

# **Newfoundland and Labrador Centre for Health Information**

**Financial Statements  
For the Year Ended March 31, 2022**

# **Newfoundland and Labrador Centre for Health Information**

## **Table of Contents**

**For the Year Ended March 31, 2022**

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<b>Statement of Responsibility</b>	<b>1</b>
<b>Independent Auditor's Report</b>	<b>2-3</b>
<b>Statement of Financial Position</b>	<b>4</b>
<b>Statement of Operations and Accumulated Surplus</b>	<b>5</b>
<b>Statement of Net Debt</b>	<b>6</b>
<b>Statement of Cash Flows</b>	<b>7</b>
<b>Notes to the Financial Statements</b>	<b>8-15</b>
<b>Schedule 1 - Schedule of Tangible Capital Assets</b>	<b>16</b>
<b>Schedule 2 - Schedule of Expenses</b>	<b>17-18</b>

## 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.

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Chair

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Director

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## Independent Auditor's Report

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### 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, 2022, 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, 2022, 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. 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.

Chartered Professional Accountants

St. John's, Newfoundland and Labrador  
June 22, 2022

**Newfoundland and Labrador Centre for Health Information**  
**Statement of Financial Position**  
**March 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 9,056,792	\$ 12,427,530
Accounts receivable (Note 3)	<u>6,441,913</u>	<u>2,688,770</u>
	<u>15,498,705</u>	<u>15,116,300</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	10,681,290	8,420,299
Deferred revenue	19,240,432	16,210,560
Accrued paid leave (Note 5)	4,784,586	4,575,511
Accrued severance pay (Note 6)	20,328	44,480
Accrued sick leave (Note 7)	<u>578,500</u>	<u>566,500</u>
	<u>35,305,136</u>	<u>29,817,350</u>
<b>Net Debt</b>	<u>(19,806,432)</u>	<u>(14,701,050)</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (Schedule 1)	6,871,524	9,632,922
Inventory	53,816	292,848
Prepays (Note 8)	<u>9,601,869</u>	<u>5,617,928</u>
	<u>16,527,209</u>	<u>15,543,698</u>
<b>Accumulated Surplus (Deficit)</b>	<u>\$ (3,279,223)</u>	<u>\$ 842,648</u>
COVID-19 (Note 12)		
Cyber Attack (Note 14)		
Approved on behalf of the Centre:		

\_\_\_\_\_  
Chair

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Director

**Newfoundland and Labrador Centre for Health Information  
Statement of Operations and Accumulated Surplus  
For the Year Ended March 31, 2022**

	2022 Budget (Note 11)	<b>2022 Actual</b>	2021 Actual
<b>Revenue</b>			
Grants			
Government of Newfoundland and Labrador	\$ 84,626,939	<b>\$ 90,654,760</b>	\$ 84,078,700
Canada Health Infoway	4,164,928	<b>2,421,847</b>	1,858,601
Atlantic Canada Opportunities Agency	-	-	489,816
Research	599,600	<b>442,678</b>	935,261
Interest	130,000	<b>102,019</b>	87,244
Other Projects	1,264,961	<b>1,791,220</b>	2,389,460
	<u>90,786,428</u>	<u><b>95,412,524</b></u>	<u>89,839,082</u>
<b>Expenses (Schedule 2)</b>			
Administration	6,425,884	<b>3,558,795</b>	4,463,300
Clinical Programs	18,684,142	<b>19,861,573</b>	21,230,734
Infrastructure, Information Protection and EHR Operations	56,500,256	<b>57,742,608</b>	56,698,968
Projects	6,549,697	<b>4,359,509</b>	2,237,212
Health Analytics and Evaluation Services	5,905,449	<b>5,396,060</b>	5,462,576
Cyber Attack (Note 14)	-	<b>5,101,034</b>	-
COVID-19 (Note 12)	862,700	<b>753,419</b>	3,098,709
	<u>94,928,128</u>	<u><b>96,772,998</b></u>	<u>93,191,499</u>
<b>Annual Deficit Before Other Expenses</b>	(4,141,700)	<b>(1,360,474)</b>	(3,352,417)
<b>Other Expenses</b>			
Amortization of tangible capital assets (Schedule 1)	2,763,969	<b>2,761,397</b>	3,391,951
<b>Annual Deficit</b>	(6,905,669)	<b>(4,121,871)</b>	(6,744,367)
<b>Accumulated Surplus, Beginning of Year</b>	842,648	<b>842,648</b>	7,587,015
<b>Accumulated Surplus (Deficit), End of Year</b>	<u>\$ (6,063,021)</u>	<u><b>\$ (3,279,223)</b></u>	<u>\$ 842,648</u>

