



**IWK Health**

Financial Statements

**Izaak Walton Killam Health Centre**

As at March 31, 2020

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# Management's Report

## ***Management's Responsibility for the Financial Statements***

The 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 financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

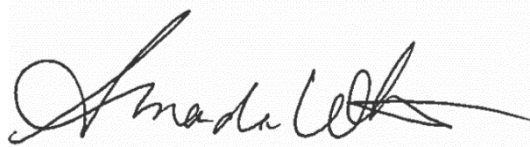
The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Finance, Audit and Risk Management Committee. The Finance, Audit and Risk Management Committee reviews internal financial statements at each meeting and external audited financial statements yearly and recommends approval to the Board. The Finance, Audit and Risk Management Committee also discuss any significant financial reporting or internal control matters prior to their recommendation approval of the financial statements to the Board.

The Auditor General of Nova Scotia provides an independent audit of the financial statements. His examination is conducted in accordance with Canadian auditing standards and includes tests and procedures which allow him to report on the fairness of the financial statements prepared by management.

On behalf of the Izaak Walton Killam Health Centre:



Dr. Krista Jangaard, MD, FRCPC, MHA  
President & Chief Executive Officer



Amanda Whitewood, FCPA, FCMA, C. Dir, CHE  
Chief Operating Officer

June 18, 2020



5161 George Street  
Royal Centre, Suite 400  
Halifax, Nova Scotia  
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# Auditor General of Nova Scotia

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Izaak Walton Killam Health Centre:

### *Opinion*

I have audited the financial statements of the Izaak Walton Killam Health Centre (the "IWK"), which comprise the statement of financial position as at March 31, 2020, and the statement of operations, statement of change in net debt and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the IWK as at March 31, 2020, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the IWK in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the IWK's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate the IWK or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the IWK's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from

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fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the IWK's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the IWK's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the IWK to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Michael A. Pickup, FCPA, FCA  
Auditor General of Nova Scotia

Halifax, Canada

June 18, 2020

# Izaak Walton Killam Health Centre Statement of Financial Position

As at March 31, 2020  
[in thousands of Canadian dollars]

	<u>Note</u>	<u>2020</u> \$	<u>2019</u> \$
<b>Financial assets</b>			
Cash and cash equivalents	3	45,784	33,669
Accounts receivable	4	5,458	5,499
Due from governments	5	40,266	51,863
Due from IWK Health Centre Charitable Foundation	6	5,254	4,276
		<u>96,762</u>	<u>95,307</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	7	34,542	33,530
Employee future benefits	8	36,987	37,296
Deferred revenue	9	28,554	27,358
Long-term debt	10	4,532	5,585
		<u>104,615</u>	<u>103,769</u>
<b>Net debt</b>		<u>(7,853)</u>	<u>(8,462)</u>
<b>Non-financial assets</b>			
Tangible capital assets	11	201,663	201,484
Inventories held for use	12	1,769	1,588
Prepaid expenses		2,030	1,767
		<u>205,462</u>	<u>204,839</u>
<b>Accumulated surplus</b>		<u>197,609</u>	<u>196,377</u>

*Contingent liabilities and contractual obligations (Notes 15 & 16)*

*The accompanying notes and supplementary schedules are an integral part of these financial statements.*

**On behalf of the Board of Directors:**



\_\_\_\_\_  
Ron Smith, FCPA, FCA, ICD.D  
Chair, Board of Directors



\_\_\_\_\_  
Sonya Fraser, CPA, CA  
Chair, Finance, Audit & Risk Management Committee

# Izaak Walton Killam Health Centre

## Statement of Operations

Year ended March 31, 2020  
[in thousands of Canadian dollars]

	Budget	2020	2019
Note	\$	\$	\$
	(Unaudited)		
	(Schedule B)		
<b>Revenues</b>			
Operating grants - Provincial	250,191	249,321	243,117
Operating grants - Federal	1,444	371	265
Capital grants - Provincial	10,042	5,788	4,581
Capital grants - other	6,732	6,144	5,379
Research and innovation	12,660	12,015	12,229
Other revenue	20,082	20,098	20,329
Investment Income	250	-	-
<b>Total revenue</b>	<b>301,401</b>	<b>293,737</b>	285,900
<b>Expenses (Schedule A)</b>			
Clinical programs and networks	174,476	174,883	167,480
Corporate support	54,639	53,244	54,808
Clinical support	51,069	52,004	51,813
Research and innovation	14,214	12,374	13,051
	<b>294,398</b>	<b>292,505</b>	287,152
<b>Annual surplus (deficit)</b>	19	<b>7,003</b>	<b>1,232</b>
			(1,252)
<b>Accumulated surplus, beginning of year</b>		<b>196,377</b>	197,629
<b>Accumulated surplus, end of year</b>		<b>197,609</b>	196,377

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

# Izaak Walton Killam Health Centre

## Statement of Change in Net Debt

Year ended March 31, 2020  
[in thousands of Canadian dollars]

