

Financial Information

Ministry of Health and Wellness

Consolidated Financial Statements

March 31, 2002

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2002

Auditor's Report

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AUDITOR'S REPORT

To the Members of the Legislative Assembly

I have audited the consolidated statement of financial position of the Ministry of Health and Wellness as at March 31, 2002 and the consolidated statements of operations and changes in financial position for the year then ended. These consolidated financial statements are the responsibility of the management of the Ministry. My responsibility is to express an opinion on these financial statements based on my audit.

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

Described in the following paragraphs are exceptions from Canadian generally accepted accounting principles. In aggregate, as at March 31, 2002, these matters result in an understatement of assets of approximately \$4,083 million, an understatement of liabilities of approximately \$3,254 million, resulting in recorded net liabilities being converted into net assets of approximately \$504 million. Similarly, there is an understatement of revenues of approximately \$664 million, an understatement of expenses of approximately \$622 million, resulting in a decrease in the excess of expense over revenue of approximately \$42 million.

The Ministry of Health and Wellness is required to follow the corporate government accounting policies and reporting practices established by Alberta Finance, including the following policies that are exceptions from Canadian generally accepted accounting principles:

Reporting entity

The consolidated financial statements for the Ministry of Health and Wellness (the "reporting entity") do not include the results of operations and net assets of regional health authorities and Provincial health boards as referred to in Note 2(a). Exclusion of the regional health authorities and the Provincial health boards from the reporting entity is an exception from Canadian generally accepted accounting principles. These principles

provide for the inclusion of the results of operations and net assets of organizations that are accountable for the administration of their financial affairs and resources either to a minister of the government or directly to the Legislature, and are owned or controlled by the government. In my opinion, the above noted organizations meet the criteria for inclusion in the reporting entity and, accordingly, the results of operations and net assets of these organizations should be included in the accompanying financial statements.

The following describes, at a summary level, the effect of not including regional health authorities and Provincial health boards in the accompanying financial statements and is intended to illustrate the overall magnitude of the effect on the financial statements. If these entities had been included in the financial statements, the total assets would increase by approximately \$4,037 million and total liabilities would increase by approximately \$3,254 million as at March 31, 2002, resulting in recorded net liabilities being converted into net assets of approximately \$458 million. Similarly, there would be an increase in revenue of approximately \$664 million and an increase in expenses of approximately \$631 million for the year ended March 31, 2002, resulting in a decrease in the excess of expenses over revenues of approximately \$33 million. Had consolidated financial statements been prepared, virtually every account in, and the information provided by way of note to, the accompanying financial statements would have been materially different.

Related Party Transactions

As the corporate government accounting policies followed stipulate that related parties include only those organizations that are part of the government reporting entity, transactions with the regional health authorities and Provincial health boards are not disclosed in these financial statements as transactions with related parties. Under Canadian generally accepted accounting principles, the regional health authorities and Provincial health boards are related parties of the Ministry of Health and Wellness. Since their net assets, revenues and expenses have not been included in these financial statements, a description of the nature and extent of the Ministry's transactions with them should have been included in Schedule 5, Related Party Transactions.

Capital Assets

The Ministry employs a policy of expensing capital asset purchases under \$15,000 in the year of acquisition. Consequently, a significant amount of resources available to the Ministry for future use has been recorded as if it had been consumed. It is estimated that at March 31, 2002, assets are understated and net liabilities are overstated by approximately \$38 million representing the unconsumed cost of capital assets at that date. If capital asset purchases expensed on acquisition in the current year and previous years had instead been capitalized, amortization on these assets would have been included as expenses of the current year. As the value of capital asset purchases that were expensed in the current year is greater than the amount that would have been recorded as amortization expense, expenses are overstated for the year ended March 31, 2002 by approximately \$4 million.

Vaccine Inventory

The Ministry has a policy of expensing consumable inventory purchases as they are incurred. Consequently, a significant amount of resources available to the Ministry for future use has been recorded as if it had been consumed. It is estimated that assets are understated and net liabilities are overstated by approximately \$8 million, as at March 31, 2002 (2001 - \$3 million), which represents the unconsumed cost of vaccine inventory, and expenses are overstated by approximately \$5 million for the year ended March 31, 2002.

Effective April 1, 2001 the Ministry changed its accounting policy for capitalizing Wellnet costs. The change was accounted for retroactively without restatement. Accordingly, the work-in-progress balance at March 31, 2002 is reported in accordance with the new accounting policy. However, the comparative amounts were not restated to reflect the change in accounting policy. As a result, the financial statements do not report assets on a comparative basis. Assets, representing work-in-progress, amounting to approximately \$10 million are not reported in the comparative amounts (2001) of the financial statements.

In my opinion, because of the effects of the matters discussed under the Reporting Entity heading in the preceding paragraphs, these consolidated financial statements do not present fairly the financial position of the Ministry as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

[Original signed]

CA
Auditor General

Edmonton, Alberta
May 23, 2002

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2002
(thousand of dollars)

	<u>2002</u>		<u>2001</u>
	<u>Budget</u> (Schedule 4)	<u>Actual</u>	<u>Actual</u> (Restated - Note 3)
Revenues (Schedule 1)			
Internal Government Transfers	\$ 84,065	\$ 84,065	\$ 127,171
Transfer from the Government of Canada	1,059,872	1,143,448	872,944
Premiums and Fees	691,913	730,344	702,002
Other Revenue	58,679	77,744	59,960
	<u>1,894,529</u>	<u>2,035,601</u>	<u>1,762,077</u>
Expenses - Directly Incurred (Note 2c and Schedules 3 and 6)			
Program			
Regional Health Authorities and Health Boards	3,501,092	3,436,720	3,243,850
Physician Services	1,261,820	1,226,803	1,070,907
Province-Wide Services	350,545	394,466	320,466
Blue Cross Benefit Program	342,402	363,667	309,769
Protection, Promotion, and Prevention	162,099	154,776	121,263
Other Programs	172,643	129,043	134,260
Ministry Support Services	96,948	92,451	83,794
Human Tissue and Blood Services	100,016	104,000	90,016
Allied Health Services	65,553	62,509	60,522
Alberta Alcohol and Drug Abuse Commission	47,833	43,865	37,400
Extended Health Benefits	23,752	23,505	21,360
Systems Development	27,877	14,118	18,179
One-Time Financial Assistance to Health Authorities	-	197,637	8,892
Supplemental Capital Equipment	48,996	48,996	48,735
Premier's Advisory Council on Health	250	327	144
One-time Energy Rebate	40,000	-	-
	<u>6,241,826</u>	<u>6,292,883</u>	<u>5,569,557</u>
Valuation Adjustments			
Health Care Insurance Premiums Revenue Write-Offs	28,863	32,328	44,033
Other Write-Offs	-	16	33
	<u>28,863</u>	<u>32,344</u>	<u>44,066</u>
Provision for Vacation Pay	-	(1,933)	291
	<u>28,863</u>	<u>30,411</u>	<u>44,357</u>
Loss on Disposal of Capital Assets	-	2,129	-
	<u>6,270,689</u>	<u>6,325,423</u>	<u>5,613,914</u>
Net Operating Results	<u>\$ (4,376,160)</u>	<u>\$ (4,289,822)</u>	<u>\$ (3,851,837)</u>

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

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2002
(thousand of dollars)

	<u>2002</u>	<u>2001</u> (Restated - Note 3)
ASSETS		
Cash (Note 4)	\$ 8,648	\$ 6,670
Accounts Receivable, Travel Advances and Inventory (Note 5)	134,632	178,201
Capital Assets (Note 6)	36,048	7,742
	<u>\$ 179,328</u>	<u>\$ 192,613</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 7)	\$ 370,540	\$ 266,800
Unearned Revenue (Note 8)	<u>133,287</u>	<u>267,940</u>
	<u>503,827</u>	<u>534,740</u>
NET LIABILITIES		
Net Liabilities at Beginning of Year, Before Adjustment	(342,127)	(213,089)
Adjustment (Note 9)	<u>9,987</u>	<u>-</u>
Net Liabilities at Beginning of Year, As Adjusted	(332,140)	(213,089)
Net Operating Results	(4,289,822)	(3,851,837)
Net Transfer from General Revenues	4,297,463	3,722,799
Net Liabilities at End of Year	<u>(324,499)</u>	<u>(342,127)</u>
	<u>\$ 179,328</u>	<u>\$ 192,613</u>

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

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	<u>2002</u>	<u>2001</u>
		(Restated - Note 3)
Operating Transactions		
Net Operating Results	\$ (4,289,822)	\$ (3,851,837)
Non-cash items:		
Amortization	1,414	1,549
Loss on Disposal and Write Down of Capital Assets	2,129	-
Health Care Insurance Premiums Revenue Write-Offs	32,328	44,033
Other Write-Offs	16	33
Provision for Vacation Pay	<u>(1,933)</u>	<u>291</u>
	<u>(4,255,868)</u>	<u>(3,805,931)</u>
Decrease (Increase) in Accounts Receivable, Travel Advances and Inventory	11,225	(42,220)
Increase in Accounts Payable and Accrued Liabilities	105,673	27,385
(Decrease) Increase in Unearned Revenue	<u>(134,653)</u>	<u>101,938</u>
Cash (Used) by Operating Transactions	<u>(4,273,623)</u>	<u>(3,718,828)</u>
Investing Transactions		
Purchases of Capital Assets	(22,083)	(3,535)
Net Transfer of Capital Assets	<u>221</u>	<u>-</u>
Cash (Used) by Investing Transactions	<u>(21,862)</u>	<u>(3,535)</u>
Financing Transactions		
Net Transfer from General Revenues	4,297,463	3,722,799
Net Cash Provided	<u>1,978</u>	<u>436</u>
Cash, Beginning of Year	6,670	6,234
Cash, End of Year	<u>\$ 8,648</u>	<u>\$ 6,670</u>

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

MINISTRY OF HEALTH AND WELLNESS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2002

Note 1 Authority and Purpose

The Minister of Health and Wellness (Minister) has, by the *Government Organization Act* and its regulations, been designated responsibilities for various Acts. To fulfil these responsibilities, the Minister is responsible for the organizations listed in Note 2(a). The authority under which each organization operates is also listed in Note 2(a). Together these organizations form the Ministry of Health and Wellness (Ministry).

The purpose of the Ministry is to maintain and improve the health of Albertans by leading and working collaboratively with citizens and stakeholders. The Ministry leads and supports a system for the delivery of quality health services and encourages and supports healthy living.

Through a leadership role, the Ministry sets direction, policy and provincial standards that ensure quality services and set priorities based on health needs, determine the scope of financial, capital and human resources required, and measure and report on the performance of the system. The Ministry is also engaged in inter-ministerial initiatives to effectively address challenges to the health and well-being of the population.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These consolidated financial statements are prepared in accordance with the following accounting policies that have been established by government for all ministries. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Ministry of Health and Wellness. The *Government Accountability Act* defines a Ministry as including the Department and any Provincial agency and Crown-controlled organization for which the Minister is responsible.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(a) Reporting Entity (continued)

These consolidated financial statements include the accounts of the following organizations:

<u>Organization</u>	<u>Authority</u>
Department of Health and Wellness	<i>Government Organization Act</i>
Alberta Alcohol and Drug Abuse Commission	<i>Alcohol and Drug Abuse Act</i>

The accounts of Regional Health Authorities, the Alberta Cancer Board, and the Alberta Mental Health Board are not included in these consolidated financial statements as these accountable organizations are not considered to be part of the Ministry pursuant to section 1(1)(g) of the *Government Accountability Act*.

(b) Basis of Consolidation

Revenue and expense transactions, investing and finance transactions, and related asset and liability accounts between the consolidated organizations were eliminated upon consolidation.

(c) Basis of Financial Reporting

(i) Revenues

All revenues are reported on the accrual method of accounting. Cash received or receivable for which goods or services have not been provided by year-end is recorded as unearned revenue.

(ii) Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(c) Basis of Financial Reporting (continued)

(iii) Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues must be shown as credits or recoveries in the details of the Government Estimates for a supply vote.

If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Ministry may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Ministry's dedicated revenue initiatives.

(iv) Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

Directly incurred expenses include:

- amortization of capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay.

Incurred by Others

Expenses incurred by other entities in support of the Ministry's operations are disclosed in Schedule 6. Expenses incurred by others are not included in the Ministry's Statement of Operations.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(c) Basis of Financial Reporting (continued)

(v) Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals as well as cash and inventories held for sale. Assets acquired by right are not included. Capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. Amortization is only charged if the asset is in use. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other capital assets is \$15,000. All land is capitalized.

Capital assets of the Ministry include work-in-progress for Wellnet systems development. Systems development costs for projects where there is an expected future benefit to the health system are recorded as work in progress. Only projects achieving the technical design phase qualify for capitalization as work-in-progress. These costs are capitalized but not amortized until the asset is in service.

(vi) Liabilities

Liabilities represent all financial claims payable by the Ministry at fiscal year end.

(vii) Net Liabilities

Net liabilities represents the difference between the value of assets held by the Ministry and its liabilities.

(viii) Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, inventory, travel advances, accounts payable and accrued liabilities, and unearned revenue are estimated to approximate their book values.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(c) Basis of Financial Reporting (continued)

(ix) Payments under Reciprocal and Other Agreements

The Ministry entered into agreements with other Provincial Governments, the Federal Government and the Workers' Compensation Board to provide services on their behalf.

Expenses incurred and revenue earned in the provision of services under these agreements are recorded in the records of the service providers and are not included in these consolidated financial statements.

Amounts paid and recovered under these agreements are disclosed in Note 12.

(x) Measurement Uncertainty (amounts in thousands)

Measurement uncertainty exists when there is a significant variance between the amount recognized in the financial statements and another reasonably possible amount.

The allowance for doubtful accounts, in the amount of \$88,155 as reported in these consolidated financial statements, is based on an aging analysis of the accounts receivable balance at March 31, 2002 and past collection patterns. The actual amount collected could vary from that estimated.

Note 3 Government Restructuring

(thousands of dollars)

As a result of the government restructuring announced on March 15, 2001, the following changes occurred in the responsibility of the Ministry:

- the Persons with Developmental Disabilities Boards and Foundation, Michener Centre, and the Premier's Council on the Status of Persons with Disabilities were transferred to the Ministry of Community Development
- responsibility for the Healthy Aging Partnership program was transferred to the Ministry of Seniors

Comparatives for 2001 have been restated as if the Ministry had always been assigned its current responsibilities.

Net (liabilities) as previously reported at March 31, 2000	\$ (258,976)
Transfers to the Ministry of Community Development	<u>45,887</u>
Net (liabilities), as restated at April 1, 2000	<u><u>\$ (213,089)</u></u>

Note 4 Cash

(amounts in thousands)

The cash balance consists of the following:

	<u>2002</u>	<u>2001</u>
		(Restated - Note 3)
Department of Health and Wellness		
Collectors Bank Account	\$ 2,585	\$ 3,359
Alberta Alcohol and Drug Abuse Commission		
Consolidated Cash Investment Trust Fund	6,053	3,301
Accountable Advances	<u>10</u>	<u>10</u>
	<u>\$ 8,648</u>	<u>\$ 6,670</u>

Note 5 Accounts Receivable, Travel Advances and Inventory

(amounts in thousands)

	<u>2002</u>			<u>2001</u>
	<u>Gross Amount</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Realizeable Value</u>	<u>Net Realizeable Value</u>
				(Restated - Note 3)
Accounts Receivable	\$ 220,707	\$ 88,155	\$ 132,552	\$ 175,623
Refunds Receivable	1,908	-	1,908	2,381
Travel Advances	3	-	3	14
Inventory	<u>169</u>	<u>-</u>	<u>169</u>	<u>183</u>
	<u>\$ 222,787</u>	<u>\$ 88,155</u>	<u>\$ 134,632</u>	<u>\$ 178,201</u>

Accounts receivables are unsecured.

Note 6 Capital Assets
(amounts in thousands)

	2002			2001	
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
					(Restated - Note 3)
Systems development work in progress					
Wellnet projects		\$ 26,608	\$ -	\$ 26,608	\$ -
Others		2,270	-	2,270	-
		<u>28,878</u>	<u>-</u>	<u>28,878</u>	<u>-</u>
Computer hardware and software	3-10 years	15,893	8,823	7,070	7,549
Equipment	10 years	199	99	100	193
		<u>16,092</u>	<u>8,922</u>	<u>7,170</u>	<u>7,742</u>
		<u>\$ 44,970</u>	<u>\$ 8,922</u>	<u>\$ 36,048</u>	<u>\$ 7,742</u>

Note 7 Accounts Payable and Accrued Liabilities
(amounts in thousands)

	2002	2001
		(Restated - Note 3)
Accounts payable	\$ 135,033	\$ 43,054
Accrued liabilities	228,583	216,532
Accrued vacation pay	<u>6,924</u>	<u>7,214</u>
	<u>\$ 370,540</u>	<u>\$ 266,800</u>

Note 8 Unearned Revenue
(amounts in thousands)

	<u>2002</u>	<u>2001</u>
Changes in unearned revenues are as follows:		
Restricted Cash received during the year:		
Health Canada		
Canada Health and Social Transfer - Health Supplement	\$ -	\$ 246,995
Medical Equipment Trust Fund	-	97,760
Health Care Insurance Premiums	23,144	22,095
Health Services for Persons with Hepatitis C	10,700	-
Third party recoveries	75	34
Western Health Information Collaborative	-	358
Federal/Provincial/Territorial Meetings	134	-
Institution Fees	34	22
	<u>34,087</u>	<u>367,264</u>
Less amounts recognized as revenue in the year	<u>(168,740)</u>	<u>(265,326)</u>
(Decrease) increase during the year	(134,653)	101,938
Balance at beginning of year	<u>267,940</u>	<u>166,002</u>
Balance at end of year	<u>\$ 133,287</u>	<u>\$ 267,940</u>
Balances at end of year are comprised of:		
Health Canada - Canada Health and Social Transfer	\$ 99,410	\$ 196,684
Health Canada - Medical Equipment Trust Fund	-	49,042
Health Care Insurance Premiums	23,144	22,095
Health Services for Persons with Hepatitis C	10,559	-
Third party recoveries	75	34
Western Health Informative Collaborative	-	63
Federal/Provincial/Territorial Meetings	65	-
Institution Fees	34	22
	<u>\$ 133,287</u>	<u>\$ 267,940</u>

Note 9 Change in Opening Net Liabilities

Effective April 1, 2001 the Ministry changed its capitalization policy for Wellnet systems development. The Ministry capitalizes systems development costs for projects where there is an expected future benefit to the *health system*. This change was applied on a retroactive basis without restatement. An adjustment was made to increase Capital Assets and reduce the Net Liabilities at Beginning of Year in the current period.

Previously, the Ministry capitalized systems development costs where there was an expected future benefit accruing directly to the *Ministry*.

Note 10 Commitments

(amounts in thousands)

For the year ended March 31, 2002, the Ministry has the following commitments:

	<u>2002</u>	<u>2001</u>
Specific programs commitments ^(a)	\$ 1,609,060	\$ 2,675,612
Service contracts	49,203	70,262
Equipment leases ^(b)	<u>2,625</u>	<u>3,865</u>
	<u>\$ 1,660,888</u>	<u>\$ 2,749,739</u>

(a) Included in 2002 specific program commitments is an amount of \$1,358,300 (2001 - \$2,539,700) for the provision of medical services by physicians to March 31, 2003 under the agreement signed with the Alberta Medical Association.

