

Financial Statements of



NISGA'A VALLEY HEALTH AUTHORITY

And Independent Auditor's Report thereon

Year ended March 31, 2023



NISGA'A VALLEY HEALTH AUTHORITY

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STATEMENT OF MANAGEMENT RESPONSIBILITY

The financial statements of Nisga'a Valley Health Authority (the "Authority") for the year ended March 31, 2023 have been prepared by management in accordance with Canadian public sector accounting standards ("PSAS") issued by the Public Sector Accounting Board ("PSAB"), as required by Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia and in regard to the accounting for restricted contributions which is based on the Restricted Contributions Regulation 198/2011. The integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

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

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board of Directors meets with management regularly. The external auditors, KPMG LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. Their examination considers internal control relevant to management's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purposes of expressing an opinion on the effectiveness of the Authority's internal control. The external auditors have full and free access to the Board of Directors and the option to meet with it on a regular basis.

On behalf of Nisga'a Valley Health Authority

Corinne McKay
Chief Executive Officer
Date



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Nisga'a Valley Health Authority

Qualified Opinion

We have audited the financial statements of Nisga'a Valley Health Authority (the Entity), which comprise:

- the statement of financial position as at March 31, 2023
- the statement of earnings for the year then ended
- the statement of changes in net (debt) financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" section of our auditor's report, the accompanying financial statements as at and for the year ended March 31, 2023 of the Entity are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Qualified Opinion

The Entity was required to adopt the new *PS3280 Asset Retirement Obligations* standard beginning on or after April 1, 2022. The Entity did not adopt this standard.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the tangible capital assets as at March 31, 2023 and April 1, 2022
- the asset retirement obligation as at March 31, 2023 and April 1, 2022
- the amortization expense and annual surplus reported in the statement of earnings for the year ended March 31, 2023
- the accumulated surplus at the beginning and end of the year reported in the statement of net financial assets for the year ended March 31, 2023

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.



We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis of Matter - Basis of Preparation

We draw attention to Note 1(a) to the financial statements, which describes the basis of accounting and significant differences between such basis of accounting and Canadian public accounting standards.

Our opinion is not modified in respect to this matter.

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

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by Section 117(1)(b) of the Societies Act (British Columbia), we are required to state:

- whether, in our opinion, these financial statements fairly reflect, in all material respects, for the period under review, the financial position of the Entity and the results of its operations. In accordance with Canadian generally accepted auditing standards, because the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia are not considered a fair presentation financial reporting framework, our opinion stated above cannot contain this statement.
- whether, in our opinion, these financial statements are prepared in accordance with generally accepted accounting principles. These financial statements were prepared in accordance the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. Note 1(a) to the financial statements describes the significant differences between such basis of accounting and Canadian public sector accounting standards. As a result, our opinion stated above refers to the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia and not to generally accepted accounting principles.



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- whether these financial statements are prepared on a basis consistent with the basis on which the financial statements that related to the preceding period were prepared. We report that, in our opinion, the significant accounting policies applied in preparing these financial statements have been applied on a basis consistent with that of the preceding year.

KPMG LLP

Chartered Professional Accountants

Prince George, Canada

September 29, 2023



NISGA'A VALLEY HEALTH AUTHORITY

Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
Financial assets		
Cash	\$ 1,338,665	\$ 5,027,691
Accounts receivable (note 2)	608,032	120,461
Sales tax receivable	765,979	454,967
	<u>2,712,676</u>	<u>5,603,119</u>
Financial liabilities		
Accounts payable and accrued liabilities	402,059	475,638
Accrued payroll expenses (note 3)	708,838	490,251
Deferred operating contributions (note 4)	1,256,519	1,133,631
Deferred capital contributions (note 5)	757,273	794,051
	<u>3,124,689</u>	<u>2,893,571</u>
Net (debt) financial assets	<u>(412,013)</u>	<u>2,709,548</u>
Non-financial assets		
Tangible capital assets (note 6)	2,343,654	2,281,916
Prepaid expenses	92,586	34,137
	<u>2,436,240</u>	<u>2,316,053</u>
Contingencies (note 10)		
Accumulated surplus (note 8)	<u>\$ 2,024,227</u>	<u>\$ 5,025,601</u>

See accompanying notes to financial statements.

