

*Financial Statements of*

**WINNIPEG REGIONAL HEALTH AUTHORITY**

*March 31, 2007*

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2007**

The accompanying financial statements are the responsibility of management and have been approved by the Authority. The financial statements were prepared in accordance with Canadian generally accepted accounting principles and of necessity include some amounts that are based on estimates and judgements.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded.

Deloitte & Touche LLP provides an independent audit of the financial statements. Their examination is conducted in accordance with Canadian generally accepted auditing standards and includes tests and other procedures, which allow them to report on the fairness of the financial statements prepared by management.

Original Signed by Dr. Brian Postl

Dr. Brian D. Postl  
President & Chief Executive Officer

Original Signed by Paul Kochan

Paul A. Kochan, FCA  
Vice-President & Chief Financial Officer

Deloitte & Touche LLP  
360 Main Street  
Suite 2300  
Winnipeg MB R3C 3Z3  
Canada

Tel: (204) 942-0051  
Fax: (204) 947-9390  
www.deloitte.ca

## **AUDITORS' REPORT**

To the Directors of  
Winnipeg Regional Health Authority

We have audited the statement of financial position of Winnipeg Regional Health Authority (the "Authority") as at March 31, 2007 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2007 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Deloitte & Touche LLP.

Chartered Accountants

Winnipeg, Manitoba  
June 21, 2007

## TABLE OF CONTENTS

	<u>Page</u>
Statement of Operations	1
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 23
Schedules to the Financial Statements	24 - 30
Supplementary Information	31 - 34

# WINNIPEG REGIONAL HEALTH AUTHORITY

## Statement of Operations

For the year ended March 31, 2007

(in thousands of dollars)

	<u>2007</u>	<u>2006</u>
		(Restated - Note 20)
REVENUE		
Manitoba Health operating income	\$ 1,685,339	\$ 1,588,809
Manitoba Health pre-retirement income	17,168	2,759
Other income (Schedule 1)	81,347	66,853
Amortization of deferred contributions, capital	36,524	33,131
Recognition of deferred contributions, future expenses	5,516	10,475
	<u>1,825,894</u>	<u>1,702,027</u>
EXPENSES		
Direct operations	1,185,031	1,109,432
Pre-retirement	8,450	22,056
Amortization of capital assets	37,380	33,681
	<u>1,230,861</u>	<u>1,165,169</u>
FACILITY FUNDING		
Acute care facility funding (Schedule 2)	314,464	294,623
Long term care facility funding (Schedule 3)	228,808	219,351
Community health agency funding (Schedule 4)	27,336	24,489
Adult day care facility funding (Schedule 5)	2,815	2,834
Long term care community therapy services	632	632
GRANT FUNDED		
Grants to facilities and agencies (Schedule 6)	15,487	17,358
	<u>1,820,403</u>	<u>1,724,456</u>
OPERATING SURPLUS (DEFICIT)	5,491	(22,429)
Add		
Non-insured services net surplus	4,743	2,447
NET SURPLUS (DEFICIT)	<u>\$ 10,234</u>	<u>\$ (19,982)</u>

APPROVED BY THE BOARD

Original signed by Dr. John Wade  
..... Director

Original signed by Louis Druwe  
..... Director

**WINNIPEG REGIONAL HEALTH AUTHORITY****Statement of Financial Position**

As at March 31, 2007

(in thousands of dollars)

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		(Restated - Note 20)
<b>CURRENT</b>		
Cash and marketable securities	\$ 72,623	\$ 64,919
Accounts receivable (Note 3)	64,951	46,376
Inventory	13,084	11,591
Prepaid expenses	8,226	4,971
Employee benefits recoverable from Manitoba Health (Note 4)	78,675	78,675
	<u>237,559</u>	<u>206,532</u>
<b>CAPITAL ASSETS (Note 5)</b>	<b>642,581</b>	<b>594,854</b>
<b>OTHER ASSETS</b>		
Employee future benefits recoverable from Manitoba Health (Note 18)	82,302	82,302
Specific purpose funds (Note 6)	37,275	36,190
Nurse recruitment and retention fund (Note 10)	3,419	3,990
	<u>\$ 1,003,136</u>	<u>\$ 923,868</u>
<b>LIABILITIES, DEFERRED CONTRIBUTIONS AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 135,195	\$ 113,376
Employee benefits payable (Note 4)	85,359	81,966
Current portion of long term debt (Note 8)	9,643	2,313
	<u>230,197</u>	<u>197,655</u>
<b>LONG TERM DEBT AND DEFERRED CONTRIBUTIONS</b>		
Long term debt (Note 8)	13,896	23,141
Employee future benefits payable (Note 18)	105,492	103,799
Specific purpose funds (Note 6)	37,275	36,190
Deferred contributions (Note 9)	574,882	531,352
Nurse recruitment and retention fund (Note 10)	3,419	3,990
	<u>965,161</u>	<u>896,127</u>
<b>NET ASSETS</b>	<b>37,975</b>	<b>27,741</b>
<b>COMMITMENTS AND CONTINGENCIES (Note 13)</b>		
	<u>\$ 1,003,136</u>	<u>\$ 923,868</u>

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Statement of Changes in Net Assets**  
For the year ended March 31, 2007  
(in thousands of dollars)

	2007										2006
	Investment in Capital Assets (Note 11)	Unrestricted			Internally Restricted					Total	Total (Restated - Note 20)
		Operating	Unfunded Pre- retirement Benefits	Total Unrestricted	Laundry Capital Assets	Pan Am Capital Assets	Telehealth Capital Assets	Seven Oaks Ancillaries & Wellness Institute	Total Internally Restricted		
Balance, beginning of year	\$ 40,420	\$ 8,042	\$ (24,640)	\$ (16,598)	\$ 569	\$ 512	\$ -	\$ 2,838	\$ 3,919	\$ 27,741	\$ 48,913
Prior period adjustment:											
Deferred contributions (Note 20)	-	-	-	-	-	-	-	-	-	-	(1,251)
Amortization of capital assets (Note 20)	-	-	-	-	-	-	-	-	-	-	18
Accrued vacation pay (Note 20)	-	-	-	-	-	-	-	-	-	-	(17)
Amortization of Deferred contributions(Note 20)	-	-	-	-	-	-	-	-	-	-	60
Adjusted balance, beginning of year	40,420	8,042	(24,640)	(16,598)	569	512	-	2,838	3,919	27,741	47,723
Net (deficit) surplus	(3,551)	5,067	8,718	13,785	-	-	-	-	-	10,234	(19,982)
Purchases of capital assets	8,218	(7,681)	-	(7,681)	(330)	-	-	(207)	(537)	-	-
Net Asset Restrictions	-	(1,629)	-	(1,629)	372	341	457	459	1,629	-	-
Balance, end of year	\$ 45,087	\$ 3,799	\$ (15,922)	\$ (12,123)	\$ 611	\$ 853	\$ 457	\$ 3,090	\$ 5,011	\$ 37,975	\$ 27,741

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Statement of Cash Flows**  
For the year ended March 31, 2007  
(in thousands of dollars)