(b) The Ministry leases certain equipment under operating leases that expire on various dates. The aggregate amounts payable for the unexpired terms of these leases are as follows:

<u>Year</u>	<u>2002</u>	<u>2001</u>
2002	\$ -	\$ 1,804
2003	918	1,256
2004	779	583
2005	480	111
2006	<u>448</u>	<u>111</u>
	<u>\$ 2,625</u>	<u>\$ 3,865</u>

Note 10 Commitments (continued)
(amounts in thousands)

Canadian Blood Services

The Province of Alberta is committed to provide funding to the Canadian Blood Services (CBS). This commitment was outlined in a Memorandum of Understanding, signed in January 1998, which recorded the understandings and commitments of the Minister of Health of Canada and the Provincial and Territorial Ministers of Health (except Quebec) regarding their respective roles and responsibilities in a renewed national blood system.

The Province's obligation for the operational costs of CBS is determined on a per capita basis, and the costs for fractionated blood and blood products is determined on the basis of annual utilization of these products.

During the year, payments to CBS amounted to \$104,000 (2001 - \$90,016). Budgeted expenditure for the 2003 fiscal year is estimated at \$108,681.

Note 11 Contingencies

Hepatitis C

The Ministry was named as defendant in 51 specific legal actions (2001 - 53 specific legal actions) relating to the Hepatitis C virus affected through the Canadian blood system. The total claimed in 38 specific legal actions approximates \$583 million (2001 - \$585 million). For the other 13 claims, no specified amount has yet been claimed; the amount of these claims will be determined at trial. Fifty of these claims are covered by the Alberta Risk Management Fund. Potential liability for these claims is shared by the Canadian Red Cross Society and the federal government. The resulting loss, if any, from these claims cannot be determined.

Federal, provincial and territorial governments have agreed to offer financial assistance to Canadians who were affected by the Hepatitis C virus through the Canadian blood system during the period from January 1, 1986 to July 1, 1990. The financial package of \$1.1 billion is national in scope. Alberta's share of the financial assistance package is estimated at \$30 million. The details of assistance will be determined through a negotiation process submitted to the courts for approval. The Ministry made a provision in 1999/2000 for its portion of the Hepatitis C assistance. At March 31, 2002 the unpaid balance of the Ministry's commitment to the financial assistance package was \$17,942,000 (2001 - \$22,951,000).

Voluntary Hospital Owners

The Ministry is liable under equity agreements entered into in 1969 between the Ministry and Voluntary Hospital Owners. The Ministry's liability is contingent upon termination of the equity agreements and concurrent transfer of ownership to the Province. The payout upon termination is estimated at \$28.3 million (2001 - \$25.8 million).

Note 11 Contingencies (continued)

Other

At March 31, 2002, the Ministry was named as defendant in 10 other legal actions (2001 - 8 legal actions). Nine of these claims have specified amounts totaling \$19.2 million and the remaining has no specified amount (2001 - eight claims with a specified amount of \$46.4 million). The Ministry has been named jointly with other government entities in the claim with no specified amount. Two claims (2001 - three claims) amounting to \$3.6 million (2001 - \$3.8 million) are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Note 12 Payments under Reciprocal and Other Agreements

(amounts in thousands)

The Ministry entered into agreements, under the Alberta Health Care Insurance Plan, with other Provincial Governments and the Workers' Compensation Board to provide health services on their behalf. The Ministry pays service providers for services rendered under the agreements and recovers the amount paid from other provinces and the Workers' Compensation Board. Service providers include Regional Health Authorities, Provincial Health Boards and physicians.

The Ministry also entered into an agreement with the Federal Government for the Health Transition Fund (Primary Health Care Project) to support the objective of studying and encouraging the further advancement of primary health care in Alberta. In addition, the Ministry entered into agreements with Health Canada, the Workers' Compensation Board and other provincial governments and territories to provide air ambulance services on their behalf. Payments incurred under these agreements are made by the Ministry under authority of the *Financial Administration Act*, Section 25 (1).

Balances receivable from or payable to the Federal Government, other Provincial Governments and the Workers' Compensation Board are reflected in the Statement of Financial Position.

Note 12 Payments under Reciprocal and Other Agreements (continued)
(amounts in thousands)

	2002					2001
	Health Transition Fund	Other Provincial Government	Workers' Compensation Board	Air Ambulance	Total	Total
Opening receivable balance	\$ (73)	\$ 15,388	\$ (29)	\$ 2,439	\$ 17,725	\$ 23,830
Add: Payments made during the year	280	118,603	13	3,154	122,050	111,960
	207	133,991	(16)	5,593	139,775	135,790
Less: Collections received during the year	207	111,176	4	3,649	115,036	118,065
Closing receivable (payable) balance	\$ -	\$ 22,815	\$ (20)	\$ 1,944	\$ 24,739	\$ 17,725

Note 13 Defined Benefit Plans
(amounts in thousands)

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$3,377 for the year ended March 31, 2002 (2001 - \$3,406).

At December 31, 2001, the Management Employees Pension Plan reported a surplus of \$5,338 (2000 - \$170,858) and the Public Service Pension Plan reported a surplus of \$320,487 (2000 - \$635,084). At December 31, 2001, the Supplementary Retirement Plan for Public Service Managers had a deficit of \$399 (2000 - Surplus \$180).

The Ministry also participates in two multi-employer Long-Term Disability Income Continuance Plans. At March 31, 2002, the Bargaining Unit Plan reported an actuarial deficiency of \$8,646 (2001 - \$12,710) and the Management, Opted Out and Excluded Plan an actuarial deficiency of \$2,656 (2001 - \$4,583). The expense for these two plans is limited to employer's annual contributions for the year.

Note 14 Comparative Figures

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

Note 15 Approval of Financial Statements

The consolidated financial statements were approved by the Senior Financial Officer and the Deputy Minister.

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED SCHEDULE OF REVENUES
FOR THE YEAR ENDED MARCH 31, 2002

(thousands of dollars)

	<u>2002</u>		<u>2001</u>
	<u>Budget</u> (Schedule 4)	<u>Actual</u>	<u>Actual</u> (Restated - Note 3)
Internal Government Transfers:			
Transfer from the Lottery Fund	\$ 84,065	\$ 84,065	\$ 127,171
	<u>84,065</u>	<u>84,065</u>	<u>127,171</u>
Transfers from the Government of Canada:			
Canada Health and Social Transfer	988,346	1,091,777	819,815
Primary Health Care / Medical Equipment	62,755	49,042	48,718
Other	8,771	2,629	4,411
	<u>1,059,872</u>	<u>1,143,448</u>	<u>872,944</u>
Premiums and Fees:			
Health care insurance:			
Premiums before premium assistance	654,511	793,604	764,472
Less:			
Premium assistance under legislation	-	(98,842)	(100,028)
	<u>654,511</u>	<u>694,762</u>	<u>664,444</u>
Add:			
Penalties	14,929	13,171	15,360
Interest and miscellaneous	450	378	476
	<u>669,890</u>	<u>708,311</u>	<u>680,280</u>
Health care insurance premiums, penalties and interest			
Non-Group Blue Cross Benefits:			
Premiums before premium assistance	20,000	22,556	22,232
Less:			
Premium assistance under legislation	-	(2,092)	(2,202)
	<u>20,000</u>	<u>20,464</u>	<u>20,030</u>
Non-Group Blue Cross premiums			
Total premiums	689,890	728,775	700,310
Other	2,023	1,569	1,692
	<u>691,913</u>	<u>730,344</u>	<u>702,002</u>
Other revenue:			
Third party recoveries	56,842	56,840	53,298
Miscellaneous:			
Previous years' refunds of expenditure	600	17,895	4,464
Other	1,237	3,009	2,198
	<u>58,679</u>	<u>77,744</u>	<u>59,960</u>
Total Revenue	<u>\$ 1,894,529</u>	<u>\$ 2,035,601</u>	<u>\$ 1,762,077</u>

MINISTRY OF HEALTH AND WELLNESS
SCHEDULE OF DEDICATED REVENUE INITIATIVES
FOR THE YEAR ENDED MARCH 31, 2002

(thousands of dollars)

	<u>2002</u>		
	<u>Authorized</u> <u>Dedicated</u> <u>Revenues</u>	<u>Actual</u> <u>Dedicated</u> <u>Revenues</u> ^(a)	<u>(Shortfall)/</u> <u>Excess</u>
Health Care Insurance Premium Revenue ^(b)	\$ 669,890	\$ 708,311	\$ 38,421
Non-Group Drug Benefits ^(c)	20,000	20,464	464
Archival Blood Bank Record Review for Hepatitis C ^(d)	1,955	116	(1,839)
Health Services for Persons with Hepatitis C ^(e)	<u>5,300</u>	<u>141</u>	<u>(5,159)</u>
	<u>\$ 697,145</u>	<u>\$ 729,032</u>	<u>\$ 31,887</u>

- (a) Revenues from dedicated revenue initiatives are included in the Ministry's revenues in the Statement of Operations.
- (b) Albertans contributed to the cost of health programs through Health Care Insurance Premiums. The levels of premiums paid by an individual or family are based on their ability to pay as defined by income. Expenses associated with this initiative are included in the Statement of Operations under the Physician Services expense classification.
- (c) Albertans can access public or private supplemental health insurance coverage. The Department provides Non-Group Blue Cross coverage on a premium basis for non-seniors. Seniors are provided coverage, but do not pay premiums. Expenses under the Non-Group Drug Benefits initiative represent the expenses incurred to provide Blue Cross services. Expenses associated with this initiative are included in the Statement of Operations under the Blue Cross Benefit Program expense classification.
- (d) Health Canada is providing 50 per cent of the funding to contact all persons who received blood transfusions in Alberta for the period January 1, 1986 to July 1, 1990. Those persons will be advised to seek testing and treatment, as they may have been exposed to the Hepatitis C (HCV) virus. Expenses associated with this initiative are included in the Statement of Operations under the Other Programs expense classification.
- (e) Health Canada is providing funding to provide health services to individuals who acquired the Hepatitis C virus from blood and blood products prior to Jan. 1, 1986 and after July 1, 1990. The funding will be used to treat the HCV infection using antiviral drug therapies, immunization and nursing care. Expenses associated with this initiative are included in the Statement of Operations under the Other Programs expense classification.

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED SCHEDULE OF
EXPENSE - DIRECTLY INCURRED DETAILED BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2002

(thousands of dollars)

	<u>2002</u>		<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Schedule 4)		(Restated - Note 3)
Program Expenses:			
Grants	\$ 6,035,323	\$ 6,096,854	\$ 5,403,943
Supplies and Services	138,680	129,776	104,701
Salaries, Wages and Employee Benefits	65,544	64,698	59,193
Amortization of Capital Assets	2,154	1,414	1,549
Other	<u>125</u>	<u>141</u>	<u>171</u>
Total Expenses	<u>\$ 6,241,826</u>	<u>\$ 6,292,883</u>	<u>\$ 5,569,557</u>

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED SCHEDULE OF BUDGET
FOR THE YEAR ENDED MARCH 31, 2002

(thousands of dollars)

	2001-02 Budget	Authorized Supplementary ^(a)	2001-02 Authorized Budget
Revenues:			
Internal Government Transfers	\$ 84,065	\$ -	\$ 84,065
Transfer from Government of Canada	1,059,872	-	1,059,872
Premiums and Fees	691,913	-	691,913
Other Revenue	58,679	-	58,679
	<u>1,894,529</u>	<u>-</u>	<u>1,894,529</u>
Expenses - Directly Incurred:			
Program			
Regional Health Authorities and Health Boards	3,501,092	-	3,501,092
Physician Services	1,261,820	-	1,261,820
Province-Wide Services	350,545	-	350,545
Blue Cross Benefit Program	342,402	-	342,402
Protection, Promotion, and Prevention	162,099	10,900	172,999
Other Programs	172,643	-	172,643
Human Tissue and Blood Services	100,016	-	100,016
Ministry Support Services	96,948	-	96,948
Allied Health Services	65,553	-	65,553
Extended Health Benefits	23,752	-	23,752
Systems Development	27,877	-	27,877
One-Time Financial Assistance	-	107,843	107,843
Premier's Advisory Council on Health	250	-	250
One Time Energy	40,000	-	40,000
AADAC	47,833	-	47,833
Supplemental Capital Equipment	48,996	-	48,996
	<u>6,241,826</u>	<u>118,743</u>	<u>6,360,569</u>
Valuation Adjustments			
Health Care Insurance Premiums Revenue Write-Offs	28,863	-	28,863
Provision for Vacation Pay	-	-	-
	<u>28,863</u>	<u>-</u>	<u>28,863</u>
Loss on Disposal and Write Down of Capital Assets	-	-	-
Total Expense	<u>6,270,689</u>	<u>118,743</u>	<u>6,389,432</u>
Net Operating Results	<u>\$ (4,376,160)</u>	<u>\$ (118,743)</u>	<u>\$ (4,494,903)</u>
Capital Investment	<u>\$ 1,855</u>	<u>\$ -</u>	<u>\$ 1,855</u>

^(a) Supplementary Estimates were approved on November 29, 2001.

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED SCHEDULE OF RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded in the Statement of Operations and Financial Position at the amount of consideration agreed upon between the related parties:

	<u>2002</u>	<u>2001</u> (Restated - Note 3)
Revenue - Internal Government Transfers	<u>\$ 84,065</u>	<u>\$ 127,171</u>
Expenses - Directly Incurred:		
Other Services	<u>\$ 24,383</u>	<u>\$ 2,961</u>
Capital Assets Transferred	\$ 221	\$ -
Receivable from/(payable) to	<u>\$ (19)</u>	<u>\$ (5)</u>

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the consolidated financial statements and are disclosed in Schedule 6.

	<u>2002</u>	<u>2001</u> (Restated - Note 3)
Expenses - Incurred by Others:		
Accommodation	\$ 10,146	\$ 9,151
Other Services	1,352	1,081
	<u>\$ 11,498</u>	<u>\$ 10,232</u>

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED SCHEDULE OF ALLOCATED COSTS
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

Program	2002		Valuation Adjustments					2001
	Expenses - Incurred by Others		Health Care					Total
	Expenses (a)	Accommodation Costs	Legal Services	Vacation Pay	Insurance Premiums Revenue	Write-Offs	Other Write-Offs	
Regional Health Authorities and Health Boards	\$ 3,436,720	\$ 98	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,436,818
Physician Services	1,226,803	16	-	-	-	-	-	1,226,819
Province-Wide Services	394,466	-	-	-	-	-	-	394,466
Blue Cross Benefit Program	363,667	-	-	-	-	-	-	363,667
Protection, Promotion, and Prevention	154,776	535	-	(130)	-	-	-	121,851
Other Programs	129,043	103	-	-	-	-	-	129,146
Ministry Support Services	92,451	3,345	1,246	(2,326)	-	-	-	87,937
Human Tissue and Blood Services	104,000	-	-	-	-	-	-	104,000
Allied Health Services	62,509	-	-	-	-	-	-	62,509
Alberta Alcohol and Drug Abuse Commission	43,865	5,903	27	529	-	16	-	50,340
Extended Health Benefits	23,505	-	-	-	-	-	-	23,505
Systems Development	14,118	146	79	(6)	-	-	-	14,337
One-Time Financial Assistance to Health Authorities	197,637	-	-	-	-	-	-	197,637
Supplemental Capital Equipment	48,996	-	-	-	-	-	-	48,996
Premier's Advisory Council on Health	327	-	-	-	-	-	-	327
One-time Energy Rebate	-	-	-	-	-	-	-	-
Health Care Insurance Premiums Revenue Write-Offs (b)	-	-	-	-	32,328	-	-	32,328
	\$ 6,292,883	\$ 10,146	\$ 1,352	\$ (1,933)	\$ 32,328	\$ 16	\$ 6,334,792	\$ 5,624,146

(a) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments

(b) Health Care Insurance Premiums Revenue Write-Offs relate to Premiums and Fees revenue. They cannot be reasonably allocated to other expenses of the Ministry.

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED SCHEDULE OF DISTRIBUTION OF
PAYMENTS TO PHYSICIANS
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

Health Region	2002	2001
Chinook	\$ 57,830	\$ 53,151
Palliser	36,881	33,021
Headwaters	27,446	25,178
Calgary	360,922	323,403
Health Authority #5	19,837	17,903
David Thompson	67,165	64,540
East Central	35,899	33,499
Westview	32,787	28,536
Crossroads	18,351	13,944
Capital Health	333,751	304,507
Aspen	34,435	26,939
Lakeland	35,628	37,296
Mistahia	24,888	23,203
Peace	7,728	5,849
Keeweenok Lakes	9,759	9,063
Northern Lights	13,771	12,030
Northwestern	5,213	4,816
TOTAL	\$ 1,122,291	\$ 1,016,878

Payments represent the cost of physician fees paid by Alberta Health and Wellness for services rendered to patients according to their residency by health region. The payments to physicians also include chiropractic, oral surgery and podiatry service fees.

Department of Health and Wellness

Financial Statements

March 31, 2002

DEPARTMENT OF HEALTH AND WELLNESS

FINANCIAL STATEMENTS

MARCH 31, 2002

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule 1 - Revenues

Schedule 2 - Dedicated Revenue Initiatives

Schedule 3 - Expense Directly Incurred Detailed by Object

Schedule 4 - Budget

Schedule 5 - Comparison of Expenses by Element to Authorized Budget

Schedule 6 - Salaries and Benefits

Schedule 7 - Related Party Transactions

Schedule 8 - Allocated Costs



AUDITOR'S REPORT

To the Minister of Health and Wellness

I have audited the statement of financial position of the Department of Health and Wellness as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Department. My responsibility is to express an opinion on these financial statements based on my audit.

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

Described in the following paragraphs are exceptions from Canadian generally accepted accounting principles. In aggregate, as at March 31, 2002, these matters result in an understatement of assets of approximately \$44 million, an overstatement of net liabilities of approximately \$44 million, and overstatement of expenses of approximately \$8 million.

The Department of Health and Wellness is required to follow the corporate government accounting policies and reporting practices established by Alberta Finance, including the following policies that are exceptions from Canadian generally accepted accounting principles:

Related Party Transactions

As the corporate government accounting policies followed stipulate that related parties include only those organizations that are part of the government reporting entity, transactions with the regional health authorities and Provincial health boards are not disclosed in these financial statements as transactions with related parties. Under Canadian generally accepted accounting principles, the regional health authorities and Provincial health boards are related parties of the Department of Health and Wellness. Since their net assets, revenues and expenses have not been included in these financial statements, a description of the nature and extent of the Department's transactions with them should have been included in Schedule 7, Related Party Transactions. Also, Schedule 7 should

disclose the expense for funding provided to regional health authorities and Provincial health boards amounting to approximately \$4,239 million and accrued liabilities of approximately \$90 million.

Capital Assets

The Department employs a policy of expensing capital asset purchases under \$15,000 in the year of acquisition. Consequently, a significant amount of resources available to the Department for future use has been recorded as if it had been consumed. It is estimated that at March 31, 2002, assets are understated and net liabilities are overstated by approximately \$36 million, representing the unconsumed cost of capital assets at that date.

If capital asset purchases expensed on acquisition in the current year and previous years had instead been capitalized, amortization on these assets would have been included as expenses of the current year. As the value of capital asset purchases that were expensed in the current year is greater than the amount that would have been recorded as amortization expense, expenses are overstated for the year ended March 31, 2002 by approximately \$3 million.