On behalf of the Board:



NISGA'A VALLEY HEALTH AUTHORITY

Statement of Earnings

Year ended March 31, 2023, with comparative information for 2022

	2023 Budget	2023 Actual	2022 Actual
Revenues (note 7):			
Administration	\$ 2,626,800	\$ 3,293,074	\$ 3,490,166
Community home care support	544,000	1,063,237	655,507
Cultural community health	428,000	410,820	578,471
Mental health	1,400,000	3,534,980	1,549,544
Non-insured health benefits	9,508,000	9,871,182	9,530,453
Primary care	4,820,970	6,718,513	4,345,111
Family wellness	568,000	622,116	520,156
	<u>19,895,770</u>	<u>25,513,922</u>	<u>20,669,408</u>
Expenses (note 7):			
Administration	2,626,800	4,194,117	3,664,120
Community home care support	544,000	1,312,043	571,202
Cultural community health	428,000	499,368	596,922
Mental health	1,400,000	2,598,736	1,433,221
Non-insured health benefits	9,508,000	11,841,403	11,652,275
Primary care	4,820,970	7,977,639	5,435,758
Family wellness	568,000	91,991	82,112
	<u>19,895,770</u>	<u>28,515,297</u>	<u>23,435,610</u>
Annual deficit	-	(3,001,375)	(2,766,202)
Accumulated surplus, end of year	5,025,601	5,025,601	7,791,803
Accumulated surplus, end of year	<u>\$ 5,025,601</u>	<u>\$ 2,024,226</u>	<u>\$ 5,025,601</u>

See accompanying notes to financial statements.



NISGA'A VALLEY HEALTH AUTHORITY

Statement of Changes in Net (Debt) Financial Assets

Year ended March 31, 2023, with comparative information for 2022

	Budget	2023	2022
Annual deficit	\$ -	\$ (3,001,375)	\$ (2,766,202)
Acquisition of tangible capital assets	-	(464,108)	(446,382)
Amortization of tangible capital assets	-	402,370	357,396
Change of prepaid expenses	-	(58,449)	-
Decrease in net financial assets	-	(3,121,562)	(2,855,188)
Net financial assets, beginning of year	2,709,548	2,709,548	5,564,736
Net financial assets (debt), end of year	\$ 2,709,548	\$ (412,014)	\$ 2,709,548

See accompanying notes to financial statements.



NISGA'A VALLEY HEALTH AUTHORITY

Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operations:		
Annual deficit	\$ (3,001,375)	\$ (2,766,202)
Items not involving cash:		
Amortization of tangible capital assets	402,370	357,396
Amortization of deferred capital contributions	(36,778)	(112,790)
	<u>(2,635,783)</u>	<u>(2,521,596)</u>
Changes in non-cash operating working capital:		
Accounts receivable	(487,571)	754,970
Sales tax receivable	(311,012)	(142,854)
Accounts payable and accrued liabilities	(73,578)	82,736
Prepaid expenses	(58,449)	-
Accrued payroll expenses	218,587	10,505
Deferred operating contributions	122,888	(498,125)
	<u>(3,224,918)</u>	<u>(2,314,364)</u>
Capital activities:		
Purchase of tangible capital assets	(464,108)	(446,382)
Deferred capital contributions	-	118,000
	<u>(464,108)</u>	<u>(328,382)</u>
Decrease in cash	(3,689,026)	(2,642,746)
Cash, beginning of year	5,027,691	7,670,437
Cash, end of year	<u>\$ 1,338,665</u>	<u>\$ 5,027,691</u>

See accompanying notes to financial statements.



NISGA'A VALLEY HEALTH AUTHORITY

Notes to Financial Statements

Year ended March 31, 2023

Nature of operations:

Nisga'a Valley Health Authority (the "Authority") was incorporated under the Societies Act (British Columbia), to manage the delivery of health care services for the Nisga'a Nation and for the residents of the Nass Valley, British Columbia.

Nisga'a Valley Health Authority is dependent on the Nisga'a Lisims Government (the "NLG") and the Ministry of Health (the "Ministry") to provide sufficient funds to continue operations, replace essential equipment and complete its capital projects. The Authority is a registered charity under the Income Tax Act and as such, is exempt from income taxes.

The COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Authority is not known at this time. These impacts could continue to include potential future increases in expenses although the Authority expects they will be reimbursed for the additional costs incurred.

1. Significant accounting policies:

(a) Basis of accounting:

The financial statements are prepared by management in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board ("the framework").

The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards ("PSAS") issued by the Canadian Public Sector Accounting Board ("PSAB") without any PSAS 4200 series.