	<u>2007</u>	<u>2006</u>
		(Restated - Note 20)
<b>OPERATING ACTIVITIES</b>		
Net surplus (deficit)	\$ 10,234	\$ (19,982)
Items not affecting cash		
Amortization of capital assets	43,348	38,872
Amortization of deferred contributions related to capital assets	(39,797)	(35,662)
Recognition of deferred contributions related to future expenses	(5,519)	(10,476)
Net change in employee future benefits	5,086	17,357
	<u>13,352</u>	<u>(9,891)</u>
Changes in non-cash operating working capital items	(1,504)	(5,375)
Deferred contributions received - future expenses	11,457	2,423
	<u>23,305</u>	<u>(12,843)</u>
<b>FINANCING ACTIVITIES</b>		
Deferred contributions received - capital assets	77,389	81,192
Long term debt repayments	(1,915)	(2,359)
	<u>75,474</u>	<u>78,833</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(91,075)	(98,213)
<b>INCREASE (DECREASE)</b>	<b>7,704</b>	<b>(32,223)</b>
CASH AND MARKETABLE SECURITIES, BEGINNING OF YEAR	64,919	97,142
CASH AND MARKETABLE SECURITIES, END OF YEAR	\$ 72,623	\$ 64,919
<b>Comprised of:</b>		
Cash	\$ 25,652	\$ 12,339
Marketable securities	46,971	52,580
Total	\$ 72,623	\$ 64,919
<b>Supplementary Information:</b>		
Interest paid	\$ 621	\$ 1,838



# WINNIPEG REGIONAL HEALTH AUTHORITY

## Notes to the Financial Statements

As at March 31, 2007

(amounts in thousands of dollars)

---

### 1. NATURE OF BUSINESS

The Winnipeg Regional Health Authority (“the Authority”, WRHA) was established on December 1, 1999. The Authority provides community health services directly through its operations of Home Care, Mental Health and Public Health and provides acute care services through its Health Sciences Centre, Deer Lodge Centre, and Pan Am Clinic sites. Acute care services are also provided by Concordia Hospital, Seven Oaks General Hospital, Victoria General Hospital, The Salvation Army Grace General Hospital (“the Community Hospitals”) and the three other urban hospitals, Misericordia Health Centre, Riverview Health Centre, Inc., St. Boniface General Hospital (“the Other Hospitals”), and the Manitoba Adolescent Treatment Centre. Long term care, community health and other health services are delivered in the region through non-proprietary and proprietary personal care homes and community health agencies as well as through a number of non-profit organizations.

The Authority is a not-for-profit organization under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

#### a) *The reporting entity*

The scope of the Authority’s operations is classified into these four distinct segments:

- i. Direct Operations provided through:
  - Direct Ownership – Home Care services, Mental Health services, Public Health services, Primary Care services, Acute Care services (Health Sciences Centre, Deer Lodge Centre and Pan Am sites), and medical remuneration.
  - Agreement – the Community Hospitals by means of agreements to further regionalization and operating agreements.
- ii. Acute Care services – provided through the Other Hospitals and the Manitoba Adolescent Treatment Centre by means of operating agreements.
- iii. Long Term Care and Community Health services – provided through non-proprietary and proprietary personal care homes and community health agencies by means of service purchase agreements.
- iv. Other Health services – provided through various agencies by means of grant funding mechanisms.

The facilities in (ii) are non-consolidated controlled entities (see note 2b.)

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Notes to the Financial Statements**  
**As at March 31, 2007**  
**(amounts in thousands of dollars)**

---

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

*b) Definition of controlled entity*

The Authority is the majority funder of the Community Hospitals and the Other Hospitals which act as the Authority's agents in providing health care services mandated by the Province of Manitoba. These health care services are delivered under the control of the Authority from an accounting perspective. This determination of control is based largely on the fact that the Other and Community Hospitals' purposes are integrated with that of the WRHA such that the Other and Community Hospitals and the WRHA have common and complementary objectives. Moreover, due to the existence of operating agreements between the Authority and the Other and Community Hospitals, the WRHA has the power to determine the strategic operating, investing and financing policies of the Other and Community Hospitals.

Additionally, the Deer Lodge Centre Foundation has been deemed a controlled entity by virtue of the fact that its purpose is to raise funds for the Deer Lodge Centre.

As permitted by Canadian generally accepted accounting principles, the controlled Community Hospitals have been consolidated into the Authority's financial statements due to the nature of the agreements in existence, while the controlled Other Hospitals have not. Note 12 provides a financial summary of these controlled non-consolidated entities.

*c) Revenue recognition*

The Authority follows the deferral method of accounting for contributions:

- i. Operating contributions – recorded as revenue in the period to which they relate.
- ii. Unrestricted contributions – recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- iii. Externally restricted contributions – recognized as revenue in the year in which the related expenses are recognized.
- iv. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.
- v. Contributions approved but not received at the end of an accounting period are accrued. Where a portion of a contribution relates to a future period, it is deferred and recognized in that subsequent period.

The Authority is funded by the Province of Manitoba using Manitoba Health funding mechanisms. These financial statements use funding mechanisms approved by Manitoba Health for the year ended March 31, 2007.

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Notes to the Financial Statements**  
**As at March 31, 2007**  
**(amounts in thousands of dollars)**

---

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

*d) Investments*

Investments in marketable securities are recorded at cost. Market value of the investments at March 31, 2007 is \$46,825 (cost - \$46,971), March 31, 2006 - \$52,538 (cost \$52,580). If the market value of the investments becomes lower than cost and this decline in value is considered to be other than temporary, the investments are written down to market value.

*e) Medical, drugs and other supplies*

Medical, drugs and other supplies are valued at average cost and expensed when put into use.

*f) Linen and bedding inventory*

Linen and bedding inventory is recorded at cost and expensed when put into use.

*g) Capital assets*

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets are amortized on a straight-line basis using an annual rate of:

Buildings	2-6%
Improvements to land & buildings	4-20%
Equipment	5-33%
Computer hardware/software	10-20%
Furniture	5-20%
Leasehold improvements	over the life of the lease
Facility upgrades	5%
Start-up costs	33 1/3%

*h) Financial instruments*

*Credit risk*

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Authority's accounts receivable are comprised mostly of amounts due from the Government of Manitoba and from the sites that it funds, minimizing credit risk.

*Interest rate risk*

Interest rate risk is the risk arising from fluctuations in short term interest rates and the volatility of those rates. The Authority mitigates this risk by retaining the option to convert all floating rate borrowings to fixed rate borrowings.

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Notes to the Financial Statements**  
**As at March 31, 2007**  
**(amounts in thousands of dollars)**

---

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

*h) Financial instruments (continued)*

*Fair value*

The carrying amounts of short-term financial assets and liabilities are a reasonable estimate of the fair values because of the short maturity of those instruments. Short-term financial assets are comprised of cash and marketable securities, accounts receivable and employee benefits recoverable from Manitoba Health. Short-term financial liabilities are comprised of accounts payable and accrued liabilities, employee benefits payable and current portion of long term debt.

The fair value of the long term asset employee future benefits recoverable from Manitoba Health and the long term liability employee future benefits payable could not be determined because there are no specific terms of repayment.

*i) Surplus retention and use policy*

Hospitals, non-proprietary personal care homes, and community health agencies are eligible to retain insured services surpluses based on an agreed upon formula. The retainable portion of the surplus is recorded on the site's Statement of Financial Position as deferred contributions.

*j) Use of estimates*

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 these estimates. The amounts estimated by management include amortization of capital assets and allowance for doubtful accounts in the amount of \$399 (2006 - \$428).