Vaccine Inventory

The Department has a policy of expensing consumable inventory purchases as they are incurred. Consequently, a significant amount of resources available to the Department for future use has been recorded as if it had been consumed. It is estimated that assets are understated and net liabilities are overstated by approximately \$8 million, as at March 31, 2002 (2001 - \$3 million), which represents the unconsumed cost of vaccine inventory, and expenses are overstated by approximately \$5 million for the year ended March 31, 2002.

Effective April 1, 2001 the Department changed its accounting policy for capitalizing Wellnet costs. The change was accounted for retroactively without restatement. Accordingly, the work-in-progress balance at March 31, 2002 is reported in accordance with the new accounting policy. However, the comparative amounts were not restated to reflect the change in accounting policy. As a result, the financial statements do not report assets on a comparative basis. Assets, representing work-in-progress, amounting to approximately \$10 million are not reported in the comparative amounts (2001) of the financial statements.

In my opinion, except for the effects of the matters discussed in the preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the Department as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

[Original signed]

CA
Auditor General

Edmonton, Alberta
May 23, 2002

DEPARTMENT OF HEALTH AND WELLNESS
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2002		2001
	Budget (Schedule 4)	Actual	Actual (Restated - Note 3)
Revenues (Schedule 1)			
Internal Government Transfers	\$ 84,065	\$ 84,065	\$ 127,171
Transfer from the Government of Canada	1,059,872	1,143,448	872,944
Premiums and Fees	689,990	728,850	700,424
Other Revenue	58,468	76,908	59,174
	<u>1,892,395</u>	<u>2,033,271</u>	<u>1,759,713</u>
Expenses - Directly Incurred (Note 2b (iv) and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	114,292	108,624	99,371
Health Services	6,079,701	6,140,514	5,432,807
Assistance to Alberta Alcohol and Drug Abuse Commission	45,699	43,949	35,146
	<u>6,239,692</u>	<u>6,293,087</u>	<u>5,567,324</u>
Statutory (Schedule 5)			
Valuation Adjustments			
Health Care Insurance Premiums Revenue Write-Offs	28,863	32,328	44,033
Provision for Vacation Pay	-	(2,462)	256
	<u>28,863</u>	<u>29,866</u>	<u>44,289</u>
	<u>6,268,555</u>	<u>6,322,953</u>	<u>5,611,613</u>
Loss on Disposal of Capital Assets	-	2,129	-
Net Operating Results	<u>\$ (4,376,160)</u>	<u>\$ (4,291,811)</u>	<u>\$ (3,851,900)</u>

The accompanying notes and schedules are part of these financial statements

DEPARTMENT OF HEALTH AND WELLNESS
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2002
(thousands of dollars)

	<u>2002</u>	<u>2001</u>
		(Restated - Note 3)
ASSETS		
Cash	\$ 2,587	\$ 3,361
Accounts Receivable (Note 4)	135,025	177,799
Travel Advances	-	6
Capital Assets (Note 5)	35,849	7,657
	<u>\$ 173,461</u>	<u>\$ 188,823</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 6)	\$ 365,326	\$ 261,662
Unearned Revenue (Note 7)	<u>133,253</u>	<u>267,918</u>
	<u>498,579</u>	<u>529,580</u>
NET LIABILITIES		
Net Liabilities at Beginning of Year, Before Adjustment	(340,757)	(211,656)
Adjustment (Note 8)	<u>9,987</u>	<u>-</u>
Net Liabilities at Beginning of Year, As Adjusted	(330,770)	(211,656)
Net Operating Results	(4,291,811)	(3,851,900)
Net Transfer from General Revenues	4,297,463	3,722,799
Net Liabilities at End of Year	<u>(325,118)</u>	<u>(340,757)</u>
	<u>\$ 173,461</u>	<u>\$ 188,823</u>

The accompanying notes and schedules are part of these financial statements

DEPARTMENT OF HEALTH AND WELLNESS
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2002	2001
		(Restated - Note 3)
Operating Transactions		
Net Operating Results	\$ (4,291,811)	\$ (3,851,900)
Non-cash items:		
Amortization	1,369	1,469
Loss on Disposal of Capital Assets	2,129	-
Health Care Insurance Premiums Revenue Write-Offs	32,328	44,033
Provision for Vacation Pay	(2,462)	256
	(4,258,447)	(3,806,142)
Decrease (Increase) in Accounts Receivable	10,446	(42,292)
Decrease in Travel Advances	6	5
Increase in Accounts Payable and Accrued Liabilities	106,126	27,730
(Decrease) Increase in Unearned Revenue	(134,665)	101,936
Cash (Used) by Operating Transactions	(4,276,534)	(3,718,763)
Investing Transactions		
Purchases of Capital Assets (Schedule 5)	(21,924)	(3,504)
Net Transfer of Capital Assets	221	-
Cash (Used) by Investing Transactions	(21,703)	(3,504)
Financing Transactions		
Net Transfer from General Revenues	4,297,463	3,722,799
Net Cash (Used) Provided	(774)	532
Cash, Beginning of Year	3,361	2,829
Cash, End of Year	\$ 2,587	\$ 3,361

The accompanying notes and schedules are part of these financial statements

DEPARTMENT OF HEALTH AND WELLNESS
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2002

Note 1 Authority and Purpose

The Department of Health and Wellness (the “Department”) operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta, 2000. The purpose of the Department is to maintain and improve the health of Albertans by leading and working collaboratively with citizens and stakeholders. The Department leads and supports a system for the delivery of quality health services and encourages and supports healthy living.

Through a leadership role, the Department sets direction, policy and provincial standards that ensure quality services and set priorities based on health needs, determine the scope of financial, capital and human resources required, and measure and report on the performance of the system. The Department is also engaged in inter-ministerial initiatives to effectively address challenges to the health and well-being of the population.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Department of Health and Wellness, which is part of the Ministry of Health and Wellness and for which the Minister of Health and Wellness is accountable.

Other entities reporting to the Minister are the Regional Health Authorities, the Alberta Cancer Board, Alberta Mental Health Board, and the Alberta Alcohol and Drug Abuse Commission. The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry’s operations for which the Minister is accountable. All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting

(i) Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year-end is recorded as unearned revenue.

(ii) Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

(iii) Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues must be shown as credits or recoveries in the details of the Government Estimates for a supply vote.

If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Department may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Department's dedicated revenue initiatives.

(iv) Expenses

Directly Incurred

Directly incurred expenses are those costs the Department has primary responsibility and accountability for, as reflected in the Government's budget documents.

Directly incurred expenses include:

- amortization of capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

(iv) Expenses (continued)

Incurred by Others

Expenses incurred by other entities in support of the Department's operations are disclosed in Schedule 8. Expenses incurred by others are not included in the Department's statement of operations.

(v) Assets

Financial assets of the Department are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals as well as the bank balance established under the Health Care Insurance Plan. Assets acquired by right are not included. Capital assets of the Department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. Amortization is only charged if the asset is in use. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other capital assets is \$15,000. All land is capitalized.

Capital assets of the Department include work-in-progress for Wellnet systems development. Systems development costs for projects where there is an expected future benefit to the health system are recorded as work in progress. Only projects achieving the technical design phase qualify for capitalization as work-in-progress. These costs are capitalized but not amortized until the asset is in service.

(vi) Liabilities

Liabilities represent all financial claims payable by the Department at fiscal year end.

(vii) Net Liabilities

Net liabilities represents the difference between the value of assets held by the Department and its liabilities.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

(viii) Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, travel advances, accounts payable and accrued liabilities, and unearned revenue are estimated to approximate their book values.

(ix) Payments under Reciprocal and Other Agreements

The Department entered into agreements with other Provincial Governments, the Federal Government and the Workers' Compensation Board to provide services on their behalf.

Expenses incurred and revenue earned in the provision of services under these agreements are recorded in the records of the service providers and are not included in these financial statements. Amounts paid and recovered under these agreements are disclosed in Note 11.

(x) Measurement Uncertainty (amount in thousands)

Measurement uncertainty exists when there is a significant variance between the amount recognized in the financial statements and another reasonably possible amount.

The allowance for doubtful accounts, in the amount of \$88,074 as reported in Note 4 to these financial statements, is based on an aging analysis of the accounts receivable balance at March 31, 2002 and past collection patterns. The actual amount collected could vary from that estimated.

Note 3 Government Restructuring

(amounts in thousands)

As a result of the government restructuring announced on March 15, 2001, the following changes occurred in the responsibility of the Department:

- the Persons with Developmental Disabilities Boards and Foundation, Michener Centre, and the Premier's Council on the Status of Persons with Disabilities were transferred to the Ministry of Community Development
- responsibility for the Healthy Aging Partnership program was transferred from the Department to the Ministry of Seniors

Note 3 Government Restructuring (continued)

(amounts in thousands)

Comparatives for 2001 have been restated as if the Department had always been assigned its current responsibilities.

Net (liabilities) as previously reported at March 31, 2000	\$ (261,668)
Transfers to the Department of Community Development	50,012
Net (liabilities), as restated at April 1, 2000	<u>\$ (211,656)</u>

Note 4 Accounts Receivable

(amounts in thousands)

	2002		2001	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizeable Value	Net Realizeable Value
Accounts Receivable	\$ 220,341	\$ 88,074	\$ 132,267	\$ 175,418
Refunds Receivable	2,758	-	2,758	2,381
	<u>\$ 223,099</u>	<u>\$ 88,074</u>	<u>\$ 135,025</u>	<u>\$ 177,799</u>

Accounts receivable are unsecured.

Note 5 Capital Assets

	2002			2001	
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Systems Development work in progress					(Restated - Note 3)
Wellnet projects		\$ 26,608	\$ -	\$ 26,608	\$ -
Others		2,270	-	2,270	-
		<u>28,878</u>	<u>-</u>	<u>28,878</u>	<u>-</u>
Computer hardware and software	3-10 years	15,567	8,612	6,955	7,514
Equipment	10 years	43	27	16	143
		<u>15,610</u>	<u>8,639</u>	<u>6,971</u>	<u>7,657</u>
		<u>\$ 44,488</u>	<u>\$ 8,639</u>	<u>\$ 35,849</u>	<u>\$ 7,657</u>

Note 6 Accounts Payable and Accrued Liabilities (amounts in thousands)

	2002	2001
		(Restated Note 3)
Accounts payable	\$ 134,618	\$ 42,119
Accrued liabilities	226,539	214,555
Accrued vacation pay	<u>4,169</u>	<u>4,988</u>
	<u>\$ 365,326</u>	<u>\$ 261,662</u>

Note 7 Unearned Revenue
(amounts in thousands)

	<u>2002</u>	<u>2001</u>
Changes in unearned revenues are as follows:		
Restricted Cash received during the year:		
Health Canada		
Canada Health and Social Transfer - Health Supplement	\$ -	\$ 246,995
Medical Equipment Trust Fund	-	97,760
Health Care Insurance Premiums	23,144	22,095
Health Services for Persons with Hepatitis C	10,700	-
Third party recoveries	75	34
Western Health Information Collaborative	-	358
Federal/Provincial/Territorial Meetings	<u>134</u>	<u>-</u>
	34,053	367,242
Less amounts recognized as revenue in the year	<u>(168,718)</u>	<u>(265,306)</u>
(Decrease) increase during the year	(134,665)	101,936
Balance at beginning of year	<u>267,918</u>	<u>165,982</u>
Balance at end of year	<u><u>\$ 133,253</u></u>	<u><u>\$ 267,918</u></u>
Balances at end of year are comprised of:		
Health Canada - Canada Health and Social Transfer	\$ 99,410	\$ 196,684
Health Canada - Medical Equipment Trust Fund	-	49,042
Health Care Insurance Premiums	23,144	22,095
Health Services for Persons with Hepatitis C	10,559	-
Third party recoveries	75	34
Western Health Informative Collaborative	-	63
Federal/Provincial/Territorial Meetings	<u>65</u>	<u>-</u>
	<u><u>\$ 133,253</u></u>	<u><u>\$ 267,918</u></u>

Note 8 Change in Opening Net Liabilities

Effective April 1, 2001 the Department changed its capitalization policy for Wellnet systems development. The Department capitalizes systems development costs for projects where there is an expected future benefit to the *health system*. This change was applied on a retroactive basis without restatement. An adjustment was made to increase Capital Assets and reduce the Net Liabilities at Beginning of Year in the current period.

Previously, the Department capitalized systems development costs where there was an expected future benefit accruing directly to the *Department*.

Note 9 Commitments

(amounts in thousands)

As at March 31, 2002, the Department has the following commitments:

	<u>2002</u>	<u>2001</u>
Specific programs commitments ^(a)	\$ 1,609,060	\$ 2,675,612
Service contracts	48,312	70,262
Equipment leases ^(b)	<u>2,342</u>	<u>3,865</u>
	<u>\$ 1,659,714</u>	<u>\$ 2,749,739</u>

^(a) Included in 2002 specific program commitments is an amount of \$1,358,300 (2001 - \$2,539,700) for the provision of medical services by physicians to March 31, 2003 under the agreement signed with the Alberta Medical Association.

^(b) The Department leases certain equipment under operating leases that expire on various dates. The aggregate amounts payable for the unexpired terms of these leases are as follows:

<u>Year</u>	<u>2002</u>	<u>2001</u>
2002	\$ -	\$ 1,804
2003	803	1,256
2004	689	583
2005	425	111
2006	<u>425</u>	<u>111</u>
	<u>\$ 2,342</u>	<u>\$ 3,865</u>

Note 9 Commitments (continued)
(amounts in thousands)

Canadian Blood Services

The Province of Alberta is committed to provide funding to the Canadian Blood Services (CBS). This commitment was outlined in a Memorandum of Understanding, signed in January 1998, which recorded the understandings and commitments of the Minister of Health of Canada and the Provincial and Territorial Ministers of Health (except Quebec) regarding their respective roles and responsibilities in a renewed national blood system.

The Province's obligation for the operational costs of CBS is determined on a per capita basis, and the costs for fractionated blood and blood products is determined on the basis of annual utilization of these products.

During the year, payments to CBS amounted to \$104,000 (2001 - \$90,016). Budgeted expenditure for the 2003 fiscal year is estimated at \$108,681.

Note 10 Contingencies

Hepatitis C

The Department was named as defendant in 51 specific legal actions (2001 - 53 specific legal actions) relating to the Hepatitis C virus affected through the Canadian blood system. The total claimed in 38 specific legal actions approximates \$583 million (2001 - \$585 million). For the other 13 claims, no specified amount has yet been claimed; the amount of these claims will be determined at trial. Fifty of these claims are covered by the Alberta Risk Management Fund. Potential liability for these claims is shared by the Canadian Red Cross Society and the federal government. The resulting loss, if any, from these claims cannot be determined.

Federal, provincial and territorial governments have agreed to offer financial assistance to Canadians who were affected by the Hepatitis C virus through the Canadian blood system during the period from January 1, 1986 to July 1, 1990. The financial package of \$1.1 billion is national in scope. Alberta's share of the financial assistance package is estimated at \$30 million. The details of assistance will be determined through a negotiation process submitted to the courts for approval. The Department made a provision in 1999/2000 for its portion of the Hepatitis C assistance. At March 31, 2002 the unpaid balance of the Department's commitment to the financial assistance package was \$17,942,000 (2001 - \$22,951,000).

Voluntary Hospital Owners

The Department is liable under equity agreements entered into in 1969 between the Department and Voluntary Hospital Owners. The Department's liability is contingent upon termination of the equity agreements and concurrent transfer of ownership to the Province. The payout upon termination is estimated at \$28.3 million (2001 - \$25.8 million).

Note 10 Contingencies (continued)

Other

At March 31, 2002, the Department was named as defendant in 10 other legal actions (2001 - 8 legal actions). Nine of these claims have specified amounts totalling \$19.2 million and the remaining has no specified amount (2001 - eight claims with a specified amount of \$46.4 million). The Department has been named jointly with other government entities in the claim with no specified amount. Two claims (2001 - three claims) amounting to \$3.6 million (2001 - \$3.8 million) are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Note 11 Payments under Reciprocal and Other Agreements

(amounts in thousands)

The Department entered into agreements, under the Alberta Health Care Insurance Plan, with other Provincial Governments and the Workers' Compensation Board to provide health services on their behalf. The Department pays service providers for services rendered under the agreements and recovers the amount paid from other provinces and the Workers' Compensation Board. Service providers include Regional Health Authorities, Provincial Health Boards and physicians.

The Department also entered into an agreement with the Federal Government for the Health Transition Fund (Primary Health Care Project) to support the objective of studying and encouraging the further advancement of primary health care in Alberta. In addition, the Department entered into agreements with Health Canada, the Workers' Compensation Board and other provincial governments and territories to provide air ambulance services on their behalf. Payments incurred under these agreements are made by the Department under authority of the *Financial Administration Act*, Section 25 (1).

Balances receivable from or payable to the Federal Government, other Provincial Governments and the Workers' Compensation Board are reflected in the Statement of Financial Position.

Note 11 Payments under Reciprocal and Other Agreements (continued)

(amounts in thousands)

	2002					2001
	Health Transition Fund	Other Provincial Government	Workers' Compensation Board	Air Ambulance	Total	Total
Opening receivable balance	\$ (73)	\$ 15,388	\$ (29)	\$ 2,439	\$ 17,725	\$ 23,830
Add: Payments made during the year	280	118,603	13	3,154	122,050	111,960
	207	133,991	(16)	5,593	139,775	135,790
Less: Collections received during the year	207	111,176	4	3,649	115,036	118,065
Closing receivable (payable) balance	\$ -	\$ 22,815	\$ (20)	\$ 1,944	\$ 24,739	\$ 17,725

Note 12 Defined Benefit Plans

(amounts in thousands)

The Department participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$2,279 for the year ended March 31, 2002 (2001 - \$2,479).

At December 31, 2001, the Management Employees Pension Plan reported a surplus of \$5,338 (2000 - \$170,858) and the Public Service Pension Plan reported a surplus of \$320,487 (2000 - \$635,084). At December 31, 2001, the Supplementary Retirement Plan for Public Service Managers had a deficit of \$399 (2000 - Surplus \$180).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2002, the Bargaining Unit Plan reported an actuarial deficiency of \$8,646 (2001 - \$12,710) and the Management, Opted Out and Excluded Plan an actuarial deficiency of \$2,656 (2001 - \$4,583). The expense for these two plans is limited to employer's annual contributions for the year.