	Budget	2020	2019
	\$	\$	\$
	(Unaudited)		
	(Schedule B)		
<b>Annual surplus (deficit)</b>	<b>7,003</b>	<b>1,232</b>	<b>(1,252)</b>
<b>Change in tangible capital assets</b>			
Acquisition of tangible capital assets	(17,827)	(11,139)	(9,634)
Amortization of tangible capital assets	10,824	10,960	11,881
<b>Decrease in tangible capital assets</b>	<b>(7,003)</b>	<b>(179)</b>	<b>2,247</b>
<b>Change in other non-financial assets</b>			
Net change in inventories	-	(181)	36
Net change in prepaid expenses	-	(263)	402
<b>(Increase) decrease in other non-financial assets</b>	<b>-</b>	<b>(444)</b>	<b>438</b>
<b>Decrease in net debt</b>	<b>-</b>	<b>609</b>	<b>1,433</b>
<b>Net debt, beginning of year</b>	<b>(8,462)</b>	<b>(8,462)</b>	<b>(9,895)</b>
<b>Net debt, end of year</b>	<b>(8,462)</b>	<b>(7,853)</b>	<b>(8,462)</b>

*The accompanying notes and supplementary schedules are an integral part of these financial statements.*



# Izaak Walton Killam Health Centre

## Statement of Cash Flows

Year ended March 31, 2020  
[in thousands of Canadian dollars]

	2020	2019
<i>Note</i>	<u>\$</u>	<u>\$</u>
<b>Operating Activities</b>		
Annual surplus (deficit)	1,232	(1,252)
Items not affecting cash		
Amortization of tangible capital asset	10,960	11,881
	<u>12,192</u>	<u>10,629</u>
Changes in other items:		
Decrease in accounts receivable / due from government	11,638	26,862
(Increase) decrease in receivable from IWK Health Centre Charitable Foundation	(978)	3,507
Increase (decrease) in accounts payable and accrued liabilities	1,012	(8,766)
Decrease in employee future benefits	(309)	(20,508)
(Increase) decrease in inventories held for use	(181)	36
(Increase) decrease in prepaid expenses	(263)	402
Increase (decrease) in accrued interest / interest expense	-	(5)
	<u>23,111</u>	<u>12,157</u>
<b>Capital Activities</b>		
Cash used to acquire tangible capital assets	(11,139)	(9,634)
<b>Financing Activities</b>		
Debt retirement (principal payments)	(1,053)	(995)
<b>Increase in cash and cash equivalents</b>	<b>10,919</b>	<b>1,528</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>6,311</b>	<b>4,783</b>
<b>Cash and cash equivalents, end of year</b>	<b>3</b>	<b>17,230</b>
		<u>6,311</u>

*The accompanying notes and supplementary schedules are an integral part of these financial statements.*

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2020  
[in thousands of Canadian dollars]

### 1. Nature of the organization

The Izaak Walton Killam Health Centre (the "IWK") provides quality care for children, women and families in the three Maritime Provinces and beyond. The IWK is a tertiary care health centre dedicated to family-centred care, education, research, health promotion and advocacy for best results. The IWK is also committed to being global leaders in research and knowledge transfer.

The IWK is a non-profit entity and, as such, is exempt from income taxes under the *Income Tax Act*.

### 2. Summary of significant accounting policies

#### a. Basis of accounting

These financial statements are prepared by management of the IWK in accordance with Canadian public sector accounting standards ("PSAS") as established by the Canadian Public Sector Accounting Board ("PSAB").

These financial statements reflect the assets, liabilities, revenues and expenses of the IWK. They do not include the activities of the IWK Health Centre Charitable Foundation (the "Foundation"), a non-controlled, not-for-profit entity (Note 6).

#### b. Cash and cash equivalents

Cash includes cash on hand and demand deposits that are readily available and are subject to an insignificant risk of change in value.

#### c. Financial instruments

Financial instruments are classified into either cost / amortized cost or fair value categories. The IWK has no financial instruments that are required to be accounted for at fair value.

The cost/amortized cost category includes cash and cash equivalents, accounts receivable, due from governments, due from IWK Health Centre Charitable Foundation, accounts payables and accrued liabilities, and long-term debt. These items are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method. Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Management assess each financial instrument for impairment on an annual basis. When financial assets are impaired, impairment losses are recorded in the statement of operations.

There are no unrealized gains or losses therefore the statement of remeasurement gains and losses has not been presented.

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2020  
[in thousands of Canadian dollars]

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

#### d. Employee future benefits

Employee future benefits include retiring allowances / public service awards paid to employees upon retirements, health and life insurance for retired employees and accumulating non-vesting sick leave. A liability for employee future benefits has been included in the financial statements in the current year.

The costs and obligations of these employee future benefits are actuarially determined using management's best estimate of the assumptions disclosed in Note 8. The methods used in this valuation of costs and obligations were selected by the Nova Scotia Department of Finance and Treasury Board. These assumptions are in accordance with accepted actuarial practice.

Effective April 1, 2015, retiring allowances have been discontinued and as a result no new members will be admitted into the plan. The payment of retirement allowances will be deferred until retirement and calculated based on accumulated service as of the discontinuation date and salary upon retirement.

The Province of Nova Scotia funds the employee's retiring allowances / public service awards, health and life insurance, and accumulating non-vesting sick leave benefits. As a result, a receivable for the same amount has been recorded from the Nova Scotia Department of Finance and Treasury Board and is included in due from governments in these financial statements.

