Consolidated Financial Statements of

WINNIPEG REGIONAL HEALTH AUTHORITY

March 31, 2009

WINNIPEG REGIONAL HEALTH AUTHORITY

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2009

The accompanying consolidated financial statements are the responsibility of management and have been approved by the Winnipeg Regional Health Authority. The consolidated 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 consolidated 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 consolidated 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

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AUDITORS' REPORT

To the Directors of
Winnipeg Regional Health Authority

We have audited the consolidated statement of financial position of Winnipeg Regional Health Authority (the "Authority") as at March 31, 2009 and the consolidated statements of operations, changes in net assets, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2009 and the results of its operations and its 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 19, 2009

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WINNIPEG REGIONAL HEALTH AUTHORITY
Consolidated Statement of Operations
For the year ended March 31, 2009
(in thousands of dollars)

	2009	2008
REVENUE		
Manitoba Health and Healthy Living operating income	**$ 1,951,466**	$ 1,819,727
Other income (Schedule 1)	**108,082**	99,750
Amortization of deferred contributions, capital	**58,972**	55,756
Recognition of deferred contributions, future expenses	**2,430**	7,054
	2,120,950	1,982,287
EXPENSES		
Direct operations	**1,765,710**	1,645,581
Interest	**786**	918
Amortization of capital assets	**61,848**	56,438
	1,828,344	1,702,937
FACILITY FUNDING		
Long term care facility funding (Schedule 2)	**249,045**	232,823
Community health agency funding (Schedule 3)	**31,439**	29,457
Adult day care facility funding (Schedule 4)	**2,754**	2,674
Long term care community therapy services	**691**	675
GRANT FUNDED		
Grants to facilities and agencies (Schedule 5)	**19,091**	18,825
	2,131,364	1,987,391
OPERATING DEFICIT	**(10,414)**	(5,104)
NON-INSURED SERVICES		
Non-insured services income	**83,917**	79,334
Non-insured services expenses	**77,401**	73,545
NON-INSURED SERVICES SURPLUS	**6,516**	5,789
(DEFICIT) SURPLUS FOR THE YEAR	**$ (3,898)**	$ 685

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

Original signed by Ray Cadieux
. . . . Director

WINNIPEG REGIONAL HEALTH AUTHORITY
Consolidated Statement of Financial Position
As at March 31, 2009
(in thousands of dollars)

	2009	2008
ASSETS		
CURRENT		
Cash and marketable securities	**$ 37,302**	$ 27,755
Accounts receivable (Note 5)	**116,127**	118,562
Inventory (Note 6)	**18,738**	18,212
Prepaid expenses	**11,338**	9,543
Investments (Note 9)	**12,787**	8,365
Employee benefits recoverable from Manitoba Health and Healthy Living (Note 7)	**78,675**	78,675
	274,967	261,112
CAPITAL ASSETS (Note 8)	**1,055,592**	983,616
OTHER ASSETS		
Employee future benefits recoverable from Manitoba Health and Healthy Living (Note 21)	**82,302**	82,302
Investments (Note 9)	**15,796**	18,260
Specific purpose funds (Note 10)	**48,547**	46,851
Nurse recruitment and retention fund (Note 11)	**4,358**	2,847
	$ 1,481,562	$ 1,394,988
LIABILITIES, DEFERRED CONTRIBUTIONS AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 12)	**$ 192,373**	$ 196,813
Employee benefits payable (Note 7)	**99,004**	92,802
Current portion of long term debt (Note 13)	**47,097**	2,264
	338,474	291,879
LONG TERM DEBT AND DEFERRED CONTRIBUTIONS		
Long term debt (Note 13)	**22,431**	31,195
Employee future benefits payable (Note 21)	**120,899**	116,764
Specific purpose funds (Note 10)	**48,547**	46,851
Deferred contributions (Note 15)	**891,288**	845,989
Nurse recruitment and retention fund (Note 11)	**4,358**	2,847
	1,087,523	1,043,646
COMMITMENTS AND CONTINGENCIES (Note 17)		
NET ASSETS	**55,565**	59,463
	$ 1,481,562	$ 1,394,988

WINNIPEG REGIONAL HEALTH AUTHORITY
Consolidated Statement of Changes in Net Assets
For the year ended March 31, 2009
(in thousands of dollars)

	2009				2008
	Investment in Capital Assets (Note 16)	Unrestricted Net Assets	Internally Restricted Net Assets (Schedule 6)	Total	Total
Balance, beginning of year	$ 94,847	$ (59,398)	$ 24,014	$ 59,463	$ 59,369
Change in accounting policies (Note 2)	-	-	-	-	62
Transfer surplus to Misericordia Health Centre Foundation Inc.	-	-	-	-	(653)
Net (deficit) surplus	(6,051)	1,383	770	(3,898)	685
Purchases of capital assets	(14,876)	16,887	(2,011)	-	-
Net Asset Restrictions	-	(2,093)	2,093	-	-
Balance, end of year	$ 73,920	$ (43,221)	$ 24,866	$ 55,565	$ 59,463

WINNIPEG REGIONAL HEALTH AUTHORITY
Statement of Cash Flows
For the year ended March 31, 2009
(in thousands of dollars)

	2009	2008
OPERATING ACTIVITIES		
(Deficit) Surplus for the year	$ **(3,898)**	$ 685
Transfer of surplus to Misericordia Health Centre Foundation Inc.	**-**	(653)
Items not affecting cash		
Amortization of capital assets	**68,217**	62,475
Amortization of deferred contributions related to capital assets	**(62,166)**	(58,944)
Recognition of deferred contributions related to future expenses	**(3,297)**	(7,860)
Unrecognized (gains) losses on investments	**-**	(734)
Net change in employee future benefits	**10,338**	10,786
	9,194	5,755
Changes in non-cash operating working capital items	**(4,327)**	(3,128)
Deferred contributions received - future expenses	**10,162**	7,637
	15,029	10,264
FINANCING ACTIVITIES		
Deferred contributions received - capital assets	**100,600**	95,024
Proceeds of long term debt	**45,109**	-
Long term debt repayments	**(9,040)**	(2,116)
	136,669	92,908
INVESTING ACTIVITIES		
Purchase of capital assets	**(140,193)**	(135,464)
(Increase) Decrease in investments	**(1,958)**	1,270
	(142,151)	(134,194)
INCREASE (DECREASE)	**9,547**	(31,022)
CASH AND MARKETABLE SECURITIES, BEGINNING OF YEAR	**27,755**	58,777
CASH AND MARKETABLE SECURITIES, END OF YEAR	$ **37,302**	$ 27,755
Comprised of:		
Cash	$ **33,859**	$ 23,137
Marketable securities	**3,443**	4,618
Total	$ **37,302**	$ 27,755
Supplementary Information:		
Interest paid	$ **5,046**	$ 2,587

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, Grace General Hospital and Pan Am Clinic sites. Acute care services are also provided by Concordia Hospital, Seven Oaks General Hospital, Victoria General Hospital ("the Community Hospitals") and the three non-devolved hospitals, Misericordia Health Centre, Riverview Health Centre, Inc., St. Boniface General Hospital ("the Other Hospitals"), and the Manitoba Adolescent Treatment Centre ("MATC"). 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. CHANGES IN ACCOUNTING POLICIES

The Authority has adopted the following recommendations of the CICA Handbook:

a) Section 3031, Inventories

Effective April 1, 2008, the Authority adopted CICA section 3031, *Inventories*, which replaces section 3030, *Inventories*. The revised standard provides more extensive guidance on measurement, and expands disclosure requirements to increase transparency. The Authority's accounting policy for inventory is consistent with measurement requirements in the new standard and as a result, no adjustment was recorded on transition; however, additional disclosures are required. The additional disclosure requirements will be applied as described below.