Note 13 Comparative Figures

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

Note 14 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE OF REVENUES
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	<u>2002</u>		<u>2001</u>
	<u>Budget</u> (Schedule 4)	<u>Actual</u>	<u>Actual</u> (Restated - Note 3)
Internal Government Transfers:			
Transfer from the Lottery Fund	\$ 84,065	\$ 84,065	\$ 127,171
	<u>84,065</u>	<u>84,065</u>	<u>127,171</u>
Transfers from the Government of Canada:			
Canada Health and Social Transfer	988,346	1,091,777	819,815
Primary Health Care / Medical Equipment	62,755	49,042	48,718
Other	8,771	2,629	4,411
	<u>1,059,872</u>	<u>1,143,448</u>	<u>872,944</u>
Premiums and Fees:			
Health care insurance:			
Premiums before premium assistance	654,511	793,604	764,472
Less:			
Premium assistance under legislation	-	(98,842)	(100,028)
	654,511	694,762	664,444
Add:			
Penalties	14,929	13,171	15,360
Interest and miscellaneous	450	378	476
	<u>669,890</u>	<u>708,311</u>	<u>680,280</u>
Health care insurance premiums, penalties and interest			
Non-Group Blue Cross Benefits:			
Premiums before premium assistance	20,000	22,556	22,232
Less:			
Premium assistance under legislation	-	(2,092)	(2,202)
	<u>20,000</u>	<u>20,464</u>	<u>20,030</u>
Non-Group Blue Cross premiums			
Total premiums	689,890	728,775	700,310
Other	100	75	114
	<u>689,990</u>	<u>728,850</u>	<u>700,424</u>
Other revenue:			
Third party recoveries	56,842	56,840	53,298
Miscellaneous:			
Previous years' refunds of expenditure	600	17,895	4,071
Other	1,026	2,173	1,805
	<u>58,468</u>	<u>76,908</u>	<u>59,174</u>
Total Revenue	<u>\$ 1,892,395</u>	<u>\$ 2,033,271</u>	<u>\$ 1,759,713</u>

DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE OF DEDICATED REVENUE INITIATIVES
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2002		
	Authorized Dedicated Revenues	Actual Dedicated Revenues ^(a)	(Shortfall)/ Excess
Health Care Insurance Premium Revenue ^(b)	\$ 669,890	\$ 708,311	\$ 38,421
Non-Group Drug Benefits ^(c)	20,000	20,464	464
Archival Blood Bank Record Review for Hepatitis C ^(d)	1,955	116	(1,839)
Health Services for Persons with Hepatitis C ^(e)	5,300	141	(5,159)
	<u>\$ 697,145</u>	<u>\$ 729,032</u>	<u>\$ 31,887</u>

- (a) Revenues from dedicated revenue initiatives are included in the Department's revenues in the Statement of Operations.
- (b) Albertans contributed to the cost of health programs through Health Care Insurance Premiums. The levels of premiums paid by an individual or family are based on their ability to pay as defined by income. Expenses associated with this initiative are included in the Statement of Operations under the Health Services expense classification.
- (c) Albertans can access public or private supplemental health insurance coverage. The Department provides Non-Group Blue Cross coverage on a premium basis for non-seniors. Seniors are provided coverage, but do not pay premiums. Expenses under the Non-Group Drug Benefits initiative represent the expenses incurred to provide Blue Cross services. Expenses associated with this initiative are included in the Statement of Operations under the Health Services expense classification.
- (d) Health Canada is providing 50 per cent of the funding to contact all persons who received blood transfusions in Alberta for the period January 1, 1986 to July 1, 1990. Those persons will be advised to seek testing and treatment, as they may have been exposed to the Hepatitis C (HCV) virus. Expenses associated with this initiative are included in the Statement of Operations under the Health Services expense classification.
- (e) Health Canada is providing funding to provide health services to individuals who acquired the Hepatitis C virus from blood and blood products prior to Jan. 1, 1986 and after July 1, 1990. The funding will be used to treat the HCV infection using antiviral drug therapies, immunization and nursing care. Expenses associated with this initiative are included in the Statement of Operations under the Health Services expense classification.

DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE OF EXPENSE - DIRECTLY INCURRED DETAILED BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2002

(thousands of dollars)

	<u>2002</u>		<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Schedule 4)		(Restated - Note 3)
Voted:			
Grants	\$ 6,070,199	\$ 6,130,627	\$ 5,430,665
Supplies and Services	127,778	120,807	96,984
Salaries, Wages and Employee Benefits	39,522	40,163	38,049
Amortization of Capital Assets	2,083	1,369	1,469
Other	<u>110</u>	<u>121</u>	<u>157</u>
 Total Voted Expenses	 <u>\$ 6,239,692</u>	 <u>\$ 6,293,087</u>	 <u>\$ 5,567,324</u>

DEPARTMENT OF HEALTH AND WELLNESSSCHEDULE OF BUDGETFOR THE YEAR ENDED MARCH 31, 2002

(thousands of dollars)

	<u>2001-2002</u> <u>Budget</u>	<u>Authorized</u> <u>Supplementary</u> ^(a)	<u>2001-2002 Authorized</u> <u>Budget</u>
Revenues:			
Internal Government Transfers	\$ 84,065	\$ -	\$ 84,065
Transfer from Government of Canada	1,059,872	-	1,059,872
Premiums and Fees	689,990	-	689,990
Other Revenue	<u>58,468</u>	<u>-</u>	<u>58,468</u>
	<u>1,892,395</u>	<u>-</u>	<u>1,892,395</u>
Expenses - Directly Incurred:			
Voted Expenses			
Ministry Support Services	114,292	-	114,292
Health Services	6,079,701	118,743	6,198,444
Alberta Alcohol and Drug Abuse Commission	<u>45,699</u>	<u>-</u>	<u>45,699</u>
	<u>6,239,692</u>	<u>118,743</u>	<u>6,358,435</u>
Statutory Expenses			
Valuation Adjustments			
Health Care Insurance Premiums			
Revenue Write-Offs	28,863	-	28,863
Provision for Vacation Pay	<u>-</u>	<u>-</u>	<u>-</u>
	<u>28,863</u>	<u>-</u>	<u>28,863</u>
Loss on Disposal of Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Expense	<u>6,268,555</u>	<u>118,743</u>	<u>6,387,298</u>
Net Operating Results	<u>\$ (4,376,160)</u>	<u>\$ (118,743)</u>	<u>\$ (4,494,903)</u>
Capital Investment	<u>\$ 1,725</u>	<u>\$ -</u>	<u>\$ 1,725</u>

^(a) Supplementary Estimates were approved on November 29, 2001.

DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE OF COMPARISON OF EXPENSES - DIRECTLY INCURRED AND CAPITAL INVESTMENTS BY ELEMENT TO AUTHORIZED BUDGET
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	Estimates 2002	Authorized Supplementary ^(a)	Authorized Budget	Actuals 2002	Unexpended (Over Expended)
Voted Expenses:					
Ministry Support Services					
1.0.1 Minister's Office	\$ 487	\$ -	\$ 487	\$ 307	\$ 180
1.0.2 Associate Minister's Office	-	-	-	-	-
1.0.3 Deputy Minister's Office	395	-	395	396	(1)
1.0.4 Public Communications	1,390	-	1,390	1,243	147
1.0.5 Strategic Planning Services	5,015	-	5,015	4,096	919
1.0.6 Health Accountability					
- Operating Expense	31,866	-	31,866	29,130	2,736
- Capital Investment	1,150	-	1,150	3,764	(2,614)
1.0.7 Alberta Wellnet Administration					
- Operating Expense funded by Lotteries	1,200	-	1,200	1,554	(354)
1.0.8 Population Health	10,188	-	10,188	9,494	694
1.0.9 Workforce Services ^(b)	5,409	-	5,409	5,804	(395)
1.0.10 Finance and Corporate Support Services					
- Operating Expense	35,304	-	35,304	36,952	(1,648)
- Capital Investment	-	-	-	3	(3)
1.0.11 Program Services	16,782	-	16,782	15,708	1,074
1.0.12 Health Facilities Review Committee	555	-	555	563	(8)
1.0.13 Mental Health Patient Advocate's Office	309	-	309	308	1
1.0.14 Health Services Utilization Commission	1,000	-	1,000	185	815
1.0.15 Premier's Advisory Council on Health	250	-	250	327	(77)
1.0.16 Health Advisory and Appeal Services	4,047	-	4,047	2,470	1,577
1.0.17 Standing Policy Committee on Health and Community Living	95	-	95	87	8
Total Ministry Support Services	115,442	-	115,442	112,391	3,051
Health Services					
Practitioner Services					
2.1.1 Medical Services	1,147,607	-	1,147,607	1,142,150	5,457
2.1.2 Alternate Compensation Strategies					
- Operating Expense	3,000	-	3,000	4,149	(1,149)
- Operating Expense funded by Lotteries	12,350	-	12,350	7,652	4,698
2.1.3 Allied Health Services	65,553	-	65,553	62,509	3,044
2.1.4 Extended Health Benefits	23,752	-	23,752	23,505	247
2.1.5 Rural Initiatives	17,300	-	17,300	17,490	(190)
2.1.6 Medical Education Allowances	55,763	-	55,763	55,363	400
Total Practitioner Services	1,325,325	-	1,325,325	1,312,818	12,507
Provincial Programs					
2.2.1 Human Tissue and Blood Services	100,016	-	100,016	104,000	(3,984)
2.2.2 Equity Agreements	3,008	-	3,008	-	3,008
2.2.3 Purchase of Vaccines and Sera	20,162	-	20,162	11,279	8,883
2.2.4 Public Health Laboratories	14,806	-	14,806	15,432	(626)
2.2.5 Blue Cross Benefit Program	342,402	-	342,402	363,667	(21,265)
2.2.6 Ambulance Services	41,433	-	41,433	36,886	4,547
2.2.7 Out-of-Province Health Care Costs	46,799	-	46,799	40,952	5,847
2.2.8 Alberta Aids to Daily Living Benefits	66,484	-	66,484	69,875	(3,391)
2.2.9 Health Services Research	10,375	-	10,375	10,500	(125)
2.2.10 Aboriginal Health Strategies					
- Operating Expense funded by Lotteries	3,000	-	3,000	1,739	1,261
2.2.11 Federal Nursing Stations					
- Operating Expense funded by Lotteries	2,660	-	2,660	763	1,897
2.2.12 Alberta Wellnet					
- Operating Expense	8,283	-	8,283	3,731	4,552
- Capital Investment	-	-	-	8,128	(8,128)
- Operating Expense funded by Lotteries	11,731	-	11,731	4,917	6,814
- Capital Investment funded by Lotteries	575	-	575	6,483	(5,908)
2.2.13 Community Support					
- Operating Expense	51,752	10,900	62,652	50,832	11,820
- Capital Investment	-	-	-	3,546	(3,546)
2.2.14 Primary Health Care Initiative	13,759	-	13,759	-	13,759
2.2.15 Dedicated Program Funding	46,843	-	46,843	11,111	35,732
Total Provincial Programs	784,088	10,900	794,988	743,841	51,147

DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE OF COMPARISON OF EXPENSES - DIRECTLY INCURRED AND CAPITAL INVESTMENTS BY ELEMENT TO AUTHORIZED BUDGET
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	Estimates 2002	Authorized Supplementary ^(a)	Authorized Budget	Actuals 2002	Unexpended (Over Expended)
Funding to Regional and Provincial Health Authorities					
Global Funding to Regional and Provincial Health Authorities					
2.3.1	180,678	-	180,678	179,167	1,511
2.3.2	98,871	-	98,871	98,139	732
2.3.3	54,765	-	54,765	53,819	946
2.3.4	957,443	-	957,443	940,446	16,997
2.3.5	47,928	-	47,928	47,396	532
2.3.6	186,496	-	186,496	184,855	1,641
2.3.7	122,288	-	122,288	119,342	2,946
2.3.8	49,594	-	49,594	49,528	66
2.3.9	42,042	-	42,042	41,658	384
2.3.10	1,026,870	-	1,026,870	1,010,212	16,658
2.3.11	60,196	-	60,196	63,166	(2,970)
2.3.12	104,447	-	104,447	100,550	3,897
2.3.13	94,796	-	94,796	92,411	2,385
2.3.14	24,551	-	24,551	27,195	(2,644)
2.3.15	20,655	-	20,655	20,476	179
2.3.16	32,442	-	32,442	32,298	144
2.3.17	15,862	-	15,862	15,751	111
2.3.18	122,664	-	122,664	124,944	(2,280)
2.3.19	216,813	-	216,813	214,690	2,123
Total Global Funding to Regional and Provincial Health Authorities	3,459,401	-	3,459,401	3,416,043	43,358
Program Funding to Regional and Provincial Health Authorities and Other Entities					
2.3.20	Innovation Fund				
	- Operating Expense	5,892	-	5,892	869
	- Operating Expense funded by Lotteries ^(c)	5,000	-	5,000	10,000
2.3.21	Alberta Wellness Initiative				
	- Operating Expense ^(d)	8,450	-	8,450	7,964
	- Operating Expense funded by Lotteries	1,850	-	1,850	1,850
2.3.22	Supplemental Capital Equipment Funding				
	- Operating Expense	48,996	-	48,996	48,996
	- Operating Expense funded by Lotteries	-	-	-	-
2.3.23	One-time Energy Rebate				
	One-time Energy Rebate	40,000	-	40,000	-
2.3.24	One-time Financial Assistance				
	One-time Financial Assistance	-	107,843	107,843	197,637
2.3.25	Advanced Medical Equipment				
	- Operating Expense	-	-	-	-
	- Operating Expense funded by Lotteries	-	-	-	-
2.3.26	Dedicated Program Funding ^(e)				
	Dedicated Program Funding	50,729	-	50,729	24,187
Total Program Funding to Regional and Provincial Health Authorities and Other Entities	160,917	107,843	268,760	291,503	(22,743)
Province Wide Services					
2.4.1	170,342	-	170,342	194,149	(23,807)
2.4.2	178,663	-	178,663	200,317	(21,654)
2.4.3	1,540	-	1,540	-	1,540
Total Province Wide Services	350,545	-	350,545	394,466	(43,921)
Total Health Services	6,080,276	118,743	6,199,019	6,158,671	40,348
Assistance to Alberta Alcohol and Drug Abuse Commission					
3.0.1	Assistance to Alberta Alcohol and Drug Abuse Commission				
	- Operating Expense	-	-	-	-
	- Operating Expense funded by Lotteries	45,699	-	45,699	43,949
Total Assistance to Alberta Alcohol and Drug Abuse Commission	45,699	-	45,699	43,949	1,750
Total Voted Expenses	\$ 6,241,417	\$ 118,743	\$ 6,360,160	\$ 6,315,011	\$ 45,149

DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE OF COMPARISON OF EXPENSES - DIRECTLY INCURRED AND CAPITAL INVESTMENTS BY ELEMENT TO AUTHORIZED BUDGET
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	Estimates 2002	Authorized Supplementary ^(a)	Authorized Budget	Actuals 2002	Unexpended (Over Expended)
Voted Expenses:					
Program Operating Expense	\$ 6,156,202	\$ 118,743	\$ 6,274,945	\$ 6,220,663	\$ 54,282
Program Operating Expense funded by Lotteries	83,490	-	83,490	72,424	11,066
	<u>6,239,692</u>	<u>118,743</u>	<u>6,358,435</u>	<u>6,293,087</u>	<u>65,348</u>
	-				
Program Capital Investment	1,150	-	1,150	15,441	(14,291)
Program Capital Investment funded by Lotteries	575	-	575	6,483	(5,908)
	<u>1,725</u>	<u>-</u>	<u>1,725</u>	<u>21,924</u>	<u>(20,199)</u>
Total Voted Expenses	<u>\$ 6,241,417</u>	<u>\$ 118,743</u>	<u>\$ 6,360,160</u>	<u>\$ 6,315,011</u>	<u>\$ 45,149</u>
Statutory Expenses					
Valuation Adjustments					
Health Care Insurance Premiums Revenue Write-Offs	\$ 28,863	\$ -	\$ 28,863	\$ 32,328	\$ (3,465)
Provision for Vacation Pay	-	-	-	(2,462)	2,462
	<u>\$ 28,863</u>	<u>\$ -</u>	<u>\$ 28,863</u>	<u>\$ 29,866</u>	<u>\$ (1,003)</u>

^(a) Supplementary Estimates were approved on November 29, 2001.

^(b) Includes achievement bonus of \$355.

^(c) Includes \$2,207 paid to other entities.

^(d) Includes \$94 paid to other entities.

^(e) Includes \$5,944 paid to other entities.

DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE OF SALARIES AND BENEFITS
FOR THE YEAR ENDED MARCH 31, 2002

	2002			2001
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total
Deputy Minister ^{(3) (4)}	\$ 169,231	\$ 55,386	\$ 224,617	\$ 206,938
Special Advisor to the Deputy Minister ^{(3) (5)}	-	-	-	25,209
Assistant Deputy Ministers				
Health Accountability ⁽⁶⁾	122,346	37,266	159,612	144,347
Population Health ^{(7) (8) (9)}	115,095	27,621	142,716	158,574
Health Workforce	121,080	34,729	155,809	142,288
Program Services ^{(9) (10) (11)}	102,910	20,699	123,609	125,215
Strategic Planning ^{(10) (12)}	148,288	6,615	154,903	-
Finance and Corporate Services ^{(10) (13)}	124,556	34,615	159,171	152,278

Total salary and benefits relating to a position are disclosed.

- (1) Salary includes regular base pay, bonuses, overtime, and lump sum payments.
- (2) Benefits and allowances include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long-term disability plans, WCB premiums, professional memberships and tuition.
- (3) Automobile provided, no dollar amount was included in benefits and allowances.
- (4) Benefits and allowances include vacation payments of \$2,782 (2001 - \$Nil)
- (5) On June 7, 2000 the incumbent ceased to be a member of the Department's senior decision making group.
- (6) Previously reported as Assistant Deputy Minister, Health Information and Accountability.
- (7) Previously reported as Assistant Deputy Minister, Health Strategies.
- (8) Benefits and allowances include vacation payments of \$1,218 (2001 \$8,267)
- (9) This position was occupied in an acting capacity until June 2001.
- (10) This position was occupied by two individuals through the year.
- (11) Previously reported as Assistant Deputy Minister, Policy and Planning Services.
- (12) This position was established on April 1, 2001.
- (13) Previously reported as Assistant Deputy Minister, Finance and Health Plan Administration.

DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE OF RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Department. The Entity in the Ministry is the Alberta Alcohol and Drug Abuse Commission.

The Department and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Department had the following transactions with related parties recorded on the Statements of Operations and Financial Position at the amount of consideration agreed upon between the related parties:

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
		(Restated - Note 3)		(Restated - Note 3)
Revenues				
Grants	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,065</u>	<u>\$ 127,171</u>
Expenses - Directly Incurred				
Grants	\$ 44,069	\$ 35,146	\$ -	\$ -
Other Services	<u>-</u>	<u>-</u>	<u>24,190</u>	<u>2,807</u>
	<u>\$ 44,069</u>	<u>\$ 35,146</u>	<u>\$ 24,190</u>	<u>\$ 2,807</u>
Capital Assets Transferred	\$ -	\$ -	\$ 221	\$ -
Receivable from /(Payable) to	<u>\$ 850</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 8.

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
				(Restated - Note 3)
Expenses - Incurred by Others				
Accommodation	\$ -	\$ -	\$ 3,612	\$ 3,502
Legal	<u>-</u>	<u>-</u>	<u>1,325</u>	<u>1,066</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,937</u>	<u>\$ 4,568</u>

DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE OF ALLOCATED COSTS
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2002					2001	
	Expenses - Incurred by Others	Valuation Adjustments			Health Care		
Expenses ^(a)	Accommodation Costs	Legal Services	Vacation Pay	Insurance Premiums Revenue Write-Offs	Total	Total	
Ministry Support Services	\$ 108,624	\$ 3,498	\$ 1,246	\$ (2,462)	\$ -	\$ 110,906	(Restated - Note 3) \$ 105,371
Health Services	6,140,514	114	79	-	-	6,140,707	5,432,986
Alberta Alcohol and Drug Abuse Commission	43,949	-	-	-	-	43,949	35,146
Health Care Insurance Premiums Revenue Write-Offs ^(b)	-	-	-	-	32,328	32,328	44,033
	<u>\$ 6,293,087</u>	<u>\$ 3,612</u>	<u>\$ 1,325</u>	<u>\$ (2,462)</u>	<u>\$ 32,328</u>	<u>\$ 6,327,890</u>	<u>\$ 5,617,536</u>

(a) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.

