

Newfoundland and Labrador Centre for Health Information

**Financial Statements
For the Year Ended March 31, 2021**

Newfoundland and Labrador Centre for Health Information

Table of Contents

For the Year Ended March 31, 2021

Statement of Responsibility	1
Independent Auditor's Report	2-4
Statement of Financial Position	5
Statement of Operations and Accumulated Surplus	6
Statement of Net Debt	7
Statement of Cash Flows	8
Notes to the Financial Statements	9-16
Schedule 1 - Schedule of Tangible Capital Assets	17
Schedule 2 - Schedule of Expenses	18-19

Statement of Responsibility

The accompanying financial statements are the responsibility of the management of the Newfoundland and Labrador Centre for Health Information (the "Centre") and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards.

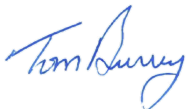
In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Finance and Audit Committee met with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

BDO Canada LLP, as the Centre's appointed external auditors, have audited the financial statements. The independent auditor's report is addressed to the Directors of the Centre and appears on the following pages. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the financial statements are free of material misstatement and present fairly the financial position and results of the Centre in accordance with Canadian public sector accounting standards.



Chair



Director

Independent Auditor's Report

To the Directors of Newfoundland and Labrador Centre for Health Information

Opinion

We have audited the financial statements of Newfoundland and Labrador Centre for Health Information (the "Centre"), which comprise the statement of financial position as at March 31, 2021, the statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2021, and the result of its operations, change in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Emphasis of Matter

We draw attention to Note 2 to the financial statements that describes the uncertainty of the Centre's ability to continue as a going concern as a result of the announcement by the Government of Newfoundland and Labrador that the Centre will undergo a change in structure that will result in operations moving from a separate Crown agency to part of core government. Our opinion is not qualified in respect of this matter.

Basis for Opinion

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 report. We are independent of the Centre 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 opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Centre'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 auditor's 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 these 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 Centre'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 Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Centre 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.



We 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.

BDO Canada LLP

Chartered Professional Accountants

St. John's, Newfoundland and Labrador
June 23, 2021

Newfoundland and Labrador Centre for Health Information
Statement of Financial Position
March 31, 2021

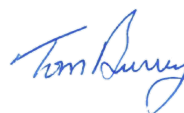
	<u>2021</u>	<u>2020</u>
Financial Assets		
Cash and cash equivalents	\$ 12,427,530	\$ 19,040,528
Accounts receivable (Note 3)	<u>2,688,770</u>	<u>2,155,752</u>
	<u>15,116,300</u>	<u>21,196,280</u>
Liabilities		
Accounts payable and accrued liabilities (Note 4)	8,420,299	11,812,710
Deferred revenue	16,210,560	15,658,540
Accrued paid leave (Note 5)	4,575,511	3,648,676
Accrued severance pay (Note 6)	44,480	42,039
Accrued sick leave (Note 7)	<u>566,500</u>	<u>580,700</u>
	<u>29,817,350</u>	<u>31,742,665</u>
Net Debt	<u>(14,701,050)</u>	<u>(10,546,385)</u>
Non-Financial Assets		
Tangible capital assets (Schedule 1)	9,632,922	11,231,615
Inventory	292,848	586,666
Prepays (Note 8)	<u>5,617,928</u>	<u>6,315,119</u>
	<u>15,543,698</u>	<u>18,133,400</u>
Accumulated Surplus	<u>\$ 842,648</u>	<u>\$ 7,587,015</u>

COVID-19 (Note 12)

Approved on behalf of the Centre:



Chair



Director

**Newfoundland and Labrador Centre for Health Information
Statement of Operations and Accumulated Surplus
For the Year Ended March 31, 2021**