#### e. Deferred revenue

Deferred revenue includes contributions received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. Deferred revenues include both operating and capital revenue.

These amounts are recognized as revenue in the fiscal year in which the related expenses are incurred, services performed, or when related stipulations are met.

#### f. 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.

The cost of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	50 years
Leasehold improvements	Lesser of term or 10 years
Equipment	5 - 10 years
Information technology	5 years
Parking garage	50 years

Assets under construction are not amortized until the asset is available for productive use.

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2020

*[in thousands of Canadian dollars]*

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

The useful life of an asset may require revision during its life due to significant changes such as physical damage, upgrades / developments, a change in its use, etc. The effect of this change would be recorded in the year of revision and in future years. The financial statements of previous years are not restated due to the change in an estimated useful life.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the IWK'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 new write-downs are accounted for as expenses in the statement of operations. Write-downs are not reversed.

When a tangible capital asset is removed from service, destroyed, becomes obsolete, scrapped, etc., the asset is disposed as of the specified effective date. Assets will be retired from the accounts of the IWK when the asset is disposed. The gain or loss on disposal will be calculated as the difference between the proceeds received and the net book value of the asset. The gain or loss on disposal will be recorded as revenue or an expense in the statement of operations.

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

#### **g. Inventories held for use**

Inventories held for use include drugs, departmental, medical and surgical supplies and are recorded at the lower of cost or replacement cost. The IWK uses the weighted average cost method to determine cost of stores inventory and the first-in, first-out method to determine cost of pharmacy inventory.

#### **h. Prepaid expense**

Prepaid expense include premises rent, insurance, service contracts, support costs, memberships and subscriptions and are charged to expense over the periods the good or service is expected to be consumed.

#### **i. Revenue recognition**

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.

Provincial and federal government transfers, defined as operating or capital, are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2020  
[in thousands of Canadian dollars]

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

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose. Restricted contributions that must be maintained in perpetuity are recorded as revenue when received or receivable.

Recovery revenues include reimbursement or coverage by a third-party entity for expenses covered by the IWK. Expenses for which the IWK would typically recover include compensation and supplies.

Revenues related to fees or services received in advance of the fee being earned or the service is performed are deferred and recognized when the fee is earned or the service is performed.

Investment income includes interest income and is reported in the period earned.

Patient billings, food services, laboratory and parking revenues are recognized as revenue when the related service is rendered or when goods are provided.

#### **j. Expenses**

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

#### **k. Trusts under administration**

Trusts administered by the IWK are maintained separately from the IWK's assets and are excluded from the statement of financial position as the assets are not held for the benefit of the IWK. These trusts are held on behalf of the IWK paediatric dentists and relate to their dental practice.

At March 31, 2020, the IWK held 3 (2019 - 2) dental trust funds totalling \$420 (2019 - \$689). Each trust maintains its own terms of reference which includes the purpose, guideline of eligible expenditures and designated signing authorities. Trust fund reporting, which includes details on transactions incurred throughout the year, is provided to the various stakeholders.

#### **l. Measurement uncertainty**

Measurement uncertainty exists in determining certain amounts at which items are recorded in these financial statements. Many items are measured using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Uncertainty exists whenever estimates are used because it is reasonably possible that there could be a material difference between the recognized amount and another reasonably possible amount.

Measurement uncertainty exists in accruals for such items as pension, retirement and other obligations. The nature of the uncertainty in the accruals for pension, retirement and other obligations arises because actual results may differ significantly from the various assumptions about plan members and economic conditions in the marketplace. Other areas requiring the use of management estimates include allowances for doubtful accounts, amortization rates, accrued payroll liabilities, and commitments and contingencies

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2020  
[in thousands of Canadian dollars]

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

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.

#### m. Contributed services

Volunteers contribute a significant amount of their time each year to assist the IWK in carrying out its programs and services. Due to the difficulty in determining fair value, contributed services are not recognized in these financial statements.

#### n. Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability of this nature is recognized net of any expected recoveries. A liability for remediation of contaminated sites normally results from operations that are no longer in productive use and is recognized when all of the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the IWK is directly responsible or accepts responsibility;
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

For the fiscal year ended March 31, 2020, the IWK has not identified a liability for contaminated sites.

### 3. Cash and cash equivalents

	2020	2019
	\$	\$
Cash and cash equivalents	45,784	33,669
Less: Amount restricted for research	(15,013)	(14,497)
Less: Amount restricted for other restricted	(12,888)	(12,585)
Less: Amount restricted for capital grants	(653)	(276)
Unrestricted cash and cash equivalents	17,230	6,311

Restricted cash consists of cash and cash equivalents that are subject to an insignificant risk of change in value. Restricted cash are designated to be used only in support of initiatives specifically approved by external funding organizations and individuals. The corresponding restricted liabilities represent unexpended funds as of the end of the fiscal year, and will be recognized as revenue when the funds are used for their intended purpose. Refer to Note 9 for details on restrictions.