(b) Health Care Insurance Premiums Revenue Write-Offs relate to Premiums and Fees revenue, these costs cannot be reasonably allocated to other programs of the Department.

Alberta Alcohol and Drug Abuse Commission

Financial Statements

March 31, 2002

**ALBERTA ALCOHOL AND DRUG
ABUSE COMMISSION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002**

Auditor's Report

Statement of Financial Position

Statement of Operations

Statement of Cash Flows

Notes to the Financial Statements

Schedule of Revenues

Schedule of Expenses by Object and Core Business

Schedule of Allocated Costs



AUDITOR'S REPORT

To the Members of the Alberta Alcohol and Drug Abuse Commission

I have audited the statement of financial position of the Alberta Alcohol and Drug Abuse Commission as at March 31, 2002 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

Since the Commission expenses capital assets costing less than \$5,000 each, a significant amount of furniture and equipment available to the Commission is not reported in the statement of financial position as required by Canadian generally accepted accounting principles. As at March 31, 2002, assets are understated and accumulated surplus understated by an estimated \$1,360,000 and expenses for the fiscal year then ended are overstated by approximately \$342,000.

In my opinion, except for the effects of the matter discussed in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

[Original signed]

CA
Auditor General

Edmonton, Alberta
May 28, 2002

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2002

	<u>2002</u>	<u>2001</u>
ASSETS		
Current Assets:		
Cash (Note 3)	\$ 6,060,452	\$ 3,308,716
Accounts Receivable	288,357	214,992
Inventory	<u>169,543</u>	<u>182,624</u>
	6,518,352	3,706,332
Capital Assets (Note 4)	<u>200,198</u>	<u>84,763</u>
	<u>\$ 6,718,550</u>	<u>\$ 3,791,095</u>
LIABILITIES AND ACCUMULATED DEFICIT		
Current Liabilities:		
Accounts Payable	\$ 3,065,827	\$ 2,684,935
Accrued Vacation Pay	2,755,000	2,226,000
Deferred Contributions (Note 6)	243,836	227,445
Unearned Revenue	<u>33,086</u>	<u>22,424</u>
	<u>6,097,749</u>	<u>5,160,804</u>
Accumulated surplus (deficit):		
At beginning of year	(1,369,709)	(1,410,810)
Net operating results	<u>1,990,510</u>	<u>41,101</u>
At end of year	<u>620,801</u>	<u>(1,369,709)</u>
	<u>\$ 6,718,550</u>	<u>\$ 3,791,095</u>

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2002

	2002		2001
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Note 8)		
Revenues (Schedule 1):			
Internal government transfers:			
Department of Health and Wellness	\$45,699,000	\$44,069,000	\$35,146,000
Other revenues:			
Fees	1,923,000	1,493,957	1,578,697
Other	<u>211,000</u>	<u>837,273</u>	<u>784,902</u>
	<u>47,833,000</u>	<u>46,400,230</u>	<u>37,509,599</u>
Expenses – Directly Incurred:			
(Schedule 2 and 3, Note 2)			
Programs:			
Community services	21,594,000	19,085,661	16,638,750
Residential treatment services	11,218,000	10,687,549	9,129,912
Detoxification services	7,572,000	6,926,833	6,162,984
Research, information and monitoring	5,621,000	5,281,219	3,840,481
Administration	1,828,000	1,899,458	1,660,371
Accrued vacation pay adjustment	-	<u>529,000</u>	<u>36,000</u>
	<u>47,833,000</u>	<u>44,409,720</u>	<u>37,468,498</u>
Net operating results	<u>\$ -</u>	<u>\$ 1,990,510</u>	<u>\$ 41,101</u>

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION

STATEMENT OF CASH FLOWS

AS AT MARCH 31, 2002

	<u>2002</u>	<u>2001</u>
Operating Activities:		
Net operating results	\$ 1,990,510	\$ 41,101
Add non-cash charges:		
Amortization of capital assets	<u>45,288</u>	<u>79,526</u>
	2,035,798	120,627
Decrease (increase) in non-cash working capital	<u>876,661</u>	<u>(177,755)</u>
Cash (used) provided by operating activities	2,912,459	<u>(57,128)</u>
Investing activities:		
Acquisition of capital assets	<u>(160,723)</u>	<u>(31,110)</u>
Net cash (used) provided	<u>2,751,736</u>	<u>(88,238)</u>
Cash at beginning of year	<u>3,308,716</u>	<u>3,396,954</u>
Cash at end of year	<u>\$6,060,452</u>	<u>\$ 3,308,716</u>

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2002

Note 1 Authority and Purpose

The Alberta Alcohol and Drug Abuse Commission (Commission) is an agent of the Crown under the authority of the Alcohol and Drug Abuse Act, Chapter A-38, Revised Statutes of Alberta 2000. The Commission is dependent on grants from the Department of Health and Wellness for funding its programs and for meeting its obligations as they become due.

The Commission's purpose is to assist Albertans in achieving a life free from the abuse of alcohol, other drugs and gambling. The Commission does this by providing community-based information, prevention and treatment services.

The Commission is a Government of Alberta agency and is not subject to Canadian taxes.

Note 2 Significant Accounting Policies and Reporting Practices

(a) Revenue Recognition

Operating grants from the Department are recognized as revenue when they are receivable.

Unrestricted donations are recognized as revenue when they are received. Donations of materials and services that would otherwise have been purchased are recorded at fair value when it can reasonably be determined.

Externally restricted donations are deferred and are recognized as revenue in the period in which the related expenses are incurred.

(b) Expenses

Directly Incurred

Directly incurred expenses are those costs the Commission has primary responsibility and accountability for, as reflected in the government's budget documents.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

Directly incurred expenses are included on Schedules 2 and 3, as well as the Statement of Operations

Incurred by Others

Services contributed by other entities in support of the Commission's operations are disclosed in Schedule 3.

(c) Inventory

Inventory is valued at the lower of cost and replacement cost with cost being determined principally on a first-in, first-out basis.

(d) Capital Assets

Capital assets are recorded at historical cost net of accumulated amortization. The threshold for capitalizing assets is \$5,000. Amortization is provided over the estimated useful lives of the assets as follows:

Furniture and equipment-	10 years straight-line
Computer equipment and software-	3 years straight-line

(e) Pensions

The Commission participates in multiemployer pension plans with related government entities. Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year and additional employer contributions for service relating to prior years.

(f) Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, accounts payable, accrued liabilities, and unearned revenues are estimated to approximate their book values. Subsequent actual amounts, which vary from estimates, will impact future financial results.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(h) Financial Instruments

The Commission's financial instruments consist of cash, accounts receivable, accounts payable, and amounts due to related parties. Unless otherwise noted, it is management's opinion that the Commission is not exposed to significant interest, currency or credit risks arising from these financial instruments.

(i) Grants

Direct financial assistance was given to 25 agencies for the years ended March 31, 2002 and 2001. These agencies are all not-for-profit organizations operating at arms-length from the Commission.

Note 3 Cash

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (Fund) of the Province of Alberta. The Fund is being managed with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed income securities with a maximum term to maturity of five years.

Interest is earned on the Commission's daily cash balance at the average rate of the Fund's earnings, which vary depending on prevailing market interest rates. Interest of \$381,962 (2001 \$311,822) (Note 9) has been credited directly to the Ministry of Finance.

Due to the short-term nature of these deposits, the carrying value approximates fair value.

Note 4 Capital Assets

Capital assets consist of the following:

	2002			2001
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment and software	\$ 326,391	\$ 210,272	\$116,119	\$ 34,753
Furniture and equipment	<u>156,754</u>	<u>72,675</u>	<u>84,079</u>	<u>50,010</u>
	<u>\$ 483,145</u>	<u>\$282,947</u>	<u>\$200,198</u>	<u>\$ 84,763</u>

Note 5 Commitments

- (a) The Commission leases certain vehicles and equipment under operating leases that expire on various dates through to 2006. The aggregate amounts payable for the unexpired terms of these leases are as follows:

2003	\$114,448
2004	\$ 90,231
2005	\$ 54,469
2006	\$ 23,405

- (b) The Commission has certain contractual obligations for contracts, which extend into 2003 and 2004. The value of the contractual obligation is \$881,110 in 2003, and \$10,000 in 2004.

Note 6 Deferred Contributions

Deferred contributions consist of unexpended funds from donations to the Memorial Trust. These are externally restricted to be used to supplement the work of the Commission in the areas of research and education and to acquire capital assets. Changes in deferred contributions are as follows:

	<u>2002</u>	<u>2001</u>
Donation	\$ 18,116	\$ 58,920
Interest Earned	9,075	12,656
Transferred to Revenue	<u>(10,800)</u>	<u>(58,220)</u>
Increase (decrease) during the year	16,391	13,356
Balance at beginning of year	<u>227,445</u>	<u>214,089</u>
Balance at end of year	<u>\$243,836</u>	<u>\$227,445</u>

Note 7 Pension Costs

The Commission participates in the multiemployer pensions plans, Management Employee Pension Plan and Public Service Pension Plan. The Commission also participates in the multiemployer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$1,098,026 for the year ended March 31, 2002 (2001 \$926,524).

At December 31, 2001, the Management Employees Pension Plan financial statements reported a surplus for the plan of \$5,338,000 (2000 \$170,858,000) and the Public Service Pension Plan reported a surplus of \$320,487,000 (2000 \$635,084,000). At December 31, 2001, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$399,000 (2000 surplus \$180,000).

Note 8 Approvals

(a) Budget

The budget amounts shown on the statement of operations, agree with the 2001/02 Government Estimates. The budget amounts shown on Schedules 1 and 2 provide additional revenue information and present expenses by object. The Members of the Commission approved these budgets on April 26, 2001.

(b) Financial Statements

These financial statements and accompanying notes were approved on June 7, 2002 by the Members of the Commission.

Note 9 Related Party Transactions

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Commission.

For purposes of this schedule, the Related parties are separated into "Entities in the Ministry" which includes only the Department of Health and Wellness, and "Other Entities".

The Commission and its employees paid and collected certain fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

	Entities in the Ministry		Other Entities	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Revenues:				
Grants	<u>\$44,069,000</u>	<u>\$35,146,000</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses:				
Other Services	<u>-</u>	<u>\$ -</u>	<u>\$ 192,719</u>	<u>\$ 153,746</u>
Receivable from	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 527</u>
(Payable to)	<u>\$(850,000)</u>	<u>\$ -</u>	<u>\$(20,991)</u>	<u>\$(5,568)</u>

Note 9 Related Party Transactions (continued)

The Commission also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related parties are estimated based on the costs incurred by the service provider to provide the services. These amounts are not recorded in the financial statements and are disclosed on Schedule 3.

	Entities in the Ministry		Other Entities	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Revenues:				
Interest	\$ -	\$ -	\$ 381,962	\$ 311,822
Expenses:				
Legal Fees	\$ -	\$ -	\$ 27,665	\$ 15,020
Accommodation	\$ -	\$ -	\$5,903,302	\$5,196,907
	\$ -	\$ -	\$5,930,967	\$5,211,927

Note 10 Federal/Provincial Cost Sharing Agreements

The province of Alberta recovers part of its contributions to the Commission from the Government of Canada under the Alcohol and Drug Treatment and Rehabilitation (ADTR) agreement. Until March 31, 2001 the Province also recovered part of its contributions to the Commission under Employabilities Assistance for People with Disabilities (EAPD). Effective April 1, 2001 changes to the focus of that agreement ended the Commission's eligibility to participate in the program on behalf of the Province. The ADTR claim relating to the Commission's activities for the year ended March 31, 2002 amounts to approximately \$1,340,000 (2001 \$1,154,000). The EAPD claim relating to March 31, 2002 was nil (2001 \$8,042,834).

Note 11 Salaries, Wages, Benefits and Allowances

	2002			2001
	Salaries ^a	Benefits and Allowances ^b	Total	Total
Current Executives				
Chairman of the Board	\$ 15,768	\$ -	\$ 15,768	\$ 13,636
Board Members ^c	39,539	-	39,539	25,057
Chief Executive Officer ^{d,e}	119,471	58,721	178,912	213,710
Executive Director, Program Services	114,984	33,212	148,196	127,955
Director, Community and Youth Services ^f	89,496	19,443	108,939	n/a
Director, Provincial Resource Services	86,316	17,970	104,277	118,957
Comptroller ^e	86,316	17,223	103,539	114,741
Director, Planning & Service Monitoring ^f	84,612	17,580	102,192	97,799
Director, Human Resources	84,144	16,511	100,655	106,345
Manager, Communications ^f	70,056	14,373	84,429	77,811
Director, Residential Services ^f	67,755	13,635	81,390	n/a
Director, Central Alberta Addiction Services ^f	n/a	n/a	n/a	107,610
Director, Northern Alberta Addiction Services ^f	39,162	8,074	47,236	96,680
Director Southern Alberta Addiction Services ^f	19,461	4,823	24,284	97,591

- (a) Salaries include regular pay, overtime, lump sum payments, honoraria and any other direct cash remuneration excluding any severance payments.
- (b) Benefits and allowances include the Commission's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long-term disability plans, tuition fees, conference fees, professional memberships and vacation payouts.
- (c) There were nine Board members in both years.
- (d) An amount has not been included in benefits and allowances for the automobile provided to the Chief Executive Officer.
- (e) The benefits and allowances amounts includes vacation payouts of \$7,472 (2001\$11,479).
- (f) The Commission reorganized its reporting structure and consolidated the positions of the Directors of Northern, Central and Southern Alberta Addictions Services as Directors of Community and Youth Services, and Residential Services during the year. The reorganization was effective April 1, 2001 and all personnel changes were complete by September 2001.

Schedule 1

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION

SCHEDULE OF REVENUES

AS AT MARCH 31, 2002

	<u>2002</u>		<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Internal government transfers:			
Department of Health and Wellness	<u>\$ 45,699,000</u>	<u>\$ 44,069,000</u>	<u>\$ 35,146,000</u>
	<u>45,699,000</u>	<u>44,069,000</u>	<u>35,146,000</u>
Other revenues:			
Fees:			
Clients	1,809,000	1,361,391	1,455,032
Seminars	<u>114,000</u>	<u>132,566</u>	<u>123,665</u>
	<u>1,923,000</u>	<u>1,493,957</u>	<u>1,578,697</u>
Other:			
Donations	-	18,530	36,838
Publications	80,000	32,683	54,862
Miscellaneous	<u>131,000</u>	<u>786,060</u>	<u>693,202</u>
	<u>211,000</u>	<u>837,273</u>	<u>784,902</u>
Total revenues	<u>\$ 47,833,000</u>	<u>\$ 46,400,230</u>	<u>\$ 37,509,599</u>

Schedule 2

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION
SCHEDULE OF EXPENSES BY OBJECT and CORE BUSINESS
AS AT MARCH 31, 2002

EXPENSES BY OBJECT	<u>2002</u>	<u>2001</u>	<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Manpower:			
Salaries	\$ 20,610,000	\$ 19,093,706	\$ 16,337,948
Employer Contributions	3,471,000	3,389,547	2,804,515
Wages	1,668,000	2,463,063	1,974,276
Allowances and benefits	<u>273,000</u>	<u>117,857</u>	<u>63,605</u>
	26,022,000	25,064,173	21,180,344
Grants:			
Direct financial assistance to agencies	10,823,000	10,296,286	8,346,993
Other:			
Profession, technical, and labor service	5,854,000	4,439,166	3,940,838
Materials and Supplies	2,083,000	2,109,669	1,999,827
Travel and relocation	1,135,000	925,260	620,972
Telephones	344,000	308,861	268,589
Voluntary separation payments	-	133,111	250,229
Board members' fees	39,000	51,307	38,693
Amortization	71,000	45,288	79,526
Hosting	44,000	45,231	23,832
Bad debts	-	15,787	32,424
Other operating expenses	<u>1,418,000</u>	<u>975,582</u>	<u>686,231</u>
	<u>10,988,000</u>	<u>9,049,261</u>	<u>7,941,161</u>
	<u>\$ 47,833,000</u>	<u>\$ 44,409,720</u>	<u>\$ 37,468,498</u>
EXPENSES BY CORE BUSINESS			
Core Business:			
Treatment	\$31,400,000	\$30,633,448	\$25,608,363
Information	9,748,000	9,396,972	7,835,887
Prevention	<u>6,685,000</u>	<u>4,379,300</u>	<u>4,024,248</u>
	<u>\$47,833,000</u>	<u>\$44,409,720</u>	<u>\$37,468,498</u>

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION
SCHEDULE OF ALLOCATED COSTS
FOR THE YEAR ENDED MARCH 31, 2002

	2002				2001	
	Expenses ^a	Accrued Vacation Pay Adjustment	Legal Services	Accommodation costs	Total Expenses	Total Expenses
Programs:						
Community services	\$ 19,085,661	\$ 289,553	-	\$ 2,146,890	\$ 21,522,104	\$ 18,577,533
Residential treatment services	10,687,549	85,100		2,383,040	13,155,689	11,158,616
Detoxification services	6,926,833	44,255		1,097,032	8,068,120	7,152,512
Research information and monitoring	5,281,219	78,798		138,170	5,498,187	3,979,327
Administration	1,899,458	31,294	27,665	138,170	2,096,587	1,812,437
	<u>\$ 43,880,720</u>	<u>\$ 529,000</u>	<u>\$ 27,665</u>	<u>\$ 5,903,302</u>	<u>\$ 50,340,687</u>	<u>\$ 42,680,425</u>

^a Expenses – Directly Incurred as per Statement of Operations excluding Accrued Vacation pay.

The Following Information is Unaudited

MINISTRY OF HEALTH AND WELLNESS

STATEMENT OF REMISSIONS, COMPROMISES AND WRITE-OFFS

FOR THE YEAR ENDED MARCH 31, 2002

(UNAUDITED)

(thousands of dollars)

	<u>2002</u>	<u>2001</u>
Write-offs:		
Health Care Insurance Premiums	\$ 29,474	\$ 25,489
Medical Claim Recoveries	842	795
Penalties, Interest and Miscellaneous Charges	745	835
Third Party Recoveries	6	12
	<hr/>	<hr/>
Total Write-offs	<u>\$ 31,067</u>	<u>\$ 27,131</u>

The above statement has been prepared pursuant to Section 23 of the *Financial Administration Act*. The statement includes all remissions, compromises and write-offs made or approved during the fiscal year.

MINISTRY OF HEALTH AND WELLNESS

STATEMENT OF EXPENSES BY CORE BUSINESS

FOR THE YEAR ENDED MARCH 31, 2002

(UNAUDITED)

(thousands of dollars)

<u>Core Business</u>	<u>2002</u>		<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
1 Delivery of Quality Health Services	\$6,036,124	\$6,146,407	\$5,451,826
2 Encourage and Support Healthy Living	<u>234,565</u>	<u>179,016</u>	<u>162,088</u>
	<u>\$6,270,689</u>	<u>\$6,325,423</u>	<u>\$5,613,914</u>

Other Information

Health Authority Highlights

This section highlights the financial results of the 17 regional health authorities, the Alberta Mental Health Board and the Alberta Cancer Board (the "health authorities.")

