

*Consolidated Financial Statements of the*  
**WINNIPEG REGIONAL HEALTH AUTHORITY**  
*March 31, 2011*

## **INDEPENDENT AUDITORS' REPORT**

To the Directors of  
**Winnipeg Regional Health Authority**

We have audited the accompanying consolidated financial statements of the **Winnipeg Regional Health Authority** [the "Authority"], which comprise the consolidated statement of financial position as at March 31, 2011 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the consolidated financial statements**

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

### **Auditors' responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Authority's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness

of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the **Winnipeg Regional Health Authority** as at March 31, 2011 and the results of its operations and changes in its net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Canada,  
June 28, 2011.

Original Signed Ernst & Young LLP

Chartered Accountants

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2011**

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 judgments.

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.

Ernst & Young 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  
Arlene Wilgosh

Original signed by  
Paul Kochan

Arlene Wilgosh  
President & Chief Executive Officer

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



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**WINNIPEG REGIONAL HEALTH AUTHORITY****Consolidated Statement of Operations**

For the year ended March 31

(in thousands of dollars)

	2011	2010
REVENUE		
Manitoba Health operating income	\$ 2,182,631	\$ 2,077,237
Other income (Schedule 1)	123,219	119,470
Amortization of deferred contributions, capital	64,303	65,641
Recognition of deferred contributions, future expenses	25,877	19,074
	<b>2,396,030</b>	<b>2,281,422</b>
EXPENSES		
Direct operations	2,000,324	1,901,800
Interest	584	747
Amortization of capital assets	68,499	67,173
	<b>2,069,407</b>	<b>1,969,720</b>
FACILITY FUNDING		
Long term care facility funding (Schedule 2)	271,579	267,854
Community health agency funding (Schedule 3)	35,737	34,770
Adult day care facility funding (Schedule 4)	3,157	3,094
Long term care community therapy services	718	715
GRANT FUNDING		
Grants to facilities and agencies (Schedule 5)	18,741	19,300
	<b>2,399,339</b>	<b>2,295,453</b>
OPERATING DEFICIT	<b>(3,309)</b>	<b>(14,031)</b>
NON-INSURED SERVICES		
Non-insured services income	56,477	63,362
Non-insured services expenses	51,005	57,712
NON-INSURED SERVICES SURPLUS	<b>5,472</b>	<b>5,650</b>
SURPLUS (DEFICIT) FOR THE YEAR	<b>\$ 2,163</b>	<b>\$ (8,381)</b>

*See accompanying notes*

Original signed by Dr. John Wade, Board Chair
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..... Director

Original signed by Marc Labossiere, Vice Chair
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..... Director

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

As at March 31

(in thousands of dollars)

	2011	2010
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 31,399	\$ 11,587
Accounts receivable (Note 5)	112,260	125,859
Inventory (Note 6)	28,782	43,771
Prepaid expenses	13,407	13,519
Investments (Note 9)	7,182	6,402
Employee benefits recoverable from Manitoba Health (Note 7)	78,675	78,675
	<b>271,705</b>	<b>279,813</b>
 CAPITAL ASSETS (Notes 8 and 14)	 <b>1,209,136</b>	 <b>1,139,535</b>
 <b>OTHER ASSETS</b>		
Employee future benefits recoverable from Manitoba Health (Note 22)	82,302	82,302
Investments (Note 9)	36,818	38,218
Specific purpose funds (Note 10)	29,737	31,612
Nurse recruitment and retention fund (Note 11)	3,512	4,242
	<b>\$ 1,633,210</b>	<b>\$ 1,575,722</b>
 <b>LIABILITIES, DEFERRED CONTRIBUTIONS AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 12)	\$ 198,521	\$ 194,597
Demand loans (Note 13)	18,000	29,000
Employee benefits payable (Note 7)	94,907	92,324
Current portion of long term debt (Note 14)	50,358	46,040
	<b>361,786</b>	<b>361,961</b>
 <b>LONG TERM DEBT AND DEFERRED CONTRIBUTIONS</b>		
Long term debt (Note 14)	27,918	20,785
Employee future benefits payable (Note 22)	147,723	143,324
Specific purpose funds (Note 10)	29,737	31,612
Deferred contributions (Note 16)	1,013,187	966,614
Nurse recruitment and retention fund (Note 11)	3,512	4,242
	<b>1,222,077</b>	<b>1,166,577</b>
 COMMITMENTS AND CONTINGENCIES (Note 18)		
<b>NET ASSETS</b>	<b>49,347</b>	<b>47,184</b>
	<b>\$ 1,633,210</b>	<b>\$ 1,575,722</b>

See accompanying notes

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

	2011				2010
	Investment in Capital Assets (Note 17)	Unrestricted Net Assets	Internally Restricted Net Assets (Schedule 6)	Total	Total
Balance, beginning of year	\$ 81,605	\$ (61,395)	\$ 26,974	\$ 47,184	\$ 55,565
Surplus (deficit) for the year	(9,232)	9,734	1,661	2,163	(8,381)
Purchase of capital assets	8,605	(6,440)	(2,165)	-	-
Net asset restrictions	-	(1,350)	1,350	-	-
Balance, end of year	\$ 80,978	\$ (59,451)	\$ 27,819	\$ 49,347	\$ 47,184

*See accompanying notes*

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

	2011	2010
<b>OPERATING ACTIVITIES</b>		
Surplus (deficit) for the year	\$ 2,163	\$ (8,381)
Items not affecting cash		
Amortization of capital assets	76,389	74,555
Amortization of deferred contributions related to capital assets	(67,157)	(68,476)
Recognition of deferred contributions related to future expenses	(25,920)	(19,139)
Net change in employee future benefits	6,982	15,745
	(7,543)	(5,696)
Changes in non-cash operating working capital balances	32,624	(34,722)
Deferred contributions received - future expenses	13,889	29,911
	38,970	(10,507)
<b>FINANCING ACTIVITIES</b>		
Deferred contributions received - capital assets	125,761	120,754
Proceeds of demand loans	-	30,000
Demand loan repayments	(11,000)	(1,000)
Proceeds of long term debt	15,254	-
Long term debt repayments	(3,803)	(2,703)
	126,212	147,051
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(145,990)	(158,498)
Increase in investments	620	(3,761)
	(145,370)	(162,259)
<b>INCREASE (DECREASE)</b>	19,812	(25,715)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	11,587	37,302
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 31,399	\$ 11,587
<b>Comprised of:</b>		
Cash	\$ 28,031	\$ 10,884
Cash equivalents	3,368	703
Total	\$ 31,399	\$ 11,587
<b>Supplementary Information:</b>		
Interest paid	\$ 4,272	\$ 3,115