The main features of the new standard, which impact the Authority, include:

- Consistent use of either a first-in first-out or weighted average formula to measure the cost of other inventories. The Authority uses the weighted average formula to measure cost.
- Disclosure of the accounting policies used, carrying amounts, amounts recognized as an expense, write-downs, and the amount of any reversal of any write-downs recognized as a reduction in expenses.

b) Section 3861, Financial Instruments – Disclosure and Presentation

The Authority has elected to use the exemption provided by the Canadian Institute of Chartered Accountants (CICA) permitting not-for-profit organizations not to apply Sections 3862 and 3863 of the CICA Handbook which would otherwise have applied to the financial statements of the Authority for the year ended December 31, 2008. The Authority applies the requirements of Section 3861 of the CICA Handbook.

2. CHANGES IN ACCOUNTING POLICIES (continued)

c) Section 1535, Capital Disclosures

Effective April 1, 2008, the Authority adopted CICA section 1535, *Capital Disclosures*, which establishes standards for the disclosure of: (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

d) Section 3855, Financial Instruments – Recognition and Measurement

Effective April 1, 2007, the Authority adopted CICA section 3855, Financial Instruments – Recognition and Measurement, which describes the standards for recognizing and measuring financial instruments in the statement of financial position and the standards for reporting gains and losses in the financial statements. Under the new standard, financial assets and liabilities are initially recorded at fair value. Subsequently, financial instruments classified as financial assets or liabilities held for trading, financial assets available-for-sale and derivative financial instruments, part of a hedging relationship or not, have to be measured at fair value on the balance sheet at each reporting date, whereas other financial instruments are measured at amortized cost using the effective interest method.

3. 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 three 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, Grace General Hospital and Pan Am sites), and Medical Remuneration.
   - Agreement – the Community Hospitals by means of agreements to further regionalization and operating agreements.
   - Non-devolved Other Hospitals and MATC – by means of operating agreements

ii. 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.

iii. Other health services – provided through various agencies by means of grant funding mechanisms.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Definition of controlled entity

The Authority is the majority funder of the Community Hospitals, the Other Hospitals and MATC, 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 Community Hospitals', the Other Hospitals', and MATC's purposes are integrated with that of the WRHA such that they and the WRHA have common and complementary objectives. Moreover, due to the existence of operating agreements between the Authority and the Community Hospitals, Other Hospitals and MATC, the WRHA has the ability to determine their strategic operating, investing and financing policies.

Additionally, the Deer Lodge Centre Foundation is a controlled entity by virtue of the fact that its purpose is to raise funds under the direction of the Deer Lodge Centre.

As permitted by Canadian generally accepted accounting principles, the controlled Community Hospitals, Other Hospitals and MATC have been consolidated into the Authority's financial statements due to the nature of the agreements in existence, while the controlled Deer Lodge Centre Foundation has not since it is not directly involved in the delivery of health care services. Note 20 provides a financial summary of this controlled non-consolidated entity.

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 and Healthy Living funding mechanisms. These financial statements use funding mechanisms approved by Manitoba Health and Healthy Living for the year ended March 31, 2009.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Inventory

Inventory consists of medical supplies, drugs, linen and other supplies that are measured at the lower of cost and net realizable value. Cost is calculated using the weighted average cost formula. Inventory is expensed when sold or put into use.

e) 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	2-20%
Furniture & equipment	5-33%
Computer hardware and software	10-20%
Leasehold improvements	over the life of the lease

f) Surplus retention and use policy

Non-proprietary personal care homes, and community health agencies are eligible to retain insured services surpluses based on an agreed upon formula. The non-retainable portion of the surplus is recorded on their Statement of Financial Position as a payable to WRHA.

g) 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, employee future benefits payable and allowance for doubtful accounts.

h) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) 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. The Authority also has some credit risk associated with an interest rate swap. This risk is minimized by entering into the agreement with a major Canadian financial institution.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: foreign exchange risk, interest rate risk, and other price risk.

The Authority is exposed to market risks through the derivative instruments entered into. The Authority uses derivative instruments only for risk management purposes and not for generating trading profit. As such, any change in cash flows associated with derivative instruments due to their exposure to market risks is designed to be offset by changes in cash flows related to the risk being hedged.

The Authority's primary market risk exposure is interest rate risk. This interest rate risk is the risk arising from fluctuations in short term interest rates and the volatility of those rates on the issuance of floating rate debt. The Authority mitigates this risk by retaining the ability to convert all floating rate borrowings to fixed rate borrowings. The Authority has entered into an interest rate swap to manage a proportion of total debt that is subject to variable rates.

The Authority has minimal exposure to exchange and other price risks.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Financial instruments (continued)

Financial assets and liabilities

Under the standards, financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

Classification	
Cash and marketable securities	Held for trading
Specific purpose funds	Held for trading
Nurse recruitment and retention fund	Held for trading
Derivative Instruments	Held for trading
Investments (bonds, money market and mutual funds)	Held for trading
Investments (mortgage)	Loans and receivables
Accounts receivable	Loans and receivables
Employee benefits recoverable from Manitoba Health and Healthy Living	Loans and receivables
Employee future benefits recoverable from Manitoba Health and Healthy Living	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Employee benefits payable	Other liabilities
Long-term debt	Other liabilities
Specific purpose funds	Other liabilities
Nurse recruitment and retention fund	Other liabilities

The carrying value of accounts receivable, employee benefits recoverable from Manitoba Health and Healthy Living, employee future benefits recoverable from Manitoba Health and Healthy Living, accounts payable and accrued liabilities and employee benefits payable approximates their fair value due to the short-term nature of these instruments. The carrying value of specific purpose funds and nurse recruitment and retention fund approximates their fair value due to the held for trading classification of the underlying investments.

Held for trading

Held for trading financial assets are financial assets typically acquired for resale prior to maturity or that are designated as held for trading. They are measured at fair value at the balance sheet date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in investment income.

Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Financial instruments (continued)

Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities, other than derivative instruments.