This section was compiled from the health authorities' audited financial statements for the fiscal year ended March 31, 2002. The statements were prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) and Alberta Health and Wellness' Financial Directive 19. This section is unaudited.

Operating Results

- For fiscal year 2001/2002, the health authorities in aggregate reported a \$21 million operating deficit. This compares to a prior year surplus of \$40 million. Fifteen of the 19 health authorities reported a deficit, while the remaining four showed a combined surplus of \$14 million.
- In 2001/2002, the health authorities in aggregate reported revenue of \$4.9 billion compared to \$4.3 billion in the prior year, an increase of 13 per cent. Alberta Health and Wellness provided 85 per cent of total revenue, compared to 84 per cent in the prior year.
- Total 2001/2002 expense was \$4.9 billion, compared to \$4.3 billion in the prior year – a 14 per cent increase. The majority of the increase was in salary expense. A total of 46,566 Full Time Equivalents were employed by the health authorities in the year.
- In 2001/2002 three of the nineteen health regions had entered into contracts with surgical facilities under the *Health Care Protection Act*. Total expense under these contracts at March 31, 2002 was \$8.4 million, compared to \$4.6 million in the prior year, for the six months when the Act was in force.

Financial Position

- The health authorities reported total net assets of \$453 million at March 31, 2002, a decrease of \$22 million from the prior year. Of the total, \$178 million or 39 per cent was available to be spent on health service delivery or capital acquisitions.
- Total health authority long-term debt at March 31, 2002 was \$13 million, down from the March 31, 2001 figure of \$17 million.

Capital Assets

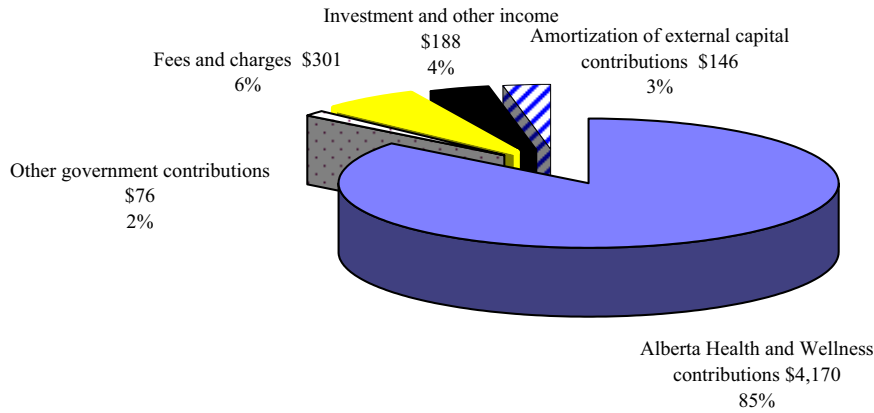
- The health authorities own \$2.6 billion in capital assets. Of this total, \$275 million or 11 per cent was funded from annual operating surpluses. The remainder was funded primarily from capital grants provided by Alberta Infrastructure and contributions from health foundations.
- In 2001/2002 the health authorities spent \$321 million on capital assets. Of this amount, \$155 million was spent on new equipment and \$166 million on infrastructure.
- The average remaining useful life of health authorities' capital equipment at March 31, 2002 was 3.9 years, compared to 4.6 years in the prior year.

Additional Information

- Copies of the health authorities' audited financial statements are included in Section II of the Ministry Annual Report.

**HEALTH AUTHORITIES
2001/2002 ACTUAL REVENUE
(\$ millions)**

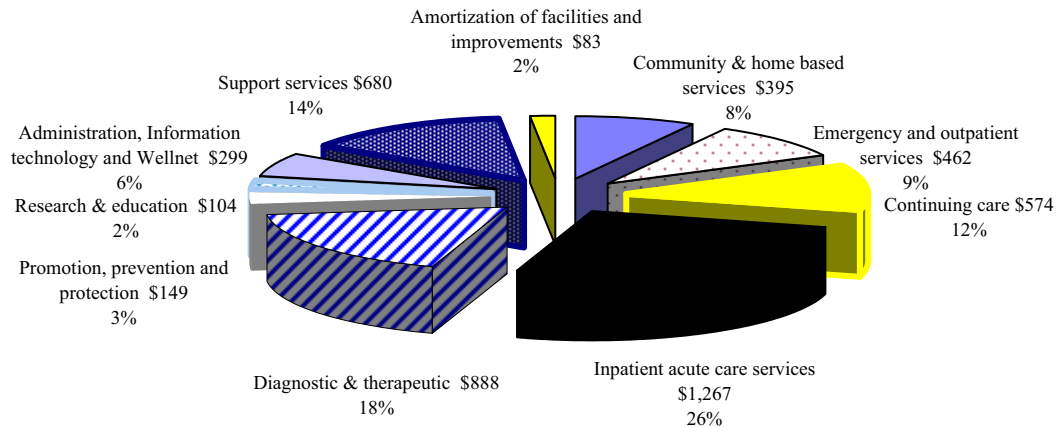
Chart I



TOTAL \$4,881

**HEALTH AUTHORITIES
2001/2002 ACTUAL EXPENSES
(\$ millions)**

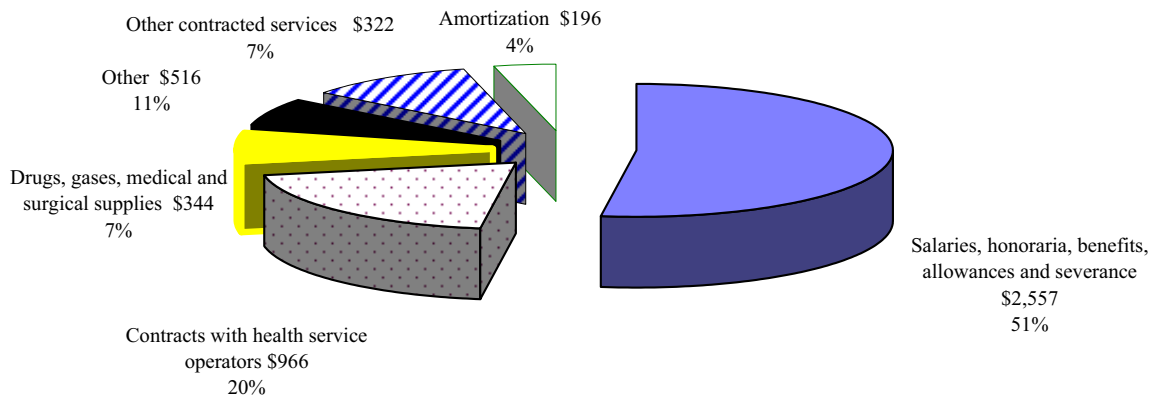
Chart II



TOTAL \$4,901

**HEALTH AUTHORITIES
2001/2002 ACTUAL EXPENSES BY OBJECT
(\$ millions)**

Chart III



TOTAL \$4,901

Chart IV

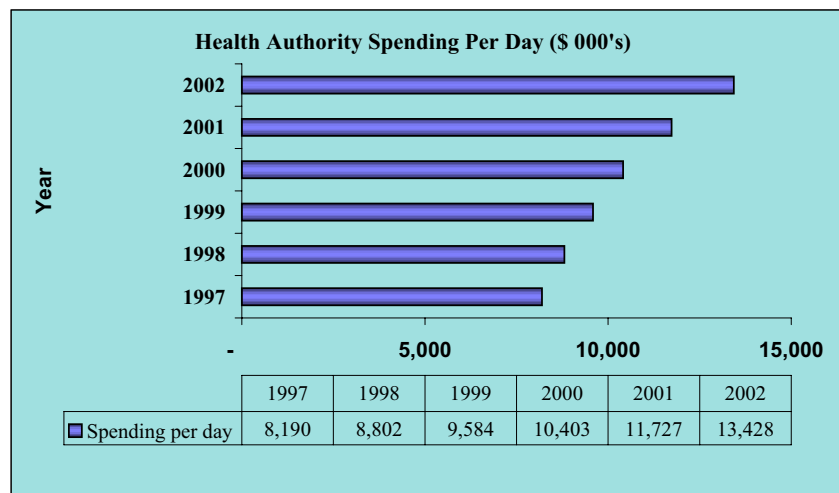
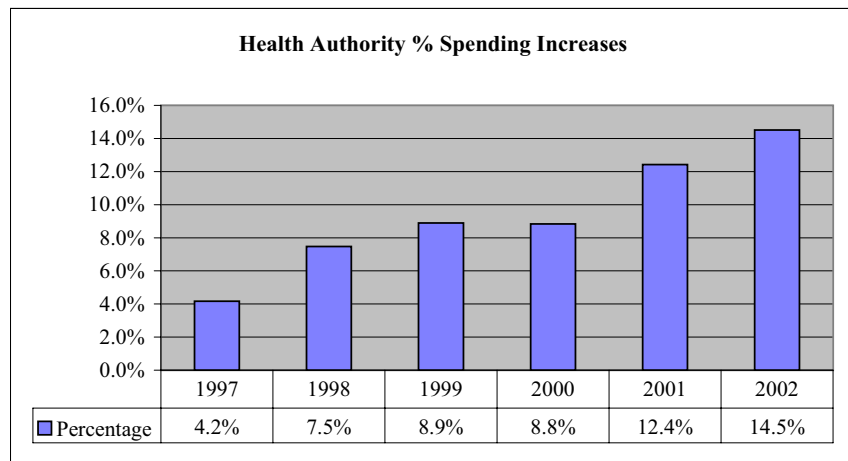
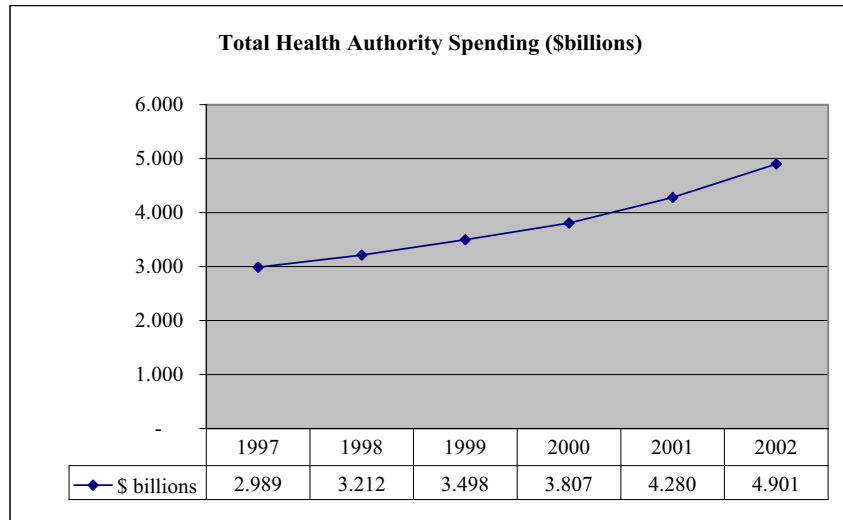


TABLE II

HEALTH AUTHORITY FINANCIAL SUMMARY
STATEMENT OF OPERATIONS
FOR THE YEAR
ENDED MARCH 31, 2002
(Thousands of dollars)

	CHINOOK			PALLISER			HEADWATERS			CALGARY		
	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01
	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
REVENUE												
Alberta Health and Wellness contributions	191,941	194,970	168,108	106,617	106,617	91,926	58,362	59,151	52,852	1,235,181	1,249,597	1,073,684
Other government contributions	2,545	2,564	2,214	2,687	3,954	2,909	2,706	2,169	2,574	19,765	17,156	13,270
Fees and charges	12,888	13,540	12,842	10,544	10,602	10,144	7,377	7,315	6,990	88,080	94,714	89,415
Ancillary operations, net	413	349	571	118	251	221	251	127	111	9,355	9,264	9,422
Donations	159	266	280	300	185	264	210	375	248	4,916	5,688	4,833
Investment and other income	5,370	4,359	5,402	2,257	2,359	2,450	1,322	1,948	1,749	43,194	46,183	41,094
Amortization of external capital contributions	8,916	9,774	8,305	3,965	4,809	3,965	2,286	2,271	2,284	38,356	36,911	34,331
TOTAL REVENUE	222,232	225,822	197,722	126,488	128,777	111,879	72,514	73,356	66,808	1,438,847	1,459,513	1,266,049
EXPENSE												
Facility-based inpatient acute care services	55,089	57,268	47,327	33,155	32,259	26,565	12,624	12,737	11,069	405,695	414,937	335,359
Facility-based emergency and outpatient services	13,330	13,560	10,796	5,961	6,115	4,797	4,561	5,067	3,261	174,202	173,776	149,683
Facility-based continuing care services	30,643	31,512	27,599	16,666	17,935	16,759	10,991	11,719	9,982	160,390	167,243	146,793
Community & home-based services	14,711	14,829	11,937	11,004	10,183	6,819	5,431	5,531	4,752	96,446	93,772	81,547
Diagnostic & therapeutic services	40,748	39,470	35,184	22,246	22,266	19,283	11,855	11,798	10,959	290,662	290,861	258,142
Promotion, prevention and protection services	9,161	8,828	7,178	3,747	3,842	2,933	3,171	3,376	2,917	35,094	36,321	27,308
Research & education	-	-	-	-	-	-	-	-	-	18,327	18,427	16,734
Administration	9,948	10,302	8,931	5,457	5,273	5,065	4,230	4,262	4,106	61,483	50,733	49,071
Information technology and Wellnet	3,871	4,252	3,364	2,239	2,214	2,886	1,616	1,553	1,921	38,955	39,088	35,957
Support services	37,850	38,596	33,873	24,718	26,925	22,573	17,360	16,341	16,106	163,365	156,867	145,929
Amortization of facilities and improvements	6,881	7,345	6,718	3,203	3,171	3,203	1,927	1,924	1,998	17,228	17,715	18,168
Capital assets write down	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSE	222,232	225,962	192,907	128,396	130,183	110,883	73,766	74,308	67,071	1,461,847	1,459,740	1,264,691
Excess (deficiency) of revenue over expense	-	(140)	4,815	(1,908)	(1,406)	996	(1,252)	(952)	(263)	(23,000)	(227)	1,358

TABLE II

HEALTH AUTHORITY FINANCIAL SUMMARY
 STATEMENT OF OPERATIONS
 FOR THE YEAR
 ENDED MARCH 31, 2002
 (Thousands of dollars)

	REGIONAL HEALTH AUTHORITY 5			DAVID THOMPSON			EAST CENTRAL			WESTVIEW		
	2001/02	2000/01	2000/01	2001/02	2000/01	2000/01	2001/02	2000/01	2000/01	2001/02	2000/01	2000/01
	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
REVENUE												
Alberta Health and Wellness contributions	51,247	51,695	44,755	198,997	199,575	177,558	129,881	127,918	118,364	54,547	54,980	46,496
Other government contributions	449	338	514	3,008	3,387	3,039	4,760	3,177	4,230	1,545	2,321	2,030
Fees and charges	4,413	4,356	4,382	12,850	12,393	12,708	11,053	11,602	11,271	4,902	5,129	4,545
Ancillary operations, net	(19)	94	78	511	596	453	27	42	48	(113)	58	(183)
Donations	52	93	48	800	1,053	964	134	307	283	90	107	91
Investment and other income	917	1,123	970	4,191	5,915	4,575	1,683	2,015	1,934	667	576	681
Amortization of external capital contributions	2,037	2,051	1,664	6,811	6,702	6,217	3,977	3,857	3,883	2,040	2,877	2,110
TOTAL REVENUE	59,096	59,750	52,411	227,168	229,621	205,514	151,515	148,918	140,013	63,678	66,048	55,770
EXPENSE												
Facility-based inpatient acute care services	9,072	9,218	7,219	58,784	58,712	49,154	27,653	28,783	25,232	8,503	9,021	7,280
Facility-based emergency and outpatient services	2,078	2,022	1,764	15,572	15,551	10,835	5,075	5,406	3,142	4,875	4,869	3,772
Facility-based continuing care services	11,128	10,983	9,654	27,550	27,627	24,465	29,559	28,111	26,542	6,361	6,940	4,468
Community & home-based services	4,161	4,051	3,305	11,247	11,580	9,518	14,648	15,045	13,464	6,918	6,725	6,224
Diagnostic & therapeutic services	9,061	9,008	8,004	47,446	47,401	40,668	21,519	20,531	18,810	11,386	11,407	9,395
Promotion, prevention and protection services	3,005	2,819	2,231	7,737	7,913	6,184	4,541	4,585	3,783	5,360	5,037	4,518
Research & education	-	-	-	-	-	-	56	56	54	-	-	-
Administration	3,589	3,205	2,419	10,504	10,422	9,223	10,088	9,704	9,204	4,415	4,587	3,519
Information technology and Wellnet	1,095	1,112	1,006	3,270	3,136	3,825	1,935	2,002	1,895	1,230	1,139	1,154
Support services	14,273	14,692	13,053	45,577	45,596	40,755	34,838	33,225	31,906	16,681	17,474	14,296
Amortization of facilities and improvements	1,634	1,458	1,328	4,726	4,660	4,501	3,243	3,069	3,154	1,432	1,399	1,521
Capital assets write down	-	-	-	-	-	-	-	-	-	-	688	-
TOTAL EXPENSE	59,096	58,568	49,983	232,413	232,598	199,128	153,155	150,517	137,186	67,161	69,286	56,147
Excess (deficiency) of revenue over expense	-	1,182	2,428	(5,245)	(2,977)	6,386	(1,640)	(1,599)	2,827	(3,483)	(3,238)	(377)

TABLE II

HEALTH AUTHORITY FINANCIAL SUMMARY
 STATEMENT OF OPERATIONS
 FOR THE YEAR
 ENDED MARCH 31, 2002
 (Thousands of dollars)

	CROSSROADS			CAPITAL HEALTH			ASPEN			LAKELAND		
	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01
	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
REVENUE												
Alberta Health and Wellness contributions	43,475	43,767	40,433	1,354,557	1,355,754	1,176,203	65,838	65,801	56,400	107,581	107,193	102,392
Other government contributions	750	670	1,358	18,201	20,187	18,013	1,814	1,639	1,763	3,330	3,071	3,590
Fees and charges	2,734	2,605	2,634	100,918	101,210	91,241	5,713	6,170	5,595	10,667	10,782	10,404
Ancillary operations, net	1	(13)	10	4,070	3,441	3,581	76	58	36	-	8	(4)
Donations	54	63	54	-	-	-	200	321	616	600	252	533
Investment and other income	924	1,259	1,071	64,749	61,189	61,479	2,179	2,624	3,606	2,787	2,912	2,393
Amortization of external capital contributions	2,516	2,621	2,685	38,390	42,767	38,613	2,665	2,750	2,588	3,747	3,763	3,984
TOTAL REVENUE	50,454	50,972	48,245	1,580,885	1,584,548	1,389,130	78,485	79,363	70,604	128,712	127,981	123,292
EXPENSE												
Facility-based inpatient acute care services	10,039	9,966	9,024	479,894	477,378	389,159	10,931	11,141	9,233	20,334	20,844	18,611
Facility-based emergency and outpatient services	3,612	3,721	3,047	149,228	145,952	115,408	5,305	5,240	3,993	8,209	8,405	6,351
Facility-based continuing care services	5,451	5,601	4,753	195,135	191,507	180,194	13,169	13,067	11,120	25,012	25,479	24,381
Community & home-based services	2,310	2,333	1,950	91,732	88,886	76,335	8,217	8,503	6,281	11,759	11,751	9,262
Diagnostic & therapeutic services	9,213	8,789	8,237	289,203	286,323	265,465	12,505	12,568	11,230	22,398	22,357	21,106
Promotion, prevention and protection services	2,638	2,589	2,315	41,697	39,772	34,318	3,715	3,790	3,066	6,788	6,841	6,143
Research & education	-	-	-	72,149	65,701	66,221	-	-	-	-	-	-
Administration	2,984	3,044	2,799	40,422	40,046	38,211	4,232	4,217	4,105	5,535	5,651	5,169
Information technology and Wellnet	1,770	1,666	1,664	37,312	38,293	34,706	687	937	773	2,204	1,424	1,584
Support services	10,623	10,731	10,862	181,438	177,772	167,040	17,850	18,819	16,467	26,633	26,156	25,258
Amortization of facilities and improvements	1,949	1,930	1,950	23,371	21,060	20,239	1,874	1,945	1,853	2,852	2,855	3,252
Capital assets write down	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSE	50,589	50,370	46,601	1,601,581	1,572,690	1,387,296	78,485	80,227	68,121	131,724	131,763	121,117
Excess (deficiency) of revenue over expense	(135)	602	1,644	(20,696)	11,858	1,834	-	(864)	2,483	(3,012)	(3,782)	2,175