**Newfoundland and Labrador Centre for Health Information  
Statement of Net Debt  
For the Year Ended March 31, 2022**

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	2022 Budget (Note 11)	<b>2022 Actual</b>	2021 Actual
<b>Annual Deficit</b>	\$ (6,905,669)	<b>\$ (4,121,871)</b>	\$ (6,744,367)
Acquisition of tangible capital assets	-	-	(1,793,258)
Amortization of tangible capital assets	2,763,969	<b>2,761,397</b>	3,391,951
Decrease in inventory	-	<b>239,032</b>	293,819
(Increase) decrease in prepaids	-	<b>(3,983,940)</b>	697,191
	<u>2,763,969</u>	<u><b>(983,511)</b></u>	<u>2,589,703</u>
<b>Change in Net Debt</b>	(4,141,700)	<b>(5,105,382)</b>	(4,154,665)
<b>Net Debt, Beginning of Year</b>	<u>(14,701,050)</u>	<u><b>(14,701,050)</b></u>	<u>(10,546,385)</u>
<b>Net Debt, End of Year</b>	<u>\$ (18,842,750)</u>	<u><b>\$ (19,806,432)</b></u>	<u>\$ (14,701,050)</u>



**Newfoundland and Labrador Centre for Health Information  
Statement of Cash Flows  
For the Year Ended March 31, 2022**

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	<u>2022</u>	<u>2021</u>
<b>Operating Transactions</b>		
Annual deficit	\$ (4,121,871)	\$ (6,744,367)
Items not affecting cash:		
Amortization of tangible capital assets	2,761,397	3,391,951
Changes in non-cash items:		
Increase in accounts receivable	(3,753,143)	(533,018)
Increase (decrease) in accounts payables and accrued liabilities	2,260,993	(3,392,411)
Increase in deferred revenue	3,029,872	552,020
Increase in accrued paid leave	209,075	926,835
(Decrease) increase in accrued severance pay	(24,152)	2,441
Increase (decrease) in accrued sick leave	12,000	(14,200)
Decrease in inventory	239,032	293,819
(Increase) decrease in prepaids	(3,983,941)	697,191
	<u>(3,370,738)</u>	<u>(4,819,739)</u>
<b>Capital Transactions</b>		
Acquisition of tangible capital assets (Schedule 1)	-	(1,793,258)
<b>Decrease in Cash and Cash Equivalents</b>	<b>(3,370,738)</b>	<b>(6,612,998)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>12,427,530</b>	<b>19,040,528</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 9,056,792</b>	<b>\$ 12,427,530</b>

**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 been met.

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 been calculated by management based on consultation with an actuary using assumptions based on management's best estimates of leave usage, future salary and wages changes, the probability of departure, the discount rate and other factors. The result was not materially different from the face value. 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 calculated by management based on consultation with an actuary 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 15 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 calculated by management based on consultation with an actuary 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) Prepaids**

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%
Pharmacy Network	10%

**(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.

**Newfoundland and Labrador Centre for Health Information**  
**Notes to the Financial Statements**  
**March 31, 2022**

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**2. Going concern**

On May 31, 2021, the Government of Newfoundland and 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 government. Subsequent to year-end, the Centre was provided its 2023 budget and was advised by the Department of Health and Community Services to carry out operations and fulfill its mandate. As of the report date, there was no set timeline for the structural change.

The Centre's ability to continue as a going concern is dependent upon the continued financial support of the Government of Newfoundland and 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 Canada 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>2022</u>	<u>2021</u>
Trade accounts receivable	\$ 4,538,041	\$ 1,110,758
Government remittances receivable	1,011,088	660,127
Regional Health Authorities	892,784	917,885
	<u>\$ 6,441,913</u>	<u>\$ 2,688,770</u>

**4. Accounts payable and accrued liabilities**

	<u>2022</u>	<u>2021</u>
Trade accounts payable	\$ 10,201,443	\$ 8,164,037
Vacation and compensatory pay	205,574	244,734
Government remittances payable	274,273	11,528
	<u>\$ 10,681,290</u>	<u>\$ 8,420,299</u>