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2020  
*[in thousands of Canadian dollars]*

### 4. Accounts receivable

	<b>2020</b>	2019
	<b>\$</b>	\$
Patient care	<b>1,430</b>	1,105
Other	<b>4,257</b>	4,288
Employee receivables	<b>1,215</b>	1,310
Less: provision for doubtful accounts	<b>(1,444)</b>	(1,204)
	<b>5,458</b>	5,499

### 5. Due from governments and other government organizations

	<b>2020</b>	2019
	<b>\$</b>	\$
Province of Nova Scotia		
Department of Finance and Treasury Board (Employee future benefits – see Note 8)	<b>36,987</b>	37,296
Department of Health & Wellness	<b>1,763</b>	12,409
Nova Scotia Health Authority	<b>1,197</b>	1,492
Federal Government – HST	<b>1,081</b>	1,176
Less: provision for doubtful accounts	<b>(762)</b>	(510)
	<b>40,266</b>	51,863

### 6. Due from IWK Health Centre Charitable Foundation

The Foundation provides donations to the IWK for capital, clinical programs and research activities. During the current year, the IWK received \$11,042 (2019 - \$9,387) in donations from the Foundation. The total amount receivable from the Foundation as at March 31, 2020 is \$5,254 (2019 - \$4,276).

### 7. Accounts payable & accrued liabilities

	<b>2020</b>	2019
	<b>\$</b>	\$
Trade payables	<b>6,447</b>	6,598
Accrued liabilities	<b>7,573</b>	7,590
Salary and benefits	<b>20,522</b>	19,342
	<b>34,542</b>	33,530

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2020  
[in thousands of Canadian dollars]

### 8. Employee future benefits – summary

	2020	2019
<b>Employee future benefits – summary</b>	<b>\$</b>	<b>\$</b>
Ending balance, retiring allowances (Note 8a)	<b>2,360</b>	2,867
Ending balance, health insurance (Note 8b)	<b>15,102</b>	14,677
Ending balance, non-vesting sick-leave benefits (Note 8c)	<b>19,525</b>	19,752
Ending balance, employee future benefits	<b>36,987</b>	37,296

#### 8a. Employee future benefits – retiring allowances

Retirement allowances are benefits paid to employees upon retirement based on an employee's length of service and rate of pay. Retirement allowances are actuarially determined using the projected unit credit method, prorated on service. Actuarial gains and losses are amortized on a linear basis over the expected average remaining services life of 7 years. Annually, results along with values to record the liability and expenses are provided by the Nova Scotia Department of Finance and Treasury Board.

In January 2018, eligible management and non-unionized staff were offered a one-time service payout option in lieu of the retirement allowance available at the time of retirement. This resulted in a total service payout of \$3.8 million of those eligible employees, which was accrued for at March 31, 2018 and paid in May 2018. In October 2018, unionized employees were offered a one-time service payout option in lieu of the retirement allowance available at the time of retirement. This resulted in a total service payout of \$17.1 million to those eligible employees, which was paid during fiscal 2018-19. These payouts have resulted in a reduction in the liability in fiscal 2018-19, and has no direct impact on the financial statements for the financial statements for fiscal 2019-20. Some management and non-union and union staff chose not to accept this one-time offer, as such the IWK will process these retirement allowance payouts at time of retirement.

The Nova Scotia Department of Finance and Treasury Board fully funds this liability; therefore, a corresponding accounts receivable amount is recorded. Under Union Collective agreements, employees are entitled to a payment of one week's salary for every year of full-time service [max 26 weeks] that an employee has served with the organization. The Province of Nova Scotia contracts a third party to perform an actuarial valuation for all government departments, government agencies and boards. The most recent actuarial valuation was conducted as at March 31, 2019, with actuarial liabilities extrapolated to March 31, 2020.



# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2020  
[in thousands of Canadian dollars]

### 8a. Employee future benefits – retiring allowances (cont'd)

The IWK has provided for retiring allowances as follows:

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
<b>Accrued benefit liability</b>		
Beginning balance, accrued benefit obligation	<b>2,781</b>	22,213
Interest on accrued benefit obligation	<b>81</b>	468
Impact of plan amendment / settlement	-	2,273
Settlement payouts	-	(20,900)
Benefits paid	<b>(570)</b>	(1,448)
Experience loss (gain)	<b>(788)</b>	174
Accrued benefit obligation	<b>1,504</b>	2,780
Unamortized actuarial gain	<b>856</b>	87
Ending balance, accrued benefit liability	<b>2,360</b>	2,867

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
<b>Employee future benefits retiring allowance expense:</b>		
Interest on accrued benefit obligations	<b>81</b>	468
Impact of plan settlements	-	1,612
Amortization of actuarial gains	<b>(19)</b>	(71)
	<b>62</b>	2,009

The significant weighted average assumptions adopted in measuring the IWK's retiring allowances are as follows as at March 31:

	<b>2020</b>	2019
Discount rate	<b>3.24%</b>	3.29%
Average age of employees	<b>52.1</b>	44.8
Average years of service	<b>11.5</b>	10.3
Future mortality rate	<b>[none assumed]</b>	
Rate of compensation increase	<b>0.50% - 2.00%</b>	0.50% - 2.00%
Promotional Increase	<b>0.40%-2.90%</b>	0.40%-2.90%

### 8b. Employee future benefits – health insurance

The IWK provides health insurance benefits to employees under certain union and non-union agreements at the choice of the employee at retirement. The IWK contributes to the cost of these premiums. The Province of Nova Scotia contracts a third party to perform actuarial valuations for government departments, government agencies and boards. The most recent actuarial valuation was conducted as at June 30, 2017, with actuarial liabilities extrapolated to March 31, 2020.

