |
| Equities                                      | 2,420             | 2,780           | 2,127             | 1,645           |
|   | <u>\$92,216</u>   | <u>\$92,559</u> | <u>\$51,649</u>   | <u>\$50,800</u> |
| Classified as:                                |                   |                 |                   |                 |
| Current                                       | \$22,467          |                 | \$31,372          |                 |
| Non-current                                   | <u>69,749</u>     |                 | <u>20,277</u>     |                 |
| Total cash, cash equivalents and investments. | <u>\$92,216</u>   |                 | <u>\$51,649</u>   |                 |

- (a) At March 31, 2009 management determined that an impairment of investments classified as available-for-sale was other than temporary and therefore a cumulative loss has been recognized in the Statement of Operations (Note 17).
- (b) Guaranteed Investment Certificates ("GIC's") maturing on April 22, 2009, April 30, 2009, May 28, 2009, and July 21, 2009 dates are guaranteed by the Canada Deposit Insurance Corporation and bear interest at 3.44% paid annually. The effective yield of the GIC's is 3.44%.
- (c) To optimize returns at an acceptable level of risk, management has established a policy asset mix of 65% to 100% for fixed-income instruments, 0% to 25% for equities, and 0% to 20% for cash and cash equivalents. Risk is reduced through asset class diversification, diversification within each asset class and quality constraints on fixed-income and equity instruments. At March 31, 2009 cash included a bank account balance of \$72,572 (2008 - \$18,969) that is managed by Alberta Infrastructure and therefore excluded from the Authority's policy asset mix. The Primary Care Network cash and GIC's of \$5,022 (2008 - \$3,913) are also excluded from the Authority's policy asset mix.
- (d) Fixed-income securities have an effective yield of 5.34% per year, and 5.23% per annum for securities maturing between 1 and 10 years. As at March 31, 2009, the fixed-income securities have the following maturity structure:

|               | <u>Government of Canada</u> | <u>Provincial</u> | <u>Corporate</u> | <u>Foreign</u> |
|---------------|-----------------------------|-------------------|------------------|----------------|
| 1 to 5 years  | 49.30%                      | 13.79%            | 47.94%           | 0.00%          |
| 5 to 10 years | 11.19%                      | 49.54%            | 33.64%           | 53.85%         |
| Over 10 years | 39.51%                      | 36.67%            | 18.42%           | 46.15%         |
|               | <u>100.00%</u>              | <u>100.00%</u>    | <u>100.00%</u>   | <u>100.00%</u> |

- (e) Equities comprise publicly-traded securities in major stock markets. Risk is reduced by prudent security selection and sector rotation.

**Note 4 Capital Assets**

|                              | 2009              | 2008              |
|------------------------------|-------------------|-------------------|
|                              | Net Book Value    | Net Book Value    |
|                              | (in thousands)    |                   |
| Buildings and improvements   | \$ 130,884        | \$ 138,109        |
| Work in progress             | 21,836            | 7,630             |
| Equipment                    | 17,629            | 17,728            |
| Information systems          | 374               | 654               |
| Software licenses            | 7,091             | 8,758             |
| Leasehold improvements       | 850               | 935               |
| Land                         | 4,278             | 4,278             |
| Building service equipment   | 10,282            | 11,922            |
| Land improvements            | 349               | 424               |
| Other non-depreciable assets | 44                | 44                |
|                              | <u>\$ 193,617</u> | <u>\$ 190,482</u> |

| Cost                         |                       |             |                          |                 |                        |
|------------------------------|-----------------------|-------------|--------------------------|-----------------|------------------------|
|                              | Balance April 1, 2008 | Transfers   | Additions (in thousands) | Disposals       | Balance March 31, 2009 |
| Buildings and improvements   | \$ 259,566            | \$ -        | \$ -                     | \$ 1,722        | \$ 257,844             |
| Work in progress             | 7,630                 | (124)       | 14,330                   | -               | 21,836                 |
| Equipment                    | 58,558                | 124         | 6,022                    | 886             | 63,818                 |
| Information systems          | 10,808                | -           | 127                      | -               | 10,935                 |
| Software licenses            | 12,772                | -           | 97                       | -               | 12,869                 |
| Leasehold improvements       | 1,384                 | -           | -                        | -               | 1,384                  |
| Land                         | 4,278                 | -           | -                        | -               | 4,278                  |
| Building service equipment   | 17,418                | -           | -                        | 995             | 16,423                 |
| Land improvements            | 4,488                 | -           | -                        | -               | 4,488                  |
| Other non-depreciable assets | 44                    | -           | -                        | -               | 44                     |
|                              | <u>\$ 376,946</u>     | <u>\$ -</u> | <u>\$ 20,576</u>         | <u>\$ 3,603</u> | <u>\$ 393,919</u>      |

| Accumulated Amortization   |                       |                           |                           |                        |
|----------------------------|-----------------------|---------------------------|---------------------------|------------------------|
|                            | Balance April 1, 2008 | Current year amortization | Amortization on disposals | Balance March 31, 2009 |
|                            | (in thousands)        |                           |                           |                        |
| Buildings and improvements | \$ 121,457            | \$ 6,879                  | \$ 1,376                  | \$ 126,960             |
| Equipment                  | 40,830                | 6,152                     | 793                       | 46,189                 |
| Information systems        | 10,154                | 407                       | -                         | 10,561                 |
| Software licenses          | 4,014                 | 1,764                     | -                         | 5,778                  |
| Leasehold improvements     | 449                   | 85                        | -                         | 534                    |
| Building service equipment | 5,496                 | 880                       | 235                       | 6,141                  |
| Land improvements          | 4,064                 | 75                        | -                         | 4,139                  |
|                            | <u>\$ 186,464</u>     | <u>\$ 16,242</u>          | <u>\$ 2,404</u>           | <u>\$ 200,302</u>      |

**Note 4 Capital Assets (continued)**

(a) Land

Land at the Crowsnest Pass General and Auxiliary Hospital and Picture Butte Health Centre has been provided to the Authority at nominal value.

(b) Leased equipment

Equipment was acquired through capital leases at a cost of \$170 (2008 - \$237) with accumulated amortization of \$57 (2008 - \$209).