NISGA'A VALLEY HEALTH AUTHORITY

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

Basis of accounting (continued):

Regulation 198/2011 requires that restricted contributions received or receivable are to be reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors as follows:

- i. Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are recorded and, referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services.

If the depreciable tangible capital asset funded by a deferred contribution is written down, a proportionate share of the deferred capital contribution is recognized as revenue during the same period.

- ii. Contributions externally restricted for specific purposes other than those for the acquisition or development of a depreciable tangible capital asset are recorded as deferred contributions and recognized in revenue in the year in which the stipulation or restriction on the contributions have been met.

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.



NISGA'A VALLEY HEALTH AUTHORITY

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

Basis of accounting (continued):

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires that:

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410;
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100; and
- deferred contributions meet liability criteria in accordance with PS3260, Liabilities.

As a result, revenue recognized in the statement of operations and certain related deferred capital contributions would be recorded differently under PSAS.

(b) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Costs include overhead directly attributable to construction and development. Interest is capitalized over the development period whenever external debt is issued to finance the construction and development of tangible capital assets.



NISGA'A VALLEY HEALTH AUTHORITY

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(b) Tangible capital assets (continued):

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Rate
Buildings	20 - 30 years
Equipment	3 - 10 years
Computer	4 years

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

Tangible capital assets are written-down when conditions indicate that they no longer contribute to the Authority's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The write-downs of tangible capital assets are recorded in the statement of operations. Write downs are not subsequently reversed.

Contributed tangible capital assets are recorded at their fair value on the date of contribution. When fair value of a contributed asset cannot be reliably determined, the asset is recorded at nominal value.



NISGA'A VALLEY HEALTH AUTHORITY

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(c) Employee benefits:

i. Defined benefit obligations, including multiple employer benefit plans:

Liabilities, net of plan assets, are recorded for employee retirement allowance benefits and multiple employer defined long-term disability benefits plans as employees render services to earn the benefits.

The actuarial determination of the accrued benefit obligations uses the projected benefit method prorated on service (which incorporates management's best estimate of future salary levels, other cost escalation, retirement ages of employees and other actuarial factors). Plan assets are measured at fair value.

The cumulative unrecognized actuarial gains and losses for retirement allowance benefits are amortized over the expected average remaining service lifetime of active employees covered under the plan. The expected average remaining service period of the active covered employees entitled to retirement allowance benefits is 10 years. The cost of plan amendment or the crediting of past service is accounted for entirely in the year that the plan change is implemented. Actuarial gains and losses from event-driven benefits such as long-term disability benefits that do not vest or accumulate are recognized immediately.

The discount rate used to measure an obligation is based on the Province of BC's cost of borrowing if there are plan assets. The expected rate of return on plan assets is the discount rate used if there are no plan assets. The cost of a plan amendment or the crediting of past service is accounted for entirely in the year that the plan is implemented.

ii. Defined contribution plan and multi employer benefit plans and, accordingly, contributions are expenses when due and payable.



NISGA'A VALLEY HEALTH AUTHORITY

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(c) Employee benefits (continued):

iii. Accumulating, non-vesting benefit plans:

Benefits that accrued to employees, which do not vest, such as sick leave banks for certain employee groups, are accrued as the employees render services to earn the benefits, based on estimates of the expected future cash flows.

iv. Non-accumulating, non-vesting benefit plans:

For benefits that do not vest or accumulate, a liability is recognized when an event that obligates the Authority to pay benefits occurs.

(d) Revenue recognition:

The Authority is funded primarily under the Hospital Insurance Act and Regulation and by the Province of British Columbia in accordance with budget management plans and performance agreements established and approved by the Ministry and by the Nisga'a Lisims Government.

Revenues are recognized on an accrual basis in the period in which the transactions or events occur that give rise to the revenues, the amounts are considered to be collectible and can be reasonably estimated.

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



NISGA'A VALLEY HEALTH AUTHORITY

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(d) Revenue recognition (continued):

Under the framework described in Note 1(a), externally restricted contributions are recognized as revenue depending on the nature of the restrictions on the use of the funds by the contributors as follows:

- i. Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or in the form of a depreciable tangible capital asset, in each case for use in providing services, are considered to be deferred capital contributions and are amortized to revenue at the same rate as the amortization of the associated tangible capital asset. The amortization of the deferred capital contributions is recognized over the period in which the tangible capital asset is providing services. If the depreciable tangible capital asset funded by a deferred capital contribution is written down, a proportionate share of the deferred capital contribution is recognized as revenue during the same period.
- ii. Contributions externally restricted for specific purposes other than for the acquisition or development of a depreciable tangible capital asset are recorded as deferred operating contributions and recognized in revenue in the year in which the stipulation or restriction on the contribution have been met by the Authority.