	2021 Budget (Note 11)	2021 Actual	2020 Actual
Revenue			
Grants			
Atlantic Canada Opportunities Agency	\$ 490,111	\$ 489,816	\$ 1,670,834
Canada Health Infoway	1,921,300	1,858,601	1,313,135
Government of Newfoundland and Labrador	81,516,749	84,078,700	50,110,615
Research	803,900	935,261	450,210
Interest	130,000	87,244	410,173
Other projects	1,279,289	2,389,460	3,219,907
	<u>86,141,349</u>	<u>89,839,082</u>	<u>57,174,874</u>
Expenses (Schedule 2)			
Administration	3,674,801	4,463,300	4,231,370
Clinical Programs	17,521,392	21,230,734	10,102,604
Infrastructure, Information Protection and EHR			
Operations	55,641,843	56,698,968	32,247,881
Projects	2,352,702	2,237,212	5,794,011
Health Analytics and Evaluation Services	5,265,320	5,462,576	3,883,414
COVID-19 (Note 12)	-	3,098,709	557,021
	<u>84,456,058</u>	<u>93,191,499</u>	<u>56,816,301</u>
Annual (Deficit) Surplus Before Other Expenses	1,685,291	(3,352,417)	358,573
Other Expenses			
Amortization of tangible capital assets (Schedule 1)	2,555,073	3,391,951	4,175,488
Regional Health Authority vacation pay (Note 5)	-	-	931,534
Annual Deficit	(869,782)	(6,744,367)	(4,748,449)
Accumulated Surplus, Beginning of Year	<u>7,587,015</u>	<u>7,587,015</u>	<u>12,335,464</u>
Accumulated Surplus, End of Year	<u>\$ 6,717,233</u>	<u>\$ 842,648</u>	<u>\$ 7,587,015</u>

Newfoundland and Labrador Centre for Health Information
Statement of Net Debt
For the Year Ended March 31, 2021

	2021 Budget (Note 10)	2021 Actual	2020 Actual
Annual Deficit	\$ (869,782)	\$ (6,744,367)	\$ (4,748,449)
Acquisition of tangible capital assets	(1,822,950)	(1,793,258)	(1,329,364)
Amortization of tangible capital assets	2,555,073	3,391,951	4,175,488
Decrease in inventory	-	293,819	(567,797)
Decrease in prepaids	-	697,191	(3,197,305)
	<u>732,123</u>	<u>2,589,703</u>	<u>(918,978)</u>
Change in Net Debt	(137,659)	(4,154,665)	(5,667,427)
Net Debt, Beginning of Year	<u>(10,546,385)</u>	<u>(10,546,385)</u>	<u>(4,878,958)</u>
Net Debt, End of Year	<u>\$ (10,684,044)</u>	<u>\$ (14,701,050)</u>	<u>\$ (10,546,385)</u>

**Newfoundland and Labrador Centre for Health Information
Statement of Cash Flows
For the Year Ended March 31, 2021**

	<u>2021</u>	<u>2020</u>
Operating Transactions		
Annual deficit	\$ (6,744,367)	\$ (4,748,449)
Items not affecting cash:		
Amortization of tangible capital assets	3,391,951	4,175,488
Changes in non-cash items:		
(Increase) decrease in accounts receivable	(533,018)	1,542,515
(Decrease) increase in accounts payables and accrued liabilities	(3,392,411)	6,520,428
Increase (decrease) in deferred revenue	552,020	(697,266)
Increase in accrued paid leave	926,835	1,515,146
Increase (decrease) in accrued severance pay	2,441	(188,644)
Decrease in accrued sick leave	(14,200)	(32,997)
Decrease (increase) in inventory	293,819	(567,797)
Decrease (increase) in prepaids	697,191	(3,197,307)
	<u>(4,819,740)</u>	4,321,117
Capital Transactions		
Acquisition of tangible capital assets (Schedule 1)	<u>(1,793,258)</u>	<u>(1,329,364)</u>
(Decrease) Increase in Cash and Cash Equivalents	(6,612,998)	2,991,753
Cash and Cash Equivalents, Beginning of Year	<u>19,040,528</u>	<u>16,048,775</u>
Cash and Cash Equivalents, End of Year	<u>\$ 12,427,530</u>	<u>\$ 19,040,528</u>

1. Significant accounting policies

(a) Purpose of the organization and nature of operations

The Newfoundland and Labrador Centre for Health Information (the "Centre") was established by the Government of Newfoundland and Labrador in 1996, following the recommendation of the Health System Information Task Force (1995). The Newfoundland and Labrador Centre for Health Information Act was proclaimed April 27, 2007 and repealed March 12, 2018. The new Centre for Health Information Act, 2018 received Royal Assent March 12, 2018, and the Centre was continued as a Corporation without share capital under the Corporations Act. The Centre is a Government Organization and reports to the Legislative Assembly through the Ministry of Health and Community Services. The Centre is exempt from income tax under Section 149 of the Income Tax Act.

Through the support of the provincial government, Canada Health Infoway Inc. and the Atlantic Canada Opportunities Agency, the Centre has been recognized for its contributions to the national agenda for development of the Electronic Health Record with the first provincial client registry designed and implemented for the Electronic Health Record. The Centre is also involved with data standards development and dissemination, applied health research and the evaluation of health information systems.

