

Consolidated Financial Statements of the

WINNIPEG REGIONAL HEALTH AUTHORITY

March 31, 2015

WINNIPEG REGIONAL HEALTH AUTHORITY

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2015**

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 public sector accounting standards for government not-for-profit organizations as issued by the Public Sector Accounting Board. Of necessity, the consolidated financial statements 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.



Lori Lamont
Interim President & Chief Executive Officer



Glenn McLennan, CMA
Vice-President & Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To the Directors of the
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, 2015, and the consolidated statements of operations, changes in net assets, remeasurement gains and losses 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 public sector accounting standards, 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 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, 2015, 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 public sector accounting standards.

Winnipeg, Canada
June 23, 2015

Ernst & Young LLP

Chartered Accountants

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WINNIPEG REGIONAL HEALTH AUTHORITY
Consolidated Statement of Financial Position

As at March 31

(in thousands of dollars)

	2015	2014
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 15,924	\$ 97,552
Accounts receivable (Note 3)	221,238	140,907
Inventory	31,624	31,062
Prepaid expenses	13,762	16,395
Investments (Note 6)	8,753	14,852
Employee benefits recoverable from Manitoba Health, Healthy Living and Seniors (Note 4)	78,957	78,957
	370,258	379,725
CAPITAL ASSETS, NET (Notes 5 and 9)	1,671,934	1,558,470
OTHER ASSETS		
Employee future benefits recoverable from Manitoba Health, Healthy Living and Seniors (Note 16)	82,499	82,499
Investments (Note 6)	61,099	101,729
	\$ 2,185,790	\$ 2,122,423
LIABILITIES AND NET ASSETS		
CURRENT		
Bank indebtedness (Note 9)	\$ 52,875	\$ -
Accounts payable and accrued liabilities (Notes 7 and 10)	262,209	253,803
Deferred contributions, future expenses (Note 8)	55,192	86,686
Employee benefits payable (Note 4)	109,604	106,736
Current portion of long-term debt (Note 9)	42,763	51,508
	522,643	498,733
NON-CURRENT		
Long-term debt (Note 9)	33,573	24,929
Employee future benefits payable (Note 16)	223,097	221,079
Deferred contributions, capital (Note 11)	1,400,295	1,336,078
	1,656,965	1,582,086
COMMITMENTS AND CONTINGENCIES (Note 13)		
NET ASSETS	10,144	43,277
ACCUMULATED REMEASUREMENT LOSSES	(3,962)	(1,673)
	\$ 2,185,790	\$ 2,122,423

The accompanying notes and schedules are an integral part of the consolidated financial statements.



..... Dr. Jerry Gray, Board Chair



..... Reg Kliewer, Treasurer

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

For the year ended March 31

(in thousands of dollars)

	<u>2015</u>	<u>2014</u>
REVENUE		
Manitoba Health, Healthy Living and Seniors operating income	\$ 2,537,413	\$ 2,476,900
Separately funded primary health programs	4,775	4,789
Patient and resident income	44,052	44,248
Recoveries from external sources	61,536	55,528
Investment income	2,816	3,301
Other revenue	5,794	2,814
Amortization of deferred contributions, capital	84,086	77,058
Recognition of deferred contributions, future expenses	51,170	32,743
	<u>2,791,642</u>	<u>2,697,381</u>
EXPENSES		
Direct operations	2,335,931	2,250,394
Interest	880	488
Amortization of capital assets	101,062	86,925
	<u>2,437,873</u>	<u>2,337,807</u>
FACILITY FUNDING		
Long-term care facility funding	299,733	296,082
Community health agency funding	46,074	43,855
Adult day care facility funding	2,954	3,185
Long-term care community therapy services	827	1,219
GRANT FUNDING		
Grants to facilities and agencies	36,453	29,878
	<u>2,823,914</u>	<u>2,712,026</u>
OPERATING DEFICIT	<u>(32,272)</u>	<u>(14,645)</u>
NON-INSURED SERVICES		
Non-insured services income	66,094	66,922
Non-insured services expenses	59,158	61,915
NON-INSURED SERVICES SURPLUS	<u>6,936</u>	<u>5,007</u>
DEFICIT FOR THE YEAR	<u>(25,336)</u>	<u>(9,638)</u>

The accompanying notes and schedules are an integral part of the consolidated financial statements.

