

Financial Statements

South Shore District Health Authority
[Operating as South Shore Health]
March 31, 2015



EY

MANAGEMENT'S REPORT

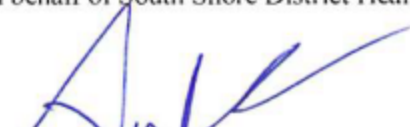
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Directors [the "Board"] are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal consolidated financial statements on a monthly basis and external audited consolidated financial statements yearly.

The external auditors, Ernst & Young LLP, 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 South Shore District Health Authority and meet when required.

On behalf of South Shore District Health Authority:



Allan Horsburgh
Nova Scotia Health Authority
Vice-President, Stewardship and
Accountability



Janet Knox
Nova Scotia Health Authority
President and CEO

June 24, 2015

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Nova Scotia Health Authority

We have audited the accompanying financial statements of the **South Shore District Health Authority [the "Authority"]**, which comprise the statement of financial position as at March 31, 2015, and the statements of operations, changes in net debt and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2015 and the results of its operations, changes in net debt, and its cash flows for the years then ended in accordance with Canadian public sector accounting standards.

Ernst & Young LLP

Halifax, Canada,
June 24, 2015.

Chartered Accountants

South Shore District Health Authority
 [Operating as South Shore Health]

STATEMENT OF FINANCIAL POSITION

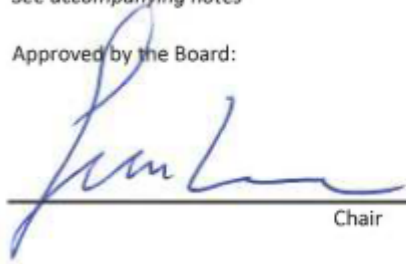
As at March 31

	2015	2,014
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents <i>[note 3]</i>	1,409,490	2,269,237
Accounts receivable <i>[note 4]</i>	2,201,751	1,756,258
Due from government <i>[note 5]</i>	22,277,332	22,605,933
	<u>25,888,573</u>	<u>26,631,428</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities <i>[note 8]</i>	12,129,924	13,989,321
Due to government <i>[note 9]</i>	209,573	190,493
Deferred revenue <i>[note 10]</i>	770,952	695,289
Employee future benefits <i>[note 14]</i>	14,169,593	13,281,711
	<u>27,280,042</u>	<u>28,156,814</u>
Net financial debt	<u>(1,391,469)</u>	<u>(1,525,386)</u>
NON-FINANCIAL ASSETS		
Inventories of supplies	1,162,088	1,204,145
Prepaid expenses	315,408	407,350
Tangible capital assets <i>[note 6]</i>	48,134,553	28,873,473
	<u>49,612,049</u>	<u>30,484,968</u>
Accumulated surplus	<u>48,220,580</u>	<u>28,959,582</u>

Commitments *[note 11]*

See accompanying notes

Approved by the Board:



 Chair

South Shore District Health Authority
 [Operating as South Shore Health]

STATEMENT OF OPERATIONS

Year ended March 31

	2015	2015	2014
	\$	\$	\$
	[budget]		
REVENUE			
Department of Health and Wellness	86,512,604	86,817,937	84,734,531
Veterans Affairs Canada	2,673,074	2,606,416	2,621,971
Patient services	2,200,255	1,835,257	1,802,361
Program recoveries	3,763,915	6,133,858	4,304,660
Capital revenue	—	3,375,682	3,191,772
Gain on transfer of tangible capital assets from Province of Nova Scotia	—	18,107,289	—
Other	806,507	612,411	501,195
	95,956,355	119,488,850	97,156,490
EXPENSES			
Administrative Services	4,728,056	5,028,037	4,924,855
Support Services	17,230,301	17,488,111	16,541,939
Nursing Inpatient Services	25,522,289	26,378,804	25,346,411
Ambulatory Care Services	15,050,745	15,636,663	15,320,786
Diagnostic and Therapeutic Services	15,316,453	15,433,046	14,944,881
Community Health Services	15,574,873	15,413,197	13,920,458
Education	522,787	490,786	614,367
Bad debts	122,843	252,424	209,034
Employee future benefits [note 14]	909,391	1,822,138	1,576,291
Other undistributed expenses	978,617	62,673	565,772
Amortization of tangible capital assets	—	2,221,973	2,593,992
	95,956,355	100,227,852	96,558,786
Annual surplus	—	19,260,998	597,704
Accumulated surplus, beginning of year	28,959,582	28,959,582	28,361,878
Accumulated surplus, end of year	28,959,582	48,220,580	28,959,582