As part of the Provincial Government's approach to developing a province-wide shared services eHealth model of the health care system, the Centre, through the new Act, was mandated to develop and implement a Provincial eHealth Model. This model coordinated the information technology and information management functions of the four regional health authorities (the "RHAs") and the Centre into one provincial solution. Effective April 1, 2019, the information technology and information management functions of Central Regional Health Authority, Eastern Regional Health Authority, Labrador-Grenfell Regional Health Authority, Western Regional Health Authority, and the Newfoundland and Labrador Centre for Health Information have amalgamated into one organization.

(b) Basis of presentation

The financial statements are prepared using Canadian public sector accounting standards (PSAS).

(c) Revenue recognition

When the Centre is a recipient, government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when amounts have been received but not all eligibility criteria and/or stipulations have

When the Centre is the transferor, government transfers are recognized as an expense in the statement of operations when they are authorized and all eligibility criteria have been met by the recipient.

Revenues from research and other projects are recognized when the related expenditures are incurred. Interest income is recognized as it is earned.

1. Significant accounting policies (continued)

(d) Employee benefits

Paid leave

Employees of the Centre are entitled to paid leave benefits as stipulated in their conditions of employment. The right to be paid these benefits vests immediately for employees. Paid leave is used as employees take time off, however balances accumulate and are paid out when employees cease employment with the Centre or another public sector employer, upon retirement, resignation or termination without cause. In accordance with PSAS for post-employment benefits and compensated absences, the Centre recognizes the liability in the period in which the employee renders service. The liability is reported at the gross amount by using the number of hours accrued at the employee's current rate of pay. The paid leave obligation has not been actuarially determined because management does not expect actuarial assumptions applied to the balance to significantly impact the liability. Adjustments to the liability arising from plan amendments are recognized immediately.

Severance pay

Employees of the Centre are entitled to severance pay benefits as stipulated in their conditions of employment. The right to be paid severance pay vests for employees with nine years of continuous service with the Authority or another Newfoundland and Labrador Government employer. Severance pay is payable when the employee ceases employment with the Authority or the public sector employer, upon retirement, resignation or termination without cause. In accordance with PSAS for post-employment benefits and compensated absences, the Centre recognizes the liability in the period in which the employee renders service. The severance benefit obligation has been actuarially determined using assumptions based on management's best estimates of future salary and wage changes, employee age, years of service, the probability of voluntary departure due to resignation or retirement, the discount rate and other factors. Discount rates are based on the Government's long-term borrowing rate. Actuarial gains and losses are deferred and amortized over the average remaining service life of employees, which is 16 years. Adjustments to the liability arising from plan amendments are recognized immediately.

Sick leave

Employees of the Centre are entitled to sick leave benefits that accumulate but do not vest. In accordance with PSAS for post-employment benefits and compensated balances, the Centre recognizes the liability in the period in which the employee renders service. The obligation is actuarially determined using assumptions based on management's best estimate of the probability of use of accrued sick leave, future salary and wages changes, employee age, the probability of departure, retirement age, the discount rate and other factors. Discount rates are based on the Government's long-term borrowing rate. Actuarial gains and losses are deferred and amortized over the average remaining service life of employees, which is 15 years. Adjustments to the liability arising from plan amendments are recognized immediately.

1. Significant accounting policies (continued)

(e) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net debt for the year.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, and short term deposits with original maturities of three months or less. Bank borrowings are considered to be financing activities.

(g) Prepaid expenses

Prepaid expenses include software maintenance, software license fees, insurance, rent and other operating expenses that the Centre has paid but the services have not been provided as of year end.

(h) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is provided for on a straight-line basis over the estimated useful lives of the tangible capital assets as follows:

Computer equipment	20%
Computer software	33%
Electronic Health Records - Labs	10%
Health Information Access Layer	10%
Leasehold improvements	10%
Office furniture	15%

(i) Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates. Estimates include the useful lives of tangible capital assets, rates of amortization of tangible capital assets, the assumptions used in determining accrued sick leave payable, and paid leave.

2. Going concern

Subsequent to year end, on May 31, 2021, the Government of Newfoundland & Labrador announced that as part of their fiscal 2022 budget mandate to streamline business and corporate services, the Centre will undergo a change in structure that will result in operations moving from a separate Crown agency to part of core government. During the transition, it is expected that the assets and liabilities of the organization will also be rolled into core government. As of the report date, there is no set timeline for completion of the transition.

