

Consolidated Financial Statements of

**GUYSBOROUGH ANTIGONISH
STRAIT HEALTH AUTHORITY**

Year ended March 31, 2015



Guysborough Antigonish Strait Health Authority

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Management's Responsibility for the Financial Statements

The accompanying consolidated financial statements of Guysborough Antigonish Strait Health Authority are the responsibility of management and have been approved by the Board of Directors of Nova Scotia Health Authority.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

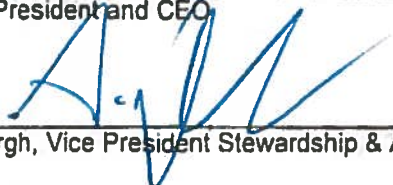
The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Board meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, MGM & Associates, Chartered Accountants, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Guysborough Antigonish Strait Health Authority and meet when required.



Janet Knox, President and CEO



Allan Horsburgh, Vice President Stewardship & Accountability & CFO

June 25, 2015

Working Together for a Healthy Community

**St. Martha's Regional Hospital - Eastern Memorial Hospital - Guysborough Memorial Hospital -
St. Mary's Memorial Hospital - Strait Richmond Hospital - Addiction Services and Public Health Services
(both services shared with Cape Breton District Health Authority)**



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INDEPENDENT AUDITORS' REPORT

To the Chairperson and Members of the Board of
Nova Scotia Health Authority

We have audited the accompanying consolidated financial statements of Guysborough Antigonish Strait Health Authority which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Guysborough Antigonish Strait Health Authority as at March 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads "MGM & Associates". The signature is written in a cursive, flowing style.

Chartered Accountants

Sydney, Canada

June 25, 2015

GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Consolidated Financial Statements

Year ended March 31, 2015

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GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Consolidated Statement of Financial Position


March 31, 2015, with comparative figures for 2014

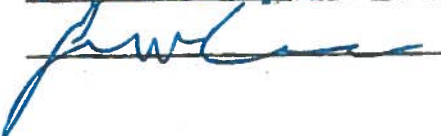
	2015	2014
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 1,262,681	\$ 1,317,118
Portfolio investments	-	242,982
Accounts receivable (note 2)	10,905,119	8,654,742
Receivable for post retirement benefits (notes 3 and 4)		
Retiring allowance benefits	5,835,296	5,620,927
Retirement health benefits	2,992,442	2,886,880
Sick leave benefits	3,739,818	3,270,333
	24,735,356	21,992,982
LIABILITIES		
Accounts payable and accrued liabilities (note 5)	13,574,787	11,471,296
Deferred revenue (note 6)	1,247,407	1,440,703
Post retirement benefit obligations (notes 3 and 4)		
Retiring allowance benefits	5,835,296	5,620,927
Retirement health benefits	2,992,442	2,886,880
Sick leave benefits	3,739,818	3,270,333
	27,389,750	24,690,139
NET DEBT	(2,654,394)	(2,697,157)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 7)	32,374,999	32,622,063
Prepaid expenses	276,720	181,967
Inventories held for consumption or use (note 8)	969,026	926,752
	33,620,745	33,730,782
NET ASSETS	\$ 30,966,351	\$ 31,033,625
FUND BALANCE		
Operating fund	\$ -	\$ -
Capital fund	30,966,351	31,033,625
Restricted fund	-	-
	\$ 30,966,351	\$ 31,033,625

Contingencies (note 10)

See accompanying notes to consolidated financial statements.

On behalf of the Board:


 _____ Director


 _____ Director

GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Consolidated Statement of Operations