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2020  
[in thousands of Canadian dollars]

### 8b. Employee future benefits – health insurance (cont'd)

The health insurance value is calculated using the projected unit credit method, prorated on service. Experience gains and losses and assumption changes are amortized on a linear basis over the expected average remaining service life of 14 years for active employees. Annually, results along with values to record the liability and expenses are provided by the Nova Scotia Department of Finance and Treasury Board. The Nova Scotia Department of Finance and Treasury Board fully funds this liability; therefore, a corresponding accounts receivable amount is recorded.

The IWK has provided for health insurance as follows:

	2020	2019
	\$	\$
<b>Accrued benefit liability</b>		
Beginning balance, accrued benefit obligation	11,465	10,223
Current service cost	722	655
Interest on accrued benefit obligation	379	345
Benefits paid	(417)	(386)
Experience loss	66	628
Accrued benefit obligation	12,215	11,465
Unamortized actuarial gains	2887	3,212
Ending balance, accrued benefit liability	15,102	14,677

	2020	2019
	\$	\$
<b>Employee future benefits health insurance expense:</b>		
Current service cost	722	656
Interest on accrued benefit obligation	379	346
Amortization of actuarial gain	(259)	(303)
	842	699

The significant weighted average actuarial assumptions adopted in measuring the IWK's health insurance are as follows as at March 31:

	2020	2019
Discount rate	3.24%	3.29%
Participation rate - Health	95%	95%
Future mortality rate based on CPM 2014		
Public Sector table with mortality scale CPM-B	120%	120%
Rate of health care inflation, (reduced to a rate of 4.5% over 15 years)	7%	7%

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2020  
[in thousands of Canadian dollars]

### 8c. Employee future benefits – non-vesting sick leave benefits

The IWK provides non-vesting sick-leave benefits to certain union and non-union employees. These employees are allowed to accumulate unused sick day credits each year, up to the allowable maximum provided in their respective employment agreement. Accumulated credits may be used in future years to the extent that the employee's illness or injury exceeds the current year's allocation of credits. The use of accumulated sick days for sick-leave compensation ceases on termination of employment. The benefit costs and liabilities related to the plan are included in the financial statements. Actuarial gains and losses are amortized over the expected average remaining service life of 12 years. The Province of Nova Scotia contracts a third party to perform actuarial valuations for government departments, government agencies and boards. The most recent actuarial valuation was conducted as at March 31, 2017, with actuarial liabilities extrapolated to March 31, 2020. The Nova Scotia Department of Finance and Treasury Board fully funds this liability; therefore, a corresponding accounts receivable amount is recorded.

The IWK has provided for non-vesting sick-leave benefits as follows:

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
<b>Accrued benefit liability</b>		
Beginning balance, accrued benefit obligation	<b>12,103</b>	11,729
Current service cost	<b>1,688</b>	1,631
Interest on accrued benefit obligation	<b>396</b>	388
Benefits paid	<b>(1,548)</b>	(1,731)
Experience loss	<b>39</b>	86
Accrued benefit obligation	<b>12,678</b>	12,103
Unamortized actuarial gains	<b>6,847</b>	7,649
Ending balance, accrued benefit liability	<b>19,525</b>	19,752

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
<b>Employee future benefits non-vesting sick leave benefits expense</b>		
Current service cost	<b>1,688</b>	1,631
Interest on accrued benefit obligation	<b>396</b>	388
Amortization of actuarial gains	<b>(762)</b>	(769)
	<b>1,322</b>	1,250

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2020  
[in thousands of Canadian dollars]

### 8c. Employee future benefits – non-vesting sick leave benefits

The significant weighted average actuarial assumptions adopted in measuring the IWK's non-vesting sick leave benefits are as follows as at March 31:

	<b>2020</b>	2019
Discount rate	<b>3.24%</b>	3.29%
Future mortality rate based on CPM 2014		
Public Sector table with mortality scale CPM-B	<b>120%</b>	120%
Rate of compensation increase	<b>1.5% – 2.0%</b>	1.5% – 2.0%
Promotional increase	<b>0.40%-2.90%</b>	0.40%-2.90%

### 9. Deferred revenue – summary

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
Deferred revenue - summary		
Research (Note 9a)	<b>15,013</b>	14,497
Capital grants (Note 9b)	<b>653</b>	276
Other restricted (Note 9c)	<b>12,888</b>	12,585
	<b>28,554</b>	27,358

### 9a. Deferred revenue – research

Deferred revenue – research relates to advanced money received for spending to meet the needs of research services and individual research investigators, according to specific, pre-approved terms of reference. The balance represents the portion of funding unexpended as at the end of year. These grants will be recognized as revenue when the resources are used for the purpose specified.

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
Balance, beginning of year	<b>14,497</b>	13,124
Receipts during the year	<b>11,427</b>	12,926
Transfers to revenue during the year	<b>(10,911)</b>	(11,553)
Balance, end of year	<b>15,013</b>	14,497

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2020  
*[in thousands of Canadian dollars]*

### 9b. Deferred revenue – capital grants

Deferred revenue – capital grants relates to advanced funding received from the IWK Foundation or the Department of Health and Wellness for capital equipment and renovations. The balance represents the portion of funding unexpended as at the end of year. These grants will be recognized as revenue when the capital equipment is purchased or when capital renovation costs are incurred.