**Note 5 Other Assets**

|  | 2009             | 2008             |
|--|------------------|------------------|
|  | (in thousands)   |                  |
| Long-term receivable                                 |                  |                  |
| Supportive living options                            | \$ 11,057        | \$ 9,224         |
| Participating physicians                             | -                | 10               |
| Grants receivable from East Central Health (Note 21) | 957              | -                |
| Other  | 50               | 50               |
|  | <u>12,064</u>    | <u>9,284</u>     |
| Deferred contract payments                           | 1,871            | 972              |
|  | <u>\$ 13,935</u> | <u>\$ 10,256</u> |

The amounts included in the Supportive Living Options are recoverable as services are rendered by the contracted health service provider over the life of the Continuing Care Agreement. The Continuing Care Agreement is for an initial term of 20 years effective from the date of commencement of operations, unless otherwise terminated. The deferred contract payments are amortized over the term of the related agreements. The average remaining term of the agreements at March 31, 2009 is 15.5 years.

The Authority provided financial assistance to participating physicians to assist in a portion of costs of the Sleep Apnea Clinic. Costs are reimbursed to the Authority over the term of the agreement.

**Note 6 Deferred Contributions**

The balance at the end of the year is restricted for the following purposes:

|                                 | <u>2009</u>      | <u>2008</u>      |
|---------------------------------|------------------|------------------|
|                                 | (in thousands)   |                  |
| Current:                        |                  |                  |
| Children's health               | \$ 860           | \$ 1,204         |
| Immunization programs           | 117              | 390              |
| Mental health-innovations funds | 1,427            | 2,951            |
| Palliative care                 | 301              | 467              |
| Pandemic supplies               | 849              | 1,393            |
| Physician on call               | 928              | 1,905            |
| Primary care network            | 4,745            | 4,365            |
| Seniors' health                 | 7,051            | 7,056            |
| Stanford management training    | 128              | 245              |
| Stroke strategy                 | 907              | 615              |
| Telehealth programs             | 722              | 444              |
| Other                           | <u>5,528</u>     | <u>3,269</u>     |
|                                 | <u>23,563</u>    | <u>24,304</u>    |
| Non-current:                    |                  |                  |
| Donations                       | <u>724</u>       | <u>589</u>       |
|                                 | <u>\$ 24,287</u> | <u>\$ 24,893</u> |

**Note 7 Deferred Capital Contributions**

The balance at the end of the year is restricted for the following purposes:

|                               | <u>2009</u>      | <u>2008</u>      |
|-------------------------------|------------------|------------------|
|                               | (in thousands)   |                  |
| Equipment replacement         | \$ 1,852         | \$ 2,681         |
| Improvement of capital assets | <u>65,440</u>    | <u>39,678</u>    |
|                               | <u>\$ 67,292</u> | <u>\$ 42,359</u> |

**Note 8 Long-term Debt**

|                                  | <u>2009</u>    | <u>2008</u> |
|----------------------------------|----------------|-------------|
|                                  | (in thousands) |             |
| Obligations under capital leases | \$ 114         | \$ 27       |
| Less: current portion            | <u>57</u>      | <u>27</u>   |
|                                  | <u>\$ 57</u>   | <u>\$ -</u> |

The Authority is committed to making payments as follows:

| <u>Year ending March 31</u> |               |
|-----------------------------|---------------|
| 2010                        | \$ 57         |
| 2011                        | <u>57</u>     |
|                             | <u>\$ 114</u> |

The capital lease expires on March 31, 2011.

**Note 9 Deferred Contributions – Healthy Aging Partnership**

Funds received from Alberta Health and Wellness for the purpose of providing supportive living options to the Authority's residents are recorded as long-term deferred contributions.

During the year the Authority amortized \$217 (2008 - \$229) of the Healthy Aging Partnership program to community and home-based services and recognized an equal amount as revenue under Alberta Health and Wellness Contributions.

|   | <u>2009</u>    | <u>2008</u>   |
|---|----------------|---------------|
|   | (in thousands) |               |
| Alberta Health and Wellness contributions (Note 14) | \$ 196         | \$ 199        |
| Investment and other income                         | <u>21</u>      | <u>30</u>     |
|   | <u>\$ 217</u>  | <u>\$ 229</u> |

**Note 10 Long-Term Employee Benefits**

(a) Supplemental Executive Retirement Plan

|  | <u>2009</u>     | <u>2008</u>     |
|--|-----------------|-----------------|
|  | (in thousands)  |                 |
| Accrued benefit obligation   |                 |                 |
| Accrued obligation, beginning of year                              | \$ 1,182        | \$ 821          |
| Current service cost   | 54              | 60              |
| Interest cost  | 70              | 52              |
| Prior service cost   | -               | 130             |
| Actuarial (gain) loss  | (317)           | 149             |
| Benefit payments   | (32)            | (30)            |
| Net accrued benefit obligation, end of year                        | <u>\$ 957</u>   | <u>\$ 1,182</u> |
| Reconciliation of funded status of accrued benefit asset/liability |                 |                 |
| Net accrued benefit obligation                                     | \$ 957          | \$ 1,182        |
| Unrecognized actuarial gain (loss)                                 | 317             | (149)           |
| Unrecognized prior service costs                                   | -               | (234)           |
| Reported liability   | <u>\$ 1,274</u> | <u>\$ 799</u>   |
| Current service cost   | \$ 54           | \$ 60           |
| Interest cost  | 70              | 52              |
| Amortization of prior service costs                                | 234             | 130             |
| Amortization of net actuarial loss                                 | 149             | 173             |
| Net benefit cost   | <u>\$ 507</u>   | <u>\$ 415</u>   |
|  | <u>2009</u>     | <u>2008</u>     |
| Discount rate  | 8.00%           | 5.75%           |
| Expected average remaining service life of employees               | 3 years         | 5 years         |
| Salary increase  | 5.00%           | 5.00%           |

The plan is unfunded.

(b) Pension expense

Pension expense related to the Local Authorities Pension Plan in these financial statements is equal to the Authority's annual contributions payable of \$10,861 for the year ended March 31, 2009 (2008 - \$9,502). At December 31, 2008, the Local Authorities Pension Plan reported a deficiency of \$4,413,971 (2008 - deficiency of \$1,183,334).

Supplemental Executive Retirement Plan expense in these financial statements is equal to the net benefit cost of \$507 for the year ended March 31, 2009 (2008 - \$415).

**Note 11 Accumulated Deficit**

The Authority has reported an accumulated deficit at March 31. Per Alberta Regulation 15/95 of the RHA Act, Alberta Health Services will provide the Minister with a plan, in writing, that is satisfactory to the Minister, to eliminate the net accumulated deficit of all health regions combined, within three years of incurrence.

**Note 12 Commitments and Contingencies**

(a) The Authority has outstanding contractual commitments related to facilities and improvements projects in the amount of \$21,400.