Year ended March 31, 2015, with comparative figures for 2014

	Budget	2015	2014
REVENUES			
Department of Health and Wellness			
Operating grant	\$ 73,905,446	\$ 79,591,624	\$ 75,419,608
Contract settlements	-	1,965,664	835,284
Employee future benefit	-	970,746	723,868
Retirement health benefits	-	229,377	213,858
Sick leave benefits	-	469,485	399,333
Capital funding	-	2,078,236	800,517
N.S. Medical Services Insurances (MSI)	4,698,270	4,907,769	4,667,328
Patient income	2,434,731	2,447,223	2,229,430
Dietary recoveries	511,600	499,706	548,782
Foundations and auxiliaries	-	526,220	244,817
Rentals	(22,200)	29,239	22,349
Miscellaneous	1,087,147	2,027,074	1,630,009
Referred in revenue	-	39,050	761,465
Drug program rebates	50,000	50,000	52,500
Wage grants/recoveries	228,347	611,776	544,304
Investment income	56,500	53,933	70,930
Laundry recoveries	173,040	152,133	163,189
	83,122,881	96,649,255	89,327,571
EXPENSES			
Nursing services	30,659,413	32,517,792	31,324,164
Support services	12,923,896	12,862,800	12,763,683
Diagnostic and therapeutic	12,142,473	11,998,570	12,504,883
Administrative services	4,329,795	6,481,658	5,667,820
Infrastructure projects	-	1,649,944	1,112,298
Medical services	3,583,056	5,020,582	3,663,609
Non-portable programs	13,195,926	13,877,243	13,241,729
Continuing care	4,523,782	5,346,022	4,469,316
Physician services	1,764,540	1,890,129	1,833,620
Retiring allowance benefits (note 3)	-	970,746	723,868
Retirement health benefits (note 3)	-	229,377	213,858
Sick leave benefits (note 3)	-	469,485	399,333
Contribution to paid parking	-	-	113,975
Amortization of capital assets	-	3,402,181	3,313,065
	83,122,881	96,716,529	91,345,221
CHANGE IN FUND BALANCE	-	(67,274)	(2,017,650)
FUND BALANCE, BEGINNING OF YEAR	-	31,033,625	33,051,275
FUND BALANCE, END OF YEAR	\$ -	\$ 30,966,351	\$ 31,033,625

See accompanying notes to consolidated financial statements.

GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Consolidated Statement of Change in Net Debt

Year ended March 31, 2015, with comparative figures for 2014

	2015	2014
Change in fund balance	\$ (67,274)	\$ (2,017,650)
Tangible capital assets		
Acquisition of tangible capital assets	(3,155,117)	(1,326,527)
Amortization of tangible capital assets	3,402,181	3,313,065
	179,790	(31,112)
Other non-financial assets		
Increase in inventories held for consumption or use	(42,274)	(9,998)
Decrease (increase) in prepaid expenses	(94,753)	78,509
DECREASE IN NET DEBT	42,763	37,399
NET DEBT, BEGINNING OF YEAR	(2,697,157)	(2,734,556)
NET DEBT, END OF YEAR	\$ (2,654,394)	\$ (2,697,157)

See accompanying notes to consolidated financial statements.

GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Consolidated Statement of Cash Flows

Year ended March 31, 2015, with comparative figures for 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in fund balance	\$ (67,274)	\$(2,017,650)
Items not involving cash		
Amortization of capital assets	3,402,181	3,313,065
Changes in non-cash operating working capital		
Decrease (increase) in accounts receivable	(2,250,377)	2,352,937
Increase in receivable for post retirement benefits	(789,416)	(551,201)
Increase in inventories held for consumption or use	(42,274)	(9,998)
Decrease (increase) in prepaid expenses	(94,753)	78,509
Increase (decrease) in accounts payable and accrued liabilities	2,103,491	(2,610,263)
Increase in post retirement benefit obligations	789,416	551,201
Decrease in deferred revenue	(193,296)	(93,308)
	<u>2,857,698</u>	<u>1,013,292</u>
CASH FLOWS FROM CAPITAL ACTIVITIES		
Additions to capital assets	(3,155,117)	(1,326,527)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in portfolio investments	242,982	(3,237)
DECREASE IN CASH AND CASH EQUIVALENTS	<u>(54,437)</u>	<u>(316,472)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,317,118	1,633,590
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,262,681</u>	<u>\$ 1,317,118</u>

See accompanying notes to consolidated financial statements.

GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Notes to Consolidated Financial Statements

Year ended March 31, 2015

The 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) Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

b) Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, revenues, expenses and changes in fund balances of the operating, capital and restricted funds of the Authority. Inter-fund balances and transactions have been eliminated.

c) Cash and cash equivalents

Cash and cash equivalents are comprised of cash held in bank accounts, cash on hand and investments with maturity of three months or less.

d) Revenue recognition

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

The Authority is funded primarily by the Province of Nova Scotia in accordance with budget arrangements established by the Department of Health and Wellness. 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.

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

e) Financial instruments

Measurement of financial instruments

The Authority initially measures its financial assets and financial liabilities at fair value.

The Authority subsequently measures all its financial assets and financial liabilities at amortized cost, except portfolio investments. These are subsequently measured at fair market value with any changes recorded on the consolidated statement of operations.

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable.

GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Notes to Consolidated Financial Statements

Year ended March 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in income. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

f) Inventories held for consumption or use

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

g) Restricted fund

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

h) Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization.

Tangible 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%
Equipment	5%, 6.67%, 10%, 20%

i) 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.

GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Notes to Consolidated Financial Statements

Year ended March 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Estimates

The preparation of the financial statements in conformity with PSAB 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. Significant items subject to such estimates and assumptions include the carrying amount of capital assets, valuation of post retirement benefits and obligations and valuation allowance of accounts receivable. Actual results could differ from those estimates.