WINNIPEG REGIONAL HEALTH AUTHORITY
Consolidated Statement of Changes in Net Assets

For the year ended March 31

(in thousands of dollars)

	2015				
	Unrestricted	Investment in Capital Assets	Internally Restricted Net Assets (Note 12)	Endowment Accounts	Total
Balance, beginning of year	\$ (143,872)	\$ 156,233	\$ 28,787	\$ 2,129	\$ 43,277
Misericordia Adjustment (Note 19)	-	(6,221)	(1,604)	-	(7,825)
Deficit for the year	(10,607)	(13,877)	(852)	-	(25,336)
Interfund transfers	(35,253)	37,956	(2,703)	-	-
Endowments received	-	-	-	28	28
Balance, end of year	\$ (189,732)	\$ 174,091	\$ 23,628	\$ 2,157	\$ 10,144

	2014				
	Unrestricted Net Assets	Investment in Capital Assets	Internally Restricted Net Assets (Note 12)	Endowment Accounts	Total
Balance, beginning of year	\$ (134,694)	\$ 154,212	\$ 29,905	-	\$ 49,423
Middlechurch adjustment (Note 18)	277	920	166	-	1,363
Surplus (deficit) for the year	4,403	(15,226)	1,185	-	(9,638)
Interfund transfers	(13,858)	16,327	(2,469)	-	-
Endowments received	-	-	-	2,129	2,129
Balance, end of year	\$ (143,872)	\$ 156,233	\$ 28,787	\$ 2,129	\$ 43,277

The accompanying notes and schedules are an integral part of the consolidated financial statements.

WINNIPEG REGIONAL HEALTH AUTHORITY
Consolidated Statement of Remeasurement Gains and Losses
For the year ended March 31
(in thousands of dollars)

	<u>2015</u>	<u>2014</u>
Accumulated remeasurement (losses) gains at beginning of year	\$ (1,673)	\$ 417
Unrealized losses attributable to:		
Derivative – interest rate swap (Note 10)	(3,062)	(1,312)
Investments	1,170	(768)
Realized (gains) losses reclassified to statement of operations		
Derivative - interest rate swap (Note 10)	-	-
Investments	(397)	(10)
<hr/> Net remeasurement loss for the year	<hr/> (2,289)	<hr/> (2,090)
<hr/> Accumulated remeasurement losses at end of year	<hr/> \$ (3,962)	<hr/> \$ (1,673)

The accompanying notes and schedules are an integral part of the consolidated financial statements.

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

	2015	2014
OPERATING ACTIVITIES		
Deficit for the year	\$ (25,336)	\$ (9,638)
Items not affecting cash		
Amortization of capital assets	101,062	95,127
Amortization of deferred contributions, capital assets	(84,086)	(79,901)
Recognition of deferred contributions, future expenses	(51,170)	(33,374)
Net change in employee benefits	4,886	12,034
	(54,644)	(15,752)
Changes in non-cash operating working capital balances	(79,939)	(2,671)
Deferred contributions received - future expenses	19,675	22,192
	(114,908)	3,769
FINANCING ACTIVITIES		
Deferred contributions, capital received	148,303	186,869
Proceeds of line of credit	52,875	-
Proceeds of long-term debt	4,767	16,847
Long-term debt repayments	(4,868)	(6,152)
	201,077	197,564
CAPITAL ACTIVITIES		
Purchase of capital assets	(214,526)	(216,132)
	(214,526)	(216,132)
INVESTING ACTIVITIES		
Decrease (increase) in investments, net	46,729	(42,452)
	46,729	(42,452)
DECREASE IN CASH AND CASH EQUIVALENTS	(81,628)	(57,251)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	97,552	154,803
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 15,924	\$ 97,552

The accompanying notes and schedules are an integral part of the consolidated financial statements.