	<b>2020</b>	2019
	<b>\$</b>	\$
Balance, beginning of year	<b>276</b>	805
Receipts during the year	<b>5,206</b>	5,098
Transfers to revenue during the year	<b>(4,829)</b>	(5,627)
Balance, end of year	<b>653</b>	276

### 9c. Deferred revenue – other restricted

Deferred revenue – other restricted relates to advanced money received from the IWK Foundation, other donors or organizations for specified operating expenditures. The balance represents the portion of funding unexpended as at the end of year. These funds will be recognized as revenue when the specified goods or services are incurred.

	<b>2020</b>	2019
	<b>\$</b>	\$
Balance, beginning of year	<b>12,585</b>	7,439
Receipts during the year	<b>4,450</b>	6,316
Transfers to revenue during the year	<b>(4,147)</b>	(1,170)
Balance, end of year	<b>12,888</b>	12,585

### 10. Long-term debt

	<b>2020</b>	2019
	<b>\$</b>	\$
Balance	<b>4,532</b>	5,585

The IWK received approval from its Board of Directors and the Department of Health & Wellness to construct a new multi-level parking garage and research facility in the 2002- 2003 fiscal year. The parking garage became fully operational in the 2003/2004 fiscal year. The final project cost was \$16,000.

The Nova Scotia Department of Finance and Treasury Board loan bears interest at 5.76% per annum, calculated semi-annually, matures on December 1, 2023 and is repayable in quarterly instalments of principal and interest totalling \$338.

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2020  
*[in thousands of Canadian dollars]*

### 10. Long-term debt (cont'd)

Total principal repayments in respect of long term debt as at March 31 2020 for each of the next four years are as follows:

	\$
2021	1,115
2022	1,181
2023	1,249
2024	987

The total gross interest paid on long term debt for the year ended March 31, 2020 was \$299 (2019 - \$358).

The IWK has access to a \$2,000 line of credit with a Canadian chartered bank which may be used for general operating purposes. Draws on the facility bear interest at the bank's prime rate less 3/4% per annum. As at March 31, 2020, the IWK has \$nil [2019 - \$nil] draws against this facility.

### 11. Tangible capital assets

	Land and land improvements	Buildings	Equipment	Information technology	Construction in progress	2020 Total	2019 total
<b>Historical costs</b>							
Opening costs	4,546	268,359	29,357	3,444	5,133	<b>310,839</b>	301,205
Transfers	-	6,606	1,048	445	(8,099)	-	-
Additions	-	63	2,354	-	8,722	<b>11,139</b>	9,634
Closing costs	4,546	275,028	32,759	3,889	5,756	<b>321,978</b>	310,839
<b>Accumulated amortization</b>							
Opening	261	91,250	16,705	1,139	-	<b>109,355</b>	97,474
Amortization	-	6,166	4,451	343	-	<b>10,960</b>	11,881
Closing	261	97,416	21,156	1,482	-	<b>120,315</b>	109,355
<b>Net book value</b>	<b>4,285</b>	<b>177,612</b>	<b>11,603</b>	<b>2,407</b>	<b>5,756</b>	<b>201,663</b>	<b>201,484</b>

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2020  
*[in thousands of Canadian dollars]*

### 12. Inventories held for use

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
Medical, surgical and other	<b>705</b>	622
Drugs	<b>742</b>	565
Departmental	<b>322</b>	401
	<b>1,769</b>	1,588

### 13. Pension funds

#### **Nova Scotia Health Employees' Pension Plan**

The majority of the IWK employees participate in the multi-employer Nova Scotia Health Employee's Pension Plan. The plan is funded by employee and employer contributions. The employer's contributions are included in the IWK's operating expenses. Health Association Nova Scotia administers the pension plan. The IWK's responsibility with regard to this plan is limited to its contributions and it has no claim on the surplus or responsibility for any unfunded amounts that may occur.

#### **Nova Scotia Public Service Superannuation Plan**

Certain employees of the IWK belong to the Nova Scotia Public Service Superannuation Plan. This plan is funded equally by employee and employer contributions. The employer's contributions are included in the IWK's operating expenses. The Nova Scotia Pension Agency administers the pension plan. The IWK's responsibility with regard to this plan is limited to its contributions and it has no claim on the surplus or responsibility for any unfunded amounts that may occur.

Total employer contributions to the above mentioned plans are as follows:

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
Employer contributions	<b>14,711</b>	14,612

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2020  
[in thousands of Canadian dollars]

### 14. Long-term disability plan

#### **Health Association Nova Scotia**

The majority of the IWK employees are members of this plan, which is funded equally by employee and employer contributions. The employer's contributions are included in the IWK's operating expenses. Health Association Nova Scotia administers this long-term disability plan. The IWK's responsibility with regard to this plan is limited to its contributions and it has no claim on the surplus or responsibility for any unfunded amounts that may occur.