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

Contributions of assets, supplies and services that would otherwise have been purchased are recorded at fair value at the date of contribution, provided a fair value can be reasonably determined.

Contributions for the acquisition of land, or the contribution of land, are recorded as revenue in the period of acquisition or transfer of title.



NISGA'A VALLEY HEALTH AUTHORITY

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(e) Measurement uncertainty:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Significant areas requiring the use of estimates include the estimated useful lives of tangible capital assets, contingent liabilities, accrued liabilities, fair value of designated financial instruments, including the future costs to settle employee benefit obligations.

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

(f) Financial instruments:

Financial instrument classification is determined upon inception and financial instruments are not reclassified into another measurement category for the duration of the period they are held.

Financial assets and financial liabilities, equity instruments quoted in an active market and financial instruments designated at fair value, are measured at cost or amortized cost upon their inception and subsequent to initial recognition. Cash and cash equivalents are measured at cost. Accounts receivable are recorded at cost less any amount for valuation allowance. Portfolio investments, other than equity investments quoted in an active market, are reported at cost or amortized cost less any write-downs associated with a loss in value that is other than a temporary decline. Debt and other financial liabilities are recorded using cost or amortized cost.

Interest and dividends attributable to financial instruments are reported in the statement of operations.



NISGA'A VALLEY HEALTH AUTHORITY

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(f) Financial instruments (continued):

All financial assets recorded at amortized cost are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

Transaction costs for financial instruments measured using cost or amortized cost are added to the carrying value of the financial instrument. Transaction costs for financial instruments measured at fair value are expensed when incurred.

A financial liability or its part is derecognized when it is extinguished.

Management evaluates contractual obligations for the existence of embedded derivatives and elects to either designate the entire contract for fair value measurement or separately measure the value of the derivative component when characteristics of the derivative are not closely related to the economic characteristics and risks of the contract itself. Contracts to buy or sell non-financial items for the Authority's normal purchase, sale or usage requirements are not recognized as financial assets or financial liabilities.

(g) Budget figures:

Budget figures have been provided for comparative purposes and have been derived from the Authority's fiscal 2022/2023 budget approved by the Board of Directors. The Budget is reflected in the statement of operations and accumulated operating surplus. Capital additions are managed on both an individual basis and project by project basis, with funding derived from various sources, the majority of which is from the Nisga'a Lisims Government Capital Finance Commission. Additions and projects are approved individually and may span several reporting periods; therefore, capital budget figures are not available for inclusion in the Statement of Changes in Net (Debt) Financial Assets.



NISGA'A VALLEY HEALTH AUTHORITY

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(h) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) the organization is directly responsible or accepts responsibility for the liability;
- d) future economic benefits will be given up; and
- e) a reasonable estimate of the liability can be made.

2. Accounts receivable:

	2023	2022
Provincial Government	\$ 469,277	\$ 113,141
Other	138,755	7,320
	<u>\$ 608,032</u>	<u>\$ 120,461</u>



NISGA'A VALLEY HEALTH AUTHORITY

Notes to Financial Statements (continued)

Year ended March 31, 2023

3. Accrued payroll expenses:

	2023	2022
Benefits payable	\$ 113,006	\$ 111,632
Government remittances payable	101,777	72,302
Vacation payable	207,246	214,430
Wages payable	286,809	91,887
	<u>\$ 708,838</u>	<u>\$ 490,251</u>

4. Deferred operating contributions:

	2023	2022
First Nations Health Authority - Gingolx holistic treatment program	\$ 380,600	\$ 380,600
Hobiyee	2,338	2,338
Mental health, prenatal and traditional health	101,908	101,908
First Nations Health Authority - sacred space	96,993	-
Other	295,270	269,375
First Nations Health Authority - traditional land based healing	379,410	379,410
	<u>\$ 1,256,519</u>	<u>\$ 1,133,631</u>



NISGA'A VALLEY HEALTH AUTHORITY

Notes to Financial Statements (continued)

Year ended March 31, 2023

5. Deferred capital contributions:

Deferred capital contributions represent externally restricted contribution and other funding received for the purchase of tangible capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations.