See accompanying notes

South Shore District Health Authority
 [Operating as South Shore Health]

**STATEMENT OF CHANGES IN
 NET FINANCIAL DEBT**

Year ended March 31

	2015	2014
	\$	\$
Annual surplus	19,260,998	597,704
Acquisition of tangible capital assets	(21,483,053)	(3,106,092)
Amortization of tangible capital assets	2,221,973	2,593,992
	(19,261,080)	(512,100)
Decrease (increase) in supplies inventory	42,057	(143,121)
Decrease (increase) in prepaid expenses	91,942	(43,349)
	133,999	(186,470)
Net increase (decrease) in net financial debt	133,917	(100,866)
Net financial debt, beginning of year	(1,525,386)	(1,424,520)
Net financial debt, end of year	(1,391,469)	(1,525,386)

See accompanying notes

South Shore District Health Authority
 [Operating as South Shore Health]

STATEMENT OF CASH FLOWS

Year ended March 31

	2015	2014
	\$	\$
OPERATING ACTIVITIES		
Annual surplus	19,260,998	597,704
Items not affecting cash		
Amortization of tangible capital assets	2,221,973	2,593,992
Gain on Transfer of Tangible Capital Assets from Province of Nova Scotia	(18,107,289)	—
Employee future benefits expense [note 14]	1,822,138	1,576,291
Employee future benefits paid [note 14]	(934,256)	(1,050,654)
Changes in non-cash working capital items [note 13]	(1,747,547)	(1,910,852)
Cash provided by operating activities	2,516,017	1,806,481
CAPITAL ACTIVITY		
Cash used to acquire tangible capital assets	(3,375,764)	(3,106,092)
Cash used in capital activity	(3,375,764)	(3,106,092)
Net change in cash and cash equivalents	(859,747)	(1,299,611)
Cash and cash equivalents, beginning of year	2,269,237	3,568,848
Cash and cash equivalents, end of year	1,409,490	2,269,237

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

1. DESCRIPTION OF ORGANIZATION

The South Shore District Health Authority ["South Shore Health" or the "Authority"] was formed by the *Health Authorities Act of the Province of Nova Scotia* [the "Act"], as assented to by the Lieutenant Governor, on June 8, 2000. The Act came into force by proclamation of the Lieutenant Governor on January 1, 2001. South Shore Health's mission is to "Work with individuals, families and communities to prevent illness, provide care and improve the health of those we serve."

The facilities owned and operated by South Shore Health are the Fishermen's Memorial Hospital, South Shore Regional Hospital and Queens General Hospital. In addition, South Shore Health leases space in other locations to operate community-based programs throughout Lunenburg and Queens Counties and supports two Community Health Boards.

South Shore Health is dependent on the Nova Scotia Department of Health and Wellness to provide sufficient funds to continue operations, replace essential equipment and complete its capital projects. South Shore Health is a registered charity under the *Income Tax Act (Canada)* and, therefore, is exempt from income tax.

These financial statements do not include the assets, liabilities and results of operations of foundations and auxiliaries that were established to raise funds for the respective hospitals within South Shore Health, as they are not controlled by South Shore Health.

The Province of Nova Scotia has passed legislation to reorganize the province's 10 existing district health authorities, including South Shore Health, into two health authorities. The reorganization was completed April 1, 2015. Although South Shore Health was dissolved upon completion of the reorganization, its assets, liabilities, and operations will continue as part of the successor health authority, the Nova Scotia Health Authority. As a result, these financial statements have been prepared on a going concern basis.