*See accompanying notes*

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2011**  
**(in thousands of dollars)**

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**1. NATURE OF BUSINESS**

The Winnipeg Regional Health Authority ("the Authority", "WRHA") was established under the Regional Health Authorities Act 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"). Volunteer Enterprises of the Health Sciences Centre Inc. ("VENT") operates services within the WRHA and their results are included in these financial statements. 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 not-for-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 reviewed revisions to the Canadian Institute of Chartered Accountants ("CICA") Handbook. For the year ended March 31, 2011, there had not been any changes to the sections that relate to not-for-profit organizations and as such no impact on the financial statement presentation by the Authority.

**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.

### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **a) The reporting entity (continued)**

- 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.

#### **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', MATC's and VENT'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.

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 Seven Oaks General Hospital Foundation Inc. and St. Boniface General Auxiliary Inc. have not been consolidated since they are not directly involved in the delivery of health care services. Note 21 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.

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2011**  
**(in thousands of dollars)**

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

**c) Revenue recognition (continued)**

- 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, 2011.

**d) Cash and cash equivalents**

Cash and cash equivalents consist of highly liquid instruments, such as certificates of deposit, term deposits, treasury notes and other money market instruments, which generally have original maturities of less than three months from the date of issuance.

**e) 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.

**f) 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 annual rates of:

Buildings	2-10%
Furniture & equipment	7-33%
Computer hardware and software	10-33%
Leasehold improvements	over the life of the lease

Interest on the debt associated with construction in progress projects is capitalized as incurred.

**g) 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.



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

**h) 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 disclosure 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.

**i) Internally restricted net assets**

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

**j) 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 facilities 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 an 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 the 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 foreign exchange and other price risks.

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2011**  
**(in thousands of dollars)**

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

**j) Financial instruments (continued)**

*Financial assets and liabilities*

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.

<u>Asset and Liability Account</u>	<u>Classification</u>
Cash and cash equivalents	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 securities, and GICs )	Held for trading
Investments (mortgage)	Loans and receivables
Accounts receivable	Loans and receivables
Employee benefits recoverable from Manitoba Health	Loans and receivables
Employee future benefits recoverable from Manitoba Health	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Demand loans	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, employee future benefits recoverable from Manitoba Health, 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 upon initial recognition. They are measured at fair value at the consolidated 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.

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

**j) Financial instruments (continued)**

*Loans and receivables*

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

*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.

**k) Derivative financial instruments**

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

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

Under these swaps, 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.

The derivatives are measured at fair value and the unrealized gains or losses arising from remeasurement are recorded and presented under interest expense in the consolidated statement of operations and in account receivable or accounts payable and accrued liabilities in the consolidated statement of financial position.

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

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2011**  
**(in thousands of dollars)**

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

**l) Investments**

Bonds and money market securities 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 Authority recognizes their investments based on settlement dates.

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

**m) 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 consolidated 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 consolidated statement of financial position as a payable to Manitoba Health until such time as Manitoba Health reviews the consolidated 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.

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2011**  
**(in thousands of dollars)**

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

**m) Due to/from Manitoba Health (continued)**

Conversely, any operating deficits related to Out of Globe funding arrangements are recorded on the consolidated 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.

**4. RECENT ACCOUNTING PRONOUNCEMENTS ISSUED AND NOT YET APPLIED**

The Authority recognizes that the CICA Handbook Standards for Not-for-Profit Organizations are changing. As a result of these changes, the Authority has determined it is a Government Not-For-Profit Organization ("GNFPO"). This classification would be applicable to annual financial statements relating to fiscal years beginning on or after January 1, 2012. Under this classification, the standards under the Public Sector Accounting ("PSA") Handbook will be applicable.

In September 2010, the Public Sector Accounting Board ("PSAB") approved the inclusion of the 4400 series from the CICA Handbook – Accounting into the ("PSA") Handbook for use by government organizations applying the standards for not-for-profit organizations. The standards were renumbered Sections PS4200 to PS4270. PSAB also approved changes to the Introduction to the Standards giving these organizations a choice to apply either the PSA Handbook with the PS4200 series of standards or the PSA Handbook without the PS4200 series of standards.

The Authority has elected to apply the PSA Handbook with the PS4200 series and is currently evaluating the impact of these standards.

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2011**  
**(in thousands of dollars)**

**5. ACCOUNTS RECEIVABLE**

	<u>2011</u>	<u>2010</u>
Manitoba Health - operating, capital and fee for service	\$ 86,975	\$ 97,978
Accounts receivable from other Province of Manitoba Departments	491	1,435
Facility advances and receivables	1,028	8,959
Patient related and other	30,747	27,681
Allowance for doubtful accounts	(6,981)	(10,194)
	<u>\$ 112,260</u>	<u>\$ 125,859</u>

**6. INVENTORY**

	<u>2011</u>			<u>2010</u>
	<u>Held for Sale</u>	<u>Held for Internal Use</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ 1,124	\$ 42,647	\$ 43,771	\$ 18,738
Amount purchased in year	3,197	169,665	172,862	190,680
Amount expensed in year	(3,189)	(184,303)	(187,492)	(165,758)
Amount written down in year	(15)	(438)	(453)	(175)
Write downs reversed in year	74	20	94	286
Balance, end of year	<u>\$ 1,191</u>	<u>\$ 27,591</u>	<u>\$ 28,782</u>	<u>\$ 43,771</u>

**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. Manitoba Health advised that changes subsequent to March 31, 2004 are no longer recoverable and must be included in the current year operations.