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Notes to the Financial Statements**  
**As at March 31, 2007**  
**(amounts in thousands of dollars)**

---

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

*k) Due to/from Manitoba Health*

*In Globe funding*

In Globe funding is funding approved by Manitoba Health for Regional Health Authority programs unless otherwise specified as Out of Globe funding. This includes volume changes and price increases for the five service categories of Acute Care, Long Term Care, Community and Mental Health, Home Care, and Emergency Response and Transport. All additional costs in these five service areas must be absorbed from within the global funding provided.

Any operating surplus greater than 2% of budget related to In Globe funding arrangements is recorded on the statement of financial position as a payable to Manitoba Health until such time as Manitoba Health reviews the financial statements. At that time, Manitoba Health determines what portion of the approved surplus may be retained by the Authority, or repaid to Manitoba Health.

Under Manitoba Health policy, the Authority is responsible for In Globe deficits, unless otherwise approved by Manitoba Health.

*Out of Globe funding*

Out of Globe funding is funding approved by Manitoba Health for specific programs.

Any operating surplus related to Out of Globe funding arrangements is recorded on the statement of financial position as a payable to Manitoba Health until such time as Manitoba Health reviews the financial statements. At that time, Manitoba Health determines what portion of the approved surplus may be retained by the Authority, or repaid to Manitoba Health.

Conversely, any operating deficits related to Out of Globe funding arrangements is recorded on the statement of financial position as a receivable from Manitoba Health until such time as Manitoba Health reviews the financial statements. At that time, Manitoba Health determines their final funding approvals which indicate the portion of the deficit that will be paid to the Authority. Any unapproved costs not paid by Manitoba Health are absorbed by the Authority.

*l) Internally restricted net assets*

The Authority has allocated some of the net assets to future capital purchases through internal restrictions by the Boards of Directors.

# WINNIPEG REGIONAL HEALTH AUTHORITY

## Notes to the Financial Statements

As at March 31, 2007

(amounts in thousands of dollars)

### 3. ACCOUNTS RECEIVABLE

	<u>2007</u>	<u>2006</u>
		(Restated - Note 20)
Manitoba Health - operating and capital	\$ 35,152	\$ 15,151
Facility advances and receivables	5,818	11,010
Patient related and other	23,981	20,215
	<u>\$ 64,951</u>	<u>\$ 46,376</u>

### 4. EMPLOYEE BENEFITS

The Authority records a provision for employee benefits including accrued vacation, overtime, and statutory holiday entitlements. Prior to March 31, 2004 changes in the liability related to employee benefits were recoverable from Manitoba Health. Manitoba Health advised that changes subsequent to March 31, 2004 are no longer recoverable and must be included in the current year operations.

An analysis of the changes in the employee benefits recoverable from Manitoba Health is as follows:

	<u>2007</u>	<u>2006</u>
		(Restated - Note 20)
Balance, beginning of year	\$ 78,675	\$ 78,675
Balance, end of year	<u>\$ 78,675</u>	<u>\$ 78,675</u>

An analysis of the changes in the employee benefits payable is as follows:

Balance, beginning of year	\$ 81,966	\$ 80,379
Increase in vacation / overtime / statutory holidays entitlements	3,393	1,587
Balance, end of year	<u>\$ 85,359</u>	<u>\$ 81,966</u>

# WINNIPEG REGIONAL HEALTH AUTHORITY

## Notes to the Financial Statements

As at March 31, 2007

(amounts in thousands of dollars)

5. CAPITAL ASSETS	2007			2006
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
				(Restated - Note 20)
Land	\$ 7,745	\$ -	\$ 7,745	\$ 7,190
Buildings	528,580	215,507	313,073	305,627
Improvements to land & buildings	29,324	10,512	18,812	16,148
Equipment	453,900	356,841	97,059	98,385
Computer hardware	16,285	11,770	4,515	5,765
Computer software	1,357	1,344	13	23
Furniture	5,743	2,188	3,555	3,747
Leasehold improvements	6,593	2,802	3,791	4,375
Facility upgrades	-	-	-	3,489
Construction in progress	194,018	-	194,018	150,105
Start-up costs	2,856	2,856	-	-
	<b>\$ 1,246,401</b>	<b>\$ 603,820</b>	<b>\$ 642,581</b>	<b>\$ 594,854</b>

## 6. SPECIFIC PURPOSE FUNDS

Cash and investments held for specific purposes include the following:

	2007	2006
		(Restated - Note 20)
Cash and marketable securities, at cost	\$ 37,275	\$ 36,190

The Authority maintains numerous research, trust and clearing accounts designated for specific purposes. An analysis of the changes in these funds is as follows:

	2007	2006
		(Restated - Note 20)
Balance, beginning of year	\$ 36,190	\$ 35,729
Grants, bequests and donations	18,862	20,268
Investment income	1,804	1,527
Disbursements	(19,581)	(21,334)
Balance, end of year	<b>\$ 37,275</b>	<b>\$ 36,190</b>

Certain of the funds designated for specific purposes are subject to externally imposed restrictions stipulating that the principal be maintained intact, or that the principal be used for specifically stated purposes.

**WINNIPEG REGIONAL HEALTH AUTHORITY****Notes to the Financial Statements****As at March 31, 2007****(amounts in thousands of dollars)****7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2007</u>	<u>2006</u>
		(Restated - Note 20)
Accounts payable and accrued liabilities	\$ 110,472	\$ 84,558
Accrued salaries	23,479	23,324
Holdbacks on construction contracts	1,244	5,494
	<u>\$ 135,195</u>	<u>\$ 113,376</u>

**8. LONG-TERM DEBT**

	<u>2007</u>	<u>2006</u>
		(Restated - Note 20)
Prime less 0.5% Demand Loan, maturing 2015 Grace General Hospital Hospice (fair value \$320)	\$ 371	\$ 421
7.04% Mortgage payable, maturing 2006 Nutrition & Food Services (fair value \$nil)	-	393
Prime less 0.5% Term Loan, maturing 2011 Concordia Energy Saving Project (fair value \$275)	275	338
Prime less 0.9% Demand Loan, maturing 2017 Emily Street Parkade (fair value \$8,099)	8,361	8,954
7.38% Mortgage payable, maturing 2018 Nutrition & Food Services (fair value \$14,626)	14,532	15,316
Capital leases (fair value \$32)	-	32
	<u>23,539</u>	<u>25,454</u>
Less amounts due within one year, included in current liabilities	<u>(9,643)</u>	<u>(2,313)</u>
	<u>\$ 13,896</u>	<u>\$ 23,141</u>

The fair value of long term debt at March 31, 2007 has been calculated using discounted cash flow analysis based on incremental borrowing rates currently available for similar terms and maturities.

The principal repayments over the next five years are as follows:

2008	\$ 9,643
2009	979
2010	1,052
2011	1,106
2012	1,134



# WINNIPEG REGIONAL HEALTH AUTHORITY

## Notes to the Financial Statements

As at March 31, 2007

(amounts in thousands of dollars)

### 9. DEFERRED CONTRIBUTIONS

	<u>2007</u>	<u>2006</u>
		(Restated - Note 20)
Deferred contributions, future expenses		
- operating expenses	\$ 12,409	\$ 11,463
- contract settlement expenses	4,902	-
	<u>17,311</u>	11,463
Deferred contributions, capital	557,571	519,889
Deferred contributions, total	<u>\$ 574,882</u>	<u>\$ 531,352</u>

#### a) Deferred contributions, future expenses

Deferred contributions related to future expenses represent the unspent amount of funding received for the Authority's operating expenses. The recognition of deferred contributions, future expenses is recorded as revenue in the statement of operations.

