

Financial Statements of

**GUYSBOROUGH ANTIGONISH  
STRAIT HEALTH AUTHORITY**

Year ended March 31, 2009

# GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

## Financial Statements

Year ended March 31, 2009

	Page
Auditors' Report .....	1
Statement of Financial Position .....	2
Statement of Operations .....	3
Statement of Changes in Net Assets .....	4
Statement of Cash Flows .....	5
Notes to Financial Statements .....	6



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## AUDITORS' REPORT

To the Chairperson and Members of the Board of  
Guysborough Antigonish Strait Health Authority

We have audited the statement of financial position of Guysborough Antigonish Strait Health Authority as at March 31, 2009 and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 our 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 cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*MGM & Associates*

Chartered Accountants

Sydney, Canada

May 20, 2009

# GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Statement of Financial Position

March 31, 2009, with comparative figures for 2008

	Operating Fund	Capital Fund	Restricted Fund	2009 Total	2008 Total
<b>Assets</b>					
Current assets:					
Cash and marketable securities	\$ 3,216,651	\$ —	\$ 230,740	\$ 3,447,391	\$ 1,922,831
Accounts receivable (note 2)	4,801,924	1,014,732	—	5,816,656	10,895,388
Inventories (note 3)	751,224	—	—	751,224	656,414
Prepaid expenses	335,480	—	—	335,480	311,332
	9,105,279	1,014,732	230,740	10,350,751	13,785,965
Capital assets (note 4)	—	39,247,180	—	39,247,180	39,731,478
Receivable for post retirement benefits (note 6):					
Retiring allowance benefits	5,271,619	—	—	5,271,619	5,489,060
Retirement health benefits	1,827,366	—	—	1,827,366	1,688,300
	\$ 16,204,264	\$ 40,261,912	\$ 230,740	\$ 56,696,916	\$ 60,694,803

## Liabilities, Deferred Contributions and Net Assets

Current liabilities:					
Accounts payable and accrued liabilities (note 5)	\$ 8,128,941	\$ 1,215,301	\$ —	\$ 9,344,242	\$ 11,503,142
Deferred revenue	2,380,738	—	—	2,380,738	2,138,374
Current portion of capital lease payable	—	39,431	—	39,431	112,187
	10,509,679	1,254,732	—	11,764,411	13,753,703
Post retirement benefit obligations (note 6):					
Accrued retiring allowance obligations	5,271,619	—	—	5,271,619	5,489,060
Accrued health benefit obligations	1,827,366	—	—	1,827,366	1,688,300
Capital leases payable (note 7)	—	—	—	—	39,428
Deferred contributions related to capital assets (note 8)	—	37,016,039	—	37,016,039	38,914,935
Fund balances:					
Operating	(1,404,400)	—	—	(1,404,400)	423
Investment in capital assets (note 9)	—	1,991,141	—	1,991,141	581,852
Internally restricted	—	—	230,740	230,740	227,102
	(1,404,400)	1,991,141	230,740	817,481	809,377
Contingencies (note 12)	\$ 16,204,264	\$ 40,261,912	\$ 230,740	\$ 56,696,916	\$ 60,694,803