The employee benefits recoverable from Manitoba Health is as follows:

	<u>2011</u>	<u>2010</u>
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	\$ 92,324	\$ 99,004
Increase (decrease) in vacation/overtime/stat holiday entitlements	2,583	(6,680)
Balance, end of year	<u>\$ 94,907</u>	<u>\$ 92,324</u>

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2011**  
**(in thousands of dollars)**

8. CAPITAL ASSETS	2011			2010
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 18,305	\$ -	\$ 18,305	\$ 18,296
Buildings	1,112,537	(420,467)	692,070	709,185
Furniture & equipment	785,907	(640,443)	145,464	153,384
Computer hardware and software	104,050	(48,558)	55,492	56,000
Leasehold improvements	49,243	(11,244)	37,999	38,881
Construction in progress	259,806	-	259,806	163,789
	<b>\$ 2,329,848</b>	<b>\$ (1,120,712)</b>	<b>\$ 1,209,136</b>	<b>\$ 1,139,535</b>

The Authority has capitalized interest on some projects up until they are substantially complete. The amount of interest capitalized during the year was \$1,288 (2010 - \$372).

**9. INVESTMENTS**

	2011	2010
Money market investments	\$ 3,368	\$ 703
Government bonds	37,183	39,147
Corporate bonds (rated A or better)	25,379	23,434
Guaranteed Investment Certificates (GICs)	2,405	2,005
Mortgage	537	1,078
	<b>68,872</b>	<b>66,367</b>
Less: amounts included with cash and cash equivalents	(3,368)	(703)
Less: amounts included with specific purpose funds	(21,504)	(21,044)
	<b>44,000</b>	<b>44,620</b>
Less: amounts maturing/ redeemable within one year, included in current assets	(7,182)	(6,402)
	<b>\$ 36,818</b>	<b>\$ 38,218</b>

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

The mortgage of \$537 (2010 - \$1,078) is receivable from 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 \$545 (2010 - \$1,104). The fair value was determined using estimated market rates available to the Authority for the same or similar instruments.

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**9. INVESTMENTS (Continued)**

The Authority manages the liquidity 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 is exposed to the effects of future changes in the prevailing level of interest rates. Changes in the market interest rates have a direct effect on the fair value of the Authority's investments. The Authority mitigates the interest rate risk exposure of its Government and Corporate bonds and GICs by staggering maturity dates. As at March 31, 2011, the maturity dates are as follows:

	Government	Corporate	GICs	Effective Yield
Within 1 year	\$ 2,784	\$ 1,936	\$ 1,245	4.67%
2 to 5 years	20,211	14,236	900	3.91%
5 to 10 years	9,499	8,233	-	3.42%
Over 10 years	4,689	974	260	4.60%
	<b>\$ 37,183</b>	<b>\$ 25,379</b>	<b>\$ 2,405</b>	

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

**10. SPECIFIC PURPOSE FUNDS**

Cash and cash equivalents and investments held for specific purposes include the following:

	2011	2010
Cash and cash equivalents	\$ 8,233	\$ 10,568
Investments, at fair value	21,504	21,044
	<b>\$ 29,737</b>	<b>\$ 31,612</b>

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

	2011	2010
Balance, beginning of year	\$ 31,612	\$ 36,271
Grants, bequests and donations	18,499	23,172
Investment income	606	1,523
Disbursements	(20,980)	(29,354)
Balance, end of year	<b>\$ 29,737</b>	<b>\$ 31,612</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.



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**11. NURSE RECRUITMENT AND RETENTION FUND**

In 2000, Manitoba Health had established a 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 cash equivalents held for the Nurse Recruitment and Retention Fund include the following:

	<u>2011</u>	<u>2010</u>
Cash and cash equivalents	\$ 3,512	\$ 4,242

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

	<u>2011</u>	<u>2010</u>
Balance, beginning of year	\$ 4,242	\$ 4,358
Additions to fund	2,477	3,724
Interest earned on investment	17	-
Fund expenditures	(3,224)	(3,840)
Balance, end of year	\$ 3,512	\$ 4,242

**12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2011</u>	<u>2010</u>
Accounts payable and accrued liabilities	\$ 139,038	\$ 142,997
Accounts payable to Manitoba Health	9,139	5,929
Accrued salaries	48,671	44,143
Holdbacks on construction contracts	1,673	1,527
	\$ 198,521	\$ 194,597

**13. DEMAND LOANS**

The demand loans represent two interest free cash advances from Manitoba Health. The first interest free demand loan has a balance at March 31, 2011 of \$18,000 (2010 - \$19,000) and was issued on October 31, 2009 in the amount of \$20,000 with a repayment schedule of \$1,000 per annum. The second interest free demand loan has a balance at March 31, 2011 of \$nil (2010 - \$10,000) and was issued on January 13, 2010 in the amount of \$10,000 with repayment at Manitoba Health's request. The fair value of this debt approximates carrying value as it is due on demand.

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**14. LONG TERM DEBT**

	<u>2011</u>	<u>2010</u>
0.585% Banker's Acceptance, maturing April 15, 2011 Health Sciences Centre Tecumseh Street Parkade Original Obligation \$37,250, Fair value \$36,927 (2010 - \$38,319)	\$ 36,927	\$ 38,319
Prime minus 0.65% Mortgage payable, maturing December 31, 2013 Health Sciences Centre Kleysen Institute Original Obligation \$13,999; Fair value \$13,999 (2010 - \$nil)	13,999	-
7.38% Mortgage payable, maturing August 31, 2018 Monthly principal and interest payments \$157 Nutrition & Food Services Original Obligation \$18,976, Fair value \$11,761 (2010 - \$13,072)	10,755	11,806
5.8% Bank Loan, maturing September 30, 2014 Monthly principal and interest payments \$87 St. Boniface General Hospital Atrium Original Obligation \$12,400, Fair value \$10,421 (2010 - \$10,717)	9,803	10,267
0.617% Banker's Acceptance, maturing April 27, 2011 Health Sciences Centre Emily Street Parkade Original Obligation \$7,256, Fair value \$5,419 (2010 - \$6,154)	5,419	6,154
Prime plus 0.25% Term Loan, maturing September 30, 2022 Monthly Principal and interest payments \$9 Grace General Hospital Ancillary Parking Lot Original Obligation \$1,255; Fair value \$1,203 (2010 - \$nil)	1,203	-
Prime plus 0.25% Term Loan, maturing September 1, 2015 Monthly principal and interest payments \$4 Grace General Hospital Hospice Original Obligation \$500; Fair value \$170 (2010 - \$221)	170	221
Prime less 0.5% Term Loan, matured December 22, 2010 Monthly principal and interest payments \$7 Concordia Energy Saving Project Original Obligation \$616, Fair value \$nil (2010 - \$58)	-	58
	<b>78,276</b>	<b>66,825</b>
Less amounts due within one year, included in current liabilities	<b>(50,358)</b>	<b>(46,040)</b>
	<b>\$ 27,918</b>	<b>\$ 20,785</b>

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.