Effective interest method

The Authority uses the effective interest method to recognize interest income or expense, which includes transaction costs or fees, premiums or discounts earned or incurred for financial instruments.

j) Derivative Financial Instruments

The Authority is using a derivative instrument to manage exposure to changes in interest rates. The Authority's objective for holding this derivative is to minimize risk using the most efficient methods to eliminate or reduce the impacts of this exposure.

The Authority entered into the interest rate swap to manage the interest rate cash flow exposure associated with certain debt obligations. The contract has an effect of converting the floating rate of interest on certain debt to a fixed rate.

Under this swap, the Authority agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts, as well as, amounts reflecting the amortization of principal amounts.

This derivative is measured at fair value at the end of each year and the unrealized gains or losses arising from remeasurement are recorded and presented under interest expense in the consolidated statement of operations.

It is the Authority's policy not to speculate on derivative instruments; thus, these instruments are purchased for risk management purposes.

k) Investments

Effective April 1, 2007, bonds, money market and mutual fund investments are classified as held for trading and are stated at fair value. Unrealized gains and losses, representing the change in the difference between the fair value and the cost of these investments at the beginning and end of each year, are reflected in other income in the Consolidated Statement of Operations. Fair value of investments is determined based on quoted market prices.

The mortgage is classified as loans and receivables and is measured at amortized cost.

For periods prior to April 1, 2007, all investments were recorded at cost, and investment income was recorded on an accrual basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Due to/from Manitoba Health and Healthy Living

In Globe funding

In Globe funding is funding approved by Manitoba Health and Healthy Living 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 and Healthy Living until such time as Manitoba Health and Healthy Living reviews the financial statements. At that time, Manitoba Health and Healthy Living determines what portion of the approved surplus may be retained by the Authority, or repaid to Manitoba Health and Healthy Living.

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

Out of Globe funding

Out of Globe funding is funding approved by Manitoba Health and Healthy Living 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 and Healthy Living until such time as Manitoba Health and Healthy Living reviews the financial statements. At that time, Manitoba Health and Healthy Living determines what portion of the approved surplus may be retained by the Authority, or repaid to Manitoba Health and Healthy Living.

Conversely, any operating deficits related to Out of Globe funding arrangements are recorded on the statement of financial position as a receivable from Manitoba Health and Healthy Living until such time as Manitoba Health and Healthy Living reviews the financial statements. At that time, Manitoba Health and Healthy Living 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 and Healthy Living are absorbed by the Authority.

4. RECENT ACCOUNTING PRONOUNCEMENTS ISSUED AND NOT YET APPLIED

In November 2008, the Canadian Institute of Chartered Accountants issued amendments to Section 1540, Cash flow statements, Section 1751, Interim financial statements, Section 4400, Financial statement presentation by not-for-profit organizations, and issued Section 4470, Disclosure of allocated expenses by not-for-profit organizations. These new standards are effective for fiscal years beginning on or after January 1, 2009, specifically April 1, 2009 for the Authority.

Sections 1540 and 1751 have been amended to include not-for-profit organizations within their scope.

Section 4400 has been amended in order to eliminate the requirement to treat net assets invested in capital assets as a separate component of net assets and, instead, permit a not-for-profit organization to present such an amount as a category of internally restricted net assets when it chooses to do so. It also clarifies that revenues and expenses must be recognized and presented on a gross basis when a not-for profit organization is acting as a principal in transactions.

Section 4470 establishes disclosure standards for a not-for-profit organization that classifies its expenses by function and allocates its expenses to a number of functions to which the expenses relate.

The Authority does not expect that the adoption of these new standards will have a material impact on its financial statements.

(amounts in thousands of dollars)

5. ACCOUNTS RECEIVABLE

	2009	2008
Manitoba Health and Healthy Living - operating, capital and fee for service	**$ 90,489**	$ 65,629
Accounts Receivable from other Province of Manitoba Departments	**1,420**	1,529
Facility advances and receivables	**5,578**	12,711
Patient related and other	**26,034**	39,405
Allowance for doubtful accounts	**(7,394)**	(712)
	$ 116,127	$ 118,562

6. INVENTORY

	2009			2008
	Held for Sale	Held for Internal Use	Total	Total
Balance, beginning of year	**$ 1,232**	**$ 16,980**	**$ 18,212**	$ 16,324
Amount purchased in year	**139**	**151,359**	**151,498**	147,714
Amount expensed in year	**(155)**	**(151,147)**	**(151,302)**	(145,675)
Amount written down in year	**(3)**	**(57)**	**(60)**	(342)
Writedowns reversed in year	**13**	**377**	**390**	191
Balance, end of year	**$ 1,226**	**$ 17,512**	**$ 18,738**	$ 18,212

7. 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 and Healthy Living. Manitoba Health and Healthy Living 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 and Healthy Living is as follows:

	2009	2008
Balance, beginning of year	**$ 78,675**	$ 78,675
Balance, end of year	**$ 78,675**	$ 78,675

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

Balance, beginning of year	**$ 92,802**	$ 87,252
Increase in vacation / overtime / statutory holidays entitlements	**6,202**	5,550
Balance, end of year	**$ 99,004**	$ 92,802

(amounts in thousands of dollars)

8. CAPITAL ASSETS

	2009			2008
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	**$ 16,534**	**$ -**	**$ 16,534**	$ 16,484
Buildings	**1,045,742**	**(368,771)**	**676,971**	651,810
Furniture & equipment	**727,095**	**(576,768)**	**150,327**	159,407
Computer hardware and software	**87,128**	**(29,426)**	**57,702**	12,540
Leasehold improvements	**18,860**	**(6,983)**	**11,877**	9,950
Construction in Progress	**142,181**	**-**	**142,181**	133,425
	$ 2,037,540	**$ (981,948)**	**$ 1,055,592**	$ 983,616

The Authority has capitalized interest on some projects up until they are substantially complete. The amount of interest capitalized in the year was $ 2,334 (2008 - $578).

9. INVESTMENTS

	2009	2008
Money market investments	**$ 3,443**	$ 4,618
Government bonds	**37,075**	43,740
Corporate bonds (rated A or better)	**25,000**	10,317
Guaranteed Investment Certificates (GICs)	**1,220**	1,343
Mutual funds	**47**	4,461
Mortgage	**1,597**	2,095
	68,382	66,574
Less: amounts included with cash and marketable securities	**(3,443)**	(4,618)
Less: amounts included with specific purpose funds	**(36,356)**	(35,331)
Less: amounts maturing/ redeemable within one year, included in current assets	**(12,787)**	(8,365)
	$ 15,796	$ 18,260

Investments are carried at fair value using quoted market prices, except for the mortgage, which is at amortized cost.

The mortgage of $1,597 (2008 - $2,094) to Parkade Inc., a corporation without share capital whose Member is the same as that of the St. Boniface General Hospital. Interest is charged at the rate of 4.2% per annum and mortgage payments are $48 per month including principal and interest. Under the current terms it is estimated the mortgage will retire by March 15, 2012. The mortgage covers the parkade structure and the leasehold title for the land on which the parkade is situated. The fair value of the mortgage is estimated at $1,640 (2008 - $2,123). The fair value was determined using estimated market rates available to the Authority for the same or similar instruments.