WINNIPEG REGIONAL HEALTH AUTHORITY

Notes to the Consolidated Financial Statements

As at March 31, 2015

(in thousands of dollars)

1. NATURE OF BUSINESS

The Winnipeg Regional Health Authority (“the Authority”, “WRHA”) was established as of May 28, 2012 under the Regional Health Authorities Act, as the successor to the Winnipeg Regional Health Authority established on December 1, 1999.

The Authority provides community health services, long term care services and acute care services. In addition, the Authority provides information technology services to all regional health authorities in Manitoba, Diagnostic Services of Manitoba, CancerCare Manitoba, the Addictions Foundation of Manitoba, as well as health-care providers and their colleges and associations through its operations of Manitoba eHealth.

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, Manitoba eHealth services, Long Term Care Services (Middlechurch Home of Winnipeg and Riverpark Gardens sites), Acute Care services (Churchill Health Centre, Deer Lodge Centre, Grace General Hospital, Health Sciences Centre, Pan Am Clinic, and Victoria General Hospital sites), and Medical Remuneration.
 - Community Hospitals (Concordia Hospital, Seven Oaks General Hospital) – by means of agreements to further regionalization and operating agreements.
 - Other Hospitals (Misericordia Health Centre, Riverview Health Centre, St. Boniface General Hospital), Volunteer Enterprises of the Health Sciences Centre Inc. (VENT) and Manitoba Adolescent Treatment Centre (“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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Canadian public sector accounting standards including PS 4200 - 4270 (“PSAB for GNFPO”).

a) Controlled entities

The Authority consolidates organizations involved in the delivery of health care services that it controls through the ability to determine the strategic operating, capital, investing and financial policies. Controlled organizations not directly involved in the delivery of health care services are not consolidated (Note 15).

b) Revenue recognition

The Authority follows the deferral method of accounting for contributions:

WINNIPEG REGIONAL HEALTH AUTHORITY

Notes to the Consolidated Financial Statements

As at March 31, 2015

(in thousands of dollars)

- i. Unrestricted contributions – recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- ii. Externally restricted contributions – recognized as revenue in the year in which the related expenses are recognized.
- iii. 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.
- iv. Endowment contributions requiring the externally restricted contribution be maintained in perpetuity – recognized as direct increase to net assets.

Non-insured services income – recognized when services are rendered.

Investment income, including realized gains and losses, is recorded as revenue when earned. Investment income from endowment net assets is recognized (a) as revenue when earned if no external restriction exists; (b) as revenue in the year in which the related expenses are incurred if an external restriction on the use of investment income exists; or (c) added to endowment net assets if external restriction requires investment income to be held in perpetuity.

c) 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.

d) Inventory

Inventory held for internal use consists of medical supplies, drugs, linen and other supplies that are measured at the lower of cost and replacement cost. Inventory held for sale is measured at the lower of cost and net realizable value. Cost for all types of inventory is calculated using the weighted average cost formula.

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 at the following annual rates:

Buildings	2-10%
Furniture and equipment	4-33%
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.

WINNIPEG REGIONAL HEALTH AUTHORITY

Notes to the Consolidated Financial Statements

As at March 31, 2015

(in thousands of dollars)

f) Employee future benefits

The Authority accrues its obligations under employee benefit plans and the related costs. The Authority has adopted the following policies:

Multi-employer plans

Defined contribution accounting is applied for multi-employer pension plans, whereby contributions are expensed on an accrual basis, as the Authority has insufficient information to apply defined benefit plan accounting.

Other defined benefit plans

The cost of non-pension post-retirement benefits earned by employees is actuarially determined using the projected unit credit service pro-rated on service actuarial cost method and management's best estimate assumptions. Actuarial gains (losses) are amortized on a straight-line basis. The period of amortization is equal to the expected average remaining service life (EARSL) of active employees. Past service cost are expensed when incurred. Liabilities are measured using a discount rate determined by reference to the Authority's cost of borrowing. Adjustments to these costs arising from changes in actuarial assumption and/or experience are recognized over the estimated average remaining service period of the active employees.

g) Use of estimates

The preparation of consolidated financial statements in conformity with PSAB for GNFPPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as 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 Authority is funded by the Province of Manitoba using Manitoba Health, Healthy Living and Seniors ("Manitoba Health") funding mechanisms. These consolidated financial statements use funding mechanisms approved by Manitoba Health for the year ended March 31, 2015.