## WINNIPEG REGIONAL HEALTH AUTHORITY

### Notes to the Consolidated Financial Statements

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#### 14. LONG TERM DEBT (Continued)

The Health Sciences Centre Tecumseh Street Parkade Loan has been secured with the Tecumseh Street Parkade which at March 31, 2011 had a net book value of \$40,764 (2010 - \$42,215). The Health Sciences Centre Emily Street Parkade Loan has been secured with the Emily Street Parkade which at March 31, 2011 had a net book value of \$4,958 (2010 - \$5,408). The assigned results of the HSC Parking Operations have also been secured against both of the parkade loans.

The Health Sciences Centre Kleysen Institute loan has been secured against an assignment of funding pledges which at March 31, 2011 had a net book value of \$70,591 (2010 - \$nil). Principal repayments will match the timing of the receipt of the pledges. We anticipate approximately \$6,233 of repayment in the next year.

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 General 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 Grace General Hospital Ancillary Parking Lot Loan has been secured with the revenue from the Grace Ancillary parking lot.

The Grace General Hospital Hospice Loan has been secured with the Hospice building which at March 31, 2011 had a net book value of \$3,389 (2010 - \$3,495).

In addition to the long term debt above, the Authority has operating lines of credit which amount to \$30,900. As at March 31, 2011, \$540 is being utilized.

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

2011/12	\$	50,358
2012/13		7,628
2013/14		4,052
2014/15		9,769
2015/16		1,623
Thereafter		4,846

#### 15. DERIVATIVE FINANCIAL INSTRUMENTS

The Authority has entered into interest rate swaps to convert a floating interest rate debt instrument into a fixed interest rate debt instrument for each of the Emily Street Parkade and Tecumesh Street Parkade at the Health Sciences Centre. The notional amount of the Emily swap at March 31, 2011 is \$5,419 (2010 - \$6,154) maturing on July 23, 2017 with a fixed rate of 4.105%. The fair value of this swap has been calculated as (\$13) (2010 - \$23), resulting in a derivative liability of (\$13) (2010 - \$23).

The notional amount of the Tecumesh swap at March 31, 2011 is \$36,927 (2010 - \$38,319) maturing on November 15, 2039 with a fixed rate of 4.400%. The fair value of this swap has been calculated at \$385 (2010 - nil), resulting in a derivative asset of \$385 (2010 - nil).

This derivative is measured at fair value 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.

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**16. DEFERRED CONTRIBUTIONS**

	<u>2011</u>	<u>2010</u>
Deferred contributions, future expenses	32,111	44,153
Deferred contributions, capital	981,076	922,461
Deferred contributions, total	<u>\$ 1,013,187</u>	<u>\$ 966,614</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>2011</u>	<u>2010</u>
Balance, beginning of year	\$ 44,153	\$ 34,077
Amount received during the year	13,889	29,911
Transferred to deferred contributions, capital	(11)	(696)
Less: amount recognized as revenue - Programs	(25,877)	(19,074)
Less: amount recognized as revenue - Non-insured services	(43)	(65)
Balance, end of year	<u>\$ 32,111</u>	<u>\$ 44,153</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>2011</u>	<u>2010</u>
Balance, beginning of year	\$ 922,461	\$ 869,487
Amount received during the year	125,761	120,754
Transferred from deferred contributions, future expenses	11	696
Less: amount amortized to revenue – Programs	(64,303)	(65,641)
Less: amount amortized to revenue – Non-insured services	(2,854)	(2,835)
Balance, end of year	<u>\$ 981,076</u>	<u>\$ 922,461</u>

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**16. 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 part of its deferred contributions balance:

	<u>2011</u>	<u>2010</u>
Demand bank loans for capital projects in anticipation of the future issuance of long term debt by Manitoba Health, Prime less 1.0% to Prime plus 0.5%	\$ 103,474	\$ 29,167
Sinking fund debentures, Series 91, 10.00%, maturing June 11, 2011 Health Sciences Centre	25,000	25,000
Sinking fund debentures, Series E, 8.69%, maturing May 30, 2016 St. Boniface General Hospital	51,365	51,500
	<u>\$ 179,839</u>	<u>\$ 105,667</u>

At March 31, 2011 the value of the sinking fund assets and accumulated interest aggregated \$54,216 (2010 - \$44,824). Annual payments are made by the Authority/Manitoba Health from cash held in trust, which at March 31, 2011 was \$2,112 (2010 - \$2,112).

Repayment on the above loan agreements begins when the related capital projects are substantially complete. For those projects where construction is substantially complete, the scheduled principal repayments are as follows:

2011/12	\$ 29,186
2012/13	4,142
2013/14	4,142
2014/15	4,100
2015/16	4,106

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**17. INVESTMENT IN CAPITAL ASSETS**

Investment in capital assets represents the amount of capital assets internally funded and is calculated as follows:

	<u>2011</u>	<u>2010</u>
Capital assets	\$ 1,209,136	\$ 1,139,535
Amounts financed by:		
Deferred contributions	\$ (981,076)	\$ (922,461)
Loans and accounts payable	(147,082)	(135,469)
Investment in capital assets	\$ 80,978	\$ 81,605

Change in investment in capital assets is calculated as follows:

	<u>2011</u>	<u>2010</u>
<b>a) Surplus (deficit) for the year</b>		
Amortization of capital assets included in programs	\$ (68,499)	\$ (67,173)
Amortization of capital assets included in non-insured services	(7,890)	(7,382)
Amortization of deferred contributions related to capital assets included in programs	64,303	65,641
Amortization of deferred contributions related to capital assets included in non-insured services	2,854	2,835
	\$ (9,232)	\$ (6,079)
<b>b) Purchase of capital assets</b>	\$ 145,990	\$ 158,498
Amounts funded by:		
Capital contributions received during the year	(125,761)	(120,754)
Capital contributions transferred from future expenses	(11)	(696)
Change in capital contributions receivable, loans and accounts payable	(11,613)	(23,284)
	\$ 8,605	\$ 13,764
Change in investment in capital assets	\$ (627)	\$ 7,685

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**18. 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, 2011, annual lease payments for the various premises occupied by the Authority over the next five fiscal years are as follows:

2011/12	\$13,157
2012/13	12,879
2013/14	11,906
2014/15	10,464
2015/16	9,962

- c) At March 31, 2011, the Authority had capital commitments of approximately \$33,045 (2010 - \$19,527) and equipment purchase commitments of approximately \$8,503 (2010 - \$11,900).
- d) The Authority has entered into various equipment lease commitments. The minimum amounts payable over the next five fiscal years are as follows:

2011/12	\$ 9,782
2012/13	7,807
2013/14	4,310
2014/15	2,931
2015/16	1,329

**19. 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, 2011.

**20. ECONOMIC DEPENDENCE**

The Authority received approximately 91% (2010 - 91%) of its total revenue from Manitoba Health and is economically dependent on Manitoba Health 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.