**Newfoundland and Labrador Centre for Health Information**  
**Notes to the Financial Statements**  
**March 31, 2022**

**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>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 4,575,511	\$ 3,648,676
Accrued during the period	1,955,423	2,325,980
Benefits payments	<u>(1,746,348)</u>	<u>(1,399,145)</u>
Balance, end of year	<u>\$ 4,784,586</u>	<u>\$ 4,575,511</u>
Net benefit expense for the year:	<u>2022</u>	<u>2021</u>
Paid leave included in salaries and benefits expense	<u>\$ 1,955,423</u>	<u>\$ 2,325,980</u>

Accrued paid leave has been calculated based on the guidance provided by actuary and was completed effective March 31, 2022. The significant assumptions shown below are based on future events.

	<u>2022</u>	<u>2021</u>
Discount rate	2.8%	3.0%
Average remaining service period of active employees	13 years	14 years
Wage and salary escalation	2.9%	3.0%

**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>2022</u>	<u>2021</u>
Balance, beginning of the year	\$ 44,480	\$ 42,039
Benefits payments	(24,152)	(45,486)
Severance adjustment	-	47,927
Balance, end of year	<u>\$ 20,328</u>	<u>\$ 44,480</u>

**Newfoundland and Labrador Centre for Health Information**  
**Notes to the Financial Statements**  
**March 31, 2022**

**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 internally, based on consultation with an actuary:

Accrued benefit obligation:	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 566,500	\$ 580,700
Current period benefit cost	12,000	29,900
Benefits payments	-	(44,100)
Balance, end of year	<u>\$ 578,500</u>	<u>\$ 566,500</u>
Net benefit expense for the year:	<u>2022</u>	<u>2021</u>
Interest cost	<u>\$ 12,000</u>	<u>\$ 34,400</u>

**8. Prepaids**

Prepaid expenses are made up of the following:

	<u>2022</u>	<u>2021</u>
Software licenses and maintenance	\$ 8,901,869	\$ 4,724,797
Rent	-	109,313
RHA advances and other	<u>700,000</u>	<u>783,818</u>
	<u>\$ 9,601,869</u>	<u>\$ 5,617,928</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 \$1,792,882 (2021 - \$2,929,670). 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:

2023	\$ 8,199,636
2024	\$ 4,216,401
2025	\$ 2,879,139
2026	\$ 932,099
2027	\$ 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 and health service providers. As such, the Centre incurred 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 fiscal 2021, the Centre received one-time funding of \$855,100 related to the provincial fall flu vaccination clinics.



**13. Economic Dependence**

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

**14. Cyber Attack**

During the year, the four regional health authorities were victims of a cyber attack which resulted in significant disruptions to the health care system in Newfoundland and Labrador. While there was no direct impact on the Centre's IT systems or infrastructure, the Centre deployed significant resources to support and respond to the cyber attack, which resulted in expenses of \$5,101,034. The Centre received funding towards these expenses from the Government of Newfoundland and Labrador, Department of Health and Community Services totalling \$3,772,900.

Newfoundland and Labrador Centre for Health Information  
 Schedule of Tangible Capital Assets  
 Year Ended March 31, 2022

Schedule 1

	Computer equipment	Office furniture	Computer software	Leasehold improvements	Pharmacy network	Electronic Health Records - Labs (iEHR Labs)	Health Information Access Layer (HIAL)	2022	2021
<b>Cost</b>									
Opening costs	\$ 17,587,001	\$ 428,230	\$ 8,390,916	\$ 300,481	\$ 10,334,829	\$ 8,332,003	\$ 8,291,888	\$ 53,665,347	\$ 51,872,091
Additions during the year	-	-	-	-	-	-	-	-	1,793,258
Disposals and write downs	-	-	-	-	-	-	-	-	-
Closing costs	<b>17,587,001</b>	<b>428,230</b>	<b>8,390,916</b>	<b>300,481</b>	<b>10,334,829</b>	<b>8,332,003</b>	<b>8,291,888</b>	<b>53,665,347</b>	53,665,349
<b>Accumulated Amortization</b>									
Opening accumulated amortization	13,985,841	402,534	8,137,526	272,867	10,017,337	4,672,055	6,544,266	<b>44,032,425</b>	40,640,476
Amortization	1,201,048	9,180	206,751	3,606	80,265	832,559	427,989	<b>2,761,397</b>	3,391,951
Disposals and write downs	-	-	-	-	-	-	-	-	-
Closing accumulated amortization	<b>15,186,889</b>	<b>411,714</b>	<b>8,344,277</b>	<b>276,473</b>	<b>10,097,602</b>	<b>5,504,614</b>	<b>6,972,254</b>	<b>46,793,823</b>	44,032,427
Net Book Value of Tangible Capital Assets	<b>\$ 2,400,112</b>	<b>\$ 16,515</b>	<b>\$ 46,639</b>	<b>\$ 24,008</b>	<b>\$ 237,228</b>	<b>\$ 2,827,389</b>	<b>\$ 1,319,634</b>	<b>\$ 6,871,524</b>	\$ 9,632,922