2. SIGNIFICANT ACCOUNTING POLICIES

Financial statement presentation

The financial statements have been prepared by management of South Shore Health in accordance with Canadian public sector accounting ["PSA"] standards as issued by the Public Sector Accounting Board.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and money market investments with maturities of three months or less from the date of acquisition.

South Shore District Health Authority
[Operating as South Shore Health]

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES [Cont'd]

Inventories of supplies

Inventories of supplies are recorded at the lower of cost and net realizable value, and include medical/surgical, drugs, and other general inventory. Cost is determined using the weighted average cost method.

Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

Amortization is provided on a straight-line basis at the following annual rates:

Land improvements	5 – 12.5%
Building and building service equipment	2.5 – 10%
Equipment	5 – 33%

Tangible capital assets are written down when conditions indicate that they no longer contribute to South Shore Health’s ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statements of operations.

Contributed capital assets are recorded into revenue at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which is then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Deferred revenue

Certain amounts are received pursuant to legislation or agreement with an external party and may only be used for the stipulated purpose of the resources. These amounts are recognized as revenue in the fiscal year the related expenses are incurred, services are performed or when stipulations are met. Amounts received before the specified criterion has been met are reported as a liability described as deferred revenue.

Employee future benefits

Employee future benefits are determined as outlined in note 14 and recognized in the period during which benefits are earned by the employee.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES [Cont'd]

Revenues

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

Government transfers (revenue from non-exchange transactions) are recognized as revenues when the transfer is authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made. Transfers are recognized as deferred revenue when amounts have been received, but not all stipulations have been met.

Restricted contributions and restricted investment income is recognized as revenue in the year during which the related expenses are incurred, services are performed or when stipulations are met.

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Prepaid expenses

Prepaid expenses include maintenance, support costs, memberships and subscriptions, and are charged to expense over the periods expected to benefit from it.

Measurement uncertainty

The preparation of South Shore Health's financial statements in conformity with Canadian PSA standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Items requiring significant estimates include amounts estimated for final accounts receivable settlements from Veterans Affairs Canada, amounts estimated for accounts receivable from the Department of Health and Wellness for wage contract settlements, allowances for doubtful accounts, inventory valuations, estimated useful life for certain items of tangible capital assets and employee future benefits assumptions.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

South Shore District Health Authority
 [Operating as South Shore Health]

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3. CASH AND CASH EQUIVALENTS

	2015	2014
	\$	\$
Restricted cash	97,006	154,822
Unrestricted cash	1,312,484	2,114,415
	1,409,490	2,269,237

Restricted cash relates to amounts received for a capital project, for which not all eligibility criteria have been met. As these amounts were received before the specified criterion has been met, they are reported as a liability described as deferred revenue. The source of funds included donations, government transfers and income earned on the donations and transfers.

4. ACCOUNTS RECEIVABLE

	2015	2014
	\$	\$
Patient care	922,055	947,582
Extended care facilities	995	458
Homecare/VON	145,519	70,324
Charitable foundations	1,152,786	671,379
Psychiatric recoveries	135,351	105,916
Payroll advances receivable	67,419	75,135
Other District Health Authorities	180,509	317,595
Other	316,434	139,360
Less: provision for doubtful accounts	(719,317)	(571,491)
	2,201,751	1,756,258

South Shore District Health Authority
 [Operating as South Shore Health]

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

5. DUE FROM GOVERNMENT

	2015	2014
	\$	\$
Province of Nova Scotia		
Department of Health and Wellness	6,822,149	8,032,224
Employee future benefits	14,468,263	13,824,555
Federal government – HST	779,060	749,154
Federal government – Grants	207,860	—
	<u>22,277,332</u>	<u>22,605,933</u>

The employee future benefits receivable represents an amount due from the Province of Nova Scotia Department of Health and Wellness. This receivable corresponds to funding the accrued benefit liability for retirement allowances and retirement health benefits for current and retired employees, respectively, for South Shore Health.

