

Financial Statements of

**HEALTHCARE EMPLOYEES'  
BENEFITS PLAN - MANITOBA -  
EMPLOYEE ASSISTANCE PLAN**

Year ended December 31, 2016



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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the Healthcare Employees' Benefits Plan - Manitoba - Employee Assistance Plan

We have audited the accompanying financial statements of Healthcare Employees' Benefits Plan - Manitoba - Employee Assistance Plan, which comprise the statement of financial position as at December 31, 2016, the statement of changes in net assets available for benefits for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans, 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Healthcare Employees' Benefits Plan - Manitoba - Employee Assistance Plan as at December 31, 2016, and changes in its net assets available for benefits for the year then ended in accordance with Canadian accounting standards for pension plans.

*KPMG LLP*

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Chartered Professional Accountants

June 27, 2017

Winnipeg, Canada

# HEALTHCARE EMPLOYEES' BENEFITS PLAN - MANITOBA - EMPLOYEE ASSISTANCE PLAN

Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
<b>Assets</b>		
Cash	\$ 336,236	\$ 200,494
Receivable from Manitoba Blue Cross (note 3)	13,110	12,913
<b>Total assets</b>	<b>\$ 349,346</b>	<b>\$ 213,407</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 7,000	\$ 7,000
<b>Net assets available for benefits</b>	<b>\$ 342,346</b>	<b>\$ 206,407</b>

See accompanying notes to financial statements.

Approved by the Trustees:



Chair



Vice-Chair

# HEALTHCARE EMPLOYEES' BENEFITS PLAN - MANITOBA - EMPLOYEE ASSISTANCE PLAN

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Increase in net assets:		
Premiums	\$ 2,280,989	\$ 2,242,720
Interest income	1,831	1,016
Total increase in net assets	2,282,820	2,243,736
Decrease in net assets:		
EAP service costs	2,124,578	2,089,128
Administrative expenses (notes 4 and 7)	22,303	12,975
Total decrease in net assets	2,146,881	2,102,103
Increase in net assets available for benefits	135,939	141,633
Net assets available for benefits, beginning of year	206,407	64,774
Net assets available for benefits, end of year	\$ 342,346	\$ 206,407

See accompanying notes to financial statements.

# HEALTHCARE EMPLOYEES' BENEFITS PLAN - MANITOBA - EMPLOYEE ASSISTANCE PLAN

Notes to Financial Statements

Year ended December 31, 2016

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## 1. General:

The Healthcare Employees' Benefits Plan - Manitoba (HEBP) is a jointly trustee, not-for-profit organization which includes the employee assistance plan (the Plan) for healthcare employees in Manitoba.

The Plan is registered as a health and welfare trust under the *Income Tax Act* and is not subject to income taxes.

The Plan provides a comprehensive counselling service designed to help identify and resolve personal concerns affecting the health and well-being of participating employees and their families. The employee assistance plan (EAP) services are provided by Manitoba Blue Cross effective April 1, 2014.

## 2. Significant accounting policies:

### (a) Basis of presentation:

The Plan follows Canadian accounting standards for pension plans for accounting policies related to its obligations. In selecting or changing accounting policies that do not relate to its obligations, the Plan complies on a consistent basis with Canadian accounting standards for private enterprises.

These financial statements are prepared on a going concern basis and present the financial position of the Plan as a separate financial reporting entity, independent of the participating employers and members. Only the assets and obligations to members eligible to participate in the Plan have been included in these financial statements. These financial statements do not portray the funding requirements of the Plan.

### (b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Cash and investments, if any, are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Plan has elected not to carry any such financial instruments at fair value.

# HEALTHCARE EMPLOYEES' BENEFITS PLAN - MANITOBA - EMPLOYEE ASSISTANCE PLAN

Notes to Financial Statements (continued)

Year ended December 31, 2016

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## 2. Significant accounting policies (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the straight-line method.

### (c) Premiums:

Premiums recorded in the statement of changes in net assets available for benefits include the members' subscription required for employee assistance coverage. Premiums are recorded on an accrual basis.

### (d) EAP service costs:

EAP service costs are recorded in the period in which they are paid or payable. Any service costs not paid at fiscal year-end, if any, are reflected in accounts payable and accrued liabilities.

### (e) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets available for benefits during the year. Actual results could differ from those estimates.

## 3. Receivable from Manitoba Blue Cross:

The amounts receivable from Manitoba Blue Cross are funds held by Manitoba Blue Cross at December 31, 2016 related to the excess of premiums collected over service costs charged to the Plan.

# HEALTHCARE EMPLOYEES' BENEFITS PLAN - MANITOBA - EMPLOYEE ASSISTANCE PLAN

Notes to Financial Statements (continued)

Year ended December 31, 2016

## 4. Administrative expenses:

	2016	2015
Salaries and benefits	\$ 15,000	\$ 5,000
Audit fees	6,843	7,892
Other administrative expenses	460	83
	<u>\$ 22,303</u>	<u>\$ 12,975</u>

## 5. Capital management:

The main objective of the Plan is to sustain a certain level of net assets in order to meet the obligations of the Plan. Increases in net assets are a direct result of premiums paid into the Plan by eligible employers. The main use of net assets is for payment of service costs for eligible members of the Plan.

## 6. Risk management:

### (a) Market risk:

Management of the Plan believe they are not exposed to any market risks including interest rate, currency and other price risk in relation to the Plan's financial instruments.

### (b) Credit risk:

Credit risk associated with receivable from Manitoba Blue Cross is minimized due to its nature. Premiums are collected by Manitoba Blue Cross from participating employers which are used to pay the service costs. No provision for doubtful receivables has been recorded in 2016 or 2015.

### (c) Liquidity risk:

Liquidity risk is the possibility that financial assets of the Plan cannot be readily converted into cash when required. Liquidity risk is managed through premiums received being held by Manitoba Blue Cross on behalf of the Plan to fund the Plan's obligations. The Plan's accounts payable and accrued liabilities and due to Healthcare Employees' Pension Plan - Manitoba (HEPP) have contracted maturities of less than one year.



# HEALTHCARE EMPLOYEES' BENEFITS PLAN - MANITOBA - EMPLOYEE ASSISTANCE PLAN

Notes to Financial Statements (continued)

Year ended December 31, 2016

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## 7. Related party:

HEBP and HEPP have a certain number of common trustees and a cost sharing agreement to allocate certain costs based on factors such as square footage, number of employees and time usage.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.