The amount of revenue recognized from Manitoba Health requires a number of estimates. Since Manitoba Health does not communicate certain adjustments related to revenue until after the completion of the consolidated financial statements, the amount of revenue recognized during the year may be increased or decreased subsequent to year-end. The amount of revenue recognized in these consolidated financial statements represents management's best estimate of amounts that have been earned during the year.

Other amounts estimated by management include amortization of capital assets, employee future benefits payable and allowance for doubtful accounts.

WINNIPEG REGIONAL HEALTH AUTHORITY

Notes to the Consolidated Financial Statements

As at March 31, 2015

(in thousands of dollars)

h) Financial instruments

The Authority classifies its financial instruments at either fair value or amortized cost. The Authority determines the classification of its financial instruments at initial recognition. The Authority's accounting policy for each category is as follows:

Fair value

The fair value category includes derivatives and investments.

Derivatives and investments are measured at fair value and the unrealized gains or losses arising from remeasurement are recorded and presented in the consolidated statement of remeasurement gains and losses. In the year of settlement or disposal, the gains or losses are reclassified to the consolidated statement of operations.

The Authority recognizes investments based on trade dates. Transaction costs related to investments are added to the carrying value of the instrument.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the consolidated statement of operations. If the loss in value subsequently reverses, the write down in the consolidated statement of operations is not reversed until the investment is sold.

Amortized cost

The amortized cost category includes accounts receivable, accounts payable and long-term debt. These financial instruments are initially recognized at fair value and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Write-downs are recognized when the amount of a loss is known with sufficient accuracy, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the consolidated statement of operations. If the loss in value subsequently reverses, the write down in the consolidated statement of operations is not reversed.

WINNIPEG REGIONAL HEALTH AUTHORITY
Notes to the Consolidated Financial Statements
As at March 31, 2015
(in thousands of dollars)

3. ACCOUNTS RECEIVABLE

	<u>2015</u>	<u>2014</u>
Manitoba Health - operating, capital and fee for service	\$ 179,171	\$ 105,356
Accounts receivable from other Province of Manitoba departments	1,024	597
Facility advances and receivables	3,482	3,243
Patient related and other	41,691	33,895
Allowance for doubtful accounts	(4,130)	(2,184)
	<u>\$ 221,238</u>	<u>\$ 140,907</u>

There are no significant amounts that are past due or impaired.

4. EMPLOYEE BENEFITS

The Authority records a provision for employee benefits including accrued vacation, overtime, and statutory holiday entitlements. Prior to March 31, 2004, changes in the liability related to employee benefits were recoverable from Manitoba Health. The amount of funding which will be provided by Manitoba Health for employee benefits has been capped at the amount owing as at March 31, 2004 and has been recorded as a receivable of \$78,957 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.

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

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 106,736	\$ 103,303
Increase in vacation/overtime/statutory holiday entitlements	2,868	3,433
Balance, end of year	<u>\$ 109,604</u>	<u>\$ 106,736</u>

5. CAPITAL ASSETS

	<u>2015</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Land	\$ 18,926	\$ -	\$ 18,926
Buildings	1,339,199	(542,714)	796,485
Buildings under capital lease	16,690	(869)	15,821
Furniture and equipment	939,335	(784,463)	154,872
Computer hardware and software	238,354	(125,765)	112,589
Leasehold improvements	76,338	(31,861)	44,477
Construction in progress	528,764	-	528,764
	<u>\$ 3,157,606</u>	<u>\$ (1,485,672)</u>	<u>\$ 1,671,934</u>

WINNIPEG REGIONAL HEALTH AUTHORITY
Notes to the Consolidated Financial Statements
As at March 31, 2015
(in thousands of dollars)

	2014		
	Cost	Accumulated Amortization	Net Book Value
Land	\$ 18,902	\$ -	\$ 18,902
Buildings	1,334,663	(517,557)	817,106
Buildings under capital lease	16,690	(452)	16,238
Furniture and equipment	908,516	(747,975)	160,541
Computer hardware and software	233,365	(99,848)	133,517
Leasehold improvements	70,277	(25,442)	44,835
Construction in progress	367,331	-	367,331
	\$ 2,949,744	\$ (1,391,274)	\$ 1,558,470

The Authority has capitalized interest on some projects up until they are substantially complete. The amount of interest capitalized during the year amounted to \$3,355 (2014 - \$3,302).