Total employer contributions to the above mentioned plans are as follows:

	<b>2020</b>	2019
	<b>\$</b>	\$
Employer contributions	<b>2,182</b>	2,156

### 15. Contingent liabilities

The IWK may, from time to time, be involved in legal proceedings, claims and litigations that arise in the ordinary course of business. The IWK believes it is not exposed to a material adverse effect on its financial position as management is of the opinion that their insurance coverage is sufficient to meet or discharge any obligation arising from these lawsuits.

### 16. Contractual obligations

The IWK has entered into a number of multiple-year contracts for the delivery of equipment, supplies, services and operating leases. These contractual obligations will become liabilities in the future when the terms of the contracts are met or the equipment received. Estimated annual minimum lease payment and purchase commitments in each of the next five years are expected to be as follows:

	\$
2021	12,472
2022	2,693
2023	2,309
2024	1,569
2025	818
Thereafter in aggregate	208



# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2020  
[in thousands of Canadian dollars]

### 17. Risk management

The IWK 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 credit risk, liquidity risk and foreign exchange risk. Unless otherwise noted, it is management's opinion that the IWK is not exposed to market risks arising from financial instruments.

#### **Credit risk**

Credit risk is the risk of loss arising from the failure of a counterparty to fully honour its financial obligation. The IWK is exposed to credit risk with respect to accounts receivable.

Receivables are ultimately due from government, third party insurers, patients, foundations and auxiliaries. Credit risk is mitigated by management's review of aging and collection of receivables. The IWK recognizes a specific allowance for doubtful accounts when management considers the expected amounts to be recovered are lower than the actual receivable.

The IWK measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the IWK's historical experience regarding collections. The allowance for doubtful accounts at March 31, 2020 amounts to \$2,207 (2019 - \$1,713).

The aging of trade accounts receivable was as follows:

	<b>2020</b>	2019
	<b>\$</b>	\$
0 – 60 days	<b>3,236</b>	3,773
61 – 120 days	<b>350</b>	455
121 - 365 days	<b>1,224</b>	532
Greater than 365 days	<b>648</b>	739
Total	<b>5,458</b>	5,499

#### **Liquidity risk**

Liquidity risk is the risk on the IWK's ability to convert financial assets to cash in order to meet financial liabilities. The IWK has contractual obligations and financial liabilities and, therefore, is exposed to liquidity risk. The IWK monitors its liquidity risk by through extensive budgeting and forecasting, and by matching its long-term financing arrangements with its cash flow needs.

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2020  
[in thousands of Canadian dollars]

### 17. Risk management (cont'd)

#### Foreign exchange risk

The IWK's operating results and financial positions are reported in Canadian dollars. Some of the IWK's financial instruments and transactions are denominated in currencies other than Canadian dollar, and therefore, its operations are subject to currency transaction and translation risks. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates.

The IWK occasionally makes payments denominated in foreign currencies. Most of these foreign transactions are in US dollars with vendors located in the USA. Foreign currency is acquired in Canadian dollars at the spot rate in the amounts necessary to cover the foreign currency amount.

The currency most contributing to the foreign exchange risk is the US dollar. Comparative foreign exchange rates as at March 31 are as follows:

	2020	2019
	\$	\$
US dollar per Canadian dollar	0.7049	0.7483

### 18. Related party and inter-entity transactions

#### a. Related party transactions

The IWK is related in terms of common ownership to all Province of Nova Scotia created departments, agencies, boards and commissions. Related parties also include key management personnel having the authority and responsibility for planning, directing and controlling the activities of the organization. This includes the executive leadership team, and members of the Board of Directors and their close family members. The IWK enters into transactions with these entities in the normal course of business measured at the exchange amount. This disclosure is in addition to the related party disclosure provided elsewhere in these financial statements.

#### b. Inter-entity transactions

The Province of Nova Scotia has centralized some of its administrative activities for efficiency and cost-effectiveness purposes. As a result, the Province of Nova Scotia uses a shared services model so that one department performs services for other departments, agencies, board and commissions without charge. The costs of these services, such as Department of Transportation and Infrastructure Renewal project management services, Service Nova Scotia and Internal Services information technology support provided by the Province of Nova Scotia, and NSHA clinical information technology support to the IWK, are not recognized in these financial statements.

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2020  
*[in thousands of Canadian dollars]*

### 19. Operational and capital funding reconciliation

As per the Health Authorities Act of Nova Scotia, the IWK is to reconcile the annual operating funding and capital funding surplus / deficit, as defined by the Act, to the current year operating and capital surplus / deficit reported on the statement of operations and accumulated surplus. The below schedule is the reconciliation of the operating and capital funding:

	2020	2019
	\$	\$
Annual surplus (deficit) reported on the statement of operations	1,232	(1,252)
Amortization	10,960	11,881
Capital grants	(11,139)	(9,634)
Principal repayments	(1,053)	(995)
Operating funding surplus (deficit)	-	-

### 20. Impact of the COVID-19 pandemic

On January 30, 2020 the COVID-19 outbreak was declared a Public Health Emergency of International Concern by the World Health Organization, and on March 11, 2020 declared a global pandemic. On March 22, 2020, the Province of Nova Scotia declared a provincial state of emergency to help contain the spread of COVID-19 and new orders under the Health Protection Act came into effect. Specific measures included: closure of the provincial borders to all except for essential travel; closure of provincial parks and beaches; self-imposed quarantine periods, prohibiting social gatherings of more than five people; and, specific workplace requirements ensuring appropriate physical distancing and cleaning measures are in effect. While subsequent to March 22, 2020 some restrictions have been reduced, these measures have triggered significant disruptions to businesses worldwide and in Canada, resulting in an economic slowdown.