6. TANGIBLE CAPITAL ASSETS

	2015		2014	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Land	302,434	—	302,434	230,288
Land improvements	975,603	933,859	41,744	58,587
Building and building service equipment	73,247,167	31,653,082	41,594,085	24,269,939
Equipment	45,163,927	38,967,637	6,196,290	4,314,659
	<u>119,689,131</u>	<u>71,554,578</u>	<u>48,134,553</u>	<u>28,873,473</u>

7. CREDIT FACILITIES

South Shore Health has an operating line of credit available with a Canadian chartered bank totaling \$3.4 million. Interest is charged at prime less 0.75%. There was \$nil drawn on the operating line as at March 31, 2015 [2014 – \$nil].

South Shore District Health Authority
 [Operating as South Shore Health]

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015 \$	2014 \$
Trade payables	2,157,073	3,681,088
Accrued liabilities	3,653,068	4,172,977
Vacation pay	1,110,937	1,082,859
Salary and benefits	5,208,846	5,052,397
	<u>12,129,924</u>	<u>13,989,321</u>

9. DUE TO GOVERNMENT

	2015 \$	2014 \$
Federal government – Veterans Affairs	<u>209,573</u>	<u>190,493</u>

10. DEFERRED REVENUE

Deferred revenues are set aside for specific purposes as required either under legislation, regulation or agreement as of March 31, 2014.

	Balance, beginning of year \$	Receipts \$	Transfers to Revenue \$	2015 Balance, end of year \$	2014 Balance, end of year \$
Endowments funds	69,657	27,195	(21,595)	75,257	69,657
DHW program funds	406,313	2,231,979	(2,231,979)	406,313	406,313
Other source program funds	26,476	158,337	(115,735)	69,078	26,476
Capital project funds	192,843	27,461	—	220,304	192,843
	<u>695,289</u>	<u>2,444,972</u>	<u>(2,369,309)</u>	<u>770,952</u>	<u>695,289</u>

South Shore District Health Authority
[Operating as South Shore Health]

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

11. COMMITMENTS

Lease and purchase commitments

South Shore Health has committed funds from operations for operating supplies and occupancy and equipment leases. Estimated minimum lease payments and purchase commitments over the next five years are expected to be as follows:

	<u>\$</u>
2016	2,646,759
2017	1,555,383
2018	404,056
2019	146,838
2020	5,825

12. PENSION PLANS

South Shore Health contributes to two pension plans on behalf of its employees. The first plan is a multi-employer plan administered by Nova Scotia Health Employees' Pension Plan. The most recent actuarial valuation was as of July 1, 2014. At that time, there was a funding excess of \$935 million.

The second plan is also a multi-employer plan, administered by the Public Service Superannuation Plan Trustee Inc. The most recent actuarial valuation was completed as of December 31, 2013. At that time, there was a funding liability for the entire multi-employer plan of \$95 million. A projection to March 31, 2014 applying the same assumptions indicated a funding liability of \$67 million.

South Shore Health bears no direct financial responsibility for the unfunded liability of either plan as the responsibility lies with the plan administrators. The amount contributed to the plans for the year ended March 31, 2015 was \$5,031,799 [2014– \$4,934,445] for current service costs which are spread over a number of expense line items in the statements of operations.