(b) The Authority is contractually committed to future operating lease payments until 2013 as follows:

| <u>Year ending March 31</u> | (in thousands)  |
|-----------------------------|-----------------|
| 2010                        | \$ 793          |
| 2011                        | 559             |
| 2012                        | 547             |
| 2013                        | 271             |
|                             | <u>\$ 2,170</u> |

(c) The Authority has not recognized a liability of certain legal obligations, primarily special handling for the removal and disposal of encapsulated asbestos from facilities and equipment. The fair value cannot be reasonably estimated as the settlement dates are unknown.

(d) The Authority, in the conduct of its normal activities, is named a defendant in various legal proceedings. While the ultimate outcome of these proceedings cannot be predicted at this time, it is the opinion of management that adequate provision for these proceedings have been made in the Authority's accounts. It is believed that the resolution of the proceedings will not have a material effect on the financial position of the Authority, however, should any loss result from the resolution of these proceedings, such amounts would be expensed as the related amounts become known to the Authority.

(e) The Authority has been named as a defendant in a legal action in respect of increased long-term care accommodation charges levied effective August 1, 2003. The claim has been filed against the Province of Alberta and the Regional Health Authorities. The amount of the claim is in excess of \$150 million based on the amount of the increase in accommodation charges levied, which came into effect August 1, 2003. The outcome of the claim is not determinable.

(f) The Authority contracts on an ongoing basis with voluntary and private health service operators to provide health services in the region (Note 18(g)). The Authority has contracted for services in the year ending March 31, 2010 similar to those provided by these operators in 2009.

**Note 13 Budget** (in thousands)

The budget was prepared by management and submitted to the Minister of Health and Wellness. Over the course of the fiscal year, the Minister provided additional funding of \$2,084. The Board has allocated these additional resources to address funding expectations.

**Note 14 Alberta Health and Wellness Contributions**

|                                       | 2009              | 2008              |
|---------------------------------------|-------------------|-------------------|
|                                       | (in thousands)    |                   |
| Unrestricted contributions            | \$ 306,093        | \$ 286,801        |
| Transfers from deferred contributions | 12,041            | 9,769             |
| Healthy aging partnership (Note 9)    | 196               | 199               |
| Primary care network (Note 18(c))     | 3,229             | 2,495             |
|                                       | <u>\$ 321,559</u> | <u>\$ 299,264</u> |

**Note 15 Other Government Contributions**

|  | 2009            | 2008            |
|--|-----------------|-----------------|
|  | (in thousands)  |                 |
| Persons with developmental disabilities South Alberta Board                              | \$ 2,476        | \$ 2,281        |
| Transition grant from East Central Health (Note 21)                                      | 1,644           | -               |
| Transfers from deferred contributions  | 791             | 867             |
| Alberta Infrastructure   | 240             | 143             |
|  | <u>5,151</u>    | <u>3,291</u>    |
| Fair value of rent less rent charges for non-acute care facilities used by the Authority | <u>734</u>      | <u>676</u>      |
|  | <u>\$ 5,885</u> | <u>\$ 3,967</u> |

**Note 16 Ancillary Operations**

|                           | 2009           |                 |                      |                |                                 | 2008           |                                 |
|---------------------------|----------------|-----------------|----------------------|----------------|---------------------------------|----------------|---------------------------------|
|                           | Revenue        | Direct Expenses | Amortization Expense | Total Expenses | Excess of Revenue over Expenses | Revenue        | Excess of Revenue over Expenses |
|                           | (in thousands) |                 |                      |                |                                 |                |                                 |
| Parking operations        | \$ 385         | \$ 122          | \$ 6                 | \$ 128         | \$257                           | \$ 407         | \$264                           |
| Non-patient food services | 1,498          | 1,749           | 3                    | 1,752          | (254)                           | 1,437          | 184                             |
| Laundry operations        | 79             | 78              | 1                    | 79             | -                               | 85             | -                               |
| Other operations          | 87             | 113             | -                    | 113            | (26)                            | 138            | 2                               |
|                           | <u>\$2,049</u> | <u>\$2,062</u>  | <u>\$10</u>          | <u>\$2,072</u> | <u>\$(23)</u>                   | <u>\$2,067</u> | <u>\$450</u>                    |

Ancillary expenses are reported in support services in the Statement of Operations.

**Note 17 Investments and Other Income**

|   | 2009             | 2008             |
|---|------------------|------------------|
|   | (in thousands)   |                  |
| Investment income earned:                               |                  |                  |
| Unrestricted resources                                  | \$ 1,083         | \$ 1,808         |
| Other than temporary impairment of investments (Note 3) | (343)            | -                |
| Restricted resources for capital assets                 | 11               | 22               |
| Resources held for endowment                            | <u>6</u>         | <u>7</u>         |
|   | 757              | 1,837            |
| Other income:   |                  |                  |
| Transfers from deferred contributions                   | 4,735            | 3,345            |
| Other   | <u>5,521</u>     | <u>6,165</u>     |
|   | 11,013           | 11,347           |
| Less amounts deferred:                                  |                  |                  |
| Restricted for capital asset acquisition                | <u>(11)</u>      | <u>(22)</u>      |
|   | <u>\$ 11,002</u> | <u>\$ 11,325</u> |

Investment income is comprised of interest and dividends, gains or losses on the sale of investments, and other than temporary impairment of investments.

Other income is comprised of recoveries from sources external to the Authority for compensation, and materials and supplies.

**Note 18 Related Parties**

(a) Province of Alberta and Health Regions

The Minister of Health and Wellness appoints the members of Alberta Health Services Board. The Board is economically dependant on the Ministry of Health and Wellness since the viability of its operations depends on contributions from the Ministry.