(amounts in thousands of dollars)

9. INVESTMENTS (Continued)

The Authority manages the credit risk associated with its investments by limiting the types of eligible investments. Corporate Bonds are limited to a rating of A or higher and Money market investments are limited to R1 or better.

The Authority manages the interest rate risk exposure of its Government and Corporate Bonds and GICs by staggering maturity dates. As of March 31, 2009, the maturity dates are as follows:

	Government	Corporate	GICs	Interest Rates
Within 1 year	$ 5,324	$ 6,668	$ 276	3.50 - 5.65%
2 to 5 years	18,628	12,898	944	1.84 - 10.00%
5 to 10 years	8,780	5,266	-	3.80 - 6.44%
Over 10 years	4,343	168	-	4.39 - 10.80%
	$ 37,075	$ 25,000	$ 1,220	

Money market investments are not exposed to significant interest rate risk due to the short-term maturity of these investments. Investments in mutual funds are not exposed to significant interest rate risk.

10. SPECIFIC PURPOSE FUNDS

Cash and investments held for specific purposes include the following:

	2009	2008
Cash and investments, at carrying value	**$ 48,547**	$ 46,851

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

	2009	2008
Balance, beginning of year	**$ 46,851**	$ 46,228
Grants, bequests and donations	**28,557**	25,860
Investment income	**1,769**	1,379
Disbursements	**(28,630)**	(26,616)
Balance, end of year	**$ 48,547**	$ 46,851

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.

(amounts in thousands of dollars)

11. NURSE RECRUITMENT AND RETENTION FUND

In 2000, Manitoba Health and Healthy Living 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 Healthy Living, 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:

	2009	2008
Cash and investments, at carrying value	**$ 4,358**	$ 2,847

Investments are carried at fair value using quoted market prices.

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

	2009	2008
Balance, beginning of year	**$ 2,847**	$ 3,419
Additions to fund	**3,961**	1,400
Interest earned on investment	**51**	133
Fund expenditures	**(2,501)**	(2,105)
Balance, end of year	**$ 4,358**	$ 2,847

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2009	2008
Accounts payable and accrued liabilities	**$ 137,609**	$ 144,575
Accrued salaries	**47,543**	48,351
Accrued interest on long term debt	**455**	462
Holdbacks on construction contracts	**6,766**	3,425
	$ 192,373	$ 196,813

(amounts in thousands of dollars)

13. LONG-TERM DEBT

	2009	2008
0.915% Banker's Acceptance, maturing April 23, 2009 Health Sciences Centre Tecumseh Street Parkade Fair value $38,252 (2008 - $nil)	**$ 38,252**	$ -
7.38% Mortgage payable, maturing August 31, 2018 Nutrition & Food Services Fair value $13,998 (2008 - $13,461)	**12,782**	13,690
5.8% Bank Loan, maturing September 30, 2014 St. Boniface General Hospital Atrium Fair value $10,841 (2008 - $12,398)	**10,708**	11,122
Prime less 1.0% Mortgage, maturing 2017 Health Sciences Centre Emily Street Parkade Fair value $nil (2008 - $7,595)	**-**	7,595
0.836% Banker's Acceptance, maturing April 27, 2009 Health Sciences Centre Emily Street Parkade Fair value $6,857 (2008 - $nil)	**6,857**	-
Government of Canada, Technology 2000 Inc. loan St. Boniface Hospital Fair value undeterminable	**522**	522
Prime plus 0.25% Demand Loan, maturing 2015 Grace General Hospital Hospice Fair value $271 (2008 - $321)	**271**	321
Prime less 0.5% Term Loan, maturing 2011 Concordia Energy Saving Project Fair value $136 (2008 - $209)	**136**	209
	69,528	33,459
Less amounts due within one year, included in current liabilities	**(47,097)**	(2,264)
	$ 22,431	$ 31,195

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

(amounts in thousands of dollars)

13. LONG-TERM DEBT (Continued)

The Technology 2000 Inc. loan is from the Government of Canada, through the Western Economic Diversification Program. The loan is unsecured and no further interest is accrued. It is not practical to determine the fair value of the Technology 2000 Inc. loan due to the underlying terms.

The 5.8% Bank Loan maturing on September 30, 2014 is secured by an assignment of existing and future leases and rents related to the St. Boniface Hospital Atrium. In accordance with the terms of the loan agreement, the Hospital cannot sell, transfer, assign, mortgage, lease, encumber, or otherwise dispose of any building or land associated with the Atrium without the lender's consent.

The two HSC parkade loans have been secured with the properties of the respective parkades, in addition to the assigned rents of the HSC parking operations.

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

2009/10	$	47,097
2010/11		1,624
2011/12		1,675
2012/13		1,790
2013/14		1,914

14. DERIVATIVE FINANCIAL INSTRUMENTS

During the year, the Authority entered into an interest rate swap to convert a floating interest rate debt instrument into a fixed interest rate debt instrument for the Emily Street Parkade at the Health Sciences Centre. The notional amount of this swap at March 31, 2009 is $6,857 and will it mature on July 23, 2017. The fair value of this swap has been calculated at $60, resulting in a derivative liability of $60.

This derivative is measured at fair value at the end of each year and the unrealized gains or losses arising from remeasurement are recorded and presented under interest expense in the consolidated statement of operations and in accounts payable and accrued liabilities in the consolidated statement of financial position.

The counterparty to this contract is a major Canadian financial institution. The Authority does not anticipate any material adverse effect on its financial position resulting from the involvement in this type of contract, nor does it anticipate non-performance by the counterparty given their high credit rating.

(amounts in thousands of dollars)

15. DEFERRED CONTRIBUTIONS

	2009	2008
Deferred contributions, future expenses		
- operating expenses	**$ 19,086**	$ 12,985
- contract settlement expenses	**2,715**	3,524
	21,801	16,509
Deferred contributions, capital	**869,487**	829,480
Deferred contributions, total	**$ 891,288**	$ 845,989

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.

	2009	2008
Balance, beginning of year	**$ 16,509**	$ 17,715
Amount received during the year	**10,162**	7,637
Transferred to deferred contributions, capital	**(1,573)**	(983)
Less: amount recognized as revenue - Programs	**(2,430)**	(7,054)
Less: amount recognized as revenue - Non-insured services	**(867)**	(806)
Balance, end of year	**$ 21,801**	$ 16,509

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.