South Shore District Health Authority
 [Operating as South Shore Health]

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

13. ADDITIONAL CASH FLOW INFORMATION

Changes in non-cash working capital items

	2015	2014
	\$	\$
Accounts receivable	(445,493)	267,612
Due from government	328,601	(1,312,286)
Inventories of supplies	42,057	(143,121)
Prepaid expenses	91,942	(43,349)
Accounts payable and accrued liabilities	(1,859,397)	2,826,393
Deferred revenue	75,663	(3,590,627)
Due to government	19,080	84,526
	(1,747,547)	(1,910,852)

Other information

	2015	2014
	\$	\$
Interest received	9,038	4,219

14. EMPLOYEE FUTURE BENEFITS

Employee future benefits, other than pension, consist of retirement allowances, post-retirement health benefits, and estimated sick leave. These costs are actuarially determined using the projected benefits method prorated on service and assumptions provided by the Provincial Department of Finance for District Health Authorities. Actuarial gains and losses arise from changes in assumptions used to determine the accrued benefit obligation. The excess of the net accumulated actuarial gains and losses over 10% of the benefit obligation is amortized over the average remaining service period of active employees. Past service costs arising from plan amendments are expensed when incurred. The Province of Nova Scotia Department of Health and Wellness fully funds this liability; accordingly, an offsetting accounts receivable balance is recorded.

The last actuarial valuation for retirement allowances was completed as at March 31, 2013. The last actuarial valuation for post-retirement health benefits was completed as at March 31, 2012. The last actuarial valuation for estimated sick leave was completed as at March 31, 2014. The results of these valuations were extrapolated to March 31, 2014. The next actuarial valuation for retirement allowances will be completed as at March 31, 2016. The next actuarial valuation for post-retirement health benefits will be completed as at March 31, 2015. The next actuarial valuation for estimated sick leave will be completed as at March 31, 2017.

South Shore District Health Authority
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NOTES TO FINANCIAL STATEMENTS

March 31, 2015

14. EMPLOYEE FUTURE BENEFITS [Cont'd]

At March 31, 2015, the total accrued benefit liability for employee future benefits, other than pension, amounted to \$14,169,593 [2014 – \$13,281,711]. Further information about South Shore Health’s employee future benefits, other than pension, is as follows:

	2015			2014	
	Retirement allowances \$	Retirement health benefits \$	Sick leave \$	Total \$	Total \$
Accrued benefit liability					
Accrued benefit obligation	8,049,045	3,476,493	3,737,000	15,262,538	15,023,476
Unamortized actuarial experience (gain) loss	(1,551,789)	132,622	326,222	(1,092,945)	(1,741,765)
Accrued benefit liability on the statement of financial position	6,497,256	3,609,115	4,063,222	14,169,593	13,281,711
Plan expenses					
Current service costs	596,600	167,800	211,000	975,400	866,700
Plan Amendments					—
Interest cost	319,519	136,498	159,000	615,017	566,330
Current-year amortized actuarial loss	237,254	(14,533)	9,000	231,721	143,261
Net employee future benefits expense on the statement of operations	1,153,373	289,765	379,000	1,822,138	1,576,291
Change in accrued benefit liability					
Accrued benefit liability, beginning of year	6,172,558	3,424,931	3,684,222	13,281,711	12,756,074
Expense	1,153,373	289,765	379,000	1,822,138	1,576,291
Benefits paid	(828,675)	(105,581)	—	(934,256)	(1,050,654)
Accrued benefit liability, end of year	6,497,256	3,609,115	4,063,222	14,169,593	13,281,711

South Shore District Health Authority
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NOTES TO FINANCIAL STATEMENTS

March 31, 2015

14. EMPLOYEE FUTURE BENEFITS [Cont'd]

The significant actuarial assumptions used in the measurement of South Shore Health's accrued benefit liability are as follows:

	2015	2014
Retirement allowance		
Discount rate used to determine accrued benefit liability	4.10%	4.10%
Discount rate used to determine benefit expense	4.10%	4.10%
Salary increase rate	2.40 to 4.90%	2.4% to 4.9%
Health benefit		
Discount rate used to determine accrued benefit liability	4.10%	4.10%
Discount rate used to determine benefit expense	4.10%	4.10%
Extended health care cost trend rates	6.80% decreasing over 14 years to an ultimate rate of 4.5% per annum	7.00% decreasing over 15 years to an ultimate rate of 4.5% per annum
Prescription drug coverage trend rates	6.8% decreasing over 14 years to an ultimate rate of 4.5% per annum	7.00% decreasing over 15 years to an ultimate rate of 4.5% per annum
Sick leave		
Discount rate used to determine accrued benefit liability	4.10%	4.10%
Discount rate used to determine benefit expense	4.10%	4.10%