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

## Statement of Operations

Year ended March 31, 2009, with comparative figures for 2008

	2009			2008	
	Operating Fund	Capital Fund	Restricted Fund	Total	Total
Revenue:					
Department of Health and Community Services	\$ 61,336,336	\$ 60,000	\$ -	\$ 61,396,336	\$ 57,567,343
Department of Health:					
Contract settlements	509,125	-	-	509,125	922,128
Employee future benefit	178,656	-	-	178,656	423,510
Retirement health benefits	447,939	-	-	447,939	1,183,400
Capital funding	-	1,702,870	-	1,702,870	5,375,190
N.S. Medical Services					
Insurances (MSI)	4,072,544	-	-	4,072,544	3,821,428
Patient income	2,592,463	-	-	2,592,463	2,118,963
Dietary recoveries	637,759	-	-	637,759	561,358
Foundations and auxiliaries	16,481	458,455	-	474,936	1,725,375
Rentals	20,539	-	-	20,539	34,426
Miscellaneous	430,985	415,688	-	846,673	329,425
Referred in revenue	444,915	-	-	444,915	400,913
Drug program rebates	32,240	-	-	32,240	56,944
Wage grants/recoveries	747,386	-	-	747,386	411,231
Investment income	70,826	-	3,638	74,464	109,602
Amortization of deferred contributions (note 8)	-	3,001,312	-	3,001,312	2,559,539
Laundry recoveries	274,841	-	-	274,841	221,957
	71,813,035	5,638,325	3,638	77,454,998	77,822,732
Expenditures:					
Nursing services	26,555,341	-	-	26,555,341	25,990,929
Support services	13,622,890	-	-	13,622,890	12,771,299
Diagnostic and therapeutic	11,046,330	-	-	11,046,330	9,758,343
Administrative services	4,639,144	-	-	4,639,144	4,836,503
Medical services	3,523,528	-	-	3,523,528	3,354,203
Non-portable programs	10,350,006	-	-	10,350,006	8,465,426
Physician services	1,444,735	-	-	1,444,735	1,797,425
Retiring allowance benefits (note 6)	178,656	-	-	178,656	423,510
Retirement health benefits (note 6)	447,939	-	-	447,939	1,183,400
Amortization of capital assets	-	3,061,312	-	3,061,312	2,619,539
Capital expenditures	-	2,577,013	-	2,577,013	7,057,837
	71,808,569	5,638,325	-	77,446,894	78,258,414
Net operating position before the following	4,466	-	3,638	8,104	(435,682)
Adjustment to local contribution for capital assets	(1,409,289)	-	-	(1,409,289)	-
Department of Health deficit funding settlement (note 10)	-	-	-	-	443,371
Excess of revenue over expenditures (expenditures over revenue)	\$ (1,404,823)	\$ -	\$ 3,638	\$ (1,401,185)	\$ 7,689

See accompanying notes to financial statements.

# GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

## Statement of Changes in Net Assets

Year ended March 31, 2009, with comparative figures for 2008

	2009				2008	
	Operating	Investment in capital assets	Internally restricted	Total	Total	
Balance, beginning of year	\$ 423	\$ 581,852	\$ 227,102	\$ 809,377	\$ 801,688	
Excess of revenue over expenditures (expenditures over revenue)	(1,404,823)	—	3,638	(1,401,185)	7,689	
Net change in investment in capital assets (note 9)	—	1,409,289	—	1,409,289	—	
Balance, end of year	\$ (1,404,400)	\$ 1,991,141	\$ 230,740	\$ 817,481	\$ 809,377	

See accompanying notes to financial statements.

# GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

## Statement of Cash Flows

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Cash provided by (used for):		
Operations:		
Excess of revenue over expenditures (expenditures over revenue)	\$(1,401,185)	\$ 7,689
Items not involving cash:		
Amortization of capital assets	3,061,312	2,619,539
Amortization of deferred contributions related to capital assets	(3,001,312)	(2,559,539)
Changes in non-cash operating working capital:		
Decrease in accounts receivable	5,078,732	303,437
Decrease (increase) in inventories	(94,810)	1,739
Decrease (increase) in prepaid expenses	(24,148)	30,013
Increase (decrease) in accounts payable and accrued liabilities	(2,158,900)	777,210
Increase in deferred revenue	242,364	501,850
	1,702,053	1,681,938
Financing and investing activities:		
Additions to capital assets	(2,577,014)	(7,057,837)
Additions to deferred contributions related to capital assets	2,511,705	6,788,034
Capital lease repayments	(112,184)	(103,590)
	(177,493)	(373,393)
Increase in cash	1,524,560	1,308,545
Cash, beginning of year	1,922,831	614,286
Cash, end of year	\$ 3,447,391	\$ 1,922,831
Supplemental cash flow information:		
Cash paid during the year for:		
Interest	\$ 8,073	\$ 16,673
Interest received	62,730	91,071

See accompanying notes to financial statements.

# GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

## Notes to Financial Statements

Year ended March 31, 2009

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The Health Authority's principal activity is to operate and manage designated hospitals and other health related activities within the Eastern Region of Nova Scotia.

### 1. Significant accounting policies:

#### a) Revenue recognition:

The Health Authority follows the deferral method of accounting for contributions which include donations and government grants.

The Health Authority is funded primarily by the Province of Nova Scotia in accordance with budget arrangements established by the Department of Health. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions restricted for the purchase of capital assets are deferred and amortized on a straight-line basis, at a rate corresponding with the depreciation rate for the related capital asset.

Investment income (restricted and unrestricted) is recognized as revenue when earned.

#### b) Marketable securities:

Marketable securities are valued at market value.

#### c) Inventories:

Inventories are valued at the lower of cost and replacement cost.

#### d) Restricted:

Funds donated from outside agencies or individuals which have been designated for a specific purpose have been restricted.

#### e) Capital assets:

Capital assets are stated at cost.

Capital assets are amortized on the straight-line basis using the following annual rates:

Asset	Rates
Building, paving and land improvements	2.5%, 4%, 8%
Major equipment	5%, 6.67%, 10%, 20%



# GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

## Notes to Financial Statements

Year ended March 31, 2009

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### 1. Significant accounting policies (continued):

#### (f) Post retirement benefits:

The actuarial determination of the accrued benefits obligations for retiring allowance and health benefits uses the projected benefit method prorated on service which incorporates management's best estimate of various assumptions.

Past service costs arising from plan amendments are recorded as an expense of the current year.

Actuarial gains (losses) arise from the difference between the actual obligation experience and the projected obligation experience. The actuarial gains (losses) are amortized over the average remaining service period of active employees.

#### (g) Financial instruments:

The Health Authority utilizes various financial instruments. Unless otherwise noted, it is management's opinion that the Health Authority is not exposed to significant interest, currency or credit risks arising from these financial instruments and the carrying amounts approximate fair values.

All transactions related to financial instruments are recorded on a settlement date basis.

#### **Held for trading financial assets and liabilities**

Held for trading financial assets and liabilities comprise cash and marketable securities, accounts receivable as well as accounts payable and accrued liabilities. These financial assets and liabilities are measured at their fair value with changes in fair value recognized in the Statement of Operations.

#### (h) Estimates:

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

# GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Notes to Financial Statements

Year ended March 31, 2009

## 2. Accounts receivable:

	2009	2008
Patient services	\$ 782,468	\$ 660,110
Department of Health:		
Deficit funding settlement (note 10)	—	443,371
Vacation liability	546,532	512,566
Nursing strategy	169,839	178,547
Special maintenance	36,494	525,060
Contract settlement		895,000
Hospital in the home	112,224	98,784
On Call Physician Program	154,000	157,480
Restorative care	39,182	—
Pathology	—	122,534
Retiree benefits	39,590	—
Midwife program	31,724	—
Retirement allowance	—	45,939
Alternative level of care	136,073	402,520
Interim funding (Occupational & Physiotherapy)	228,537	83,219
Other	17,051	22,985
Oncology drugs	77,851	39,254
Hospital Information System project	57,407	100,146
Nova Scotia Medical Insurance Services (M.S.I.)	175,294	117,972
Harmonized sales tax	308,956	596,960
Sundry	280,039	265,954
Hospital foundations/auxiliaries	2,000	—
Cape Breton District Health Authority	—	617,453
Employees – Pay change advance	577,217	—
Due from capital fund	1,029,446	2,546,305
	4,801,924	8,432,159
Capital fund:		
Department of Health – capital items	415,663	360,233
Hospital foundations/auxiliaries – capital (note 11)	599,069	2,102,996
	1,014,732	2,463,229
	\$ 5,816,656	\$ 10,895,388

# GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

## Notes to Financial Statements

Year ended March 31, 2009

### 3. Inventories:

	2009	2008
Drugs	\$ 381,800	\$ 244,867
Medical and surgical	147,227	160,817
Intravenous	6,655	7,829
Maintenance	19,664	36,733
Food	17,500	17,500
General	178,378	188,668
	<u>\$ 751,224</u>	<u>\$ 656,414</u>