	2009	2008
Balance, beginning of year	**$ 829,480**	$ 792,417
Amount received during the year	**100,600**	95,024
Transferred from deferred contributions, future expenses	**1,573**	983
Less: amount amortized to revenue – Programs	**(58,972)**	(55,756)
Less: amount amortized to revenue – Non-insured services	**(3,194)**	(3,188)
Balance, end of year	**$ 869,487**	$ 829,480

(amounts in thousands of dollars)

15. DEFERRED CONTRIBUTIONS (continued)

b) Deferred contributions, capital (continued)

In prior years, the Authority entered into long term loan agreements with various financial institutions to provide debt financing to the Authority. The Province of Manitoba continues to pay the principal and interest on this long-term debt. During the 2005 fiscal year, this long-term debt was assumed by the Province of Manitoba and was recognized as borrowings in the Public Accounts (Special Purpose Financial Statements) of the Province of Manitoba as at April 1, 2004. Accordingly, since the Province of Manitoba has recognized the long-term debt as its borrowings, the Authority has incorporated the following long-term debt as deferred contributions:

	2009	2008
Demand bank loans for capital projects in anticipation of the future issuance of long-term debt by Manitoba Health and Healthy Living, Prime less 1.0% to Prime plus .5%	**$ 45,396**	$ 50,009
Sinking fund debentures, Series 91, 10.00%, maturing June 11, 2011 Health Sciences Centre	**25,000**	25,000
Sinking fund debentures, Series D, 10.25%, maturing July 15, 2008 St. Boniface General Hospital	**-**	23,000
Sinking fund debentures, Series E, 8.69%, maturing May 30, 2016 St. Boniface General Hospital	**51,500**	51,500
	$ 121,896	$ 149,509

At March 31, 2009 the value of the sinking fund assets and accumulated interest aggregated $41,975 (2008 - $61,045). Annual payments are made by the Authority/Manitoba Health and Healthy Living from cash held in trust, which at March 31, 2008 was $2,112 (2008 - $2,112).

(amounts in thousands of dollars)

16. INVESTMENT IN CAPITAL ASSETS

Investment in capital assets is calculated as follows:

	2009	2008
Capital assets	**$ 1,055,592**	$ 983,616
Amounts financed by:		
Deferred contributions	**$ (869,487)**	$ (829,480)
Loans and accounts payable	**(112,185)**	(59,289)
Investment in capital assets	**$ 73,920**	$ 94,847

Change in investment in capital assets is calculated as follows:

	2009	2008
a) Excess of expenses over revenues		
Amortization of capital assets included in programs	**$ (61,848)**	$ (56,438)
Amortization of capital assets included in non-insured services	**(6,369)**	(6,037)
Amortization of deferred contributions related to capital assets included in programs	**58,972**	55,756
Amortization of deferred contributions related to capital assets included in non-insured services	**3,194**	3,188
	$ (6,051)	$ (3,531)
b) Purchase of capital assets	**$ 140,193**	$ 135,464
Amounts funded by:		
Capital contributions received in the year	**(100,600)**	(95,024)
Capital contributions transferred from future expenses	**(1,573)**	(983)
Change in capital contributions receivable, loans and accounts payable	**(52,896)**	(8,443)
	$ (14,876)	$ 31,014
Change in Investment in Capital Assets	**$ (20,927)**	$ 27,483

(amounts in thousands of dollars)

17. 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, 2009, annual lease payments for the various premises occupied by the Authority over the next five fiscal years are as follows:

2009/10	$ 8,987
2010/11	7,727
2011/12	7,512
2012/13	7,238
2013/14	6,345

c) At March 31, 2009, the Authority had capital commitments of approximately $38,876 (2008 - $22,143) and equipment purchase commitments of approximately $14,629 (2008 - $12,309).

d) The Authority has entered into various operating lease commitments. The minimum amounts payable over the next five fiscal years are as follows:

2009/10	$ 5,093
2010/11	4,385
2011/12	3,641
2012/13	2,768
2013/14	519

18. 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 pursuant to 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, 2009.

19. ECONOMIC DEPENDENCE

The Authority received approximately 92% (2008 - 91%) of its total revenue from Manitoba Health and Healthy Living and is economically dependent on Manitoba Health and Healthy Living for continued operations. This volume of funding transactions is normal within the industry, as regional health authorities are primarily funded by their respective provincial Ministries of Health.

(amounts in thousands of dollars)

20. RELATED PARTY RELATIONSHIPS

The Authority provides community health services through operations directly owned by the Authority as well as through other organizations and agencies via a variety of agreements (Notes 1 and 3a). For accounting purposes the relationships with these organizations and agencies are as follows:

a) Controlled entities

The Community Hospitals, Other Hospitals, and MATC are controlled (Note 3b) and have been consolidated into the Authority's financial statements.

The Deer Lodge Centre Foundation, which is incorporated under the Corporations Act of Manitoba, is a registered charity for the purposes of the Income Tax Act and accordingly is exempt from income taxes. The Deer Lodge Centre Foundation's aims and objectives are to raise, invest and allocate funds to or for the benefit of the Deer Lodge Centre.

A financial summary of the Deer Lodge Centre Foundation, which has not been consolidated into the Authority's financial statements, is as follows:

		2009		2008
Financial Position				
Total assets	**$**	**3,240**	$	3,910
Total liabilities & deferred contributions		**500**		620
Total net assets	**$**	**2,740**	$	3,290
Results of Operations				
Total revenues	**$**	**683**	$	663
Total expenses		**683**		663
Surplus from operations	**$**	**-**	$	-
Cash Flows				
From operating activities	**$**	**(235)**	$	(309)
Used for financing & investing		**200**		257
Decrease in cash	**$**	**(35)**	$	(52)

20. RELATED PARTY RELATIONSHIPS (continued)

b) Significant influence

The Health Sciences Centre Foundation Inc.'s ("HSCF") aims and objectives are to promote health care excellence by funding medical research and clinical projects. The Authority exercises significant influence on HSCF as the Health Sciences Centre appoints two of HSCF's board members and a portion of the funds raised by HSCF are directed to the Health Sciences Centre.

HSCF is incorporated under the Corporations Act of Manitoba and is a registered charity for the purposes of the Income Tax Act and accordingly exempt from income taxes.

c) Economic interest

Funding is provided to proprietary and non-proprietary personal care homes and community health agencies through service purchase agreements to deliver service on behalf of the Authority. As a result, the Authority has economic interest in these entities.

Schedules 2, 3, and 4 disclose the funding provided to these entities for the delivery of service.

d) Related parties

The Authority and its Controlled Entities have relationships with the following parties:

Health Sciences Centre
- Children's Hospital Foundation of Manitoba Inc.

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

Seven Oaks General Hospital
- Seven Oaks General Hospital Foundation Inc.

Grace Hospital
- Grace General Hospital (Winnipeg) Foundation Inc.
- Grace Hospital Auxiliary

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

Riverview Health Centre Inc.
- River Health Centre Foundation Inc.

20. RELATED PARTY RELATIONSHIPS (continued)

d) Related parties (continued)

Misericordia Health Centre
- Misericordia Health Centre Foundation Inc.

St. Boniface General Hospital
- St. Boniface General Hospital Auxiliary Inc.
- St. Boniface Hospital & Research Foundation Inc.
- St. Boniface General Hospital Parkade Inc.
- Dorais Charities Inc.