15. FINANCIAL INSTRUMENTS

South Shore Health's financial instruments are recorded at cost or amortized cost. Financial instruments are any contracts that give rise to financial assets of one entity and financial liabilities of another entity. Financial assets represent a contractual right to receive cash in the future and financial liabilities represent a contractual obligation to deliver cash in the future. South Shore Health's financial assets include accounts receivables and due from government. South Shore Health's financial liabilities consist of accounts payable and accrued liabilities and due to government.

Transaction costs are expensed as incurred.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

15. FINANCIAL INSTRUMENTS [Cont'd]

Risk management

South Shore Health is exposed to a number of risks as a result of the financial instruments on its statement of financial position that can affect its operating performance. These risks include interest rate risk, credit risk, and liquidity risk. South Shore Health's financial instruments are not subject to foreign exchange risk or other price risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. South Shore Health is subject to interest rate risk relating to short-term borrowings. Interest rate risk is mitigated by monitoring its cash flow and ensuring any short term borrowings are kept to a minimum.

Liquidity risk

South Shore Health is exposed to liquidity risk through its contractual obligations and financial liabilities. South Shore Health manages its liquidity risk by maintaining adequate cash and credit facilities, and by updating and reviewing cash flow projections on a regular and as needed basis.

Credit risk

South Shore Health is exposed to credit risk with respect to accounts receivable. South Shore Health performs an evaluation of its customers' credit and records an allowance for doubtful accounts as required. Management considers that there is no significant exposure to credit risk as at March 31, 2015.

Capital management

In managing capital, South Shore Health focuses on liquid resources available for operations. Its objective is to have sufficient liquid resources to continue operating despite events with adverse financial consequences and to provide it with the flexibility to take advantage of opportunities that will advance its purposes. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget. As at March 31, 2015, South Shore Health has met its objective of having sufficient liquid resources to meet its current obligations.

South Shore District Health Authority
 [Operating as South Shore Health]

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

16. RECONCILIATION OF OPERATING SURPLUS

	2015	2014
	\$	\$
Revenue	119,488,850	97,156,490
Expenses	(100,227,852)	(96,558,786)
Annual surplus	19,260,998	597,704
Capital revenue	(3,375,682)	(3,290,772)
Amortization of tangible capital assets	2,221,973	2,593,992
Other undistributed expenses	—	99,076
Transfer of tangible capital assets from Province of NS	(18,107,289)	—
Operating surplus	—	—

17. EXPENSES BY OBJECT TYPE

	2015	2014
	\$	\$
Salaries and Wages	64,945,730	62,107,019
Employee Benefits	12,291,640	12,015,765
Medical Surgical	2,867,279	2,648,415
Drugs	2,604,761	2,233,891
Clinical Supplies and Expenses	1,906,970	1,912,769
Bad debts	252,424	209,034
Deliver, Freight and Postage	380,202	341,256
Housekeeping, Laundry and Linen	535,789	544,185
Insurance	298,533	252,291
Maintenance of Buildings and Equipment	3,458,440	3,203,724
Purchase/Lease of Buildings and Equipment	1,994,121	1,982,543
Raw Food Costs	1,047,317	622,054
Travel and Education	703,362	749,622
Professional and Management Fees	940,748	1,218,614
Stationary, Photo and Printing	209,976	216,229
Utilities	2,082,051	2,078,118
Other	1,486,536	1,629,265
Amortization of tangible capital assets	2,221,973	2,593,992
	100,227,852	96,558,786

South Shore District Health Authority
[Operating as South Shore Health]

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

18. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Board of Directors and approved by the Province of Nova Scotia. South Shore Health does not prepare an annual budget for the statement of net debt. These figures are unaudited.