TABLE II

HEALTH AUTHORITY FINANCIAL SUMMARY
STATEMENT OF OPERATIONS
FOR THE YEAR
ENDED MARCH 31, 2002
(Thousands of dollars)

	MISTAHIA			PEACE			KEEWEETINOK LAKES			NORTHERN LIGHTS		
	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01
	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
REVENUE												
Alberta Health and Wellness contributions	96,995	96,326	87,424	28,701	29,020	23,676	21,768	22,097	19,940	33,812	34,354	29,890
Other government contributions	466	466	474	-	100	285	750	572	572	779	774	577
Fees and charges	7,904	8,923	7,974	1,607	1,549	1,499	1,400	1,059	1,838	2,900	3,065	2,627
Ancillary operations, net	251	378	372	95	78	78	-	(94)	(61)	(72)	(49)	(25)
Donations	9	161	110	200	105	15	350	189	297	70	195	237
Investment and other income	1,382	3,110	2,498	718	1,096	989	1,372	886	1,115	592	1,000	727
Amortization of external capital contributions	6,086	5,328	6,086	1,852	1,725	1,273	1,250	1,141	1,050	2,600	2,037	2,392
TOTAL REVENUE	113,093	114,692	104,938	33,173	33,673	27,815	26,890	25,850	24,751	40,681	41,376	36,425
EXPENSE												
Facility-based inpatient acute care services	28,446	28,609	23,932	7,139	7,239	5,118	5,177	4,451	4,082	10,362	11,105	8,575
Facility-based emergency and outpatient services	8,182	9,586	6,652	1,603	2,240	944	2,345	2,616	2,132	3,442	3,244	3,264
Facility-based continuing care services	10,635	10,205	8,567	4,283	4,015	3,803	1,935	1,891	1,649	1,734	1,741	1,488
Community & home-based services	6,567	6,630	5,941	2,601	2,327	1,678	1,470	1,327	1,282	1,602	1,622	1,200
Diagnostic & therapeutic services	20,167	21,056	18,353	5,483	5,892	4,751	3,960	4,029	3,666	8,046	8,546	7,496
Promotion, prevention and protection services	6,012	4,793	4,055	2,152	2,126	1,841	2,350	2,051	1,800	2,293	2,585	1,952
Research & education	-	31	4	41	44	12	-	-	-	-	-	-
Administration	7,632	7,635	7,470	1,917	2,062	1,818	1,635	1,839	1,445	2,913	3,453	2,779
Information technology and Wellnet	1,626	1,956	2,213	287	892	708	675	579	795	923	925	904
Support services	22,204	21,922	20,733	7,202	7,788	6,351	6,850	7,394	6,709	8,135	8,033	6,794
Amortization of facilities and improvements	4,788	3,763	4,788	1,014	888	751	845	863	884	1,883	1,422	1,844
Capital assets write down	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSE	116,259	116,186	102,708	33,722	35,513	27,775	27,242	27,040	24,444	41,333	42,676	36,296
Excess (deficiency) of revenue over expense	(3,166)	(1,494)	2,230	(549)	(1,840)	40	(352)	(1,190)	307	(652)	(1,300)	129

TABLE II

HEALTH AUTHORITY FINANCIAL SUMMARY
STATEMENT OF OPERATIONS
FOR THE YEAR
ENDED MARCH 31, 2002
(Thousands of dollars)

	NORTHWESTERN			ALBERTA MENTAL HEALTH BOARD			ALBERTA CANCER BOARD			HEALTH AUTHORITY TOTAL		
	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01
	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
REVENUE												
Alberta Health and Wellness contributions	16,854	16,825	15,486	219,382	220,818	203,578	132,948	133,481	117,592	4,148,684	4,169,939	3,646,757
Other government contributions	724	777	610	5,332	11,565	9,753	640	977	3,669	70,251	75,864	71,444
Fees and charges	300	383	334	2,686	2,739	2,948	2,119	2,470	1,737	291,055	300,606	281,128
Ancillary operations, net	-	(45)	(40)	(31)	(163)	(103)	172	201	150	15,105	14,581	14,715
Donations	8	3	8	20	52	29	1,710	2,831	1,687	9,882	12,246	10,597
Investment and other income	250	134	233	4,936	5,167	5,476	17,477	17,986	21,232	156,967	161,841	159,674
Amortization of external capital contributions	1,200	1,235	1,222	3,170	3,086	3,120	8,852	9,797	10,104	140,716	145,502	135,876
TOTAL REVENUE	19,336	19,312	17,853	235,495	243,264	224,801	163,918	167,743	156,171	4,832,660	4,880,579	4,320,191
EXPENSE												
Facility-based inpatient acute care services	4,474	4,289	4,251	56,443	57,964	53,127	11,410	11,318	10,129	1,255,224	1,267,239	1,044,446
Facility-based emergency and outpatient services	336	355	351	8,885	9,215	7,537	44,758	44,642	34,802	461,559	461,582	372,531
Facility-based continuing care services	1,275	1,523	1,426	16,257	17,266	15,600	-	-	-	568,174	574,365	519,243
Community & home-based services	2,696	2,581	2,221	84,999	91,264	72,781	16,049	16,189	13,598	394,568	395,129	330,095
Diagnostic & therapeutic services	2,257	2,346	2,292	17,236	18,781	17,359	42,212	44,116	37,426	887,603	887,545	797,826
Promotion, prevention and protection services	1,644	1,534	1,239	2,495	2,990	2,919	7,310	7,266	5,668	150,910	149,058	122,368
Research & education	134	127	116	750	1,046	675	19,290	19,070	19,110	110,747	104,502	102,926
Administration	1,430	1,412	1,406	14,851	14,604	12,654	5,026	5,443	4,696	198,291	187,894	174,090
Information technology and Wellnet	350	351	331	5,462	5,456	5,905	3,638	4,204	3,730	109,145	111,179	105,321
Support services	3,358	3,604	3,360	29,583	30,210	29,588	17,770	17,830	16,105	686,308	679,975	627,758
Amortization of facilities and improvements	900	876	860	1,679	1,905	1,807	3,755	3,935	4,906	85,184	82,183	83,725
Capital assets write down	-	-	-	-	-	-	-	-	-	-	688	-
TOTAL EXPENSE	18,854	18,998	17,853	238,640	250,701	219,952	171,218	174,013	150,170	4,907,713	4,901,339	4,280,329
Excess (deficiency) of revenue over expense	482	314	-	(3,145)	(7,437)	4,849	(7,300)	(6,270)	6,001	(75,053)	(20,760)	39,862

HEALTH AUTHORITY SUMMARY
STATEMENT OF FINANCIAL POSITION AND
STATEMENT OF CASH FLOWS FOR THE YEAR
ENDED MARCH 31, 2002
(Thousands of dollars)

TABLE III

	CHINOOK	PALLISER	HEADWATERS	CALGARY	HEALTH AUTHORITY 5	DAVID THOMPSON	EAST CENTRAL
ASSETS							
Cash and temporary investments	15,701	10,059	6,335	130,281	10,140	39,926	20,063
Accounts receivable	6,522	1,981	1,018	29,508	541	2,976	3,455
Contributions receivable	582	2,199	689	20,816	318	2,548	668
Inventories	1,696	735	727	14,429	603	2,899	532
Prepaid expenses	462	332	451	3,260	291	858	-
Current Assets	24,963	15,306	9,220	198,294	11,893	49,207	24,718
Non-current cash and investments	20,703	21,849	13,871	199,857	7,687	43,937	19,605
Capital assets	183,218	74,509	33,513	606,942	66,894	111,054	74,862
Other assets	8,643	6,958	376	18,198	-	23,553	-
TOTAL ASSETS	237,527	118,622	56,980	1,023,291	86,474	227,751	119,185
LIABILITIES, NET ASSETS AND ENDOWMENTS							
Accounts payable	13,830	9,841	4,577	101,337	7,034	16,731	10,530
Accrued vacation pay	8,733	5,066	2,679	50,893	3,063	9,764	4,803
Current deferred contributions	2,262	4,482	1,751	14,630	1,532	4,625	2,857
Current portion of long term debt	122	-	-	250	-	59	-
Current Liabilities	24,947	19,389	9,007	167,110	11,629	31,179	18,190
Non-current deferred contributions	7,732	6,958	-	35,130	-	24,716	1,012
Deferred capital contributions	8,450	-	13,116	165,733	602	42,340	18,593
Long-term debt	609	-	-	2	-	660	-
Unamortized external capital contributions	170,828	70,063	28,417	517,916	64,277	96,242	71,229
Other liabilities	58	-	-	15,040	-	-	-
TOTAL LIABILITIES	212,624	96,410	50,540	900,931	76,508	195,137	109,024
NET ASSETS AND ENDOWMENTS							
Unrestricted	144	2,641	-	16,396	2,712	1,499	6,528
Internally restricted	12,950	15,125	1,344	17,190	4,637	17,447	-
Investment in capital assets	11,659	4,446	5,096	88,774	2,617	13,668	3,633
Endowments	150	-	-	-	-	-	-
TOTAL NET ASSETS AND ENDOWMENTS	24,903	22,212	6,440	122,360	9,966	32,614	10,161
TOTAL LIABILITIES, NET ASSETS, ENDOWMENTS	237,527	118,622	56,980	1,023,291	86,474	227,751	119,185
CASH FLOWS							
Cash generated from (used by) operating activities	7,050	(248)	247	20,009	3,949	6,139	2,660
Cash generated from (used by) investing activities	(18,375)	(14,624)	(14,122)	(199,395)	(7,487)	(11,942)	(16,516)
Cash generated from (used by) financing activities	7,074	12,076	14,041	171,405	6,679	8,899	16,074
Increase (decrease) in cash and cash equivalent	(4,251)	(2,796)	166	(7,981)	3,141	3,096	2,218
Cash and cash equivalent, beginning of year	19,952	12,855	6,169	138,262	6,999	36,830	17,845
Cash and cash equivalent, end of year	15,701	10,059	6,335	130,281	10,140	39,926	20,063
Non-current cash and investments, end of year	20,703	21,849	13,871	199,857	7,687	43,937	19,605
Total cash, cash equivalent and non-current investments, end of year	36,404	31,908	20,206	330,138	17,827	83,863	39,668

HEALTH AUTHORITY SUMMARY
STATEMENT OF FINANCIAL POSITION AND
STATEMENT OF CASH FLOWS FOR THE YEAR
ENDED MARCH 31, 2002
(Thousands of dollars)

TABLE III

	WESTVIEW	CROSSROADS	CAPITAL HEALTH	ASPEN	LAKELAND	MISTAHIA	PEACE
ASSETS							
Cash and temporary investments	5,862	11,788	127,581	12,296	6,681	11,574	3,215
Accounts receivable	1,057	811	36,450	1,053	1,338	2,038	966
Contributions receivable	2,010	253	24,765	2,144	1,142	1,295	335
Inventories	571	869	10,377	579	772	668	177
Prepaid expenses	973	249	33,580	465	582	549	123
Current Assets	10,473	13,970	232,553	16,537	10,515	16,124	4,816
Non-current cash and investments	5,314	673	137,233	10,176	5,188	2,438	18,582
Capital assets	48,707	36,187	763,165	55,686	62,174	117,886	57,814
Other assets	2,689	374	106,715	-	-	1,583	232
TOTAL ASSETS	67,183	51,204	1,239,666	82,399	77,877	138,031	81,444
LIABILITIES, NET ASSETS AND ENDOWMENTS							
Accounts payable	6,844	6,029	111,152	4,840	7,301	9,206	2,995
Accrued vacation pay	2,265	2,192	50,298	3,605	4,159	4,879	1,713
Current deferred contributions	2,108	3,442	65,974	4,650	2,194	669	340
Current portion of long term debt	-	-	2,129	-	36	-	-
Current Liabilities	11,217	11,663	229,553	13,095	13,690	14,754	5,048
Non-current deferred contributions	7,276	-	46,363	-	-	-	155
Deferred capital contributions	727	673	176,217	2,464	964	3,579	17,199
Long-term debt	-	-	9,206	-	-	-	-
Unamortized external capital contributions	44,219	33,193	653,425	50,093	56,009	112,232	54,851
Other liabilities	-	-	13,421	-	-	-	-
TOTAL LIABILITIES	63,439	45,529	1,128,185	65,652	70,663	130,565	77,253
NET ASSETS AND ENDOWMENTS							
Unrestricted	(744)	2,351	2,431	2,355	1,085	1,713	-
Internally restricted	-	330	23,497	8,799	-	99	1,228
Investment in capital assets	4,488	2,994	85,553	5,593	6,129	5,654	2,963
Endowments	-	-	-	-	-	-	-
TOTAL NET ASSETS AND ENDOWMENTS	3,744	5,675	111,481	16,747	7,214	7,466	4,191
TOTAL LIABILITIES, NET ASSETS, ENDOWMENTS	67,183	51,204	1,239,666	82,399	77,877	138,031	81,444
CASH FLOWS							
Cash generated from (used by) operating activities	(317)	2,767	30,164	2,414	(1,999)	741	(1,057)
Cash generated from (used by) investing activities	(9,262)	(1,304)	(122,573)	(4,901)	(3,092)	(1,729)	(23,542)
Cash generated from (used by) financing activities	9,119	1,040	93,470	3,991	2,356	2,053	23,477
Increase (decrease) in cash and cash equivalent	(460)	2,503	1,061	1,504	(2,735)	1,065	(1,122)
Cash and cash equivalent, beginning of year	6,322	9,285	126,320	10,792	9,416	10,509	4,337
Cash and cash equivalent, end of year	5,862	11,788	127,381	12,296	6,681	11,574	3,215
Non-current cash and investments, end of year	5,314	673	137,233	10,176	5,188	2,438	18,582
Total cash, cash equivalent and non-current investments, end of year	11,176	12,461	264,614	22,472	11,869	14,012	21,797

HEALTH AUTHORITY SUMMARY
STATEMENT OF FINANCIAL POSITION AND
STATEMENT OF CASH FLOWS FOR THE YEAR
ENDED MARCH 31, 2002
(Thousands of dollars)

	KEEWEE TINOK	NORTHERN LIGHTS	NORTHWESTERN	ALBERTA MENTAL HEALTH BOARD	ALBERTA CANCER BOARD	HEALTH AUTHORITY TOTAL 2002	HEALTH AUTHORITY TOTAL 2001
ASSETS							
Cash and temporary investments	944	1,436	4,002	42,596	13,395	473,675	480,457
Accounts receivable	987	1,349	213	2,876	5,138	100,277	78,884
Contributions receivable	200	1,296	149	1,229	3,261	65,899	39,240
Inventories	302	379	174	849	4,334	41,672	38,839
Prepaid expenses	101	270	186	4,006	776	47,514	45,088
Current Assets	2,534	4,730	4,724	51,556	26,904	729,037	682,508
Non-current cash and investments	5,238	5,283	1,795	11,665	31,597	562,691	336,440
Capital assets	30,112	29,506	24,677	97,863	133,689	2,608,458	2,490,310
Other assets	522	1,432	15,854	40,405	-	227,534	136,616
TOTAL ASSETS	38,406	40,951	47,050	201,489	192,190	4,127,720	3,645,874
LIABILITIES, NET ASSETS AND ENDOWMENTS							
Accounts payable	1,111	3,141	899	20,298	19,719	357,415	302,204
Accrued vacation pay	1,093	1,473	576	8,995	3,900	170,149	145,305
Current deferred contributions	701	224	494	5,263	15,621	133,819	117,873
Current portion of long term debt	-	-	-	-	-	2,596	3,056
Current Liabilities	2,905	4,838	1,969	34,556	39,240	663,979	568,438
Non-current deferred contributions	-	8	-	-	-	129,350	60,499
Deferred capital contributions	1,217	6,447	17,649	47,987	11,067	535,024	295,373
Long-term debt	-	-	-	-	-	10,477	13,844
Unamortized external capital contributions	26,734	27,800	22,622	88,345	118,813	2,307,308	2,210,599
Other liabilities	-	-	-	-	-	28,519	22,301
TOTAL LIABILITIES	30,856	39,093	42,240	170,888	169,120	3,674,657	3,171,054
NET ASSETS AND ENDOWMENTS							
Unrestricted	3,071	152	-	2,725	2,975	48,034	105,393
Internally restricted	1,101	-	2,755	18,358	5,219	130,079	116,516
Investment in capital assets	3,378	1,706	2,055	9,518	14,876	274,800	252,761
Endowments	-	-	-	-	-	150	150
TOTAL NET ASSETS AND ENDOWMENTS	7,550	1,858	4,810	30,601	23,070	453,063	474,820
TOTAL LIABILITIES, NET ASSETS, ENDOWMENTS	38,406	40,951	47,050	201,489	192,190	4,127,720	3,645,874
CASH FLOWS							
Cash generated from (used by) operating activities	(675)	(1,823)	660	(4,743)	10,036	75,974	169,173
Cash generated from (used by) investing activities	(363)	(5,826)	(7,119)	(36,640)	(22,194)	(521,006)	(419,001)
Cash generated from (used by) financing activities	396	5,463	6,742	38,998	14,897	438,250	295,554
Increase (decrease) in cash and cash equivalent	(642)	(2,186)	283	(2,385)	2,739	(6,782)	45,726
Cash and cash equivalent, beginning of year	1,586	3,622	3,719	44,981	10,656	480,457	434,731
Cash and cash equivalent, end of year	944	1,436	4,002	42,596	13,395	473,675	480,457
Non-current cash and investments, end of year	5,238	5,283	1,795	11,665	31,597	562,691	336,440
Total cash, cash equivalent and non-current investments, end of year	6,182	6,719	5,797	54,261	44,992	1,036,366	816,897

**HEALTH AUTHORITY FINANCIAL SUMMARY
SCHEDULE OF EXPENSES BY OBJECT FOR THE YEAR
ENDED MARCH 31, 2002
(Thousands of dollars)**