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

21. EMPLOYEE FUTURE BENEFITS

a) Accrued retirement entitlement

Based upon collective agreements and/or non-union policy, employees are entitled to a pre-retirement leave benefit if they are retiring in accordance with the provisions of the applicable 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

(amounts in thousands of dollars)

21. EMPLOYEE FUTURE BENEFITS (continued)

a) Accrued retirement entitlement (continued)

4. Payment or pre-retirement leave equivalent to the number of unused sick leave days accumulated during the last 5 years service plus 25% of the unused sick days accumulated prior to the last 5 years of service multiplied by the daily rate of the employee's permanent or regular position in effect on the employee's last day of service payable upon:
   i. Retirement, death, or termination of service caused by a transfer of departmental function.

The Authority undertook an actuarial valuation of the pre-retirement leave benefit for accounting purposes as at December 31, 2008, projected to March 31, 2009. The significant actuarial assumptions adopted in measuring the Authority's accrued retirement entitlements include mortality and withdrawal rates, a discount rate of 6.7% (2008 – 5.5%) and a rate of salary increase of 3.5% (2008 – 3.5%) plus age related merit/promotion scale with no provision for disability.

The amount of funding which will be provided by Manitoba Health and Healthy Living 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 and Healthy Living has indicated that payment of this receivable, when required, is guaranteed by the Province. Any changes from the March 31, 2004 liability amount are reflected in the statement of operations.

	2009	2008
Employee future benefits recoverable from Manitoba Health and Healthy Living	**$ 82,302**	$ 82,302

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

	2009	2008
Balance, beginning of year	**$ 116,764**	$ 111,528
Net increase in pre-retirement entitlements	**4,135**	5,236
Balance, end of year	**$ 120,899**	$ 116,764

b) Pension plan

Most of the employees 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.

21. EMPLOYEE FUTURE BENEFITS (continued)

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 for funding purposes occurred on December 31, 2007. The valuation indicated that the plan was fully funded. The plan is required to have its next actuarial valuation for funding purposes on or before December 31, 2010. Actual contributions to the plan made during the year by the Authority on behalf of its employees amounted to $58,598 (2008 - $51,373) and are included in the statement of operations.

Some employees 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.

Some employees are eligible for membership in the multi employer City of Winnipeg Employee's Benefits Program which includes of the Civic Employee's Pension Plan. The Civic Employee's Pension Plan is a defined benefit pension plan operated by the City of Winnipeg. During the year, the Authority expensed $235 (2008 - $238) for current year's contributions.

Some employees are eligible for membership in the multi employer Home Care Worker's Benefit Trust, which includes the Manitoba Home Care Pension Plan. The Manitoba Home Care Pension Plan is a defined contribution pension plan. During the year, the Authority expensed contributions to the pension plan of $1,160 (2008 - $1,118).

The Authority is aware that market values of plan investments have declined and as a result have impacted the valuation of these abovementioned pension plans. The managers of the pension plans are evaluating further courses of action.

22. CAPITAL DISCLOSURES

The Authority's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide health care services to the community. The capital position of the Authority is managed through its net assets, deferred contributions and loans.

The Authority relies mainly on government funding to finance its operations. The funds provided by government are allocated to the various programs based on the priorities identified by the Authority's Board of Directors.

During the year, the Board of Directors internally restricted $2,093 (2008 - $8,274) of unrestricted net assets to be used for future capital purchases. Internally restricted amounts are not available for other purposes without approval of the Board of Directors.

The Authority also receives restricted contributions from government, private companies and individuals. Contributions received but not spent by the end of an accounting period are deferred and recognized in the appropriate period. During the year ended March 31, 2009, the Authority complied with the external restrictions imposed by its funders.

The Authority has entered into borrowing facilities to finance the purchase of capital assets. These facilities contain financial covenants. For all borrowing facilities, the Authority is to ensure that the proceeds of external financing arranged to refinance project loans will be first utilized to repay relevant project loans. Additionally, for the Emily Street Parkade and Tecumseh Street Parkade Loans, the Authority is required to maintain a Debt Service Coverage ratio, of not less than 110%. During the year ended March 31, 2009, the Authority complied with the financial covenants imposed by its financial institution.

23. COMPARATIVE FIGURES

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

WINNIPEG REGIONAL HEALTH AUTHORITY
Schedule 1 - Other Income
For the year ended March 31, 2009
(in thousands of dollars)

		2009		2008
Separately funded primary health programs	**$**	**4,142**	$	4,391
Other Government Revenue		**7,793**		8,000
Patient and resident income		**35,273**		31,431
Radiology fee for service		**9,155**		8,851
Recoveries		**43,373**		40,931
Investment income		**1,289**		2,248
Miscellaneous income		**7,057**		3,898
Total	**$**	**108,082**	$	99,750

WINNIPEG REGIONAL HEALTH AUTHORITY
Schedule 2 - Long Term Care Facility Funding
For the year ended March 31, 2009
(in thousands of dollars)

		2009		2008
Non-Proprietary Personal Care Homes				
Bethania Mennonite Personal Care Home	**$**	**5,953**	$	5,526
Calvary Place Personal Care Home		**4,659**		3,941
Convalescent Home of Winnipeg		**3,039**		2,885
Donwood Manor Personal Care Home		**4,915**		4,615
Foyer Valade		**6,256**		5,819
Fred Douglas Lodge		**5,713**		5,395
Golden Links Lodge		**3,513**		3,242
Golden West Centennial Lodge		**4,414**		3,980
Holy Family Nursing Home		**11,232**		10,577
Lions Personal Care Centre		**4,449**		3,423
Luther Home		**3,501**		3,171
Meadowood Manor		**3,565**		3,268
Middlechurch Home of Winnipeg		**8,506**		7,705
Park Manor Personal Care Home		**4,065**		3,796
Pembina Place Mennonite Personal Care Home		**2,572**		2,334
Sharon Home		**9,493**		9,488
St. Joseph's Residence		**4,330**		3,972
Taché Centre		**15,023**		14,365
West Park Manor		**5,782**		5,271
Supportive Housing		**5,697**		3,853
Miscellaneous Funding Adjustments		**541**		1,301
Total	**$**	**117,218**	$	107,927
Proprietary Personal Care Homes				
Central Park Lodge - Beacon Hill	**$**	**7,868**	$	7,337
Central Park Lodge - Charleswood Care Centre		**6,525**		6,041
Central Park Lodge - Heritage Lodge		**3,838**		3,532
Central Park Lodge - Kildonan Personal Care Home		**5,691**		5,316
Central Park Lodge - Maples Personal Care Home		**8,963**		8,564
Central Park Lodge - Parkview Place		**12,257**		11,457
Central Park Lodge - Poseidon Care Centre		**9,434**		8,619
Extendicare - Oakview Place		**9,921**		9,495
Extendicare - Tuxedo Villa		**8,414**		7,914
Golden Door Geriatric Centre		**3,233**		3,001
River East Personal Care Home		**5,476**		5,283
St. Norbert Nursing Home		**3,547**		3,411
Vista Park Lodge		**4,322**		4,172
Miscellaneous Funding Adjustments		**600**		1,313
Total	**$**	**90,089**	$	85,455
Rural Proprietary Personal Care Homes				
Central Park Lodge - Valley View	**$**	**3,866**	$	3,575
Extendicare - Hillcrest Place		**4,235**		4,029
Extendicare - Red River Place		**4,598**		4,413
St. Adolphe Personal Care Home		**1,838**		1,551
Tudor House Personal Care Home		**3,418**		3,083
Miscellaneous Funding Adjustments		**-**		2
Total	**$**	**17,955**	$	16,653
Residential Care				
St. Amant Centre	**$**	**23,783**	$	22,788
Total	**$**	**249,045**	$	232,823

The facility funding reported on this schedule reflects approximately 74% (2008 - 73%) of the personal care homes' total annual budget. The remainder of the budget is funded directly by the facility through Residential Charges.