The Centre's ability to continue as a going concern is dependent upon the continued financial support of the Government of Newfoundland & Labrador and their decision on whether the Centre will continue to provide services.

These financial statements are prepared on a going concern basis in accordance with Canadian Public Sector Accounting Standards, which assumes that the Centre or core government will continue operations of the Centre, realize on its assets, and discharge its liabilities in the normal course of operations. If the going concern assumption were not appropriate for these financial statements then adjustments may be necessary to the carrying value of the assets and liabilities.

3. Accounts receivable

	<u>2021</u>	<u>2020</u>
Trade accounts receivable	\$ 1,110,758	\$ 1,253,473
Government remittances receivable	660,127	723,049
Regional Health Authorities	917,885	179,230
	<u>\$ 2,688,770</u>	<u>\$ 2,155,752</u>

4. Accounts payable and accrued liabilities

	<u>2021</u>	<u>2020</u>
Trade accounts payable	\$ 8,164,037	\$ 11,565,411
Vacation and compensatory pay	244,734	191,232
Government remittances payable	11,528	56,067
	<u>\$ 8,420,299</u>	<u>\$ 11,812,710</u>

5. Accrued paid leave

The Centre provides paid leave benefits to employees to be used for vacation, sick leave, personal leave and other absences. Employees receive between six and eight weeks of paid time off per year, depending on years of service with the Centre. Employees must use a minimum of three weeks paid leave time per year, and may carry forward excess balances. The paid leave benefits can be used at any time, however the accumulated balances are only paid out upon termination, resignation or retirement. Below is the accrued paid leave obligation:

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 3,648,676	\$ 2,133,530
Accrued during the period	2,325,980	2,135,085
Paid leave brought over from Regional Health Authorities	-	931,534
Benefits payments	<u>(1,399,145)</u>	<u>(1,551,473)</u>
Balance, end of year	<u>\$ 4,575,511</u>	<u>\$ 3,648,676</u>
Net benefit expense for the year:	<u>2021</u>	<u>2020</u>
Paid leave included in salaries and benefits expense	<u>\$ 2,325,980</u>	<u>\$ 2,991,102</u>

During the prior year, a number of employees of the Regional Health Authorities were transferred to the Centre under a Memorandum of Understanding (the "MOU") with an effective date of October 2, 2019. Under this MOU, the Centre is responsible to settle and pay all outstanding annual leave balances accrued to each transferring employee as per the employees' applicable collective agreement. As there were no such transfers during the current year, the Centre recognized salaries and benefits expense of nil (2020 - \$931,534).

6. Accrued severance pay

In 2019, the severance plan was terminated and a plan settlement of severance benefits for executives, managers, and other non-union employees was negotiated. As a part of this plan settlement, employees with at least one year of eligible service received a lump sum payout of their accrued severance benefit based on pay and service as at May 31, 2018. Individuals either took payment by March 31, 2019, or elected to defer payment for a short period.

In 2019 the Centre recognized a loss on plan the settlement of \$541,096, and received funding from the Government of Newfoundland and Labrador in the amount of \$1,852,389 towards funding the payouts.

Accrued Benefit Obligation:	<u>2021</u>	<u>2020</u>
Balance, beginning of the year	\$ 42,039	\$ 230,683
Benefits payments	(45,486)	(188,644)
Severance adjustment	<u>47,927</u>	<u>-</u>
Balance, end of year	<u>\$ 44,480</u>	<u>\$ 42,039</u>

Accrued severance obligations at March 31, 2021 and March 31, 2020 were based on an actuarial valuation completed effective March 31, 2018 using the following significant assumptions:

Discount rate	<u>2018</u> 3.2%
Average remaining service period of active employees	16 years
Wage and salary escalation	3.0%

7. Accrued sick leave

The Centre provides sick leave benefits to employees with sick leave days to their credit as of December 31, 2003 and employees who transfer from another government department of agency with accumulated sick leave days. The following accrued benefit obligation has been determined by an actuarial report:

Accrued benefit obligation:	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 580,700	\$ 613,700
Current period benefit cost	29,900	11,900
Benefits payments	<u>(44,100)</u>	<u>(44,900)</u>
Balance, end of year	<u>\$ 566,500</u>	<u>\$ 580,700</u>
Net benefit expense for the year:	<u>2021</u>	<u>2020</u>
Interest cost	<u>\$ -</u>	<u>\$ 34,400</u>

Accrued sick leave obligations have been calculated based on an actuarial valuation completed effective March 31, 2021. The significant assumptions shown below are based on future events.