The Authority had the following transactions with other health regions recorded on the Statement of Operations and Financial Position at the amounts of consideration agreed upon between the related parties:

|  | 2009            |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|
|  | Revenue         | Expense         | Receivable      | Payable         |
|  | (in thousands)  |                 |                 |                 |
| Other Regional Health Authorities and Provincial Health Boards | <u>\$ 3,749</u> | <u>\$ 1,130</u> | <u>\$ 2,497</u> | <u>\$ -</u>     |
|  | 2008            |                 |                 |                 |
|  | Revenue         | Expense         | Receivable      | Payable         |
|  | (in thousands)  |                 |                 |                 |
| Other Regional Health Authorities and Provincial Health Boards | <u>\$ 1,808</u> | <u>\$ 1,808</u> | <u>\$ 1,241</u> | <u>\$ 1,303</u> |

**Note 18 Related Parties (continued)**

(b) Regional Shared Health Information Program ("RSHIP")

The seven non-metro health regions: Palliser Health Region, David Thompson Health Region, Aspen Health Region, Northern Lights Health Region, Peace Country Health Region, Chinook Regional Health Authority, East Central Health, have entered into an agreement under the name Regional Shared Health Information Program (RSHIP), to develop and implement a common, integrated health information system. This standard system will integrate with Alberta's Provincial Electronic Health Record (EHR) initiative.

|                                     | 2009            | 2008            |
|-------------------------------------|-----------------|-----------------|
|                                     | (in thousands)  |                 |
| Alberta Health and Wellness Funding | \$ 45           | \$ 683          |
| Health Authority contribution       | 1,036           | 1,983           |
|                                     | <u>\$ 1,081</u> | <u>\$ 2,666</u> |

The Authority's proportionate share of expenditures and costs incurred directly are as follows:

|                | 2009            | 2008            |
|----------------|-----------------|-----------------|
|                | (in thousands)  |                 |
| Expenses       | \$ 958          | \$ 1,442        |
| Capital assets | 123             | 1,224           |
|                | <u>\$ 1,081</u> | <u>\$ 2,666</u> |

The Authority accounts for its interest in RSHIP on a proportionate consolidation basis.

**Note 18 Related Parties (continued)**

(c) Primary Care Network

The Authority's interest in the Chinook Primary Care Network, a joint venture, is included in the financial statements under the proportionate consolidation method.

|  | Authority's 50% Share |                 |
|--|-----------------------|-----------------|
|  | 2009                  | 2008            |
|  | (in thousands)        |                 |
| <b>Statement of Financial Position:</b>    |                       |                 |
| Cash, cash equivalents and investments     | \$ 5,022              | \$ 3,913        |
| Accounts receivable                        | 37                    | 639             |
| Prepaid expenses                           | 252                   | -               |
| Capital assets                             | 3                     | 223             |
|  | <u>\$ 5,314</u>       | <u>\$ 4,775</u> |
| Accounts payable and accrued liabilities   | \$ 320                | \$ 187          |
| Deferred contributions                     | 4,745                 | 4,365           |
| Unamortized external capital contributions | -                     | 223             |
| Accumulated deficit                        | (3)                   | -               |
| Investments in capital assets              | 252                   | -               |
|  | <u>\$ 5,314</u>       | <u>\$ 4,775</u> |
| <b>Statement of Operations:</b>            |                       |                 |
| Revenue (Note 14)                          | \$ 3,229              | \$ 2,495        |
| Expenses                                   | 2,980                 | 2,495           |
| Excess of revenue over expenses            | <u>\$ 249</u>         | <u>\$ -</u>     |

(d) Foundations

The Authority exercises control over the following Foundations by virtue of its ability to appoint a majority of the voting members of the Boards of Directors. These Foundations were established under the Regional Health Authorities Act and are registered charities under the Income Tax Act. The controlled Foundations are not consolidated in these financial statements. Financial information for these Foundations (in thousands) is as follows:

|   | 2009    |             |                | 2008    |             |                |
|---|---------|-------------|----------------|---------|-------------|----------------|
|   | Assets  | Liabilities | Net Assets     | Assets  | Liabilities | Net Assets     |
| Crowsnest Pass Health Foundation            | \$246   | \$(3)       | \$243          | \$271   | \$-         | \$271          |
| Cardston and District Health Foundation     | 17      | (11)        | 6              | 28      | -           | 28             |
| North County Health Foundation              | 49      | -           | 49             | 74      | (19)        | 55             |
| Fort Macleod and District Health Foundation | 74      | -           | 74             | 76      | (19)        | 57             |
| Windy Slopes Health Foundation              | 71      | (11)        | 60             | 78      | ( 6)        | 72             |
|   | 2009    |             |                | 2008    |             |                |
|   | Revenue | Expenses    | Excess/Deficit | Revenue | Expenses    | Excess/Deficit |
| Crowsnest Pass Health Foundation            | \$163   | \$(191)     | \$(28)         | \$172   | \$(128)     | \$44           |
| Cardston and District Health Foundation     | 75      | (97)        | (22)           | 112     | (114)       | (2)            |
| North County Health Foundation              | 30      | (36)        | (6)            | 81      | (71)        | 10             |
| Fort Macleod and District Health Foundation | 67      | (50)        | 17             | 75      | (36)        | 39             |
| Windy Slopes Health Foundation              | 128     | (141)       | (13)           | 180     | (212)       | 32             |

**Note 18 Related Parties (continued)**

|   | <u>Contributions Received by Health Authority</u> |      | <u>Resources held by Foundation</u> |              |
|---|---|------|-------------------------------------|--------------|
|   | Year Ended March 31                               |      | Year Ended March 31, 2009           |              |
|   | 2009  | 2008 | Externally Restricted               | Unrestricted |
| Crowsnest Pass Health Foundation            | \$157   | \$97 | \$209                               | \$34         |
| Cardston and District Health Foundation     | 71  | 89   | 1                                   | 5            |
| North County Health Foundation              | 15  | 50   | 3                                   | 46           |
| Fort Macleod and District Health Foundation | 20  | 19   | 5                                   | 69           |
| Windy Slopes Health Foundation              | 71  | 137  | 11                                  | 49           |

The value of administrative support provided to the above Foundations for the year ended March 31, 2009 was \$103 (2008 - \$98). Of this amount, \$14 was receivable from the Foundations at year end (2008 - \$38).

(e) Other Foundations

The Authority has an economic interest in the Chinook Regional Hospital Foundation and the Taber and District Health Foundation by virtue of its representation on the Board of Directors. The Foundations were established to raise funds for use in the respective community. The Foundations were continued under the Regional Health Authorities Act and are registered charities under the Income Tax Act. Financial information for these Foundations (in thousands) is as follows:

|                                      | <u>2009</u>   |                    |                   | <u>2008</u>   |                    |                   |
|--------------------------------------|---------------|--------------------|-------------------|---------------|--------------------|-------------------|
|                                      | <u>Assets</u> | <u>Liabilities</u> | <u>Net Assets</u> | <u>Assets</u> | <u>Liabilities</u> | <u>Net Assets</u> |
| Chinook Regional Hospital Foundation | \$4,707       | \$(117)            | \$4,590           | \$5,086       | \$(150)            | \$4,936           |
| Taber and District Health Foundation | 933           | (7)                | 926               | 964           | (5)                | 959               |

|                                      | <u>Contributions Received by Health Authority</u> |       | <u>Resources held by Foundation</u> |              |
|--------------------------------------|---|-------|-------------------------------------|--------------|
|                                      | Year Ended March 31                               |       | Year Ended March 31, 2009           |              |
|                                      | 2009  | 2008  | Externally Restricted               | Unrestricted |
| Chinook Regional Hospital Foundation | \$ 317  | \$392 | \$4,124                             | \$466        |
| Taber and District Health Foundation | 51  | 109   | 606                                 | 320          |

The value of administrative support provided to the above Foundations for the year ended March 31, 2009 was \$388 (2008 - \$301). Of this amount, \$92 was receivable from the Foundations at year end (2008 - \$115).