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**21. RELATED ENTITIES**

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). Transactions between the related parties are recorded at the exchange amount. For accounting purposes the relationships with these organizations and agencies are as follows:

**a) Controlled entities**

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

The consolidated entities within the Authority exercise control over the following entities by virtue of their ability to determine their operating, investing, or financing policies. The following entities are controlled, but not consolidated:

Seven Oaks General Hospital Foundation Inc.  
 St. Boniface General Auxiliary Inc.

These entities were incorporated under the Corporations Act of Manitoba, are registered charities for the purposes of the Income Tax Act and accordingly are exempt from income taxes. The aim of these entities is to advance the welfare of their respective hospitals and patients.

A financial summary of these entities is as follows:

	<u>2011</u>	<u>2010</u>
<i>Financial Position</i>		
Total assets	\$ 1,789	\$ 1,453
Total liabilities & deferred contributions	248	149
Total net assets	\$ 1,541	\$ 1,304
<i>Results of Operations</i>		
Total revenues	\$ 1,446	\$ 1,758
Total expenses	1,184	1,037
Surplus from operations	\$ 262	\$ 720
<i>Cash Flows</i>		
(Used in) from operating activities	\$ 302	\$ (225)
(Used in) from financing & investing activities	(30)	180
(Decrease) increase in cash	\$ 273	\$ (45)



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**21. RELATED ENTITIES (continued)**

**a) Controlled entities (continued)**

During the year, the entities listed contributed \$327 (2010 - \$1,324) to various facilities within the Authority. The Authority incurred expenses of \$111 (2010 - \$nil) with the listed entities. As at March 31, 2011, various facilities within the Authority had aggregate amounts of \$152 (2010 - \$40) receivable from and \$nil (2010 - \$nil) payable to the entities above.

**b) Significant influence**

The consolidated entities within the Authority exercise significant influence over a number of hospital foundations and other similar organizations by virtue of their ability to affect the entities' strategic operating, investing, and financing policies. These entities were incorporated under the Corporations Act of Manitoba, are registered charities for the purposes of the Income Tax Act and accordingly, are exempt from income taxes. The aim of these entities is to advance the welfare of their respective hospitals and patients.

During the year, these entities contributed \$4,348 (2010 - \$3,056) to various facilities within the Authority. The Authority incurred expenses of \$nil (2010 - \$nil) with the above entities. As at March 31, 2011, various facilities within the Authority had aggregate amounts of \$2,483 (2010 - \$2,286) receivable from and \$31 (2010 - \$32) payable to the entities above.

**c) Economic interest**

The consolidated entities within the Authority have an economic interest in a number of organizations that support a hospital by virtue of the organizations holding resources that must be used to produce revenue for the consolidated entities within the Authority.

During the year, these entities contributed \$3,269 (2010 - \$3,210) to various facilities within the Authority. The Authority incurred expenses of \$nil (2010 - \$nil) with these entities. As at March 31, 2011, various facilities within the Authority had aggregate amounts of \$473 (2010 - \$604) receivable from and \$nil (2010 - \$nil) payable to these entities.

In addition to these entities, the Authority has an economic interest in proprietary and non-proprietary personal care homes and community health agencies. Funding is provided to these entities through service purchase agreements to deliver service on behalf of the Authority. Schedules 2, 3, and 4 disclose the funding provided to these entities for the delivery of service. As at March 31, 2011, the Authority had aggregate amounts of \$nil (2010 - \$786) receivable from and \$17,821 (2010 - \$17,187) payable to proprietary and non-proprietary personal care homes and community health agencies.

## **22. 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 (dependent 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 of 55
  - ii. qualifies for the "eighty" rule which is calculated by adding the number of years of service with 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 of 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 15 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
4. Payment or pre-retirement leave equivalent to the number of unused sick leave days accumulated during the last 5 years of service plus 25% of the unused sick leave 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 retirement, death, or termination of service caused by a transfer of departmental function.

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

**a) Accrued retirement entitlement (continued)**

The Authority undertook an actuarial valuation of the pre-retirement leave benefit for accounting purposes as at December 31, 2010, projected to March 31, 2011. The significant actuarial assumptions adopted in measuring the Authority's accrued retirement entitlements include mortality and withdrawal rates, a discount rate of 4.7% (2010 - 4.9%) and a rate of salary increase of 3.5% (2010 - 4.0%) 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 consolidated statement of financial position. Manitoba Health has indicated that payment of this receivable, when required, is guaranteed by the Province of Manitoba. Any changes from the March 31, 2004 liability amount are reflected in the consolidated statement of operations.

	<u>2011</u>	<u>2010</u>
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	\$ 143,324	\$ 120,899
Net increase in pre-retirement entitlements	4,399	22,425
Balance, end of year	\$ 147,723	\$ 143,324

**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. The Authority is a Signatory Board and Settlor of the Plan and as such all of the relevant financial information is contained within the financial information of the Plan. 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 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.

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

**b) Pension plan (continued)**

The Plan's assets consist of investment grade securities. Market and credit risks on these securities are managed by the Plan through the use of multiple professional investment advisors who are guided by the Plan investment policy. Pension expense is based on the best estimates of the Plan's management, 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 employees' 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, 2010. This valuation indicated that the Plan was not fully funded and that a contribution rate increase of 2.2% is required to meet the funding requirements of the Plan. This contribution rate increase has been ratified by the Plan Settlers and will be gradually implemented over the period of January 1, 2011 to April 1, 2013. The Plan is required to have its next actuarial valuation for funding purposes on or before December 31, 2011. Actual contributions to the Plan made during the year by the Authority on behalf of its employees amounted to \$65,968 (2010 - \$62,390) and are included in the consolidated 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 consolidated financial statements relating to the effects of participating in this plan by the Authority and its employees.