	<u>2007</u>	<u>2006</u>
		(Restated - Note 20)
Balance, beginning of year	\$ 11,463	\$ 24,295
Amount received during the year	11,457	2,423
Transferred (to) from deferred contributions, capital	(90)	(4,779)
Less: amount recognized as revenue - Programs	(5,516)	(10,475)
Less: amount recognized as revenue - Non-insured services	(3)	(1)
Balance, end of year	<u>\$ 17,311</u>	<u>\$ 11,463</u>

#### b) Deferred contributions, capital

Deferred contributions related to capital assets represent the unamortized and unspent amount of funding received for the purchase of the Authority's capital assets. The amortization of deferred contributions, capital is recorded as revenue in the statement of operations.

	<u>2007</u>	<u>2006</u>
		(Restated - Note 20)
Balance, beginning of year	\$ 519,889	\$ 468,394
Amount received during the year	77,389	81,192
Transferred from (to) deferred contributions, future expenses	90	4,779
Less: amount amortized to revenue – Programs	(36,524)	(33,131)
Less: amount amortized to revenue – Non-insured services	(3,273)	(2,531)
Restatement (Note 20)	-	1,186
Balance, end of year	<u>\$ 557,571</u>	<u>\$ 519,889</u>

**WINNIPEG REGIONAL HEALTH AUTHORITY****Notes to the Financial Statements****As at March 31, 2007****(amounts in thousands of dollars)**

---

**9. DEFERRED CONTRIBUTIONS (continued)****b) Deferred contributions, capital (continued)**

The long-term debt that has been incorporated in deferred contributions includes the following:

	<u>2007</u>	<u>2006</u>
		(Restated - Note 20)
Demand bank loans for capital projects in anticipation of the future issuance of long-term debt by Manitoba Health, 2.69% revolving 60 days	\$ 7,747	\$ 8,879
Demand bank loans for capital projects in anticipation of the future issuance of long-term debt by Manitoba Health, Prime less 0.75% to Prime less 0.5%	9,024	8,219
Capital lease obligation	-	5
10.00% Sinking fund debenture maturing 2011, annual payments of \$625	25,000	25,000
	<u>\$ 41,771</u>	<u>\$ 42,103</u>

At March 31, 2007 the value of the sinking fund assets and accumulated interest aggregated \$12,969 (March 31, 2006 - \$11,807). Annual payments are made by the Authority/Manitoba Health from cash held in trust, which at March 31, 2007 was \$2,112 (March 31, 2006 - \$2,112).

# WINNIPEG REGIONAL HEALTH AUTHORITY

## Notes to the Financial Statements

As at March 31, 2007

(amounts in thousands of dollars)

---

### 10. NURSE RECRUITMENT AND RETENTION FUND

In 2000, Manitoba Health had established a \$7 million Nurse Recruitment and Retention Fund in order to assist with the implementation of recruitment and retention strategies for nurses throughout Manitoba. The Authority holds, invests and disburses funds on behalf of the Nurse Recruitment and Retention Committee. The Fund is administered by a tri-partite committee comprised of the Regional Health Authorities of Manitoba, Manitoba Health, and the Manitoba Nurses Union. The Authority can only disburse funds authorized by the committee.

Cash and investments held for the Nurse Recruitment and Retention Fund include the following:

	<u>2007</u>	<u>2006</u>
Cash and marketable securities, at cost	\$ 3,419	\$ 3,990

---

An analysis of the changes in the Nurse Recruitment and Retention Fund is as follows:

Balance, beginning of year	\$ 3,990	\$ 5,088
Additions to fund	1,309	1,200
Interest earned on investment	120	130
Fund expenditures	(2,000)	(2,428)
Balance, end of year	\$ 3,419	\$ 3,990

---

# WINNIPEG REGIONAL HEALTH AUTHORITY

## Notes to the Financial Statements

As at March 31, 2007

(amounts in thousands of dollars)

### 11. INVESTMENT IN CAPITAL ASSETS

Investment in capital assets is calculated as follows:

	<u>2007</u>	<u>2006</u>
		(Restated - Note 20)
Capital assets	\$ 448,563	\$ 444,749
Startup costs	-	-
Construction and other projects in progress	194,018	150,105
	<u>\$ 642,581</u>	<u>\$ 594,854</u>

Amounts financed by:

Deferred contributions	(557,571)	(519,889)
Loans and accounts payable	(39,923)	(34,545)
Investment in capital assets	<u>\$ 45,087</u>	<u>\$ 40,420</u>

Change in investment in capital assets is calculated as follows:

	<u>2007</u>	<u>2006</u>
		(Restated - Note 20)
<b>a) Excess of expenses over revenues</b>		
Amortization of capital assets included in programs	\$ (37,380)	\$ (33,681)
Amortization of capital assets included in uninsured services	(5,968)	(5,191)
Amortization of deferred contributions related to capital assets included in programs	36,524	33,131
Amortization of deferred contributions related to capital assets included in uninsured services	3,273	2,531
	<u>\$ (3,551)</u>	<u>\$ (3,210)</u>
<b>b) Purchase of capital assets</b>	<u>\$ 91,075</u>	<u>\$ 98,213</u>
Amounts funded by:		
Capital contributions received in the year	(77,389)	(81,192)
Capital contributions transferred (from) to future expenses	(90)	(4,779)
Change in capital contributions receivable	(5,378)	(7,147)
	<u>\$ 8,218</u>	<u>\$ 5,095</u>
Change in Investment in Capital Assets	<u>\$ 4,667</u>	<u>\$ 1,885</u>

**WINNIPEG REGIONAL HEALTH AUTHORITY****Notes to the Financial Statements****As at March 31, 2007****(amounts in thousands of dollars)****12. CONTROLLED ENTITIES INFORMATION**

A financial summary of the three Other Hospitals, Manitoba Adolescent Treatment Centre and the Deer Lodge Centre Foundation, which have not been consolidated with the accounts of the Authority, is as follows:

FINANCIAL POSITION	<u>2007</u>	<u>2006</u>
		(Restated - Note 20)
Assets	\$ 405,181	\$ 382,770
Liabilities	381,331	363,110
<b>Total net assets</b>	<b>\$ 23,850</b>	<b>\$ 19,660</b>
RESULTS OF OPERATIONS		
Total revenues	\$ 360,682	\$ 339,517
Total expenses	357,191	347,023
	<b>3,491</b>	<b>(7,506)</b>
Surplus refundable to WRHA	<b>(59)</b>	<b>(445)</b>
<b>Operating surplus (deficit)</b>	<b>3,432</b>	<b>(7,951)</b>
Non-insured services income	14,814	16,513
Non-insured services expenses	14,081	17,154
<b>Non-insured services surplus (deficit)</b>	<b>733</b>	<b>(641)</b>
<b>Net surplus (deficit)</b>	<b>\$ 4,165</b>	<b>\$ (8,592)</b>
CASH FLOWS		
From operating activities	\$ 547	\$ (5,393)
Cash (used for) received from financing & investing	<b>(5,807)</b>	<b>(3,769)</b>
<b>(Decrease) increase in cash</b>	<b>\$ (5,260)</b>	<b>\$ (9,162)</b>