6. INVESTMENTS

	Fair value hierarchy level	2015	2014
	Investments at fair value		
Money market investments	Level 2	\$ 321	\$ 1,110
Government bonds	Level 2	12,740	52,382
Corporate bonds	Level 2	40,333	43,330
Guaranteed Investment Certificates (GICs)	Level 2	16,676	19,893
		70,070	116,715
Less: amounts included with accrued interest		(218)	(134)
		69,852	116,581
Less: amounts maturing/redeemable within one year, included in current assets		(8,753)	(14,852)
		\$ 61,099	\$ 101,729

The fair value hierarchy level is provided to present the degree of objectivity of the fair values of the investment portfolio. The levels are defined as follows:

Level 1: Unadjusted quoted prices in an active market for an identical asset or liability

Level 2: Inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

None of the above investments are considered impaired, and no write-down was recorded during the year as there were no declines in the values of these investments that were concluded to be other than a temporary decline in value.

The Authority manages the liquidity risk associated with its investments by limiting the types of eligible investments. At the time of purchase, corporate bonds and government bonds are limited to a rating of A or higher and money market investments are limited to R1 or better.

WINNIPEG REGIONAL HEALTH AUTHORITY
Notes to the Consolidated Financial Statements
As at March 31, 2015
(in thousands of dollars)

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, 2015, the maturity dates are as follows:

	Government	Corporate	GICs	Effective Yield
Within 1 year	\$ 575	\$ 3,258	\$ 4,862	3.07%
2 to 5 years	8,159	33,545	11,814	2.69%
5 to 10 years	3,977	2,216	-	2.82%
Over 10 years	29	1,314	-	3.33%
	<u>\$ 12,740</u>	<u>\$ 40,333</u>	<u>\$ 16,676</u>	

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

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
Accounts payable and accrued liabilities	\$ 190,683	\$ 174,338
Accounts payable to Manitoba Health	5,565	17,436
Accrued salaries	53,554	50,320
Holdbacks on construction contracts	12,407	11,709
	<u>\$ 262,209</u>	<u>\$ 253,803</u>

8. DEFERRED CONTRIBUTIONS, FUTURE EXPENSES

Deferred contributions related to future expenses represent the unspent amount of funding received for the Authority's operating expenses not yet incurred. The recognition of deferred contributions, future expenses is recorded as revenue in the consolidated statement of operations.

	2015	2014
Funding provided by Manitoba Health	\$ 11,090	\$ 45,729
Funding provided by other sources	44,102	40,957
Deferred contributions, future expenses	<u>\$ 55,192</u>	<u>\$ 86,686</u>

	2015	2014
Balance, beginning of year	\$ 86,686	\$ 97,882
Amount received during the year	20,927	22,192
Transferred to deferred contributions, capital	(6)	(14)
Less: amount recognized as revenue - programs	(51,170)	(32,743)
Less: amount recognized as revenue - non-insured services	(1,245)	(631)
Balance, end of year	<u>\$ 55,192</u>	<u>\$ 86,686</u>

WINNIPEG REGIONAL HEALTH AUTHORITY
Notes to the Consolidated Financial Statements
As at March 31, 2015
(in thousands of dollars)