	CHINOOK			PALLISER			HEADWATERS			CALGARY		
	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01
	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
Salaries, honoraria, benefits, allowances and severance	130,848	130,206	111,587	77,118	76,690	67,469	41,252	41,773	36,638	758,517	751,051	630,672
Contracts with health service operators	29,046	30,102	25,160	20,083	19,720	15,583	11,468	11,447	10,519	274,229	286,546	258,204
Contracts under the Health Care Protection Act	-	-	-	-	-	-	75	77	43	4,976	5,200	3,070
Drugs, gases, medical and surgical supplies	9,162	9,680	9,114	5,764	5,872	5,561	2,334	2,316	2,156	126,106	125,983	110,406
Other contracted services	13,121	15,030	8,683	5,662	5,912	2,850	3,228	3,782	2,369	104,705	119,638	86,667
Interest on long-term debt	65	43	33	-	-	-	-	-	-	-	-	-
Other	29,204	29,759	29,214	15,114	17,006	14,974	12,544	12,380	12,740	156,746	135,362	140,771
Amortization:												
Capital equipment - internally funded	2,746	2,360	1,648	1,661	1,217	1,433	710	535	512	13,600	13,353	11,965
Capital equipment - externally funded	2,170	2,593	1,719	762	1,496	762	516	440	295	19,042	18,854	17,172
Facilities and Improvements	6,924	7,390	6,718	3,232	3,342	3,232	1,927	1,982	1,998	17,228	18,005	18,874
Capital assets write down - equipment	-	-	-	-	-	-	-	-	220	-	-	-
Capital assets write down - facilities and improvements	-	-	-	-	-	-	-	-	-	-	-	-
Less amounts reported in ancillary operations	223,286	227,163	193,876	129,396	131,255	111,864	74,054	74,732	67,490	1,475,149	1,473,992	1,277,801
	(1,054)	(1,201)	(969)	(1,000)	(1,072)	(981)	(288)	(424)	(419)	(13,302)	(14,252)	(13,110)
TOTAL EXPENSES	222,232	225,962	192,907	128,396	130,183	110,883	73,766	74,308	67,071	1,461,847	1,459,740	1,264,691

**HEALTH AUTHORITY FINANCIAL SUMMARY
SCHEDULE OF EXPENSES BY OBJECT FOR THE YEAR
ENDED MARCH 31, 2002
(Thousands of dollars)**

	REGIONAL HEALTH AUTHORITY 5			DAVID THOMPSON			EAST CENTRAL			WESTVIEW		
	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01
	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
Salaries, honoraria, benefits, allowances and severance	40,334	38,832	32,998	159,362	160,258	135,700	64,869	65,220	59,340	39,503	39,263	31,568
Contracts with health service operators	1,412	1,462	1,298	10,067	10,394	9,391	59,086	59,507	54,163	9,507	9,928	8,405
Contracts under the Health Care Protection Act	-	-	-	-	-	-	-	-	-	-	-	-
Drugs, gases, medical and surgical supplies	1,672	1,984	1,661	11,930	11,978	10,653	2,108	2,471	2,552	2,209	2,483	2,238
Other contracted services	1,919	1,732	1,148	13,755	13,724	8,762	3,054	3,270	1,207	2,215	2,243	1,204
Interest on long-term debt	-	-	-	45	44	103	-	-	-	-	-	-
Other	11,308	12,235	10,865	30,535	29,732	28,375	20,389	16,474	16,492	11,517	12,289	10,554
Amortization:												
Capital equipment - internally funded	594	462	564	1,685	1,628	1,813	397	608	386	716	743	716
Capital equipment - externally funded	403	593	336	2,308	2,392	1,994	750	770	744	589	790	589
Facilities and Improvements	1,634	1,458	1,328	4,726	4,660	4,501	3,243	3,069	3,154	1,452	1,419	1,540
Capital assets write down - equipment	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets write down - facilities and improvements	-	-	-	-	-	-	-	-	-	-	688	-
	59,276	58,758	50,198	234,413	234,810	201,292	153,896	151,389	138,038	67,708	69,846	56,814
Less amounts reported in ancillary operations	(180)	(190)	(215)	(2,000)	(2,212)	(2,164)	(741)	(872)	(852)	(547)	(560)	(667)
TOTAL EXPENSES	59,096	58,568	49,983	232,413	232,598	199,128	153,155	150,517	137,186	67,161	69,286	56,147

HEALTH AUTHORITY FINANCIAL SUMMARY
 SCHEDULE OF EXPENSES BY OBJECT FOR THE YEAR
 ENDED MARCH 31, 2002
 (Thousands of dollars)

	CROSSROADS			CAPITAL HEALTH			ASPEN			LAKELAND		
	2001/02 BUDGET	2001/02 ACTUAL	2000/01 ACTUAL	2001/02 BUDGET	2001/02 ACTUAL	2000/01 ACTUAL	2001/02 BUDGET	2001/02 ACTUAL	2000/01 ACTUAL	2001/02 BUDGET	2001/02 ACTUAL	2000/01 ACTUAL
Salaries, honoraria, benefits, allowances and severance	33,700	33,444	29,482	732,279	724,966	636,966	51,472	51,452	42,996	65,523	66,218	59,087
Contracts with health service operators	1,041	1,041	852	433,142	432,864	373,071	6,315	6,365	5,600	35,851	36,038	33,459
Contracts under the Health Care Protection Act	-	-	-	3,200	3,075	1,524	-	-	-	-	-	-
Drugs, gases, medical and surgical supplies	2,069	2,035	1,998	129,839	122,372	108,272	2,478	2,604	2,327	2,947	3,289	2,962
Other contracted services	2,115	2,264	1,551	109,282	101,301	69,228	2,278	2,278	1,162	4,501	4,518	1,995
Interest on long-term debt	-	-	-	-	-	-	-	-	-	8	8	22
Other	9,302	9,900	10,893	168,746	154,636	175,928	12,960	14,348	13,151	18,822	17,500	19,211
Amortization:												
Capital equipment - internally funded	340	321	337	11,500	17,269	9,867	732	891	732	775	899	856
Capital equipment - externally funded	568	624	735	18,390	22,834	18,280	823	804	776	895	885	732
Facilities and Improvements	1,949	1,930	1,950	20,000	22,476	21,655	1,883	1,954	1,862	2,852	2,858	3,255
Capital assets write down - equipment	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets write down - facilities and improvements	-	-	-	-	-	-	-	-	-	-	-	-
Less amounts reported in ancillary operations	51,084	(1,189)	(1,197)	1,626,378	(24,797)	(27,495)	78,941	(456)	(485)	132,174	(450)	(462)
	(495)	(1,189)	(1,197)	(24,797)	(29,103)	(27,495)	(456)	(469)	(485)	(450)	(450)	(462)
TOTAL EXPENSES	50,589	50,370	46,601	1,601,581	1,572,690	1,387,296	78,485	80,227	68,121	131,724	131,763	121,117

**HEALTH AUTHORITY FINANCIAL SUMMARY
SCHEDULE OF EXPENSES BY OBJECT FOR THE YEAR
ENDED MARCH 31, 2002
(Thousands of dollars)**

	MISTAHLIA			PEACE			KEEWEETINOK LAKES			NORTHERN LIGHTS		
	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01
	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
Salaries, honoraria, benefits, allowances and severance	73,336	72,954	63,972	21,807	24,103	18,704	17,264	17,195	15,123	27,500	28,294	23,654
Contracts with health service operators	3,235	3,308	3,067	-	-	-	-	-	-	2,579	2,812	2,289
Contracts under the Health Care Protection Act	-	-	-	-	-	-	-	-	-	-	-	-
Drugs, gases, medical and surgical supplies	4,141	5,655	4,903	979	1,271	986	1,177	1,128	1,143	1,302	1,563	1,316
Other contracted services	7,600	7,421	4,368	1,328	1,870	792	910	1,154	765	1,906	2,636	1,516
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Other	21,144	20,781	19,667	7,655	6,393	5,854	7,224	7,244	6,881	5,670	5,733	5,373
Amortization:												
Capital equipment - internally funded	678	800	701	440	485	433	951	831	988	172	126	116
Capital equipment - externally funded	1,337	1,601	1,337	838	842	533	283	325	227	730	623	574
Facilities and Improvements	4,788	3,764	4,788	1,014	888	751	925	863	864	1,883	1,422	1,850
Capital assets write down - equipment	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets write down - facilities and improvements	-	-	-	-	-	-	-	-	-	-	-	-
	116,259	116,284	102,803	34,061	35,852	28,053	28,734	28,740	25,991	41,742	43,209	36,688
Less amounts reported in ancillary operations	-	(98)	(95)	(339)	(339)	(278)	(1,492)	(1,700)	(1,547)	(409)	(533)	(392)
TOTAL EXPENSES	116,259	116,186	102,708	33,722	35,513	27,775	27,242	27,040	24,444	41,333	42,676	36,296

HEALTH AUTHORITY SUMMARY OF
OTHER FINANCIAL INFORMATION FOR THE YEAR
ENDED MARCH 31, 2002
(Thousands of dollars)

	CHINOOK	PALLISER	HEADWATERS	CALGARY	HEALTH AUTHORITY	DAVID THOMPSON	EAST CENTRAL
	(0.06%)	(1.09%)	(1.30%)	(0.02%)	1.98%	(1.30%)	(1.07%)
	4.6%	4.1%	5.7%	3.5%	5.5%	4.5%	6.4%
	24,963	15,306	9,220	198,294	11,893	49,207	24,718
	24,947	19,389	9,007	167,110	11,629	31,179	18,190
	1.00	0.79	1.02	1.19	1.02	1.58	1.36
	86.3%	81.9%	79.6%	85.6%	88.3%	85.8%	85.0%
	3.5	4.0	6.0	4.3	7.0	5.6	4.6
	4,833	58	310	10,244	468	2,742	473
	-	-	7	8,101	-	-	-
	4,833	58	317	18,345	468	2,742	473
	3,613	5,041	1,980	26,738	4,345	3,843	2,618
	683	(65)	233	43,281	10,705	5,267	-
	-	-	-	-	-	-	-
	4,296	4,976	2,213	70,019	15,050	9,110	2,618
	9,129	5,034	2,530	88,364	15,518	11,852	3,091
	2,367	1,466	781	13,340	825	3,069	1,354

I. SURPLUS/(DEFICIT) AS A % OF TOTAL REVENUE

II. ADMINISTRATION COST AS A %
OF TOTAL EXPENSES

excludes information technology and Wellnet

III. WORKING CAPITAL

Current Assets
Current Liabilities
WORKING CAPITAL RATIO

IV. ALBERTA HEALTH AND WELLNESS
FUNDING COVERAGE RATIO

V. AVERAGE REMAINING USEFUL LIFE
OF CAPITAL EQUIPMENT IN YEARS

VI. CAPITAL INVESTMENTS DURING THE YEAR

Funded from internal resources
Equipment
Facilities and Improvements

Funded by external parties
Equipment
Facilities and Improvements
Land

Total capital investments during the year

VII. TOTAL FTEs (excludes Board)

**HEALTH AUTHORITY SUMMARY OF
OTHER FINANCIAL INFORMATION FOR THE YEAR
ENDED MARCH 31, 2002
(Thousands of dollars)**

	WESTVIEW	CROSSROADS	CAPITAL HEALTH	ASPEN	LAKELAND	MISTAHIA	PEACE
	(4.90%)	1.18%	0.75%	(1.09%)	(2.96%)	(1.30%)	(5.46%)
	6.6%	6.0%	2.5%	5.3%	4.3%	6.6%	5.8%
	10,473	13,970	232,553	16,537	10,515	16,124	4,816
	11,217	11,663	229,553	13,095	13,690	14,754	5,048
	0.93	1.20	1.01	1.26	0.77	1.09	0.95
	79.4%	86.9%	86.2%	82.0%	81.4%	82.9%	81.7%
	3.7	3.2	3.0	3.9	4.3	5.0	5.2
	171	143	39,566	946	626	712	899
	-	-	-	168	-	396	-
	171	143	39,566	1,114	626	1,108	899
	930	1,040	7,208	1,682	1,855	2,517	2,510
	1,693	-	35,548	1,527	1,723	4,908	8,043
	-	-	-	-	-	-	-
	2,623	1,040	42,756	3,209	3,578	7,425	10,553
	2,794	1,183	82,322	4,323	4,204	8,533	11,452
	755	681	12,754	1,054	1,291	1,405	448

I. SURPLUS/(DEFICIT) AS A % OF TOTAL REVENUE

II. ADMINISTRATION COST AS A % OF TOTAL EXPENSES

excludes information technology and Wellnet

III. WORKING CAPITAL

Current Assets

Current Liabilities

WORKING CAPITAL RATIO

IV. ALBERTA HEALTH AND WELLNESS FUNDING COVERAGE RATIO

V. AVERAGE REMAINING USEFUL LIFE OF CAPITAL EQUIPMENT IN YEARS

VI. CAPITAL INVESTMENTS DURING THE YEAR

Funded from internal resources

Equipment

Facilities and Improvements

Funded by external parties

Equipment

Facilities and Improvements

Land

Total capital investments during the year

VII. TOTAL FTEs (excludes Board)

HEALTH AUTHORITY SUMMARY OF
OTHER FINANCIAL INFORMATION FOR THE YEAR
ENDED MARCH 31, 2002
(Thousands of dollars)

KEEWETINOK LAKES	NORTHERN LIGHTS	NORTHWESTERN	ALBERTA MENTAL HEALTH BOARD	ALBERTA CANCER BOARD	HEALTH AUTHORITY TOTAL 2002	HEALTH AUTHORITY TOTAL 2001
(4.60%)	(3.14%)	1.63%	(3.06%)	(3.74%)	(0.43%)	0.92%
6.8%	8.1%	7.4%	5.8%	3.1%	3.8%	4.1%
2,534	4,730	4,724	51,556	26,904	729,037	682,508
2,905	4,838	1,969	34,556	39,240	663,979	568,438
0.87	0.98	2.40	1.49	0.69	1.10	1.20
81.7%	80.5%	88.6%	88.1%	76.7%	85.1%	85.2%
3.9	4.1	3.0	2.7	6.1	3.9	4.6
1,108	395	384	1,313	4,320	69,711	74,485
-	-	-	36	-	8,708	2,305
1,108	395	384	1,349	4,320	78,419	76,790
1,109	1,290	7,427	481	8,933	85,160	70,357
-	408	-	37,417	6,343	157,714	100,105
1,109	1,698	7,427	-	-	-	30
2,217	2,093	7,811	37,898	15,276	242,874	170,492
			39,247	19,596	321,293	247,282
323	503	260	2,718	1,172	46,566	44,103

I. SURPLUS/(DEFICIT) AS A % OF TOTAL REVENUE

II. ADMINISTRATION COST AS A %
OF TOTAL EXPENSES

excludes information technology and Wellnet

III. WORKING CAPITAL

Current Assets

Current Liabilities

WORKING CAPITAL RATIO

IV. ALBERTA HEALTH AND WELLNESS
FUNDING COVERAGE RATIO

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OF CAPITAL EQUIPMENT IN YEARS

VI. CAPITAL INVESTMENTS DURING THE YEAR

Funded from internal resources

Equipment

Facilities and Improvements

Funded by external parties

Equipment

Facilities and Improvements

Land

Total capital investments during the year

VII. TOTAL FTEs (excludes Board)

Alphabetical List of Government Entities' Financial Statements in Ministry 2001/2002 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency

Agriculture Financial Services Corporation
 Alberta Alcohol and Drug Abuse Commission
 Alberta Dairy Control Board
 Alberta Energy and Utilities Board
 Alberta Foundation for the Arts
 Alberta Gaming and Liquor Commission
 Alberta Government Telephones Commission, The
 Alberta Heritage Foundation for Medical Research Endowment Fund
 Alberta Heritage Savings Trust Fund
 Alberta Heritage Scholarship Fund
 Alberta Heritage Science and Engineering Research Endowment Fund
 Alberta Historical Resources Foundation, The
 Alberta Insurance Council
 Alberta Municipal Financing Corporation
 Alberta Opportunity Company
 Alberta Pensions Administration Corporation
 Alberta Petroleum Marketing Commission
 Alberta Research Council Inc.
 Alberta Risk Management Fund
 Alberta School Foundation Fund
 Alberta Science and Research Authority
 Alberta Securities Commission
 Alberta Social Housing Corporation
 Alberta Sport, Recreation, Parks and Wildlife Foundation
 Alberta Treasury Branches
 ATB Investment Services Inc.
 Child and Family Services Authorities:
 Awasak Child and Family Services Authority
 Calgary Rocky View Child and Family Services Authority
 Child and Family Services Authority Region 13
 Child and Family Services Authority Region 14
 Diamond Willow Child and Family Services Authority
 Hearthstone Child and Family Services Authority
 Keystone Child and Family Services Authority
 Ma' Mowe Capital Region Child and Family Services Authority
 Metis Settlements Child and Family Services Authority
 Neegan Awas'sak Child and Family Services Authority
 Ribstone Child and Family Services Authority
 Sakaigun Asky Child and Family Services Authority
 Sakaw-Askiy Child and Family Services Authority
 Silver Birch Child and Family Services Authority
 Southeast Alberta Child and Family Services Authority
 Sun Country Child and Family Services Authority
 West Yellowhead Child and Family Services Authority
 Windsong Child and Family Services Authority

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Agriculture, Food and Rural Development
 Health and Wellness
 Agriculture, Food and Rural Development
 Energy
 Community Development
 Gaming
 Finance
 Revenue
 Revenue
 Revenue
 Revenue
 Community Development
 Finance
 Finance
 Agriculture, Food and Rural Development
 Finance
 Energy
 Innovation and Science
 Revenue
 Learning
 Innovation and Science
 Revenue
 Seniors
 Community Development
 Finance
 Finance
 Children's Services

Ministry, Department, Fund or Agency

Credit Union Deposit Guarantee Corporation
Crop Reinsurance Fund of Alberta
Ministry, Department, Fund or Agency
Department of Agriculture, Food and Rural Development
Department of Children's Services
Department of Community Development
Department of Energy
Department of Finance
Department of Gaming
Department of Health and Wellness
Department of Innovation and Science
Department of Learning
Department of Revenue
Department of Seniors
Department of Solicitor General
Department of Sustainable Resource Development
Environmental Protection and Enhancement Fund
Gainers Inc. Finance
Government House Foundation, The
Historic Resources Fund
Human Rights, Citizenship and Multiculturalism Education Fund
iCore Inc.
Lottery Fund
Ministry of Aboriginal Affairs and Northern Development¹
Ministry of Agriculture, Food and Rural Development
Ministry of Children's Services
Ministry of Community Development
Ministry of Economic Development¹
Ministry of Energy
Ministry of Environment¹
Ministry of Finance
Ministry of Executive Council¹
Ministry of Gaming
Ministry of Government Services¹
Ministry of Health and Wellness
Ministry of Human Resources and Employment¹
Ministry of Infrastructure¹
Ministry of Innovation and Science
Ministry of International and Intergovernmental Relations¹
Ministry of Justice¹
Ministry of Learning
Ministry of Municipal Affairs¹
Ministry of Revenue
Ministry of Seniors
Ministry of Solicitor General
Ministry of Sustainable Resource Development
Ministry of Transportation¹
N.A. Properties (1994) Ltd.
Natural Resources Conservation Board

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Solicitor General
Sustainable Resource Development
Sustainable Resource Development

Community Development
Community Development
Community Development
Innovation and Science
Gaming
Aboriginal Affairs and Northern Development
Agriculture, Food and Rural Development
Children's Services
Community Development
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Sustainable Resource Development