(f) Society of Friends of the Lethbridge Regional Hospital (the "Society")

The Authority significantly influences the Society through its provision of administrative and financial services and by representation on the Board. The Society is incorporated under the Societies Act of Alberta and operates the gift shop, telephone and television rentals, and other various fund-raising activities. All funds earned are used to support the activities of the Lethbridge Regional Hospital Site of the Authority by transferring funds through the Lethbridge Regional Hospital Foundation.

As at March 31, 2009, \$59 (2008 - \$56) was due to the Authority.

**Note 18 Related Parties (continued)**

(g) Contracts with Health Service Providers

The Authority has an economic interest through its contracts with voluntary and private health service operators to provide health services in the Authority. Funding was provided as follows:

|                                    | <u>Direct Regional Funding</u> | <u>Direct Alberta Health and Wellness Funding</u> | <u>Fees and Charges and Other Income</u> | <u>Full Cost Adjustments</u> | <u>Total</u>     |
|------------------------------------|--------------------------------|---|--|------------------------------|------------------|
|                                    | (in thousands)                 |   |  |                              |                  |
| <b>2009</b>                        |                                |   |  |                              |                  |
| Voluntary health service providers | \$ 16,689                      | \$ -  | \$ 3,072                                 | \$ -                         | \$ 19,761        |
| Private health service providers   | 49,223                         | -   | 4,757                                    | -                            | 53,980           |
|                                    | <u>\$ 65,912</u>               | <u>\$ -</u>                                       | <u>\$ 7,829</u>                          | <u>\$ -</u>                  | <u>\$ 73,741</u> |
| <b>2008</b>                        |                                |   |  |                              |                  |
| Voluntary health service providers | \$ 14,516                      | \$ -  | \$ 2,948                                 | \$ -                         | \$ 17,464        |
| Private health service providers   | 38,776                         | -   | 4,661                                    | -                            | 43,437           |
|                                    | <u>\$ 53,292</u>               | <u>\$ -</u>                                       | <u>\$ 7,609</u>                          | <u>\$ -</u>                  | <u>\$ 60,901</u> |

**Note 19 Trust Funds**

The Authority receives funds in trust from Alberta Health and Wellness for the Chinook Primary Care Network. This initiative is a trilateral agreement between the Alberta Medical Association, the Regional Health Authority, and Alberta Health and Wellness. Family physicians in communities in Southwestern Alberta are identifying ways to strengthen the services and care they have always delivered to their patients through the Chinook Primary Care Network. During the year, the Authority disbursed all funds held and received to the Chinook Primary Care Network.

The Authority also receives funds in trust from Ladies Auxiliary and from Society of Friends. The Authority invests these funds on behalf of the organizations. At March 31, 2009 the Authority held \$200 in trust for Ladies Auxiliary and \$100 in trust for Society of Friends. These amounts are not reflected in these financial statements.

**Note 20 New Governance Structure**

On May 15, 2008, the Minister of Health and Wellness restructured the governance model of health services delivery in Alberta. A single common board replaced the board members of each of Alberta's nine Regional Health Authority boards, Alberta Mental Health Board, Alberta Cancer Board and Alberta Alcohol and Drug Abuse Commission (AADAC). Effective April 1, 2009, all of these entities including the Authority but excluding East Central Health will be disestablished and all of the assets, liabilities, rights and obligations of these entities including the Authority, will be assumed by East Central Health whose name will change to Alberta Health Services ("AHS").

**CHINOOK REGIONAL HEALTH AUTHORITY**  
**CONSOLIDATED SCHEDULE OF EXPENSES BY OBJECT**  
**FOR THE YEAR ENDED MARCH 31, 2009**  
(in thousands)

**Note 21 Transition and Restructuring Costs**

As at March 31, 2009, the Authority recorded transition costs and restructuring charges in the Statement of Operations. The charges consist of severance costs and termination benefits, and other applicable transition expenses. In the Statement of Operations, these charges are included in Administration, Support Services, Facility-Based Continuing Care Services, and Inpatient Acute Nursing Services.

|  | Severance-<br>Related<br>Charges | Other<br>Charges | Total         |
|--|----------------------------------|------------------|---------------|
|  | (thousands of dollars)           |                  |               |
| Liability as at March 31, 2008                     | \$ -                             | \$ -             | \$ -          |
| Amounts expensed                                   | 523                              | 164              | 687           |
| Payments made during the year                      | (523)                            | (164)            | (687)         |
| Liability as at March 31, 2009                     | <u>\$ -</u>                      | <u>\$ -</u>      | <u>\$ -</u>   |
| Unfunded Supplemental<br>Executive Retirement Plan | <u>\$ -</u>                      | <u>\$ 957</u>    | <u>\$ 957</u> |

East Central Health received \$80 million in funding from Alberta Health and Wellness for the costs of AHS transitioning and the Authority has recorded a receivable from East Central Health for the transition costs incurred as described above.

The transition grant restrictions include payments for the unfunded status of the Authority's Supplemental Executive Retirement Plan. The Authority has recorded a non-current receivable from East Central Health for the amount of the accrued benefit obligation at the end of the year.

**Note 22 Comparative Figures**

Certain 2008 figures have been reclassified to conform to the 2009 presentation.