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

Newfoundland and Labrador Centre for Health Information  
Schedule of Expenses  
For the Year Ended March 31, 2022

**Schedule 2**

	<b>2022</b>	2021
<b>Administration</b>		
Audit fees	\$ 32,850	\$ 37,700
Bank and payroll fees	61,876	59,180
Consulting fees	39,581	116,814
Insurance	43,115	71,572
License fees	39,925	25,988
Other	50,009	302,321
Professional fees	26,973	34,083
Rent	1,141,473	1,141,473
Salaries and benefits	2,011,773	2,488,884
Software maintenance	48,492	31,472
Telecommunications	29,019	128,996
Training	33,709	24,817
	<b>3,558,795</b>	<b>4,463,300</b>
<b>Clinical Programs</b>		
Consulting fees	951,121	1,619,675
License fees	4,092,839	2,302,600
Minor equipment	137,005	107,625
Other	22,274	4,459
Rent	11,300	33,900
Salaries and benefits	10,684,475	10,538,727
Software maintenance	3,854,778	6,580,059
Telecommunications	13,773	12,964
Travel	94,008	30,725
	<b>19,861,573</b>	<b>21,230,734</b>
<b>Infrastructure, Information Protection and EHR Operations</b>		
Computer supplies	111,716	144,777
Consulting fees	793,898	446,125
Data storage and backup charges	4,930,447	3,602,603
Leased equipment	1,507,092	529,797
License fees	7,437,694	6,877,596
Minor equipment	2,652,945	1,700,083
Office supplies	34,611	66,085
Other	33,589	188,339
Rent	422,063	166,587
Salaries and benefits	18,521,198	18,755,846
Software maintenance	12,673,338	15,538,092
Telecommunications	8,579,670	8,656,032
Travel	44,347	27,006
	<b>57,742,608</b>	<b>56,698,968</b>

Newfoundland and Labrador Centre for Health Information  
Schedule of Expenses  
For the Year Ended March 31, 2022

**Schedule 2**

	<b>2022</b>	2021
<b>Projects</b>		
Consulting fees	<b>902,505</b>	661,807
Equipment and RHA reimbursements	-	586,400
License fees	<b>1,022,613</b>	409,850
Minor equipment	<b>415,273</b>	-
Other	<b>41,860</b>	794
Salaries and benefits	<b>1,904,248</b>	541,022
Software maintenance	<b>73,010</b>	37,339
	<b>4,359,509</b>	2,237,212
<b>Health Analytics and Evaluation Services</b>		
Consulting fees	<b>13,250</b>	26,748
License fees	<b>84,471</b>	21,265
Other	<b>11,095</b>	11,132
Salaries and benefits	<b>4,972,407</b>	5,137,447
Software maintenance	<b>314,837</b>	265,984
	<b>5,396,060</b>	5,462,576
<b>Cyber Attack</b>		
Consulting fees	<b>3,389,085</b>	-
License fees	<b>541,850</b>	-
Minor equipment	<b>25,981</b>	-
Professional fees	<b>490,617</b>	-
Salaries and benefits	<b>382,038</b>	-
Software maintenance	<b>144,446</b>	-
Telecommunications	<b>127,017</b>	-
	<b>5,101,034</b>	-
<b>COVID-19</b>		
Consulting fees	<b>230,824</b>	423,000
License fees	<b>408,864</b>	1,075,302
Minor equipment	<b>22,076</b>	600,535
Other	<b>15,302</b>	42,552
Salaries and benefits	<b>66,466</b>	938,394
Telecommunications	<b>9,887</b>	18,926
	<b>753,419</b>	3,098,709
<b>Total expenses</b>	<b>\$ 96,772,998</b>	\$ 93,191,499