Some employees are eligible for membership in the multi-employer City of Winnipeg Employees' Benefits Program which includes the Civic Employees' Pension Plan. The Civic Employees' Pension Plan is a defined benefit pension plan operated by the City of Winnipeg. During the year, the Authority expensed \$1,142 (2010 - \$599) for current year's contributions.

Some employees are eligible for membership in the multi-employer Home Care Workers' 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 this plan of \$1,342 (2010 - \$1,201).

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**23. CAPITAL DISCLOSURES**

The Authority's objective when managing capital is to safeguard its 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 the Government of Manitoba 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 \$1,350 (2010 - \$1,412) of unrestricted net assets to be used for future 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, 2011, 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, 2011, the Authority complied with the financial covenants imposed by its financial institution.

**24. 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

(in thousands of dollars)

	2011	2010
Separately funded primary health programs	\$ 4,724	\$ 4,225
Other government revenue	10,398	8,441
Patient and resident income	32,044	36,146
Radiology fee for service	13,782	10,345
Recoveries	49,560	49,725
Investment income	1,979	965
Miscellaneous income	10,732	9,623
Total	\$ 123,219	\$ 119,470

# WINNIPEG REGIONAL HEALTH AUTHORITY

## Schedule 2 - Long Term Care Facility Funding

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

	2011	2010
<b>Non-Proprietary Personal Care Homes</b>		
Bethania Mennonite Personal Care Home	\$ 6,505	\$ 6,397
Southeast	75	-
Calvary Place Personal Care Home	5,098	5,075
Convalescent Home of Winnipeg	3,364	3,436
Donwood Manor Personal Care Home	5,606	5,453
Foyer Valade	6,925	6,985
Fred Douglas Lodge	6,382	6,497
Golden Links Lodge	4,015	3,968
Golden West Centennial Lodge	4,943	4,846
Holy Family Nursing Home	12,625	12,841
Lions Personal Care Centre	5,063	4,874
Luther Home	3,810	3,805
Meadowood Manor	3,818	3,839
Middlechurch Home of Winnipeg	9,350	9,298
Park Manor Personal Care Home	4,576	4,316
Pembina Place Mennonite Personal Care Home	2,883	2,831
Sharon Home	9,099	9,286
St. Joseph's Residence	4,655	4,739
Taché Centre	16,729	16,631
West Park Manor	6,318	6,292
Supportive Housing	7,539	7,091
Faith Gardens Inc.	15	-
Miscellaneous Funding Adjustments	1,250	763
<b>Total</b>	<b>\$ 130,643</b>	<b>\$ 129,263</b>
<b>Proprietary Personal Care Homes</b>		
Central Park Lodge - Beacon Hill	\$ 8,318	\$ 8,294
Central Park Lodge - Charleswood Care Centre	6,725	6,753
Central Park Lodge - Heritage Lodge	4,081	4,005
Central Park Lodge - Kildonan Personal Care Home	6,066	6,034
Central Park Lodge - Maples Personal Care Home	9,384	9,366
Central Park Lodge - Parkview Place	13,418	13,309
Central Park Lodge - Poseidon Care Centre	9,942	9,847
Extendicare - Oakview Place	10,493	10,505
Extendicare - Tuxedo Villa	8,994	8,970
Golden Door Geriatric Centre	3,514	3,445
River East Personal Care Home	5,682	5,697
St. Norbert Nursing Home	3,734	3,696
Vista Park Lodge	4,643	4,437
Miscellaneous Funding Adjustments	582	542
<b>Total</b>	<b>\$ 95,576</b>	<b>\$ 94,900</b>
<b>Rural Proprietary Personal Care Homes</b>		
Central Park Lodge - Valley View	\$ 4,057	\$ 4,045
Extendicare - Hillcrest Place	4,455	4,449
Extendicare - Red River Place	4,840	4,786
St. Adolphe Personal Care Home	1,947	1,890
Tudor House Personal Care Home	3,581	3,573
Miscellaneous Funding Adjustments	1	1
<b>Total</b>	<b>\$ 18,881</b>	<b>\$ 18,744</b>
<b>Residential Care</b>		
St. Amant Centre	\$ 26,479	\$ 24,947
<b>Total</b>	<b>\$ 271,579</b>	<b>\$ 267,854</b>

The facility funding reported on this schedule reflects approximately 74% (2010 - 75%) of the personal care homes' total annual budget. The remainder of the budget is funded directly by each facility through residential charges.

In 2011, drug capitation fees of \$2,181 were paid directly by the WRHA on behalf of the Non-Proprietary and Proprietary personal care homes (2010 - \$2,181).

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Schedule 3 - Community Health Agency Funding**

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

	2011	2010
Aboriginal Health & Wellness Centre	\$ 1,175	\$ 1,134
Centre de Sante	2,537	2,550
Hope Centre Health Care Incorporated	1,023	998
Klinik Incorporated	6,567	5,925
Main Street Project Inc.	1,871	1,796
MFL Occupational Health and Safety Inc.	778	773
Mount Carmel Clinic	7,348	7,346
Nine Circles Community Health Centre Inc.	3,463	3,376
Nor'West Co-op Community Health Centre, Inc.	1,463	1,330
Rehabilitation Centre for Children, Inc.	2,683	2,863
Sexuality Education Resource Centre Manitoba, Inc.	1,040	1,032
Women's Health Clinic, Inc.	3,228	3,030
Clinique Youville Clinic Inc.	2,560	2,588
Miscellaneous Funding Adjustments	1	29
<b>Total</b>	<b>\$ 35,737</b>	<b>\$ 34,770</b>



**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Schedule 4 - Adult Day Care Facility Funding**

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

	<u>2011</u>	<u>2010</u>
Convalescent Home of Winnipeg	\$ 56	\$ 55
Fred Douglas Lodge	204	201
Golden Links Lodge	93	92
Golden West Lodge	176	173
Holy Family Nursing Home	262	260
Independent Living Resource Centre	111	109
Lions Personal Care Centre	174	166
Lions Place - Charleswood	313	299
Lions Place - Concordia	201	195
Lions Place - 610 Portage	236	232
Luther Home	103	101
Middlechurch Home of Winnipeg	264	261
Extendicare - Oakview Place	154	152
Park Manor Personal Care Home	153	150
Sharon Home	83	82
South YM/YWCA	165	163
Taché Centre	409	402
Miscellaneous Funding Adjustments	-	1
<b>Total</b>	<b>\$ 3,157</b>	<b>\$ 3,094</b>