9. LONG-TERM DEBT

	<u>2015</u>	<u>2014</u>
1.720% Banker's Acceptance, maturing April 15, 2015 Health Sciences Centre Tecumseh Street Parkade (Note 10)	\$ 31,762	\$ 33,052
5.9% Obligation Under Capital Lease, maturing March 31, 2053 WRHA capital lease for Access St. James Monthly principal and interest payments \$92	16,196	16,415
3.58% Bank Loan, maturing October 30, 2024 Monthly principal and interest payments \$48 St. Boniface General Hospital Atrium	12,877	8,233
Prime minus 0.65% Mortgage payable, maturing December 31, 2015 Health Sciences Centre Kleysen Institute	6,643	7,188
7.38% Mortgage payable, maturing August 31, 2018 Monthly principal and interest payments \$157 Nutrition and Food Services	5,684	7,095
1.405% Banker's Acceptance, maturing April 28, 2015 Health Sciences Centre Emily Street Parkade (Note 10)	2,163	3,027
Prime minus 0.65% Term Loan, maturing September 30, 2022 Monthly principal and interest payments \$9 Grace General Hospital Ancillary Parking Lot	739	889
Prime Non-Revolving Term Credit Facility, no fixed maturity Riverview Health Centre Boilers	137	212
5.75% Mortgage Payable, Maturing March 31, 2018 Monthly principal and interest payments \$3 Middlechurch	135	157
Prime plus 0.30% Demand Loan , repaid during the year Monthly principal and interest payments \$3 Churchill Health Centre	-	148
Prime plus 0.25% Term Loan, maturing September 1, 2014 Monthly principal and interest payments \$4 Grace General Hospital Hospice	-	21
	76,336	76,437
Less amounts due within one year, included in current liabilities	(42,763)	(51,508)
	\$ 33,573	\$ 24,929

WINNIPEG REGIONAL HEALTH AUTHORITY
Notes to the Consolidated Financial Statements
As at March 31, 2015
(in thousands of dollars)

The Health Sciences Centre Tecumseh Street Parkade Loan has been collateralized by the Tecumseh Street Parkade, which at March 31, 2015 had a net book value of \$35,730 (2014 - \$37,226). The Health Sciences Centre Emily Street Parkade Loan has been collateralized by the Emily Street Parkade which at March 31, 2015 had a net book value of \$4,429 (2014 - \$4,759). The assigned results of the HSC Business and Innovative Services have also been secured against both of the parkade loans.

The Health Sciences Centre Kleysen Institute loan, which has been collateralized by an assignment of funding pledges, had at March 31, 2015 a net book value of \$6,643 (2014 - \$7,188). Principal repayments will match the timing of the receipt of the pledges. The Authority anticipates approximately \$6,643 of repayment in the next year.

The St. Boniface General Hospital Atrium Loan maturing on October 30, 2024 is collateralized 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 collateralized by 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, 2015 had a net book value of \$2,966 (2014 - \$3,072).

In addition to the long-term debt above, the Authority has unsecured operating lines of credit which at March 31, 2015 amount to \$99,900 (2014 - \$36,000). As at March 31, 2015, \$52,875 is being utilized (2014 - \$nil).

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

	<u>Bank Loans</u>	<u>Capital Lease</u>
2015/16	\$ 42,621	\$ 142
2016/17	2,044	150
2017/18	2,178	162
2018/19	1,156	201
2019/20	609	213
Thereafter	11,532	15,328

10. 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 ("Emily") and Tecumseh Street Parkade ("Tecumseh") at the Health Sciences Centre. These interest rate swaps relate to banker's acceptances (listed in Note 9), which are automatically renewed monthly until the end of the swap agreement.

The notional amount of the Emily swap at March 31, 2015 is \$2,163 (2014 - \$3,027), maturing on July 23, 2017 with a fixed rate of 4.105%. The fair value of this swap has been calculated as \$(80) (2014 - \$(132)), resulting in a derivative liability of \$80 (2014 - \$132) included in accounts payable and accrued liabilities.

The notional amount of the Tecumseh swap at March 31, 2015 is \$31,762 (2014 - \$33,052) maturing on November 15, 2039 with a fixed rate of 4.4%. The fair value of this swap has been calculated at \$(5,939) (2014 - \$(2,825)), resulting in a derivative liability of \$5,939 (2014 - \$2,825) included in accounts payable and accrued liabilities.

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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.

11. 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 consolidated statement of operations.