2. ACCOUNTS RECEIVABLE

	2015	2014
Patient services	\$ 1,056,538	\$ 632,089
Department of Health and Wellness (note 4)	7,854,344	6,199,989
Other		
Sundry	612,409	445,796
Employees – pay change advance	354,398	403,429
Harmonized sales tax	465,570	342,674
Hospital foundations/auxiliaries (note 9)	373,331	186,148
Employees – vacation credits	188,529	185,576
Paid parking proceeds	–	161,547
Nova Scotia Medical Insurance Services (M.S.I.)	–	85,224
Health Canada	–	12,270
	\$ 10,905,119	\$ 8,654,742

3. POST RETIREMENT BENEFITS

The Authority, in conjunction with the Department of Health and Wellness, 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 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 Authority contributed and recorded in the Consolidated Statement of Operations contributions in the amount of \$4,655,068 (\$4,578,401 in 2014). Responsibility for funding additional pension obligations, if any, rests with the Province of Nova Scotia.

GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Notes to Consolidated Financial Statements

Year ended March 31, 2015

3. POST RETIREMENT BENEFITS (CONTINUED)

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 Authority are reflected in the Consolidated Statement of Financial Position. The inclusion of these obligations does not impact the Authority's financial position as a corresponding receivable from the Department of Health and Wellness is also reflected in the Consolidated Statement of Financial Position.

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

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

	Retiring Allowance Benefits			
	Actual Obligation	Unamortized Actuarial Losses	2015 Total	2014 Total
Balance, beginning of year	\$ 7,075,872	\$(1,454,945)	\$ 5,620,927	\$ 5,572,724
Current service cost	493,700	—	493,700	446,800
Interest cost	284,726	—	284,726	262,077
Amortization of actuarial losses	—	192,320	192,320	14,991
Benefit payments	(756,377)	—	(756,377)	(675,665)
Balance, end of year	\$ 7,097,921	\$(1,262,625)	\$ 5,835,296	\$ 5,620,927

	Retirement Health Benefits			
	Actual Obligation	Unamortized Actuarial Gains	2015 Total	2014 Total
Balance, beginning of year	\$ 2,680,957	\$ 205,923	\$ 2,886,880	\$ 2,783,215
Current service cost	143,400	—	143,400	137,900
Interest cost	110,321	—	110,321	105,147
Actuarial gains	(20,000)	20,000	—	—
Amortization of actuarial gains	—	(24,344)	(24,344)	(29,189)
Benefit payments	(123,815)	—	(123,815)	(110,193)
Balance, end of year	\$ 2,790,863	\$ 201,579	\$ 2,992,442	\$ 2,886,880

GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Notes to Consolidated Financial Statements

Year ended March 31, 2015

3. POST RETIREMENT BENEFITS (CONTINUED)

	Sick Leave Benefits			
	Actual Obligation	Unamortized Actuarial Gains (Losses)	2015 Total	2014 Total
Balance, beginning of year	\$ 3,334,000	\$ (63,667)	\$ 3,270,333	\$ 2,871,000
Current service cost	575,000	-	575,000	551,000
Interest cost	143,000	-	143,000	125,000
Actuarial gains	(410,000)	410,000	-	-
Sick leave taken	(255,000)	-	(255,000)	(278,000)
Amortization of actuarial losses	-	6,485	6,485	1,333
Balance, end of year	\$ 3,387,000	\$ 352,818	\$ 3,739,818	\$ 3,270,333

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

	Retiring Allowance Benefits		Retirement Health Benefits	
	2015	2014	2015	2014
Current service cost	\$ 493,700	\$ 446,800	\$ 143,400	\$ 137,900
Interest on obligation	284,726	262,077	110,321	105,147
Amortization of actuarial losses (gains)	192,320	14,991	(24,344)	(29,189)
	\$ 970,746	\$ 723,868	\$ 229,377	\$ 213,858

	Sick Leave Benefits	
	2015	2014
Current service cost	\$ 575,000	\$ 551,000
Interest on obligation	143,000	125,000
Sick leave taken	(255,000)	(278,000)
Amortization of actuarial losses	6,485	1,333
	\$ 469,485	\$ 399,333

GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Notes to Consolidated Financial Statements