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

	2011	2010
Aboriginal Seniors Resource Centre	\$ 169	\$ 169
Age & Opportunity Centre Inc.	573	610
ALS House (Brummit Feasby)	408	408
Alzheimer's Society of Manitoba	93	65
Andrews Street Family Centre	23	-
Betelstadur Housing Co-op	7	7
Bethania Personal Care Home	12	18
Bethel Place	38	38
Bonivital Council for Seniors	39	39
Broadway Seniors Resource Council Inc.	39	39
Canadian Mental Health Association	982	982
Central Speech & Hearing Clinic Inc.	101	101
Charleswood Senior Centre	46	46
Chez Nous Inc.	19	19
City of Winnipeg - Emergency Services	5,529	5,894
Clubhouse of Winnipeg Inc.	412	378
CNIB	12	12
Columbus Manor	19	19
Community Therapy Services - Mental Health	217	209
Creative Retirement Manitoba	46	46
Donwood Manor	118	118
Doray Enterprises	332	332
Fort Garry Services Inc.	38	38
Foyer Vincent Inc.	19	19
Friends Housing Inc.	94	94
Good Neighbours Senior Centre Inc.	128	128
Gwen Selter Creative Living Centre	58	58
Hospice & Palliative Care Manitoba	83	83
Jewish Child and Family	36	36
Jocelyn House	285	285
Keewatin Inkster	95	95
KeKinan Centre Inc.	12	-
Kingsford Haus Co-op Ltd.	12	12
La Federation de Franco MB	24	17
L'Accueil Colombien Inc.	18	18
Lindenwoods	100	100
Lions Club	37	37
Manitoba Association of Multipurpose Senior Centres	4	4
Manitoba Cardiac Institute (Reh-fit)	754	750
Manitoba Eastern Star Chalet	12	12
Manitoba Housing Authority	348	360
MacDonald Youth Services	324	324
McClure	12	12
Meals on Wheels of Winnipeg Inc.	159	159
Metropolitan Kiwanis Courts	101	101

**WINNIPEG REGIONAL HEALTH AUTHORITY****Schedule 5 - Grants to Facilities and Agencies (continued)**

For the year ended March 31

(in thousands of dollars)

	2011	2010
Middlechurch Home of Winnipeg	47	47
Park Manor Personal Care Home	82	82
Pembina Place (formerly Deaf Centre Manitoba Inc)	37	37
Rainbow Resource Centre	305	267
River East Council for Seniors	62	62
Rose & Max Rady Jewish Community Centre	17	17
Ruperts Land Caregiver Services	57	56
S.S.C.O.P.E. Incorporated	102	102
Salvation Army	248	248
Salvation Army - Grace Hospital	500	1,000
Sara Riel Inc.	930	840
Seniors Home Help Inc.	75	75
Seneca House	374	374
Serena Manitoba Inc.	12	12
Seven Oaks Seniors Link (formerly North Wpg Community Council)	39	39
Seven Oaks Wellness Centre	836	727
Society for Manitobans with Disabilities	1,452	1,452
South Winnipeg Senior Resource Council Inc.	63	59
St. James/Assiniboia Senior Centre Inc.	97	94
Stay Young Centre	18	18
Transcona Council for Seniors	43	43
United Way	-	250
University of Manitoba	969	726
Villa Cabrini Inc.	38	38
Villa Nova	12	12
Villa Tache	30	30
Willow Centre	12	12
Winnipeg Housing Rehab Corp. (on behalf of Cdn Polish Manor)	18	14
Wolseley Family Centre	97	97
YM/YWCA of Winnipeg	182	182
Miscellaneous Funding Adjustments	-	(3)
Total	\$ 18,741	\$ 19,300

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

2011													2010
Internally Restricted Net Assets													
	Laundry Capital Assets	Telehealth Capital Assets	Concordia Capital Assets	Deer Lodge Capital Assets	Grace Capital Assets	Victoria Capital Assets	Seven Oaks Ancillaries & Wellness Institute	Health Sciences Centre Internally Restricted	Riverview Internally Restricted	Misericordia Ancillary Fund	St. Boniface Internally Restricted	Total	
Balance, beginning of year	\$ 1,897	\$ 510	\$ 1,054	\$ -	\$ 3,069	\$ 1,161	\$ 3,915	\$ 2,176	\$ 3,300	\$ 3,217	\$ 6,675	\$ 26,974	
Surplus (deficit) for the year	-	-	(24)	-	-	-	38	(149)	138	1,745	(87)	1,661	
Purchase of capital assets	(692)	-	(135)	-	-	(922)	(417)	-	-	-	-	(2,165)	
Net asset restrictions	766	(510)	-	149	(27)	16	601	(80)	5	429	-	1,350	
Balance, end of year	\$ 1,972	\$ -	\$ 895	\$ 149	\$ 3,042	\$ 255	\$ 4,137	\$ 1,947	\$ 3,444	\$ 5,391	\$ 6,588	\$ 27,819	
												\$ 24,866	
												1,603	
												(907)	
												1,412	
												\$ 26,974	

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

	2011	2010
<b>REVENUE</b>		
Manitoba Health operating income	\$ 2,182,631	\$ 2,077,237
Other income (schedule 1)	123,219	119,470
Amortization of deferred contributions, capital	64,303	65,641
Recognition of deferred contributions, future expenses	25,877	19,074
	<b>2,396,030</b>	<b>2,281,422</b>
<b>EXPENSES</b>		
Program costs		
Anaesthesia	14,819	14,195
Breast health	2,488	2,504
Cardiac sciences	72,299	67,065
Child health	104,391	98,426
Child adolescent & mental health	19,785	18,898
Critical care	54,855	52,953
Diagnostic imaging	65,333	64,030
Diagnostic imaging - Radiology Fee for Service	13,747	13,069
Emergency	87,194	83,143
Family medicine	38,590	36,585
Genetics	1,357	1,346
Health Links	6,719	6,562
Laboratories	80,099	74,672
Medicine	110,558	104,981
Renal health	59,172	56,753
Mental health	40,165	39,089
Oncology	8,767	8,038
Oral health	499	502
Palliative care	9,541	9,286
Psychology	4,390	4,024
Rehab/Geriatrics	61,892	59,748
Surgery	219,269	207,049
Tele-health	2,457	2,445
Women's health	50,980	49,359
Long term care	62,689	62,742
Residents and interns	32,944	30,037
Other diagnostic & therapeutic services	43,131	42,763
Pharmacy	35,566	34,546
Community based home care services	199,477	184,151
Community based mental health services	20,225	16,797
Community based primary health services	38,080	38,344
Separately funded primary health programs	9,528	16,878
	<b>1,571,006</b>	<b>1,500,980</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