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Notes to the Financial Statements**  
**As at March 31, 2007**  
**(amounts in thousands of dollars)**

---

**13. COMMITMENTS AND CONTINGENCIES**

- a) The Authority is subject to legal actions arising in the normal course of business. It is not expected that these legal actions will have a material adverse effect on the financial position of the Authority.
- b) At March 31, 2007, annual lease payments for the various premises occupied by the Authority over the next five years are as follows:

2008	\$6,860
2009	6,450
2010	5,191
2011	4,618
2012	4,541

- c) At March 31, 2007, the Authority had capital commitments of approximately \$64,149 (2006 - \$15,675) and equipment purchase commitments of approximately \$8,377 (2006 - \$4,979).
- d) The Authority has entered into various operating lease commitments. The minimum amounts payable over the next five years are as follows:

2008	\$ 2,628
2009	1,481
2010	810
2011	380
2012	123

**14. HIROC**

On July 1, 1987, a group of health care organizations ("subscribers"), formed Healthcare Insurance Reciprocal of Canada ("HIROC"). HIROC is registered as a Reciprocal under provincial Insurance Acts, which permit persons to exchange with other persons reciprocal contracts of indemnity insurance. HIROC facilitates the provision of liability insurance coverage to health care organizations in the provinces of Ontario, Manitoba, Saskatchewan and Newfoundland. Subscribers pay annual premiums, which are actuarially determined, and are subject to assessment for losses in excess of such premiums, if any, experienced by the group of subscribers for the years in which they were a subscriber. No such assessments have been made to March 31, 2007

**15. ECONOMIC DEPENDENCE**

The Authority received approximately 93% (2006 – 94%) of its total revenue from Manitoba Health and is economically dependent on Manitoba Health for continued operations.

## **WINNIPEG REGIONAL HEALTH AUTHORITY**

### **Notes to the Financial Statements**

**As at March 31, 2007**

**(amounts in thousands of dollars)**

---

#### **16. RELATED PARTY TRANSACTIONS**

The Authority is responsible for the overall management of health care services provided in the Winnipeg Health Region. Programs are delivered in the region by the Authority through its direct service operations, by the Other Hospitals through operating agreements, by proprietary and non-proprietary personal care homes and community health agencies through service purchase agreements as well as through a number of non-profit organizations through grant funding mechanisms. The Authority transacts business on a regular basis with the organizations and agencies described in Notes 1 and 2b.

#### **17. RELATED ENTITIES**

The Authority has a significant influence on the Health Sciences Centre Foundation Inc. (HSCF) and the Children's Hospital Foundation of Manitoba Inc. (CHFM). The foundations' aims and objectives are to raise, invest and allocate funds for research projects through a number of institutions.

These foundations are incorporated under the Corporations Act of Manitoba and are registered charities for the purposes of the Income Tax Act and accordingly exempt from income taxes.

The four Community Hospitals have the following related entities:

##### Concordia Hospital

- The Concordia Foundation Inc.
- Concordia Wellness Projects Inc.
- Concordia Hospital Fund Inc.

##### Seven Oaks General Hospital

- Seven Oaks General Hospital Foundaion Inc.

##### The Salvation Army Grace General Hospital

- Grace General Hospital (Winnipeg) Foundation Inc., and
- The Salvation Army Winnipeg Grace General Hospital Auxiliary

##### Victoria General Hospital

- The Victoria General Hospital Foundation Inc.
- Guild of Victoria General Hospital Inc.

The financial statements of these entities have not been included in these statements but are available from the entity.

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Notes to the Financial Statements**  
**As at March 31, 2007**  
**(amounts in thousands of dollars)**

---

**18. EMPLOYEE FUTURE BENEFITS**

*a) Accrued retirement entitlement*

Based upon collective agreements and/or non-union policy, employees of the WRHA are entitled to a pre-retirement leave benefit if they are retiring in accordance with the provisions of the applicable WRHA Group Pension Plan. The Authority's contractual commitment is to pay based upon one of the following (dependant on the agreement/policy applicable to the employee):

1. Four days of salary per year of service upon retirement if the employee complies with one of the following conditions:
  - i. has 10 years service\* and has reached the age 55
  - ii. qualifies for the "eighty" rule which is calculated by adding the number of years of service to the age of the employee
  - iii. retires at or after age 65
  - iv. terminates employment at any time due to permanent disability

\*Non-union policy requires 5 years service for staff not covered by a collective agreement.

2. One week of pay for each year of service up to 15 years of service and two weeks of additional pay for each five years past the 15 years of service up to 35 years of service upon retirement if the employee complies with the following conditions:
  - i. has 9 or more years of service
  - ii. has reached the age of 55
3. One week of pay for each year of accumulated service or portion thereof to a maximum of fifteen weeks pay upon retirement if the employee complies with the following conditions:
  - i. has 10 or more years of service
  - ii. has reached the age of 55

The Authority undertook an actuarial valuation of the pre-retirement leave benefit for accounting purposes as at December 31, 2006, projected to March 31, 2007. The significant actuarial assumptions adopted in measuring the Authority's accrued retirement entitlements include mortality and withdrawal rates, a discount rate of 4.85% (2006 – 5.0%) and a rate of salary increase of 3.0% (2006 – 3.0%) plus age related merit/promotion scale with no provision for disability.

The amount of funding which will be provided by Manitoba Health for pre-retirement entitlement obligations has been capped at the amount owing as at March 31, 2004 and has been recorded as a receivable on the statement of financial position. Manitoba Health has indicated that payment of this receivable, when required, is guaranteed by the Province. Any future changes from the March 31, 2004 liability amount will be reflected in the statement of operations. The amount of the receivable is being recorded on a non-discounted basis. This accounting policy is consistent with that advocated and followed by Manitoba Health, a related party to WRHA. The fair value of the receivable on a discounted basis would be significantly less than the carrying value and the difference could be materially influenced by the effective discount rate utilized.



**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Notes to the Financial Statements**  
**As at March 31, 2007**  
**(amounts in thousands of dollars)**

---

**18. EMPLOYEE FUTURE BENEFITS (continued)**

a) *Accrued retirement entitlement (continued)*

	<u>2007</u>	<u>2006</u> (Restated – Note 20)
Employee future benefits recoverable from		
Manitoba Health	\$ 82,302	\$ 82,302

An analysis of the changes in the employee benefits payable is as follows:

Balance, beginning of year	\$ 103,799	\$ 85,566
Net increase in pre-retirement entitlements	1,693	18,233
Balance, end of year	\$ 105,492	\$ 103,799

b) *Pension plan*

Most of the employees of the Authority are members of the Healthcare Employees Pension Plan (the "Plan"), which is a multi-employer defined benefit pension plan available to all eligible employees. Plan members will receive benefits based on the length of service and on the average annualized earnings calculated on the best five of the eleven consecutive years prior to retirement, termination or death, that provide the highest earnings. The costs of the benefit plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore the plan is accounted for as a defined contribution plan in accordance with the requirements of the Canadian Institute of Chartered Accountants' Handbook section 3461.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by the Plan by placing plan assets in trust and through the Plan investment policy. Pension expense is based on Plan management's best estimates, in consultation with its actuaries, of the amount, together with the 5% of basic annual earnings up to the Canada Pension Plan ceiling contributed by employees, required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by the Plan. The funding objective is for employer contributions to the Plan to remain a constant percentage of employee's contributions.