In 2009, Drug Capitation Fees of $2,190 were paid directly by the WRHA on behalf of the Non-Proprietary and Proprietary personal care homes (2008 - $2,140).

WINNIPEG REGIONAL HEALTH AUTHORITY
Schedule 3 - Community Health Agency Funding
For the year ended March 31, 2009
(in thousands of dollars)

		2009		2008
Aboriginal Health & Wellness Centre	**$**	**1,061**	$	1,115
Centre de Sante		**2,172**		2,152
Hope Centre Health Care Incorporated		**936**		882
Klinic Incorporated		**5,108**		4,550
Main Street Project Inc.		**1,736**		1,634
MFL Occupational Health and Safety Inc.		**742**		724
Mount Carmel Clinic		**6,705**		6,279
Nine Circles Community Health Centre Inc.		**2,739**		2,452
Nor'West Co-op Community Health Centre, Inc.		**1,187**		1,177
Rehabilitation Centre for Children, Inc.		**2,672**		2,575
Sexuality Education Resource Centre Manitoba, Inc.		**895**		834
Women's Health Clinic, Inc.		**3,060**		2,769
Clinique Youville Clinic Inc.		**2,421**		2,312
Miscellaneous Funding Adjustments		**5**		2
Total	**$**	**31,439**	$	29,457

WINNIPEG REGIONAL HEALTH AUTHORITY
Schedule 4 - Adult Day Care Facility Funding
For the year ended March 31, 2009
(in thousands of dollars)

	2009	2008
Convalescent Home of Winnipeg	**$ 38**	$ 37
Fred Douglas Lodge	**190**	185
Golden Links Lodge	**55**	53
Golden West Lodge	**162**	158
Holy Family Nursing Home	**192**	187
Independent Living Resource Centre	**107**	104
Lions Personal Care Centre	**163**	158
Lions Place - Charleswood	**268**	260
Lions Place - Concordia	**189**	184
Lions Place - 610 Portage	**223**	216
Luther Home	**94**	91
Middlechurch Home of Winnipeg	**198**	192
Extendicare - Oakview Place	**145**	140
Park Manor Personal Care Home	**109**	106
Sharon Home	**68**	66
South YM/YWCA	**170**	165
Taché Centre	**382**	371
Miscellaneous Funding Adjustments	**1**	1
Total	**$ 2,754**	$ 2,674

WINNIPEG REGIONAL HEALTH AUTHORITY
Schedule 5 - Grants to Facilities and Agencies
For the year ended March 31, 2009
(in thousands of dollars)

	2009	2008
Aboriginal Seniors Resource Centre	**$ 169**	$ 165
Age & Opportunity Centre Inc.	**627**	626
ALS House	**408**	351
Betelstadur Housing Co-op	**7**	7
Bethania Personal Care Home	**18**	17
Bethel Place	**38**	37
Bluebird Service Club	**-**	-
Bonivital Council for Seniors	**39**	38
Broadway Seniors Resource Council Inc.	**39**	38
Canadian Mental Health Association	**982**	962
Canadian Polish Manor	**18**	18
Central Speech & Hearing Clinic Inc.	**101**	101
Charleswood Senior Centre	**46**	44
Chez Nous Inc.	**19**	19
City of Winnipeg - Emergency Services	**6,230**	7,600
Clubhouse of Winnipeg Inc.	**357**	357
CNIB	**12**	12
Columbus Manor	**19**	19
Community Therapy Services	**199**	195
Creative Retirement Manitoba	**46**	44
Donwood Manor	**111**	49
Doray Enterprises	**332**	325
Fort Garry Services Inc.	**38**	37
Foyer Vincent Inc.	**19**	19
Friends Housing Inc.	**94**	92
Good Neighbours Senior Centre Inc.	**128**	64
Gwen Secter Creative Living Centre	**58**	56
Hospice & Palliative Care Manitoba	**83**	81
Jewish Child and Family	**36**	35
Jocelyn House	**285**	280
Kali Shiva	**-**	100
Keewatin Inkster (formerly Brooklands/Weston Community Resource)	**95**	93
Kingsford Haus Co-op Ltd.	**12**	11
La Federation de Franco MB	**17**	5
L'Accueil Colombien Inc.	**18**	18
Lindenwoods	**100**	95
Lions Club	**37**	36
Luther Home Care	**114**	-
Manitoba Association of Multipurpose Senior Centres	**4**	4
Manitoba Cardiac Institute (Reh-fit)	**762**	736
Manitoba Eastern Star Chalet	**12**	11

WINNIPEG REGIONAL HEALTH AUTHORITY
Schedule 5 - Grants to Facilities and Agencies (continued)
For the year ended March 31, 2009
(in thousands of dollars)

	2009	2008
Manitoba Housing Authority	**360**	353
MacDonald Youth Services	**315**	309
McClure	**12**	11
Meals on Wheels of Winnipeg Inc.	**159**	155
Metropolitan Kiwanis Courts	**101**	99
Middlechurch Home of Winnipeg	**47**	46
Seven Oaks Seniors Link (formerly North Winnipeg Community Council)	**39**	38
Pembina Place (formerly Deaf Centre Manitoba Inc.)	**37**	34
PIECES - Alzheimer's Grant	**65**	-
Rainbow Society	**282**	132
River East Council for Seniors	**62**	61
Rose & Max Rady Jewish Community Centre	**17**	22
Ruperts Land Caregiver Services	**52**	50
S.S.C.O.P.E. Incorporated	**162**	125
Salvation Army	**278**	270
Salvation Army - Grace Hospital	**1,000**	-
Sara Riel Inc.	**840**	840
Seniors Home Help Inc.	**75**	74
Seneca House	**374**	377
Serena Manitoba Inc.	**12**	12
Seven Oaks Wellness Centre	**597**	587
Society for Manitobans with Disabilities	**1,452**	1,423
South Winnipeg Senior Resource Council Inc.	**51**	50
St. James/Assiniboia Senior Centre Inc.	**89**	88
Stay Young Centre	**18**	18
Transcona Council for Seniors	**43**	43
University of Manitoba - Medical Info Line for the Elderly	**33**	33
University of Manitoba - Dental Services	**237**	44
University of Manitoba	**176**	350
Villa Cabrini Inc.	**38**	37
Villa Nova	**12**	11
Villa Tache	**30**	29
Willow Centre	**12**	11
Wolseley Family Centre	**97**	95
YW/YMCA of Winnipeg	**182**	199
Miscellaneous Funding Adjustments	**6**	2
Total	**$ 19,091**	$ 18,825