	2023	2022
Deferred capital contributions beginning of year	\$ 794,051	\$ 788,841
Capital contributions received	-	118,000
	794,051	906,841
Amortization for the year	(36,778)	(112,790)
Balance, end of year	\$ 757,273	\$ 794,051
Deferred capital contribution are comprised of the following:		
Contributions used to purchase tangible capital assets	\$ 757,273	\$ 794,051
	\$ 757,273	\$ 794,051

The Authority has access to apply for reimbursement of future medical equipment purchases with the North West Regional Hospital District.

The Authority has access to apply for reimbursement of future capital maintenance and replacement purchases through the Capital Finance Commission of the Nisga'a Lisims Government.



NISGA'A VALLEY HEALTH AUTHORITY

Notes to Financial Statements (continued)

Year ended March 31, 2023

6. Tangible capital assets:

Cost	Balance at March 31, 2022	Additions	Disposals	Balance at March 31, 2023
Buildings	\$ 7,849,684	\$ 107,931	\$ -	\$ 7,957,615
Equipment	2,716,069	345,969	-	3,062,038
Computer	354,009	10,208	-	364,217
	\$ 10,919,762	\$ 464,108	\$ -	\$ 11,383,870

Accumulated amortization	Balance at March 31, 2022	Amortization expenses	Disposals	Balance at March 31, 2023
Buildings	\$ 5,908,828	\$ 201,745	\$ -	\$ 6,110,573
Equipment	2,432,150	166,091	-	2,598,241
Computer	296,868	34,534	-	331,402
	\$ 8,637,846	\$ 402,370	\$ -	\$ 9,040,216



NISGA'A VALLEY HEALTH AUTHORITY

Notes to Financial Statements (continued)

Year ended March 31, 2023

6. Tangible capital assets (continued):

Cost	Balance at March 31, 2021	Additions	Disposals	Balance at March 31, 2022
Buildings	\$ 7,591,767	\$ 257,917	\$ -	\$ 7,849,684
Equipment	2,528,024	188,045	-	2,716,069
Computer	353,589	420	-	354,009
	\$ 10,473,380	\$ 446,382	\$ -	\$ 10,919,762

Accumulated amortization	Balance at March 31, 2021	Amortization expenses	Disposals	Balance at March 31, 2022
Buildings	\$ 5,718,780	\$ 190,048	\$ -	\$ 5,908,828
Equipment	2,299,112	133,038	-	2,432,150
Computer	262,558	34,310	-	296,868
	\$ 8,280,450	\$ 357,396	\$ -	\$ 8,637,846



NISGA'A VALLEY HEALTH AUTHORITY

Notes to Financial Statements (continued)

Year ended March 31, 2023

6. Tangible capital assets (continued):

Net book value	March 31, 2023	March 31, 2022
Buildings	\$ 1,847,044	\$ 1,940,856
Equipment	463,795	283,919
Computer	32,815	57,141
	\$ 2,343,654	\$ 2,281,916

Tangible capital assets are funded as follows:

	2023	2022
Deferred capital contributions	\$ 757,273	\$ 794,051
Internally funded	1,586,381	1,487,865
	\$ 2,343,654	\$ 2,281,916



NISGA'A VALLEY HEALTH AUTHORITY

Notes to Financial Statements (continued)

Year ended March 31, 2023

7. Statement of earnings:

	2023	2022
Summary of revenue by department:		
Administration:		
Nisga'a Lisims Government	\$ 3,034,309	\$ 3,027,240
First Nations Health Authority	-	235,524
Amortization of deferred capital contributions	36,778	112,790
Other	221,987	114,612
	<u>3,293,074</u>	<u>3,490,166</u>
Community home care support:		
Nisga'a Lisims Government	824,700	655,507
Northern Health Authority	238,537	-
	<u>1,063,237</u>	<u>655,507</u>
Cultural community health:		
Nisga'a Lisims Government	380,820	578,471
Other	30,000	-
	<u>410,820</u>	<u>578,471</u>
Mental Health:		
Nisga'a Lisims Government	3,524,980	1,549,544
Other	10,000	-
	<u>3,534,980</u>	<u>1,549,544</u>
Non-insured health benefits:		
Nisga'a Lisims Government	9,871,182	9,530,453
	<u>9,871,182</u>	<u>9,530,453</u>
Carry forward	18,173,293	15,804,141



NISGA'A VALLEY HEALTH AUTHORITY

Notes to Financial Statements (continued)