(unaudited)

(in thousands of dollars)

	2011	2010
Indirect service costs		
Corporate and support services	74,995	69,903
Clinical and non-clinical support services	92,865	89,019
Information services	62,654	52,979
Facility services	162,645	145,578
Marketed services	127	90
Research and education services	9,698	9,447
	402,984	367,016
Other costs		
Non-acute care facility and grant funding	329,932	325,733
Aboriginal services & strategies	2,417	2,190
Other costs	19,518	9,189
Employee future benefits	4,399	22,425
Interest	584	747
Amortization of capital assets	68,499	67,173
	425,349	427,457
	2,399,339	2,295,453
OPERATING DEFICIT	(3,309)	(14,031)
NON-INSURED SERVICES		
Non-insured services income	56,477	63,362
Non-insured services expenses	51,005	57,712
NON-INSURED SERVICES SURPLUS	5,472	5,650
OPERATING AND NON-INSURED SURPLUS (DEFICIT)	\$ 2,163	\$ (8,381)

**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

(unaudited)

(in thousands of dollars)

	2011	2010
REVENUE		
Manitoba Health operating income	\$ 2,182,631	\$ 2,077,237
Other income (schedule 1)	123,219	119,470
Amortization of deferred contributions, capital	64,303	65,641
Recognition of deferred contributions, future expenses	25,877	19,074
	<b>2,396,030</b>	<b>2,281,422</b>
EXPENSES		
Salaries and wages	1,308,669	1,237,345
Medical remuneration	193,890	180,304
Printing, stationery and office supplies	6,269	6,616
Housekeeping, laundry and linen	19,097	17,072
Utilities, insurance and taxes	38,926	39,959
Food and dietary supplies	25,237	20,486
Medical and surgical supplies	121,618	111,798
Pharmaceutical supplies	55,783	55,091
Diagnostic supplies	23,863	23,149
Miscellaneous and other	69,354	59,224
Repairs and maintenance	62,579	57,149
Referred out services	56,822	57,917
Radiology fee for service costs	13,818	13,265
Interest	584	747
Amortization of capital assets	68,499	67,173
Employee future benefits	4,399	22,425
Non-acute care facility and grant funding	329,932	325,733
	<b>2,399,339</b>	<b>2,295,453</b>
OPERATING DEFICIT	<b>(3,309)</b>	<b>(14,031)</b>
NON-INSURED SERVICES		
Non-insured services income	56,477	63,362
Non-insured services expenses	51,005	57,712
NON-INSURED SERVICES SURPLUS	<b>5,472</b>	<b>5,650</b>
SURPLUS (DEFICIT) FOR THE YEAR	<b>\$ 2,163</b>	<b>\$ (8,381)</b>

**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Supplementary Information**  
**As at March 31, 2011**  
**(unaudited)**  
**(in thousands of dollars)**

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**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.

At the request of the Manitoba Health, the presentation of administrative costs has been modified to include new categorizations in order to increase transparency in financial reporting. These categories and their inclusions are as follows:

***Corporate***

Includes: General Administration, Acute Care/Long Term Care/Community Services Administration, Executive Offices, Board of Trustees, Planning & Development, Community Health Assessment, Risk Management, Internal Audit, Finance & Accounting, Communications, Telecommunications, and Mail Service.

***Human resources & Recruitment***

Includes: Personnel Records, Recruitment & Retention, (General, Physicians, Staff, and Nurses), Labour Relations, Employee Compensation & Benefits Management, Employee Health & Assistance Programs, Occupational Health & Safety, and Provincial Labour Relations Secretariat.

***Patient Care Related***

Includes: Utilization Management, Cancer Standards & Guidelines, Patient Relations, Infection Control, Quality Assurance (Medical, Nursing, and Other), and Accreditation.



**WINNIPEG REGIONAL HEALTH AUTHORITY**  
**Supplementary Information**  
**As at March 31, 2011**  
**(unaudited)**  
**(in thousands of dollars)**

**ADMINISTRATIVE COSTS (continued)**

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

	2011						2010								
	Acute Care Facilities and Corporate Office			Personal Care Homes & Community Health Agencies			Acute Care Facilities and Corporate Office			Personal Care Homes & Community Health Agencies					
	\$	%		\$	%		\$	%		\$	%				
	Total			Total			Total			Total					
									(Restated)*			(Restated)*			(Restated)*
Corporate Human Resources & Recruitment	\$54,252	2.43%		\$14,801	6.63%	\$ 69,053	2.81%	\$55,264	2.57%	\$13,788	6.26%	\$69,052	2.91%		
	22,468	1.00%		629	0.28%	23,097	0.94%	16,625	0.77%	630	0.29%	17,255	0.73%		
	13,406	0.60%		24	0.01%	13,430	0.54%	6,080	0.28%	45	0.02%	6,125	0.26%		
Patient Care Related	\$90,126	4.03%		\$15,454	6.92%	\$105,580	4.29%	\$77,969	3.62%	\$14,463	6.57%	\$92,432	3.90%		

The 2011 figures presented are based on preliminary data available at time of publication. Restatements were made to the 2010 figures to reflect the final data that was submitted after the publication date. As a result, the total administrative costs were reduced by \$321 with no corresponding impact on the administrative cost percentage.

\*NOTE: The 2010 figures have been restated to reflect month 14 submissions to FIMiS as well as coding changes which took effect in 2011.

The 2011 figures above reflect corrections in account coding which were not made to the 2010 figures as the 2010 figures presented above had been published by CIHI. Had these coding corrections been reflected in the 2010 year, the total administrative costs would have been \$96,966 or 4.09% in 2010.