Variances between actuarial funding estimates and actual experience may be material and any differences are generally to be funded by the participating members. The most recent actuarial valuation of the plan as at December 31, 2006, indicates that the plan is fully funded. Actual contributions to the plan made during the year by the Authority on behalf of its employees amounted to \$37,261 (2006 - \$32,046) and are included in the statement of operations.

Some of the employees of the Authority are eligible for membership in the provincially operated Civil Service Superannuation Plan. The pension liability for Authority employees is included in the Province of Manitoba's liability for Civil Service Superannuation Fund. Accordingly, no provision is required in the financial statements relating to the effects of participating in the plan by the Authority and its employees.

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Notes to the Financial Statements**  
**As at March 31, 2007**  
**(amounts in thousands of dollars)**

---

**19. COMPARATIVE FIGURES**

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.

**20. RESTATEMENT OF PRIOR PERIODS**

Due to the agreements signed between the WRHA and the Community Hospitals and the resulting inclusion of the Community Hospitals in these consolidated financial statements, the following restatements of have been made to the March 31, 2006 balances: increased the total assets by \$134,234, increased the total liabilities by \$124,520, increased the total net assets by \$9,714. In addition, total revenue increased by \$30,747 and total expenses increased by \$33,201 for the year ended March 31, 2006.

The prior year financial statements were corrected to reflect a reclassification resulting in a decrease of net assets – unrestricted in the amount of \$1,788, a decrease of net assets – internally restricted in the amount of \$43, an increase in net assets – invested in capital assets in the amount of \$580 and an increase of deferred contributions in the amount of \$1,251.

The prior year financial statements were corrected to reflect an overstatement of amortization of capital assets and an understatement of the accrued vacation pay at one of the Community Hospitals. These adjustments result in an increase in capital assets of \$20, an increase in accounts payable and accrued liabilities in the amount of \$18, an increase in direct operations expense in the amount of \$1, an decrease in amortization of capital assets expense in the amount of \$3, an increase in net assets – invested in capital assets in the amount of \$17 and a decrease in net assets - unrestricted in the amount of \$17.

The prior year financial statements were corrected to reflect an understatement of the amortization of deferred contributions at one of the Community Hospitals resulting in an increase in net assets – invested in capital assets in the amount of \$60, an increase in amortization of deferred contributions - capital in the amount of \$4 and a decrease in deferred contributions in the amount of \$64.

The prior year controlled entity information has been revised to reflect restatements that occurred at various facilities. These restatements have been disclosed in the controlled entities' financial statements.

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Notes to the Financial Statements**  
**As at March 31, 2007**  
**(amounts in thousands of dollars)**

---

**21. SUBSEQUENT EVENT**

The Winnipeg Regional Health Authority entered into a letter of agreement with Misericordia Health Centre (“the Centre”) on April 10, 2007. Under the terms of this letter the Centre agreed in principle to move forward on the further regionalization of certain aspects of its operations. Specific agreement was reached to proceed to transfer financial responsibility for the operations of the Centre to the WRHA. Also, under the terms of this letter, the WRHA agreed to assume responsibility for the unrestricted net asset deficit, specifically defined by term and exclusions, of the Centre as at March 31, 2007 subject to due diligence reviews and approval by the WRHA with agreement and approval by the Centre.

The letter of agreement is effective of April 1, 2007 and remains in effect until replaced by a new operating agreement between the WRHA and the Centre.

# WINNIPEG REGIONAL HEALTH AUTHORITY

## Schedule 1 - Other Income

For the year ended March 31, 2007

(in thousands of dollars)

	<u>2007</u>	<u>2006</u>
		(Restated - Note 20)
Separately funded primary health programs	\$ 4,320	\$ 5,350
Patient and resident income	19,181	17,682
Radiology fee for service	7,918	5,810
External recoveries	43,611	32,276
Interest income	2,648	2,966
Miscellaneous income	3,669	2,769
<b>Total</b>	<b>\$ 81,347</b>	<b>\$ 66,853</b>

# WINNIPEG REGIONAL HEALTH AUTHORITY

## Schedule 2 - Acute Care Facility Funding

For the year ended March 31, 2007

(in thousands of dollars)

	<u>2007</u>	<u>2006</u>
		(Restated - Note 20)
Manitoba Adolescent Treatment Centre	\$ 7,958	\$ 7,606
Misericordia Health Centre	34,217	33,283
Riverview Health Centre	37,156	35,111
St. Boniface General Hospital	235,133	218,623
<b>Total Acute Care Facility Funding</b>	<b>\$ 314,464</b>	<b>\$ 294,623</b>

# WINNIPEG REGIONAL HEALTH AUTHORITY

## Schedule 3 - Long Term Care Facility Funding

For the year ended March 31, 2007

(in thousands of dollars)

	2007	2006
		(Restated - Note 20)
<b>Non-Proprietary Personal Care Homes</b>		
Bethania Mennonite Personal Care Home	\$ 5,527	\$ 5,760
Calvary Place Personal Care Home	3,811	3,640
Convalescent Home of Winnipeg	2,824	2,701
Donwood Manor Personal Care Home	4,422	4,295
Foyer Valade	5,115	4,193
Fred Douglas Lodge	5,194	4,855
Golden Links Lodge	3,164	2,972
Golden West Centennial Lodge	4,058	3,779
Holy Family Nursing Home	10,805	10,056
Lions Personal Care Centre	3,650	3,527
Luther Home	3,100	2,942
Meadowood Manor	3,288	3,044
Middlechurch Home of Winnipeg	7,658	7,122
Misericordia Place	3,414	3,095
Park Manor Personal Care Home	3,677	3,532
Pembina Place Mennonite Personal Care Home	2,299	2,193
Sharon Home	9,397	8,852
St. Joseph's Residence	3,953	3,517
Taché Centre	14,656	13,682
West Park Manor	5,178	4,956
Supportive Housing	3,526	3,206
Miscellaneous Funding Adjustments	445	514
<b>Total</b>	<b>\$ 109,161</b>	<b>\$ 102,433</b>
<b>Proprietary Personal Care Homes</b>		
Central Park Lodge - Beacon Hill	\$ 6,926	\$ 6,718
Central Park Lodge - Charleswood Care Centre	5,787	5,599
Central Park Lodge - Heritage Lodge	3,206	3,289
Central Park Lodge - Kildonan Personal Care Home	5,317	5,081
Central Park Lodge - Maples Personal Care Home	8,159	7,677
Central Park Lodge - Parkview Place	10,341	10,475
Central Park Lodge - Poseidon Care Centre	8,123	7,895
Extendicare - Oakview Place	9,315	8,991
Extendicare - Tuxedo Villa	7,688	7,365
Fort Garry Care Centre	459	2,211
Golden Door Geriatric Centre	2,911	2,874
River East Personal Care Home	5,055	4,978
St. Norbert Nursing Home	3,406	2,839
Vista Park Lodge	3,984	3,756
Miscellaneous Funding Adjustments	938	446
<b>Total</b>	<b>\$ 81,615</b>	<b>\$ 80,194</b>
<b>Rural Proprietary Personal Care Homes</b>		
Central Park Lodge - Valley View	\$ 3,446	\$ 3,327
Extendicare - Hillcrest Place	3,710	3,682
Extendicare - Red River Place	4,208	4,037
St. Adolphe Personal Care Home	1,422	1,386
Tudor House Personal Care Home	2,943	2,875
Miscellaneous Funding Adjustments	(219)	243
<b>Total</b>	<b>\$ 15,510</b>	<b>\$ 15,550</b>
<b>Residential Care</b>		
St. Amant Centre	\$ 22,522	\$ 21,174
<b>Total</b>	<b>\$ 228,808</b>	<b>\$ 219,351</b>

The facility funding reported on this schedule reflects approximately 72% of the personal care homes' total annual budget. The remainder of the budget is funded directly by the facility through Residential Charges.