**Note 23 Approval of Financial Statements**

These financial statements have been approved by the Alberta Health Services Board.

|   | 2009                |                   | 2008              |
|---|---------------------|-------------------|-------------------|
|   | Budget<br>(Note 13) | Actual            | Actual            |
| Salaries and benefits (Schedule 2)                    | \$ 212,596          | \$ 219,261        | \$ 197,050        |
| Contracts with health service operators (Note 18 (g)) | 60,809              | 73,741            | 60,901            |
| Drugs and gases                                       | 5,782               | 5,714             | 6,154             |
| Medical and surgical supplies                         | 9,896               | 10,995            | 9,440             |
| Other contracted services                             | 21,385              | 26,341            | 24,373            |
| Interest on long-term debt                            | 11                  | 3                 | 11                |
| Other*  | 40,842              | 40,851            | 38,301            |
| Amortization:   |                     |                   |                   |
| Capital equipment – internally funded                 | 3,033               | 2,656             | 2,364             |
| Capital equipment – externally funded                 | 5,198               | 5,669             | 5,854             |
| Facilities and improvements – internally funded       | 244                 | 76                | 255               |
| Facilities and improvements – externally funded       | 8,234               | 7,841             | 7,970             |
| Loss on disposal of assets                            | 5                   | 870               | 3                 |
|   | <u>\$ 368,035</u>   | <u>\$ 394,018</u> | <u>\$ 352,676</u> |
| *Included in other expense are the following:         |                     |                   |                   |
| Supplies  | \$ 18,122           | \$ 18,566         | \$ 16,655         |
| Minor equipment and maintenance                       | 9,173               | 9,047             | 8,746             |
| Travel  | 4,575               | 4,683             | 4,097             |
| Utilities   | 6,160               | 5,858             | 5,789             |
| Other   | 2,812               | 2,697             | 3,014             |
|   | <u>\$ 40,842</u>    | <u>\$ 40,851</u>  | <u>\$ 38,301</u>  |

**CHINOOK REGIONAL HEALTH AUTHORITY**  
**SCHEDULE OF SALARIES AND BENEFITS**  
**FOR THE YEAR ENDED MARCH 31, 2009**  
(thousands of dollars)

|                                     | 2009                 |                            |                                    |   |              |                       |                          | 2008         |                      |               |
|-------------------------------------|----------------------|----------------------------|------------------------------------|---|--------------|-----------------------|--------------------------|--------------|----------------------|---------------|
|                                     | FTE's <sup>(a)</sup> | Base Salary <sup>(b)</sup> | Other Cash Benefits <sup>(c)</sup> | Other Non-Cash Benefits <sup>(d)(e)</sup> | Subtotal     | Number of Individuals | Severance <sup>(f)</sup> | Total        | FTE's <sup>(a)</sup> | Total         |
| <b>Board Chair <sup>(g)</sup></b>   |                      |                            |                                    |   |              |                       |                          |              |                      |               |
| Ken Hughes – AHS                    | 0.88                 | \$ -                       | \$ -                               | \$ -                                      | \$ -         | -                     | \$ -                     | \$ -         | -                    | \$ -          |
| Jack Ady                            | 0.12                 | -                          | 7                                  | 1   | 8            | -                     | -                        | 8            | 1.00                 | 36            |
| <b>Board Members <sup>(g)</sup></b> |                      |                            |                                    |   |              |                       |                          |              |                      |               |
| Jack Ady – AHS                      | 0.88                 | -                          | -                                  | -   | -            | -                     | -                        | -            | -                    | -             |
| Pierre Crevolin – AHS               | 0.21                 | -                          | -                                  | -   | -            | -                     | -                        | -            | -                    | -             |
| Catherine Roozen – AHS              | 0.63                 | -                          | -                                  | -   | -            | -                     | -                        | -            | -                    | -             |
| Linda Hohol – AHS                   | 0.88                 | -                          | -                                  | -   | -            | -                     | -                        | -            | -                    | -             |
| John Lehnert – AHS                  | 0.88                 | -                          | -                                  | -   | -            | -                     | -                        | -            | -                    | -             |
| Irene Lewis – AHS                   | 0.88                 | -                          | -                                  | -   | -            | -                     | -                        | -            | -                    | -             |
| Don Sieben – AHS                    | 0.88                 | -                          | -                                  | -   | -            | -                     | -                        | -            | -                    | -             |
| Lori Andreachuk – AHS               | 0.33                 | -                          | -                                  | -   | -            | -                     | -                        | -            | -                    | -             |
| Gord Bontje – AHS                   | 0.33                 | -                          | -                                  | -   | -            | -                     | -                        | -            | -                    | -             |
| Teri Lynn Bougie – AHS              | 0.33                 | -                          | -                                  | -   | -            | -                     | -                        | -            | -                    | -             |
| Jim Clifford – AHS                  | 0.33                 | -                          | -                                  | -   | -            | -                     | -                        | -            | -                    | -             |
| Strater Crowfoot – AHS              | 0.33                 | -                          | -                                  | -   | -            | -                     | -                        | -            | -                    | -             |
| Tony Franceschini – AHS             | 0.33                 | -                          | -                                  | -   | -            | -                     | -                        | -            | -                    | -             |
| Andreas Laupacis – AHS              | 0.33                 | -                          | -                                  | -   | -            | -                     | -                        | -            | -                    | -             |
| Gord Winkel – AHS                   | 0.33                 | -                          | -                                  | -   | -            | -                     | -                        | -            | -                    | -             |
| Arthur Sanford                      | 0.12                 | -                          | 2                                  | -   | 2            | -                     | -                        | 2            | 1.00                 | 9             |
| Beverley Patterson                  | 0.12                 | -                          | 3                                  | -   | 3            | -                     | -                        | 3            | 1.00                 | 8             |
| Donna Bier                          | 0.00                 | -                          | -                                  | -   | -            | -                     | -                        | -            | 1.00                 | 7             |
| Douglas Schindeler                  | 0.12                 | -                          | 3                                  | -   | 3            | -                     | -                        | 3            | 1.00                 | 7             |
| Inez Kelly                          | 0.12                 | -                          | 1                                  | -   | 1            | -                     | -                        | 1            | 1.00                 | 8             |
| James Farr                          | 0.00                 | -                          | -                                  | -   | -            | -                     | -                        | -            | 1.00                 | 8             |
| Lloyd Hickman                       | 0.12                 | -                          | 3                                  | -   | 3            | -                     | -                        | 3            | 1.00                 | 8             |
| Phyllis Bishoff                     | 0.12                 | -                          | 3                                  | -   | 3            | -                     | -                        | 3            | 1.00                 | 6             |
| Roy Reti                            | 0.12                 | -                          | 2                                  | -   | 2            | -                     | -                        | 2            | 1.00                 | 8             |
| Sam Marra                           | 0.12                 | -                          | 4                                  | -   | 4            | -                     | -                        | 4            | 1.00                 | 13            |
| Thaine Olsen                        | 0.12                 | -                          | 3                                  | -   | 3            | -                     | -                        | 3            | 1.00                 | 8             |
|                                     | <u>9.96</u>          | <u>\$ -</u>                | <u>\$ 31</u>                       | <u>\$ 1</u>                               | <u>\$ 32</u> | <u>-</u>              | <u>\$ -</u>              | <u>\$ 32</u> | <u>12.00</u>         | <u>\$ 126</u> |