	<u>2021</u>	<u>2020</u>
Discount rate	3.0%	2.9%
Average remaining service period of active employees	14 years	14 years
Wage and salary escalation	3.0%	3.0%

8. Prepaids

Prepaid expenses are made up of the following:

	<u>2021</u>	<u>2020</u>
Software licenses and maintenance	\$ 4,724,797	\$ 5,917,092
Rent	109,313	112,562
Other	<u>783,818</u>	<u>285,465</u>
	<u>\$ 5,617,928</u>	<u>\$ 6,315,119</u>

9. Public Service Pension Plan and Government Money-Purchase Pension Plan

The Centre participates in the Government of Newfoundland and Labrador's defined benefit Public Service Pension Plan (PSPP) for full-time employees and the defined contributions Government Money-Purchase Pension Plan (GMPP) for part-time employees. The assets of the plan are held separately from those of the Centre in an independently administered fund. Plan participation is mandatory for all employees.

PSPP members must have at least five years of pensionable service to obtain a pension benefit. Normal retirement age under the plan is 65, however early retirement options are available. The PSPP is integrated with the Canada Pension Plan (CPP).

Members of the Plan are required to make contributions toward the funding of their pension and benefits as follows:

9. Public Service Pension Plan and Government Money-Purchase Pension Plan (continued)

- (i) 1.75% of earnings up to the Year's Basic CPP Exemption, the portion of earnings upon which no CPP contributions are required;
- (ii) 8.95% of earnings in excess of the Year's Basic CPP Exemption up to and including the Year's Maximum Pensionable Earnings ("YMPE"); and
- (iii) 11.85% of earnings in excess of the YMPE.

The lifetime PSPP pension benefit is determined as 1.4% of the best five year average salary (up to the three year average YMPE) multiplied by the years of pensionable service, plus 2% of the best five year average salary (in excess of the average YMPE) multiplied by the years of pensionable service.

Members of the GMPP can use the contributions along with interest and/or investment gain/loss to purchase a pension at retirement. Contributions made on or after January 1, 1997 are fully vested and locked-in after the completion of two years of plan participation.

Employer contributions paid and expensed by the Centre during the year for the PSPP and GMPP totaled \$2,929,670 (2020 - \$1,522,285). Additional information about the plan surplus or deficit is not available.

10. Lease commitments

The Centre has long-term contracts relating to the rental of office space, equipment lease and software fees. The Centre has committed to make the approximate payments for the next five years as follows:

2022	\$ 8,331,809
2023	\$ 6,270,210
2024	\$ 4,169,981
2025	\$ 1,057,530
2026	\$ 120,000

11. Budget

The financial plan presented in the statement of operations and statement of net debt is in accordance with PSAS, and agrees to the budget as approved by the Finance and Audit Committee.

12. COVID-19

The Centre has played an important role in assessing the impacts of COVID-19 as its mandate is to assist and support the general public, regional health authorities (RHA's) and health service providers. As such, the Centre incurred significant costs related to the operation of COVID-19 vaccination clinics, and work related to communicating information related to the pandemic to healthcare practitioners and the general public. During fiscal 2021, the Centre received one-time funding of \$2,677,000 from the Federal Government under the Safe Restart Agreement, as well as \$1,000,000 from Canada Health Infoway Inc., which were used to offset these expenses. As the pandemic is ongoing, future impact on the Centre is uncertain, however the Centre actively monitors its financial position through its budgeting process, and communicates this to the provincial government regularly to ensure adequate funding is available to fulfill its mandate. In addition, during the fiscal 2021, the Centre received one-time funding of \$855,100 related to the provincial fall flu vaccination clinics.

13. Comparative Information

Some of the comparative figures have been reclassified to conform to the current year's presentation.

14. Economic Dependence

The Centre is dependent on transfers from the Province of Newfoundland and Labrador to fund ongoing operations.

15. Subsequent Events

Subsequent to year end, the Centre entered into two contracts with Canada Health Infoway Inc. for fiscal 2022 projects. The Citizen Access Project agreement was signed April 7, 2021 with total budgeted funding of \$3,498,000. The Bridge the Gap Expansion Project Collaboration and Advancement Project agreement was entered into on April 7, 2021 with a total budgeted funding of \$708,213. Both projects are to be completed by March 31, 2022.