In 2007 Drug Capitation Fees of \$2,123 were paid directly by the WRHA on behalf of the Non-Proprietary and Proprietary personal care homes (2006 - \$1,945).

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Schedule 4 - Community Health Agency Funding**

For the year ended March 31, 2007  
(in thousands of dollars)

	<u>2007</u>	<u>2006</u>
Aboriginal Health & Wellness Centre	\$ 1,108	\$ 1,201
Centre de Sante	1,091	157
Hope Centre Health Care Incorporated	869	790
Klinik Incorporated	4,570	4,011
Main Street Project Inc.	1,641	1,451
MFL Occupational Health and Safety Inc.	736	654
Mount Carmel Clinic	6,097	5,862
Nine Circles Community Health Centre Inc.	2,069	1,854
Nor'West Co-op Community Health Centre, Inc.	1,150	1,021
Rehabilitation Centre for Children, Inc.	2,563	2,296
Sexuality Education Resource Centre Manitoba, Inc.	845	668
Women's Health Clinic, Inc.	2,350	2,299
Clinique Youville Clinic Inc.	2,246	2,225
Miscellaneous Funding Adjustments	1	-
<b>Total</b>	<b>\$ 27,336</b>	<b>\$ 24,489</b>

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Schedule 5 - Adult Day Care Facility Funding**

For the year ended March 31, 2007  
(in thousands of dollars)

	<u>2007</u>	<u>2006</u>
Convalescent Home of Winnipeg	\$ 37	\$ 37
Fred Douglas Lodge	183	184
Golden Links Lodge	52	52
Golden West Lodge	155	155
Holy Family Nursing Home	183	183
Independent Living Resource Centre	103	103
Lions Personal Care Centre	156	156
Lions Place - Charleswood	257	257
Lions Place - Concordia	182	182
Lions Place - 610 Portage	213	213
Luther Home	90	110
Middlechurch Home of Winnipeg	189	194
Extendicare - Oakview Place	139	139
Park Manor Personal Care Home	105	106
Riverview Health Centre	178	170
Sharon Home	65	65
South YM/YWCA	163	163
Taché Centre	365	365
<b>Total</b>	<b>\$ 2,815</b>	<b>\$ 2,834</b>



**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Schedule 6 - Grants to Facilities and Agencies**  
For the year ended March 31, 2007  
(in thousands of dollars)

	<b>2007</b>	2006
Aboriginal Seniors Resource Centre	\$ 155	\$ 153
Age & Opportunity Centre Inc.	596	561
ALS House	328	325
Betelstadur Housing Co-op	6	-
Bethania Personal Care Home	10	3
Bethel Place	35	34
Bluebird Service Club	15	10
Bonivital Council for Seniors	36	36
Broadway Seniors Resource Council Inc.	36	36
Keewatin Inkster (formerly Brooklands/Weston Community Resource)	70	55
Canadian Mental Health Association	899	895
Canadian Polish Manor	15	-
Central Speech & Hearing Clinic Inc.	101	99
Charleswood Senior Centre	33	33
Chez Nous Inc.	18	17
City of Winnipeg - Emergency Services	5,579	5,317
Clubhouse of Winnipeg Inc.	357	357
CNIB	11	11
Columbus Manor	18	17
Community Therapy Services	183	181
Creative Retirement Manitoba	33	33
Donwood Manor	34	9
Doray Enterprises	312	296
Fort Garry Services Inc.	35	28
Foyer Vincent Inc.	18	17
Friendly Neighbour Council	-	32
Friends Housing Inc.	78	83
Good Neighbours Senior Centre Inc.	33	33
Gwen Secter Creative Living Centre	44	43
Hospice & Palliative Care Manitoba	76	75
Jewish Child and Family	33	32
Jocelyn House	238	238
Kingsford Haus Co-op Ltd.	11	10
L'Accueil Colombien Inc.	17	17
Lindenwoods	17	10
Lions Club	34	33
Manitoba Association of Multipurpose Senior Centres	4	4
Manitoba Cardiac Institute (Reh-fit)	682	683
Manitoba Eastern Star Chalet	11	10
Manitoba Housing Authority	307	299
MacDonald Youth Services	294	294
McClure	11	4
Meals on Wheels of Winnipeg Inc.	145	144
Metropolitan Kiwanis Courts	145	144

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Schedule 6 - Grants to Facilities and Agencies (continued)**  
For the year ended March 31, 2007  
(in thousands of dollars)

	<b>2007</b>	2006
Middlechurch Home of Winnipeg	43	42
Seven Oaks (formerly North Winnipeg Community Council)	36	33
Pembina Place (formerly Deaf Centre Manitoba Inc.)	34	33
River East Council for Seniors	57	57
Rose & Max Rady Jewish Community Centre	16	16
Ruperts Land Caregiver Services	47	43
S.S.C.O.P.E. Incorporated	93	103
Salvation Army	227	225
Sara Riel Inc.	876	1,666
Seniors Home Help Inc.	69	68
Seneca House	343	338
Serena Manitoba Inc.	11	11
Seven Oaks Wellness Centre	597	549
Society for Manitobans with Disabilities	1,330	1,185
South Winnipeg Senior Resource Council Inc.	47	46
St. Amant Centre (dental grant)	-	13
St. James/Assiniboia Senior Centre Inc.	84	84
St. Raphael	-	50
Stay Young Centre	16	16
Ten Ten Sinclair Housing Inc.	-	1,160
Transcona Council for Seniors	40	39
University of Manitoba - Medical Info Line for the Elderly	31	30
University of Manitoba - Dental Services	41	41
University of Manitoba	-	450
Villa Cabrini Inc.	35	34
Villa Nova	11	10
Villa Tache	27	27
Villa Vita Inc.	-	16
Willow	11	5
Wolseley Family Centre	89	88
YW/YMCA of Winnipeg	167	169
Miscellaneous Funding Adjustments	(4)	-
<b>Total</b>	<b>\$ 15,487</b>	<b>\$ 17,358</b>

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Supplementary Information**  
**WRHA Statement of Operations including all Acute Care Operations**  
**By Nature of Expense**  
**For the year ended March 31, 2007**  
**(unaudited)**  
**(in thousands of dollars)**