Year ended March 31, 2015

4. ACCOUNTS WITH THE DEPARTMENT OF HEALTH AND WELLNESS

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

	2015	2014
Accounts receivable		
Short-term (note 2)		
Deficit funding (2013/2014)	\$ 479,709	\$ 959,709
Deficit funding (2014/2015)	1,256,322	-
Capital items	1,501,174	832,736
Severances	701,124	-
Vacation liability	659,707	659,707
Contract settlement	-	608,274
Infrastructure	390,196	565,066
Retirement allowance	245,302	416,265
Continuing Care Service Delivery	669,644	352,394
Operating grants	-	295,200
On Call Physician Program	301,600	292,850
Pathology funding	46,029	184,619
Nursing strategy	371,577	162,653
Care coordination	-	143,190
Other non-portable program funds	141,731	136,179
Retiree benefits	136,658	114,329
Time due bank	105,234	105,234
Oncology drugs	109,539	79,138
Other	78,907	71,042
Interim funding (Occupational & Physiotherapy)	59,633	59,633
EIBI expansion	28,494	45,045
Knowledge Exchange Coordinator	-	42,127
Alternative level of care	108,829	29,150
Crisis team	-	23,849
Interim funding (adult day)	21,600	21,600
New Physician Funding arrangement	144,000	-
Business plan gap funding	250,000	-
Orphan and unattached program	47,335	-
	<u>7,854,344</u>	<u>6,199,989</u>
Long-term		
Retiring allowance benefits	5,835,296	5,620,927
Retirement health benefits	2,992,442	2,886,880
Sick leave benefits	3,739,818	3,270,333
	<u>12,567,556</u>	<u>11,778,140</u>
	<u>\$ 20,421,900</u>	<u>\$ 17,978,129</u>

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 revenues in the period in which settlement occurs.

GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Notes to Financial Statements

Year ended March 31, 2015

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
Accounts payable and accrued liabilities	\$ 7,041,094	\$ 5,688,418
Accrued payroll		
Salaries	4,768,551	3,874,195
Government remittances	701,347	681,415
Vacation pay	1,063,795	1,227,268
	<u>\$ 13,574,787</u>	<u>\$ 11,471,296</u>

6. DEFERRED REVENUE

	2015	2014
Department of Health and Wellness	\$ 1,058,026	\$ 1,058,026
Other	189,381	382,677
	<u>\$ 1,247,407</u>	<u>\$ 1,440,703</u>

7. TANGIBLE CAPITAL ASSETS

	2015				2014
	Land	Buildings and paving	Equipment	Total	Total
Cost					
Beginning of year	\$ 581,852	\$ 56,304,497	\$ 21,852,761	\$ 78,739,110	\$ 77,412,583
Additions during the year	-	30,355	3,124,762	3,155,117	1,326,527
End of year	581,852	56,334,852	24,977,523	81,894,227	78,739,110
Accumulated amortization					
Beginning of year	-	32,186,678	13,930,369	46,117,047	42,803,982
Amortization	-	1,702,000	1,700,181	3,402,181	3,313,065
End of year	-	33,888,678	15,630,550	49,519,228	46,117,047
Net book value	\$ 581,852	\$ 22,446,174	\$ 9,346,973	\$ 32,374,999	\$ 32,622,063

GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Notes to Financial Statements

Year ended March 31, 2015

8. INVENTORIES HELD FOR CONSUMPTION OR USE

	2015	2014
Drugs	\$ 548,041	\$ 473,631
General	209,219	214,472
Medical and surgical	137,051	154,432
Maintenance	28,721	40,279
Food	34,816	36,537
Intravenous	11,178	7,401
	\$ 969,026	\$ 926,752

9. RELATED PARTIES

The 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 and their auxiliaries. The Foundations' primary purpose is to raise funds to assist in the construction of and the supply of certain equipment for the Authority.

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

	2015	2014
Capital fund		
St. Martha's Regional Hospital Foundation	\$ 168,787	\$ 70,000
Strait Richmond Hospital Foundation	169,582	-
Guysborough Memorial Hospital Foundation	34,962	-
St. Martha's Regional Hospital Auxiliary	-	116,148
	\$ 373,331	\$ 186,148

The following amounts were received/receivable from the Foundations/Auxiliaries to purchase capital:

	2015	2014
St. Martha's Regional Hospital Foundation	\$ 99,286	\$ 65,000
St. Martha's Regional Hospital Auxiliary	193,442	144,927
Strait Richmond Hospital Foundation	63,732	8,230
Guysborough Memorial Hospital Foundation	122,590	-
St. Mary's Memorial Hospital Foundation	12,674	-
	\$ 491,724	\$ 218,157

GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Notes to Consolidated Financial Statements

Year ended March 31, 2015

10. CONTINGENCIES

The Authority has referred 8 incidents to their lawyers. 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.