Year ended March 31, 2023

7. Statement of earnings (continued):

	2023	2022
Carried forward	18,173,293	15,804,141
Primary care:		
Nisga'a Lisims Government	3,020,847	2,270,500
Ministry of Health	3,697,666	2,074,611
	6,718,513	4,345,111
Family wellness:		
Nisga'a Lisims Government	497,700	469,156
First Nations Health Authority	124,416	48,000
Other	-	3,000
	622,116	520,156
	\$ 25,513,922	\$ 20,669,408



NISGA'A VALLEY HEALTH AUTHORITY

Notes to Financial Statements (continued)

Year ended March 31, 2023

7. Statement of earnings (continued):

	2023	2022
Summary of expenses by object:		
Medical and dental benefits costs	\$ 8,145,475	\$ 7,216,696
Salaries and benefits	7,613,238	5,994,816
Health service contracts	5,340,630	3,085,853
Supplies:		
Computers and copiers	179,258	147,734
Department and program supplies	1,037,669	366,339
Medical and clinical supplies	158,865	155,765
Office and general	60,827	42,297
	1,436,619	712,135
Equipment and buildings services:		
Buildings maintenance	363,640	472,701
Utilities	91,271	112,149
Vehicles	279,651	112,465
	734,562	697,315
Sundry:		
Bad debts	23,561	-
Board travel	26,518	7,058
Consulting	639,514	528,516
Interest and bank charges	11,363	14,756
Patient meals and travel	2,904,206	2,003,993
Postage and freight	5,550	5,459
Professional fees	378,468	237,048
Public relations	18,731	6,813
Staff meals and travel	614,317	231,829
Telephone	138,817	84,790
Training	81,358	51,137
	4,842,403	3,171,399
Amortization	402,370	357,396
Nisga'a Lisims Government recovery of surplus	-	2,200,000
	\$ 28,515,297	\$ 23,435,610



NISGA'A VALLEY HEALTH AUTHORITY

Notes to Financial Statements (continued)

Year ended March 31, 2023

8. Accumulated surplus:

Accumulated surplus is made up of the following:

	2023	2022
Investment in tangible capital assets	\$ 1,586,381	\$ 1,487,865
Unrestricted surplus	437,845	3,537,736
	<u>\$ 2,024,226</u>	<u>\$ 5,025,601</u>

9. Financial risks and concentration of risk:

The Authority is exposed to credit risk and liquidity risk from their financial instruments. Qualitative and quantitative analysis of the significant risks from the Authority's financial instruments is provided by type of risk below.

(a) Credit risk:

Credit risk primarily arises from the Authority's cash and accounts receivable. The risk exposure is limited to their varying amounts at the date of the statement of financial position.

The Authority manages credit risk by holding balances of cash and cash equivalents with reputable top rated financial institutions.

Accounts receivable primarily consist of amounts receivable from the Provincial Government. To reduce the risk, the Authority periodically reviews the collectibility of its accounts receivable and establishes an allowance based on its best estimate of potentially uncollectable amounts. As at March 31, 2023, the amount of allowance for doubtful debts was nil (2022 - nil). Historically, the Authority has not had difficulty collecting receivables.



NISGA'A VALLEY HEALTH AUTHORITY

Notes to Financial Statements (continued)

Year ended March 31, 2023

9. Financial risks and concentration of risk: (continued):

(b) Liquidity risk:

Liquidity risk is the risk that the Authority will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Authority manages its liquidity risk by monitoring its operating requirements. The Authority prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There has been no change to the risk exposures from 2022.

10. Contingencies:

(a) Litigation and claims:

The nature of the Authority's activities is such that there is usually litigation pending or in progress at any time. With respect to claims at March 31, 2023 it is management's opinion that the Authority has valid defences and appropriate insurance coverage in place, or if there is an unfounded risk, such claims are not expected to have a material effect on the Authority's financial position. Outstanding contingencies are reviewed on an ongoing basis and are provided for based on management's best estimate of the ultimate settlement.

(b) Risk management:

Risk management and insurance services for all Health Authorities in British Columbia are provided by the Health Care Protection Program in the Risk Management and Government Security Branch of the Ministry of Finance.

11. Economic dependence:

A substantial portion of the Authority's revenue is received from the Nisga'a Lisims Government and the Province of British Columbia. Accordingly, any disruption in these funding sources could have a significant effect upon operations of the Authority.