**CHINOOK REGIONAL HEALTH AUTHORITY**  
**SCHEDULE OF SALARIES AND BENEFITS**  
**FOR THE YEAR ENDED MARCH 31, 2009**  
(thousands of dollars)

|   | 2009                 |                            |                                    |   |                 |                       |                          | 2008            |                      |                 |
|---|----------------------|----------------------------|------------------------------------|---|-----------------|-----------------------|--------------------------|-----------------|----------------------|-----------------|
|   | FTE's <sup>(a)</sup> | Base Salary <sup>(b)</sup> | Other Cash Benefits <sup>(c)</sup> | Other Non-Cash Benefits <sup>(d)(e)</sup> | Subtotal        | Number of Individuals | Severance <sup>(f)</sup> | Total           | FTE's <sup>(a)</sup> | Total           |
| <b>Board Direct Reports <sup>(b)</sup></b>                |                      |                            |                                    |   |                 |                       |                          |                 |                      |                 |
| President and Chief Executive Officer –AHS <sup>(i)</sup> | 0.02                 | \$ -                       | \$ -                               | \$ -                                      | \$ -            | -                     | \$ -                     | \$ -            | -                    | \$ -            |
| Interim Chief Executive Officer – AHS <sup>(i)</sup>      | 0.88                 | -                          | -                                  | -   | -               | -                     | -                        | -               | -                    | -               |
| Chief Executive Officer <sup>(iii)(i)</sup>               | 1.00                 | 385                        | -                                  | 332                                       | 717             | -                     | -                        | 717             | 1.00                 | 565             |
| <b>CEO Direct Reports <sup>(b)</sup></b>                  |                      |                            |                                    |   |                 |                       |                          |                 |                      |                 |
| Chief Clinical Officer                                    | 1.00                 | 338                        | -                                  | -   | 338             | -                     | -                        | 338             | 1.00                 | 348             |
| Chief Operating Officer <sup>(ii)</sup>                   | 0.92                 | 97                         | -                                  | 206                                       | 303             | 1                     | 523                      | 826             | 1.00                 | 382             |
| Chief Information Officer <sup>(iii)</sup>                | 1.00                 | 160                        | -                                  | 26  | 186             | -                     | -                        | 186             | 0.97                 | 177             |
| Director Corporate Communications <sup>(iii)</sup>        | 1.00                 | 121                        | -                                  | 22  | 143             | -                     | -                        | 143             | 1.00                 | 121             |
| Director Corporate Fundraising                            | 1.00                 | 104                        | -                                  | 25  | 129             | -                     | -                        | 129             | 0.54                 | 64              |
| Director Corporate Planning & Support                     | 1.00                 | 114                        | -                                  | 20  | 134             | -                     | -                        | 134             | 1.00                 | 127             |
| Director Workforce Planning                               | 1.00                 | 118                        | -                                  | 24  | 142             | -                     | -                        | 142             | 0.79                 | 110             |
| Executive Director Labour Relations                       | 1.00                 | 124                        | -                                  | 24  | 148             | -                     | -                        | 148             | 1.00                 | 142             |
| Executive Director People Strategies                      | 0.93                 | 109                        | 8                                  | 23  | 140             | -                     | -                        | 140             | 1.00                 | 141             |
| Executive Director Special Projects                       | 0.22                 | 27                         | 3                                  | 6   | 36              | -                     | -                        | 36              | 0.52                 | 84              |
| Foundations Consultant <sup>(ii)</sup>                    | 0.22                 | 28                         | -                                  | 6   | 34              | 1                     | 55                       | 89              | 0.50                 | 71              |
| Manager of Executive Suite                                | 1.00                 | 88                         | -                                  | 18  | 106             | -                     | -                        | 106             | 1.00                 | 97              |
|   | 12.19                | 1,813                      | 11                                 | 732                                       | 2,556           | 2                     | 578                      | 3,134           | 11.32                | 2,429           |
| <b>Total Board and Executive</b>                          | <b>22.15</b>         | <b>\$ 1,813</b>            | <b>\$ 42</b>                       | <b>\$ 733</b>                             | <b>\$ 2,588</b> | <b>2</b>              | <b>\$ 578</b>            | <b>\$ 3,166</b> | <b>23.32</b>         | <b>\$ 2,555</b> |

**CHINOOK REGIONAL HEALTH AUTHORITY**  
**SCHEDULE OF SALARIES AND BENEFITS**  
**FOR THE YEAR ENDED MARCH 31, 2009**  
**(thousands of dollars)**

|  | 2009                 |                            |                                    |   |                   | 2008                  |                          |                   |                      |                   |
|--|----------------------|----------------------------|------------------------------------|---|-------------------|-----------------------|--------------------------|-------------------|----------------------|-------------------|
|  | FTE's <sup>(a)</sup> | Base Salary <sup>(b)</sup> | Other Cash Benefits <sup>(c)</sup> | Other Non-Cash Benefits <sup>(d)(e)</sup> | Subtotal          | Number of Individuals | Severance <sup>(e)</sup> | Total             | FTE's <sup>(a)</sup> | Total             |
| Board and executive                        | 22.15                | \$ 1,813                   | \$ 42                              | \$ 733                                    | \$ 2,588          | 2                     | \$ 578                   | \$ 3,166          | 23.32                | \$ 2,555          |
| Management reporting to CEO direct reports | 12.22                | 1,655                      | 1                                  | 309                                       | 1,965             | -                     | -                        | 1,965             | 11.26                | 1,781             |
| Other managers                             | 100.07               | 10,515                     | 66                                 | 2,196                                     | 12,777            | 3                     | 165                      | 12,942            | 97.23                | 11,825            |
| Medical doctors                            | 5.04                 | 1,561                      | -                                  | 104                                       | 1,665             | -                     | -                        | 1,665             | 5.08                 | 1,707             |
| Regulated nurses:                          |                      |                            |                                    |   |                   |                       |                          |                   |                      |                   |
| RNs, RPNs, grad nurses                     | 771.99               | 58,324                     | 9,317                              | 11,879                                    | 79,520            | -                     | -                        | 79,520            | 738.36               | 72,267            |
| LPNs                                       | 172.21               | 8,562                      | 871                                | 1,600                                     | 11,033            | -                     | -                        | 11,033            | 170.91               | 9,651             |
| Other health technical and professional    | 561.61               | 40,075                     | 2,710                              | 8,333                                     | 51,118            | -                     | -                        | 51,118            | 542.48               | 44,540            |
| Unregulated health service                 | 181.78               | 6,535                      | 817                                | 1,262                                     | 8,614             | -                     | -                        | 8,614             | 175.91               | 7,411             |
| Other staff                                | 902.87               | 39,518                     | 1,572                              | 8,086                                     | 49,176            | 4                     | 62                       | 49,238            | 884.79               | 45,313            |
| <b>Total</b>                               | <b>2,729.94</b>      | <b>\$ 168,558</b>          | <b>\$ 15,396</b>                   | <b>\$ 34,502</b>                          | <b>\$ 218,456</b> | <b>9</b>              | <b>\$ 805</b>            | <b>\$ 219,261</b> | <b>2,649.34</b>      | <b>\$ 197,050</b> |