11. FINANCIAL INSTRUMENTS

The Authority is exposed to various risks through its financial instruments and includes the following significant risks at March 31, 2015.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future flows of a financial instrument will fluctuate because of changes in market interest rates.

Future cash flows of its portfolio investments are dependent on market interest rates. The Authority's overall investing policy is not high risk, so fluctuations would likely be minimal.

ii) Credit risk

The Authority's credit risk is due to its patient, Department of Health and Wellness and other receivables.

The patient receivables are reviewed regularly and an allowance is established based on management's assessment of its collectability. There is no concentration of credit risk to the Authority.

The Department of Health and Wellness and other receivables are generally low risk with reliable collectability and no allowance is deemed necessary by management.

The Authority is not subject to significant liquidity or currency risks.

GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Schedule of Operating Fund and Change in Fund Balance

Year ended March 31, 2015, with comparative figures for 2014

	Budget	2015 Actual	2014 Actual
REVENUES			
Department of Health and Wellness			
Operating grant	\$ 73,905,446	\$ 79,591,624	\$ 75,419,608
Contract settlements	-	1,965,664	835,284
Employee future benefit	-	970,746	723,868
Retirement health benefits	-	229,377	213,858
Sick leave benefits	-	469,485	399,333
N.S. Medical Services Insurances (MSI)	4,698,270	4,907,769	4,667,328
Patient income	2,434,731	2,447,223	2,229,430
Dietary recoveries	511,600	499,706	548,782
Foundations and auxiliaries	-	34,496	26,660
Rentals	(22,200)	29,239	22,349
Miscellaneous	1,087,147	1,441,917	1,322,156
Referred in revenue	-	39,050	761,465
Drug program rebates	50,000	50,000	52,500
Wage grants/recoveries	228,347	611,776	544,304
Investment income	56,500	53,933	67,694
Laundry recoveries	173,040	152,133	163,189
	83,122,881	93,494,138	87,997,808
EXPENSES			
Nursing services	30,659,413	32,517,792	31,324,164
Support services	12,923,896	12,862,800	12,763,683
Diagnostic and therapeutic	12,142,473	11,998,570	12,504,883
Administrative services	4,329,795	6,481,658	5,667,820
Infrastructure projects	-	1,649,944	1,112,298
Medical services	3,583,056	5,020,582	3,663,609
Non-portable programs	13,195,926	13,877,243	13,241,729
Continuing care	4,523,782	5,346,022	4,469,316
Physician services	1,764,540	1,890,129	1,833,620
Retiring allowance benefits (note 3)	-	970,746	723,868
Retirement health benefits (note 3)	-	229,377	213,858
Sick leave benefits (note 3)	-	469,485	399,333
	83,122,881	93,314,348	87,918,181
Excess of revenues over expenses before the following	-	179,790	79,627
TRANSFERS			
Transfer to capital fund	-	179,790	44,790
Transfer to restricted fund	-	-	34,837
Net transfers	-	179,790	79,627
CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -

See accompanying notes to consolidated financial statements.

GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Schedule of Capital Fund and Change in Fund Balance

Year ended March 31, 2015, with comparative figures for 2014

	2015	2014
REVENUES		
Department of Health and Wellness	\$ 2,078,236	\$ 800,517
Foundations and auxiliaries	491,724	218,157
Miscellaneous	585,157	307,853
	<u>3,155,117</u>	<u>1,326,527</u>
EXPENSES		
Amortization of capital assets	3,402,181	3,313,065
Deficiency of revenues over expenses before the following	(247,064)	(1,986,538)
TRANSFERS		
Transfer from operating fund	179,790	44,790
CHANGE IN FUND BALANCE	<u>(67,274)</u>	<u>(1,941,748)</u>
FUND BALANCE, BEGINNING OF YEAR	31,033,625	32,975,373
FUND BALANCE, END OF YEAR	<u>\$ 30,966,351</u>	<u>\$31,033,625</u>

See accompanying notes to consolidated financial statements.

GUYSBOROUGH ANTIGONISH STRAIT HEALTH AUTHORITY

Schedule of Restricted Fund and Change in Fund Balance

Year ended March 31, 2015, with comparative figures for 2014

	2015	2014
REVENUES		
Investment income	\$ -	\$ 3,236
EXPENSES		
Contribution to paid parking	-	113,975
Deficiency of revenues over expenses before the following	-	(110,739)
TRANSFERS		
Transfer from operating fund	-	34,837
CHANGE IN FUND BALANCE	-	(75,902)
FUND BALANCE, BEGINNING OF YEAR	-	75,902
FUND BALANCE, END OF YEAR	\$ -	\$ -

See accompanying notes to consolidated financial statements.