#### **Operational impacts**

There have been significant operational impacts as a result of the pandemic including:

- Temporary suspension of non-urgent services, including various clinic closures, mobile clinic services, blood collection lab and elective surgeries, resulting in delays / deferrals in service;
- Transition to a virtual care platform for mental health & addictions services and in other areas of service;
- Screening protocols introduced for people entering the IWK, and implementing visitor restrictions;
- Establishment of one of the Province's COVID-19 primary assessment testing centres;
- Establishment of a temporary pandemic response unit, designed to care for pediatric COVID-19 positive patients;
- Temporary closure of some retail services and reduced services in the cafeteria;
- Temporary suspension of parking fees for patients and staff; and
- Reduction in non-resident, out-of-country and other non-MSI covered procedures and preferred accommodations.

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2020  
[in thousands of Canadian dollars]

### 20. Impact of the COVID-19 pandemic (cont'd)

#### **Financial impacts**

Valuation adjustments to the IWK's assets at March 31, 2020 as a result of the pandemic were limited to an increase in the allowance for doubtful accounts to account for the possible inability for patient families to pay for uninsured services.

The pandemic has negatively affected the IWK's March 31, 2020 financial results and continues to impact the subsequent reporting period as a result of the following:

- Increased usage of personal protective equipment (PPE), medical, cleaning and other supplies;
- Significant price fluctuation of supplies as the result of supply chain disruptions reducing availability;
- Costs relating to virtual care and remote work technology;
- Approved capital equipment to support the pandemic;
- Clinical area reconfigurations required to adhere to public health guidelines;
- Incremental salaries and benefits required for visitor screening protocols, the COVID-19 assessment centre, the pandemic response unit designed to care for COVID-19 patients, additional occupational health staff and other operational staffing requirements;
- Employee absenteeism due to sickness, cancellation of management and staff vacations resulting in vacation entitlement bank carry-forwards and vacation cancellation costs; and, staff being redeployed from clinical services to other areas within the IWK and the Province.
- Lost parking revenue;
- Lost profit due to the closure of some retail services and restrictions in the cafeteria resulting in a reduction in service; and
- Lost patient revenue as the result of reduced services and out-of-country patients, as well as changes in patient room configurations.

The Province provided funding during 2019-20 for incremental costs and lost revenues / profit as a result of COVID-19. These costs and provincial funding have been recognized in the financial statements. It is anticipated that the Province will fund COVID-19 incremental costs and lost revenue / profits in fiscal 2020-21.

As part of the Government of Canada top-up program, the Province announced an Essential Health Care Workers Program, which will see certain health care workers receive a bonus of up to \$2,000 based on specific criteria. It is anticipated that the IWK will pay eligible staff this bonus and will receive reimbursement from the Government of Canada. No amounts for this benefit have been recorded in these financial statements.

The duration and impact of the COVID-19 pandemic on the IWK remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the IWK for future periods.

### 21. Comparative figures

The comparative financial statements have been reclassified from the statements previously presented to conform to the presentation adopted for the current year.

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2019  
[in thousands of Canadian dollars]

### SCHEDULE A

#### Expenses by object

	2020	2019
	\$	\$
Compensation	<b>203,441</b>	197,868
Medical / surgical supplies	<b>15,790</b>	14,362
Research and innovation	<b>12,374</b>	13,051
Services and other contracts	<b>12,094</b>	13,278
Equipment, maintenance and premises	<b>11,819</b>	10,533
Amortization	<b>10,960</b>	11,881
Other	<b>6,434</b>	7,381
Utilities	<b>6,239</b>	6,710
Drugs	<b>5,118</b>	4,480
Professional fees	<b>4,065</b>	3,781
Food and dietary supplies	<b>2,454</b>	2,335
Travel and education	<b>1,717</b>	1,492
<b>Total expenses</b>	<b>292,505</b>	287,152

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2019  
[in thousands of Canadian dollars]

### SCHEDULE B

#### Approved budget

Budgeted figures, detailed within the IWK's 2019-20 Business Plan, have been provided for comparison purposes and have been approved by the Department of Health and Wellness (DHW). Budgeted figures included in the financial statements are not audited.

The 2020 budget figures presented on the statement of operations and accumulated surplus reflect certain budget adjustments made during the fiscal year. A breakdown of the adjustments is presented as follows:

<b>Adjusted operating revenue / expense budget</b>	
DHW approved operating revenue / expense	267,697
Additional revenue / expense not captured in IWK approved budget	4,261
Adjusted operating revenue / expense budget	<u>271,958</u>
<b>Revenues</b>	
Adjusted operating revenue budget	271,958
Recoveries	12,669
Capital grants - Provincial	10,042
Capital grants - other	6,732
	<u>301,401</u>
<b>Expenses</b>	
Adjusted operating expense budget	271,958
Recoveries	12,669
Amortization	10,824
Mortgage principal	(1,053)
	<u>294,398</u>