**CHINOOK REGIONAL HEALTH AUTHORITY**  
**SCHEDULE OF SALARIES AND BENEFITS**  
**FOR THE YEAR ENDED MARCH 31, 2009**  
(thousands of dollars)

## Supplemental Executive Retirement Plan

|  | 2009                       |                        |               | 2008          |                 | Accrued<br>Benefit<br>Obligation<br>March 31, 2008 | Change in<br>Accrued<br>Benefit<br>Obligation | Accrued<br>Benefit<br>Obligation<br>March 31, 2009 |
|--|----------------------------|------------------------|---------------|---------------|-----------------|--|---|--|
|  | Current<br>Service<br>Cost | Other<br>SERP<br>Costs | Total         | Total         |                 |  |   |  |
| Chief Executive Officer                | \$ 33                      | \$ 277                 | \$ 310        | \$ 253        | \$ 515          | \$ (121)   | \$ 394  |  |
| Chief Operating Officer <sup>(1)</sup> | 21                         | 169                    | 190           | 153           | 305             | (74)   | 231   |  |
| Retired Executive                      | -                          | 7                      | 7             | 9             | 362             | (30)   | 332   |  |
|  | <u>\$ 54</u>               | <u>\$ 453</u>          | <u>\$ 507</u> | <u>\$ 415</u> | <u>\$ 1,182</u> | <u>\$ (225)</u>                                    | <u>\$ 957</u>                                 |  |

**CHINOOK REGIONAL HEALTH AUTHORITY**

**SCHEDULE OF SALARIES, AND BENEFITS**

**FOR THE YEAR ENDED MARCH 31, 2009**

- a. Full-time equivalent (FTE) is determined at the rate of 2,022.75 annual hours for each full-time employee. Total actual discrete number of individuals employed during the year was 4,529 (2008 – 4,413). “Discrete” number of individuals refers to all employees who were in the system during the fiscal year.
- b. Base salary includes pensionable base pay.
- c. Other cash benefits include honoraria, bonuses, overtime, and lump sum payments.
- d. Other non-cash benefits include:
- Employer’s current service and other costs of supplemental executive retirement plan per (f) below.
  - Share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, out-of-country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans.
  - Employer’s share of the cost of additional benefits including sabbaticals or other special leave with pay.
- e. Severance includes direct or indirect payments to individuals upon termination, which are not included in other benefits.
- f. Supplemental Executive Retirement Plan (SERP)

Under the terms of the supplemental executive retirement plan, executives may receive supplemental retirement payments. SERP costs are not cash payments in the period but are the period expense for rights to future compensation. SERP costs shown reflect the actuarially estimated cost to provide pension income over the post-employment period. SERP provides future pension benefits to participants based on years of service and earnings. See also accounting policy Note 2(d) Employee Future Benefits and Note 10 Long-term Employee Benefits.

Current service cost is the actuarial present value of the benefit earned in the fiscal year. Other SERP costs include amortization of past service costs on plan initiation, amortization of actuarial gains and losses, and interest accruing on the actuarial liability.

The change in the accrued benefit obligation includes current service cost, interest accruing on the actuarial liability and the full amount of any actuarial gain or loss in the period.

- g. On May 15, 2008, the Authority’s board, along with the other regional health authority boards, was replaced by the Alberta Health Services (‘AHS’) interim board according to Ministerial Order 50/2008. On December 1, 2008, an additional 8 panel members were appointed to complete the 15 member board. Salaries and benefits of the AHS board members are reported and disclosed in the financial statements of East Central Health.

**CHINOOK REGIONAL HEALTH AUTHORITY****SCHEDULE OF SALARIES, AND BENEFITS****FOR THE YEAR ENDED MARCH 31, 2009**

- h. Board Direct Reports reflect FTE's and costs for the entire 08-09 fiscal year based on the titling and positioning that existed as at May 15, 2008.
- i. The Interim CEO - AHS was appointed effective May 15, 2008 to manage the operations of the health regions, provincial boards and Alberta Alcohol and Drug Abuse Commission and to effect their transition to a single provincial health authority. Salary and benefits of the Interim CEO – AHS are reported and disclosed in the financial statements of East Central Health. The President and CEO – AHS was appointed effective March 23, 2009. Salary and benefits of the President and CEO – AHS are reported and disclosed in the financial statements of East Central Health.
- j. Effective July 8, 2008 the Chief Executive Officer of the Authority transitioned to the Chief Operating Officer Community and Rural – AHS. Costs incurred are reported in the accounts of the Authority.
- k. CEO Direct Reports reflect FTE's and costs for the 08-09 fiscal year based on the titling and positioning that existed as at July 8, 2008. Any title changes subsequent to July 8, 2008 are noted in footnotes (l) to (o) below.
- l. Effective February 28, 2009 the incumbent received severance. Based on future SERP compensation benefits described under (f) above, the retired individual will receive monthly pension income of \$1,515 over an indefinite term.
- m. Effective February 5, 2009 the Chief Information Officer of the Authority transitioned to the Vice President, Rural and Primary Care Services – AHS. Costs incurred are reported in the accounts of the Authority.
- n. Effective March 3, 2009 the Director of Corporate Communications of the Authority transitioned to the Service Lead, Clinical Programs and Services – AHS. Costs incurred are reported in the accounts of the Authority.
- o. Effective September 15, 2008 the incumbent received severance.