### 4. Capital assets:

				2009	2008
	Cost	Accumulated amortization		Net book value	Net book value
Land	\$ 581,852	\$ —	\$	581,852	\$ 581,852
Buildings and paving	55,145,403	23,804,250		31,341,153	31,279,351
Equipment	29,592,631	22,268,456		7,324,175	7,870,275
	\$ 85,319,886	\$ 46,072,706	\$	39,247,180	\$ 39,731,478

### 5. Accounts payable and accrued liabilities:

	2009	2008
Accounts payable and accrued liabilities	\$ 4,105,432	\$ 4,849,689
Accrued payroll:		
Salaries	3,377,660	2,527,756
Vacation pay	645,849	684,392
Contract settlement	—	895,000
	<u>8,128,941</u>	<u>8,956,837</u>
Capital fund:		
Due to operating fund	1,029,446	2,546,305
Accounts payable and accrued liabilities	185,855	—
	<u>1,215,301</u>	<u>2,546,305</u>
	<u>\$ 9,344,242</u>	<u>\$ 11,503,142</u>

# GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

## Notes to Financial Statements

Year ended March 31, 2009

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### **6. Post retirement benefits:**

The Health Authority, in conjunction with the Department of Health, provides to employees three post retirement benefit plans:

- a pension plan
- a retirement allowance plan and
- a retiree health benefit plan.

#### **a) Pension benefits:**

The Health Authority participates in a multi-employer defined benefit pension plan and is required to make contractual contributions to the plan in amounts proportionate with that of the employees. During the year the Health Authority contributed and recorded in the Statement of Operations contributions in the amount of \$2,702,002 (\$2,146,341 in 2008). Responsibility for funding additional pension obligations, if any, rests with the Province of Nova Scotia.

#### **b) Retirement allowance benefits and retirement health benefits:**

Retiring employees become eligible for both a retiring allowance and the right to participate in a plan providing continuing health benefits.

The Department of Finance engages actuaries to periodically compute the obligations for both retirement allowance and health benefit obligations. In the interval between the periodic actuarial re-computations, the changes in obligations are extrapolated. Neither of the plans are separately funded.

Accrued retirement and health benefit obligations in excess of those paid by the Health Authority are reflected in the Statement of Financial Position. The inclusion of these obligations does not impact the Health Authority's financial position as a corresponding receivable from the Province of Nova Scotia is also reflected in the Statement of Financial Position.

Retirement and health benefit expense in excess of amounts paid by the Health Authority is reflected in the Statement of Operations. The inclusion of these expenses does not impact the Health Authority's operating results as a corresponding amount of revenue from the Department of Health is also reflected.

# GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

## Notes to Financial Statements

Year ended March 31, 2009

### 6. Post retirement benefits (continued):

The information below provides further detail on the calculation of accrued benefit obligations.

Accrued Retiring Allowance Obligations				
	Actual Obligation	Unamortized Gains	2009 Total	2008 Total
Beginning of year	\$ 4,789,864	\$ 699,196	\$ 5,489,060	\$ 5,587,620
Current service cost	306,600	—	306,600	292,100
Interest cost	229,100	—	229,100	232,000
Actuarial loss	595,192	(595,192)	—	—
Amortization of actuarial gain	—	(87,761)	(87,761)	(100,590)
Benefit payments	(665,380)	—	(665,380)	(522,070)
	\$ 5,255,376	\$ 16,243	\$ 5,271,619	\$ 5,489,060

Accrued Health Benefit Obligations				
	Actual Obligation	Unamortized Loss	2009 Total	2008 Total
Beginning of year	\$ 1,720,300	\$ (32,000)	\$ 1,688,300	\$ 511,300
Current service cost	88,400	—	88,400	38,800
Interest cost	86,700	—	86,700	37,900
Plan implementation/ amendment	—	—	—	1,106,700
Actuarial loss	(110,700)	110,700	—	—
Amortization of actuarial loss	—	3,556	3,556	—
Benefit payments	(39,590)	—	(39,590)	(6,400)
	\$ 1,745,110	\$ 82,256	\$ 1,827,366	\$ 1,688,300

# GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Notes to Financial Statements

Year ended March 31, 2009

## 6. Post retirement benefits (continued):

The information below provides further detail on the calculation of employee benefit expense.