WINNIPEG REGIONAL HEALTH AUTHORITY
Schedule 6 - Internally Restricted Net Assets
For the year ended March 31, 2009
(in thousands of dollars)

	2009										2008
	Internally Restricted Net Assets										
	Laundry Capital Assets	Telehealth Capital Assets	Concordia Capital Assets	Grace Capital Assets	Victoria Capital Assets	Seven Oaks Ancillaries & Wellness Institute	Riverview Internally Restricted	Misericordia Ancillary Fund	St. Boniface Internally Restricted	Total Internally Restricted	Total
Balance, beginning of year	$ 966	$ 962	$ 1,030	$ 3,088	$ 1,744	$ 3,085	$ 2,964	$ 3,674	$ 6,501	$ 24,014	$ 16,899
Change in accounting policies (Note 2)	-	-	-	-	-	-	-	-	-	-	102
Net surplus	-	-	-	-	-	23	133	555	59	770	1,279
Purchases of capital assets	(484)	(452)	-	-	(391)	(680)	-	-	(4)	(2,011)	(2,540)
Net Asset Restrictions	722	-	-	-	-	1,371	-	-	-	2,093	8,274
Balance, end of year	$ 1,204	$ 510	$ 1,030	$ 3,088	$ 1,353	$ 3,799	$ 3,097	$ 4,229	$ 6,556	$ 24,866	$ 24,014

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, 2009

(unaudited)
(in thousands of dollars)

	2009	2008
REVENUE		
Manitoba Health and Healthy Living operating income	**$ 1,951,466**	$ 1,819,727
Other income (schedule 1)	**108,082**	99,750
Amortization of deferred contributions, capital	**58,972**	55,756
Amortization of deferred contributions, future expenses	**2,430**	7,054
	2,120,950	1,982,287
EXPENSES		
Salaries and wages	**1,151,702**	1,039,306
Medical Remuneration	**168,742**	151,628
Printing, stationery and office supplies	**6,543**	8,395
Housekeeping, laundry and linen	**17,804**	12,120
Utilities, insurance and taxes	**38,711**	30,934
Food and dietary supplies	**21,974**	21,089
Medical and surgical supplies	**110,078**	99,201
Pharmaceutical supplies	**52,158**	56,740
Diagnostic supplies	**21,586**	18,584
Miscellaneous and other	**55,942**	64,443
Repairs and maintenance	**53,221**	33,918
Referred out services	**50,665**	92,488
Radiology fee for service costs	**12,449**	11,499
Interest	**786**	918
Amortization of capital assets	**61,848**	56,438
Employee future benefits	**4,135**	5,236
Non-acute care facility and grant funding	**303,020**	284,454
	2,131,364	1,987,391
OPERATING DEFICIT	**(10,414)**	(5,104)
NON-INSURED SERVICES		
Non-insured services income	**83,917**	79,334
Non-insured services expenses	**77,401**	73,545
NON-INSURED SERVICES SURPLUS	**6,516**	5,789
(DEFICIT) SURPLUS FOR THE YEAR	**$ (3,898)**	$ 685

WINNIPEG REGIONAL HEALTH AUTHORITY
Supplementary Information
WRHA Statement of Operations including all Acute Care Operations
By Program

For the year ended March 31, 2009
(unaudited)
(in thousands of dollars)

	2009	2008
REVENUE		
Manitoba Health and Healthy Living operating income	**$ 1,951,466**	$ 1,819,727
Other income (Schedule 1)	**108,082**	99,750
Amortization of deferred contributions, capital	**58,972**	55,756
Recognition of deferred contributions, future expenses	**2,430**	7,054
	2,120,950	1,982,287
EXPENSES		
Program costs		
Anaesthesia	**14,590**	10,518
Breast health	**2,600**	2,522
Cardiac sciences	**60,649**	52,673
Child health	**84,384**	78,431
Child adolescent & mental health	**17,581**	16,161
Critical care	**49,230**	44,937
Diagnostic imaging	**60,998**	57,502
Diagnostic imaging - Radiology Fee for Service	**12,411**	11,635
Emergency	**76,638**	67,849
Family medicine	**35,112**	34,149
Genetics	**1,179**	1,165
Health Links	**5,829**	5,632
Laboratories	**69,887**	65,415
Medicine	**96,646**	88,974
Renal health	**53,227**	47,393
Mental health	**36,717**	35,122
Oncology	**7,602**	7,287
Oral Health	**494**	459
Paliative Care	**8,951**	8,568
Psychology	**3,749**	3,801
Rehab/Geriatrics	**57,454**	54,381
Surgery	**197,657**	181,573
Tele-health	**2,411**	2,304
Women's health	**52,499**	48,528
Long term care	**58,400**	57,411
Residents and interns	**26,575**	26,923
Other diagnostic & therapeutic services	**38,615**	38,135
Pharmacy	**33,323**	31,557
Community based home care services	**174,229**	167,471
Community based mental health services	**14,809**	13,718
Community based primary health services	**29,905**	26,892
Separately funded primary health programs	**8,030**	7,257
	1,392,381	1,296,343

WINNIPEG REGIONAL HEALTH AUTHORITY
Supplementary Information
WRHA Statement of Operations including all Acute Care Operations By Program (continued)
For the year ended March 31, 2009
(unaudited)
(in thousands of dollars)

	2009	2008
Indirect service costs		
Corporate and support services	**71,236**	61,991
Clinical and non-clinical support services	**83,525**	71,794
Information services	**47,151**	38,941
Facility services	**141,647**	134,837
Marketed services	**83**	89
Research and education services	**10,111**	9,920
	353,753	317,572
Other costs		
Non-acute care facility and grant funding	**303,020**	284,454
Aboriginal services & strategies	**2,216**	2,178
Other costs	**13,225**	24,252
Employee future benefits	**4,135**	5,236
Interest	**786**	918
Amortization of capital assets	**61,848**	56,438
	385,230	373,476
	2,131,364	1,987,391
OPERATING DEFICIT	**(10,414)**	(5,104)
NON-INSURED SERVICES		
Non-insured services income	**83,917**	79,334
Non-insured services expenses	**77,401**	73,545
NON-INSURED SERVICES SURPLUS	**6,516**	5,789
OPERATING AND NON-INSURED (DEFICIT) SURPLUS	**$ (3,898)**	$ 685

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.

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

	2009	2008 (Restated)
Administrative costs	**$ 89,806**	$ 86,019
Administrative cost %	**4.1%**	4.2%

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.