	<u>2007</u>	<u>2006</u>
<b>REVENUE</b>		
Manitoba Health operating income	\$ 1,702,256	\$ 1,592,123
Other government revenue	14,042	11,630
Patient services (includes patient and resident income)	15,851	15,583
Amortization of deferred contributions	56,576	57,268
Other Revenue	71,292	62,757
	<u>1,860,017</u>	<u>1,739,361</u>
<b>EXPENSES</b>		
Salaries and wages	964,621	938,432
Medical remuneration	124,483	114,771
Printing, stationery and office supplies	7,915	7,304
Housekeeping, laundry and linen	12,112	11,187
Utilities, insurance and taxes	27,841	27,713
Food and dietary supplies	19,760	19,118
Medical and surgical supplies	92,068	84,364
Pharmaceutical supplies	57,101	61,214
Diagnostic supplies	18,196	16,853
Miscellaneous and other	55,176	50,537
Repairs and maintenance	30,531	27,608
Referred out services	84,236	50,695
Radiology fee for service costs	10,657	10,073
Interest	7,646	7,435
Amortization of capital assets	53,084	48,567
Employee future employee benefits	5,385	23,835
Non-acute care facility and grant funding	280,089	269,397
	<u>1,850,901</u>	<u>1,769,103</u>
PRIOR YEAR ADJUSTMENTS	-	(23)
SURPLUS REFUNDABLE TO WRHA	(59)	(445)
OPERATING SURPLUS (DEFICIT)	<u>9,057</u>	<u>(30,210)</u>
<b>NON-INSURED SERVICES</b>		
Non-insured services income	83,415	84,015
Non-insured services expenses	77,938	82,064
NON-INSURED SERVICES SURPLUS	<u>5,477</u>	<u>1,951</u>
SURPLUS (DEFICIT) FOR THE YEAR	<u>\$ 14,534</u>	<u>\$ (28,259)</u>

Note: The amounts reported on this schedule reflect the financial results of the Authority and the Other Hospitals. Differences in the timing of revenue/expense recognition between the Authority and the Hospitals results in line item differences between this schedule and the statement of operations. The overall reported (deficit) surplus is a compilation of the audited results of operations for all included sites.

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Supplementary Information**  
**WRHA Statement of Operations including all Acute Care Operations**  
**By Program**  
For the year ended March 31, 2007  
(unaudited)  
(in thousands of dollars)

	<u>2007</u>	<u>2006</u>
<b>REVENUE</b>		
Manitoba Health operating income	\$ 1,702,256	\$ 1,592,123
Other government revenue	14,042	11,630
Patient services (includes patient and resident income)	15,851	15,583
Amortization of deferred contributions	56,576	57,268
Other Revenue	71,292	62,757
	<b>1,860,017</b>	<b>1,739,361</b>
<b>EXPENSES</b>		
Program costs		
Anaesthesia	8,357	7,144
Breast health	2,479	2,408
Cardiac sciences	39,161	27,377
Child health	68,941	67,163
Child adolescent & mental health	15,608	14,955
Critical care	47,821	45,487
Diagnostic imaging	52,869	48,927
Diagnostic imaging - Radiology Fee for Service	10,570	9,763
Emergency	55,495	51,073
Family medicine	36,019	36,691
Genetics	944	26
Health Links	5,140	3,850
Laboratories	59,126	57,547
Medicine	85,525	82,096
Renal health	43,508	43,912
Mental health	33,232	31,848
Oncology	7,525	10,873
Oral Health	422	348
Paliative Care	3,264	-
Psychology	3,282	3,151
Rehab/Geriatrics	51,906	51,522
Surgery	172,601	166,702
Tele-health	2,034	2,056
Women's health	46,409	44,166
Long term care	46,610	44,617
Residents and interns	21,995	20,960
Other diagnostic & therapeutic services	33,580	31,994
Pharmacy	29,720	29,018
Community based home care services	155,580	146,349
Community based mental health services	11,899	10,232
Community based primary health services	24,463	21,826
Separately funded primary health programs	7,054	7,648
	<b>1,183,139</b>	<b>1,121,729</b>

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Supplementary Information**  
**WRHA Statement of Operations including all Acute Care Operations**  
**By Program (continued)**  
For the year ended March 31, 2007  
(unaudited)  
(in thousands of dollars)

	<u>2007</u>	<u>2006</u>
Indirect service costs		
Corporate and support services	57,737	55,437
Clinical and non-clinical support services	67,698	66,335
Information services	39,140	27,555
Facility services	127,815	126,007
Marketed services	83	161
Research and education services	8,447	7,662
	<u>300,920</u>	<u>283,157</u>
Other costs		
Non-acute care facility and grant funding	280,089	269,397
Aboriginal services & strategies	2,064	2,045
Other costs	12,735	7,343
Pre-retirement	11,255	29,430
Interest	7,646	7,435
Amortization of capital assets	53,053	48,567
	<u>366,842</u>	<u>364,217</u>
	<u>1,850,901</u>	<u>1,769,103</u>
PRIOR YEAR ADJUSTMENTS	-	(23)
SURPLUS REFUNDABLE TO WRHA	(59)	(445)
OPERATING SURPLUS (DEFICIT)	<u>9,057</u>	<u>(30,210)</u>
NON-INSURED SERVICES		
Non-insured services income	83,415	84,015
Non-insured services expenses	77,938	82,064
NON-INSURED SERVICES SURPLUS	<u>5,477</u>	<u>1,951</u>
OPERATING AND NON-INSURED SURPLUS (DEFICIT)	<u>\$ 14,534</u>	<u>\$ (28,259)</u>

Note: The amounts reported on this schedule reflect the financial results of the Authority and the Other Hospitals. Differences in the timing of revenue/expense recognition between the Authority and the Hospitals results in line item differences between this schedule and the statement of operations. The overall reported (deficit) surplus is a compilation of the audited results of operations for all included sites.

# WINNIPEG REGIONAL HEALTH AUTHORITY

## Supplementary Information

As at March 31, 2007

(unaudited)

(amounts in thousands of dollars)

---

### ADMINISTRATIVE COSTS

The Canadian Institute of Health Information (CIHI) defines a standard set of guidelines for the classification and coding of financial and statistical information for use by all Canadian health service organizations. The Authority adheres to these coding guidelines.

The most current definition of administrative costs determined by CIHI includes: General Administration (including Acute/Long Term Care/Community Administration, Patient Relations, Community Needs Assessment, Risk Management, Quality Assurance, and Executive costs), Finance, Human Resources, Labour Relations, Nurse/Physician Recruitment and Retention, and Communications.

The administrative cost percentage indicator (administrative costs as a percentage of total operating costs) adheres to CIHI definitions.

The figures presented are based on data available at time of publication. Restatements are made in the subsequent year to reflect final data and changes in the CIHI definition, if any.

Administrative costs and percentages for the Authority (including hospitals, non-proprietary personal care homes and community health agencies) are:

	<u>2007</u>	<u>2006</u> (Restated)
Administrative costs	\$ 81,971	\$ 81,372
Administrative cost %	4.4%	4.6%

#### Restatements of 2006 Administrative costs are as follows:

As reported in 2006	\$ 83,111
Pre-retirement payouts incorrectly recorded in an administrative cost centre	(1,768)
Other adjustments due to timing of site data submission vs. statement publication	<u>29</u>
	<u>\$ 81,372</u>

Certain operating costs previously excluded from the total operating cost calculation due to anomalies between Manitoba Health reporting requirements and CIHI reporting requirements have now been included.