	Retiring Allowance Benefits Expense		Health Benefits Expense	
	2009	2008	2009	2008
Current service cost	\$ 306,600	\$ 292,100	\$ 88,400	\$ 38,800
Interest cost	229,100	232,000	86,700	37,900
Plan implementation/ amendment	—	—	—	1,106,700
Amortization of actuarial plan	(87,761)	(100,590)	3,556	—
	<u>\$ 447,939</u>	<u>\$ 423,510</u>	<u>\$ 178,656</u>	<u>\$ 1,183,400</u>

## 7. Capital leases payable:

	2009	2008
8.00% 7 year capital leases on several pieces of equipment. Repayable in monthly amounts based on minimum annual commitments totaling \$386,352 which includes cost of supplies, interest, maintenance and equipment cost	\$ 39,431	\$ 151,615
Less: amount repayable within one year	39,431	112,187
	<u>\$ —</u>	<u>\$ 39,428</u>

# GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

## Notes to Financial Statements

Year ended March 31, 2009

### 8. Deferred contributions related to capital assets:

Deferred contributions related to capital assets represent the unamortized amount and unspent amount of donations and grants received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations. The changes in the deferred contributions balance during the year are as follows:

	2009	2008
Balance, beginning of year	\$ 38,914,935	\$ 34,686,440
Additional contributions received	2,511,705	6,788,034
Amounts amortized to revenue	(3,001,312)	(2,559,539)
Adjustment to local contribution for capital assets	(1,409,289)	—
Balance, end of year	\$ 37,016,039	\$ 38,914,935

The balance of unamortized capital contributions related to capital assets consists of the following:

	2009	2008
Unamortized capital contributions used to purchase assets	\$ 37,016,039	\$ 38,849,626
Unspent contributions	—	65,309
	\$ 37,016,039	\$ 38,914,935

### 9. Investment in capital assets:

a) Investment in capital assets is calculated as follows:

	2009	2008
Capital assets	\$ 39,247,180	\$ 39,731,478
Amounts financed by:		
Deferred contributions	37,016,039	38,849,626
Capital lease additions	600,000	600,000
Amortization of capital lease assets	(360,000)	(300,000)
	37,256,039	39,149,626
	\$ 1,991,141	\$ 581,852

# GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Notes to Financial Statements

Year ended March 31, 2009

## 9. Investment in capital assets (continued):

b) Changes in net assets invested in capital assets are calculated as follows:

	2009	2008
Excess of revenue over expenditures:		
Amortization of deferred contributions related to capital assets	\$ 3,001,312	\$ 2,559,539
Department of Health	60,000	60,000
Amortization of capital assets	(3,061,312)	(2,619,539)
	\$ —	\$ —
Net change in investment in capital assets:		
Capital assets acquired	\$ 2,577,014	\$ 7,057,837
Amounts funded by deferred contributions	(2,577,014)	(7,057,837)
Adjustment to local contribution for capital assets	1,409,289	—
	\$ 1,409,289	\$ —

## 10. Accounts with the Department of Health:

The Health Authority has the following accounts with the Department of Health:

	2009	2008
Accounts receivable:		
Employee future benefits	\$ 5,271,619	\$ 5,489,060
Retirement health benefit	1,827,366	1,688,300
Vacation liability	546,532	512,566
Nursing strategy	169,839	178,547
Capital items	415,663	360,233
Special maintenance	36,494	525,060
Hospital in the home	112,224	98,784
On Call Physician Program	154,000	157,480
Other	17,051	22,985
Alternative level of care	136,073	402,520
Interim funding (Occupational & Physiotherapy)	228,537	83,219
Oncology drugs	77,851	39,254
Hospital Information System project	57,407	100,146
Restorative care	39,182	—
Retiree benefits	39,590	—
Midwife program	31,724	—
Deficit funding settlement	—	443,371
Contract settlement	—	895,000
Pathology	—	122,534
Retirement allowance	—	45,939
	\$ 9,161,152	\$ 11,164,998



# GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Notes to Financial Statements

Year ended March 31, 2009

## 10. Accounts with the Department of Health (continued):

The Department of Health provided additional funding to the Health Authority, subsequent to fiscal 2007/2008, to cover the 2008 operating deficit (excess of expenditures over revenue) of \$443,371.

Collectability of the estimated receivable is dependent on obtaining approval for certain expenditures.

The adjustment, if any, on the ultimate settlement of the above amounts will be accounted for as a charge to or credit against income in the period in which settlement occurs.

## 11. Related parties:

The Health Authority is related to St. Martha's Regional Hospital Foundation, Guysborough Memorial Hospital Foundation, Strait Richmond Hospital Charitable Foundation and St. Mary's Memorial Hospital Society. The Foundations' primary purpose is to raise funds to assist in the construction of and the supply of certain equipment for the Health Authority.

The following amounts were due from the stakeholders as at March 31:

	2009	2008
Capital fund:		
St. Martha's Regional Hospital Foundation	\$ 351,996	\$ –
Guysborough Memorial Hospital Foundation	30,663	–
St. Mary's Memorial Hospital Foundation	30,663	–
Strait Richmond Hospital Foundation	148,919	23,053
St. Martha's Regional Hospital Auxiliary	31,828	–
Eastern Memorial Hospital Foundation	5,000	–
Local contribution towards capital	–	2,079,943
	<u>\$ 599,069</u>	<u>\$ 2,102,996</u>

# GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

## Notes to Financial Statements

Year ended March 31, 2009

### 11. Related parties (continued):

During the year ended March 31, 2009, the following amounts were received/receivable from the Foundations/Auxiliaries to purchase capital:

	2009	2008
St. Martha's Regional Hospital Foundation	\$ 385,099	\$ 157,998
Strait Richmond Hospital Foundation	132,051	23,053
Strait Richmond Hospital Auxiliary	—	3,163
Guysborough Memorial Hospital Foundation	30,663	56,472
St. Martha's Regional Hospital Auxiliary	178,813	107,393
St. Mary's Memorial Hospital Foundation	35,886	—
Eastern Memorial Hospital Foundation	5,000	—
	\$ 767,512	\$ 348,079

### 12. Contingencies:

The Health Authority has referred two incidents to their lawyers. One is in discovery and the other GASHA has been named in the originating notice of action.

The outcome of these matters is not determinable and settlement, if any, will be accounted for as a charge to operations in the period of settlement.

Management is of the opinion that their insurance coverage is sufficient to meet or discharge any obligations arising from any possible lawsuits.

### 13. Fair value of financial assets and liabilities:

The carrying values of cash, accounts receivable and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of these financial instruments.

The fair value of marketable securities is measured using year end quoted market prices.

### 14. Capital management:

The Health Authority's objectives when managing capital are:

To safeguard the Health Authority's ability to continue as a going concern, so that it can continue to provide health services to the residents of Eastern Nova Scotia.

To maintain the facilities from which services are provided.

The Health Authority manages its capital through established management policies and governance at the level of the Board of Directors.

# GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

## Notes to Financial Statements

Year ended March 31, 2009

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### 15. New accounting pronouncements:

Recent accounting pronouncements that have been issued but are not yet effective, and have a potential implication for the Health Authority, are as follows:

#### **Section 3862, Financial Instruments – Disclosure and Section 3863, Financial Instruments – Presentation**

Section 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

The Health Authority does not expect the adoption of these changes to have a material impact on its financial statements.

Sections 3862 and 3863 became effective for the Health Authority on April 1, 2009.

### 16. Comparative figures:

Certain of the 2008 comparative figures have been reclassified to conform with the financial statements presentation adopted in 2009.