Newfoundland and Labrador Centre for Health Information
Schedule of Tangible Capital Assets
Year Ended March 31, 2021

Schedule 1

Cost	Computer equipment	Office furniture	Computer software	Leasehold improvements	Pharmacy network	Electronic Health Records - Labs (iEHR Labs)	Health Information Access Layer (HIAL)	2021	
								2021	2020
Opening costs	\$ 15,780,559	\$ 428,229	\$ 8,404,103	\$ 300,481	\$ 10,334,829	\$ 8,332,003	\$ 8,291,887	\$ 51,872,091	\$ 50,542,727
Additions during the year	1,793,258	-	-	-	-	-	-	1,793,258	1,329,364
Disposals and write downs	-	-	-	-	-	-	-	-	-
Closing costs	17,573,817	428,229	8,404,103	300,481	10,334,829	8,332,003	8,291,887	53,665,349	51,872,091
Accumulated Amortization									
Opening accumulated amortization	12,599,896	391,700	7,527,545	269,264	9,896,939	3,838,854	6,116,278	40,640,476	36,464,988
Amortization	1,385,946	10,833	609,980	3,606	120,397	833,200	427,989	3,391,951	4,175,488
Disposals and write downs	-	-	-	-	-	-	-	-	-
Closing accumulated amortization	13,985,842	402,533	8,137,525	272,870	10,017,336	4,672,054	6,544,267	44,032,427	40,640,476
Net Book Value of Tangible Capital Assets	\$ 3,587,975	\$ 25,696	\$ 266,578	\$ 27,611	\$ 317,493	\$ 3,659,949	\$ 1,747,620	\$ 9,632,922	\$ 11,231,615

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

Schedule of Expenses
For the Year Ended March 31, 2021

	<u>2021</u>	<u>2020</u>
Administration		
Salaries and benefits	\$ 2,488,884	\$ 2,447,666
Rent	1,141,473	1,144,347
Other	584,487	394,104
Insurance	71,572	85,946
Consulting fees	116,814	103,498
Software maintenance	31,472	28,978
License fees	25,988	13,788
Minor equipment	1,719	10,211
Communication	891	2,832
	<u>4,463,300</u>	<u>4,231,370</u>
Clinical Programs		
Salaries and benefits	10,538,727	6,674,652
Software maintenance	6,580,059	1,396,092
License fees	2,302,600	1,011,520
Consulting fees	1,619,675	794,408
Minor equipment	107,625	90,038
Other	48,148	65,744
Pharmacy incentives	-	36,250
Rent	33,900	33,900
	<u>21,230,734</u>	<u>10,102,604</u>
Infrastructure, Information Protection and EHR Operations		
Salaries and benefits	19,209,927	11,649,695
Software maintenance	15,538,092	10,544,852
Other	5,933,310	3,412,404
License fees	6,877,596	2,739,829
Data communication charges	3,085,533	2,551,818
Data storage and backup charges	3,602,603	-
Minor equipment	1,700,083	609,786
Leased equipment	139,112	-
Consulting fees	446,125	450,085
Data centre rent	166,587	289,412
	<u>56,698,968</u>	<u>32,247,881</u>

Schedule of Expenses
For the Year Ended March 31, 2021

	<u>2021</u>	<u>2020</u>
Projects		
Salaries and benefits	541,022	2,308,894
Consulting fees	661,807	1,724,139
Equipment and RHA reimbursements	586,400	648,000
License fees	409,850	774,737
Other	794	134,084
Software maintenance	37,339	32,112
Minor equipment	-	172,045
	<u>2,237,212</u>	<u>5,794,011</u>
Health Analytics and Evaluation Services		
Salaries and benefits	5,137,447	3,778,495
Other	11,098	55,205
Consulting fees	26,748	-
Software maintenance	265,984	37,692
License fees	21,265	8,428
Minor equipment	34	3,594
	<u>5,462,576</u>	<u>3,883,414</u>
COVID-19		
Salaries and benefits	938,394	364,686
License fees	1,075,302	94,116
Minor equipment	600,535	89,650
Consulting fees	423,000	-
Other	61,478	8,569
	<u>3,098,709</u>	<u>557,021</u>
Total expenses	<u>\$ 93,191,499</u>	<u>\$ 56,816,301</u>