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 1,336,078	\$ 1,229,096
Amount received during the year	151,313	186,869
Transferred from deferred contributions, future expenses	6	14
Less: amount amortized to revenue - programs	(84,086)	(77,058)
Less: amount amortized to revenue - non-insured services	(3,016)	(2,843)
Balance, end of year	<u>\$ 1,400,295</u>	<u>\$ 1,336,078</u>

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 incorporated the following long-term debt balance of \$273,674 (2014 - \$271,914) as part of its deferred contributions - capital balance.

12. INTERNALLY RESTRICTED NET ASSETS

Annually, the Board of Directors determines the amount, if any, to be transferred between unrestricted and internally restricted net assets. Internally restricted net assets include amounts set aside by the Authority and its consolidated entities for the following purposes:

	<u>2015</u>	<u>2014</u>
Laundry Capital Assets	\$ 2,984	\$ 2,705
Concordia Capital Assets	664	664
Deer Lodge Capital Assets	281	281
Grace Capital Assets	3,321	3,286
Victoria Capital Assets	329	292
Seven Oaks Ancillaries & Wellness Institute	5,017	3,996
Health Sciences Centre Internally Restricted	1,033	994
Riverview Internally Restricted	3,874	3,777
Middlechurch	179	180
Misericordia Ancillary Fund	749	6,045
St. Boniface Internally Restricted	6,801	6,567
Total	<u>\$ 25,232</u>	<u>\$ 28,787</u>

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13. COMMITMENTS AND CONTINGENCIES

- a) The Authority is subject to legal actions arising in the normal course of business. It is not expected that these legal actions will have a material adverse effect on the financial position of the Authority
- b) As at March 31, 2015, the Authority had agreements to lease various premises occupied by the Authority, as well as commitments to lease various equipment. Lease payments for the next five years are as follows:

	<u>Premises</u>	<u>Equipment</u>
2015/16	\$18,262	\$6,831
2016/17	17,696	4,037
2017/18	17,435	1,601
2018/19	16,776	778
2019/20	15,840	565

- c) As at March 31, 2015, the Authority had capital commitments of approximately \$71,010 (2014 - \$158,814) and equipment purchase commitments of approximately \$21,448 (2014 - \$10,529).

14. HIROC

On July 1, 1987, a group of health care organizations (“subscribers”) formed Healthcare Insurance Reciprocal of Canada (“HIROC”). HIROC is registered as a Reciprocal 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 and territories where it is licensed. 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, 2015.

15. 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 (Note 1). Transactions between the related parties are recorded at the exchange amount.

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 services and purposes are integrated with that of the Authority such that they and the Authority 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 Authority has the ability to determine their strategic operating, capital, investing and financing policies.

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The controlled Community Hospitals, Other Hospitals, MATC, and VENT 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 15 (a) provides a financial summary of these controlled non-consolidated entities.

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 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>2015</u>	<u>2014</u>
<i>Financial Position</i>		
Total assets	\$ 1,748	\$ 1,792
Total liabilities	193	239
<u>Total net assets</u>	<u>\$ 1,555</u>	<u>\$ 1,553</u>
<i>Results of Operations</i>		
Total revenue	\$ 1,204	\$ 1,253
Total expenses	1,206	1,152
<u>(Deficit) surplus from operations</u>	<u>\$ (2)</u>	<u>\$ 101</u>
<i>Cash Flows</i>		
Used in operating activities	\$ (54)	\$ -
Provided by (used in) financing, capital and investing activities	(28)	33
<u>(Decrease) increase in cash</u>	<u>\$ (83)</u>	<u>\$ 33</u>

During the year, the controlled and not consolidated entities contributed \$340 (2014 - \$425) to various facilities within the Authority. The Authority incurred expenses of \$nil (2014 - \$nil) with the listed entities. As at March 31, 2015, various facilities within the Authority had

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aggregate amounts of \$45 (2014 - \$90) receivable from and \$nil (2014 - \$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 \$4,741 (2014 - \$7,384) to various facilities within the Authority. The Authority incurred expenses of \$nil (2014 - \$nil) with the above entities. As at March 31, 2015, various facilities within the Authority had aggregate amounts of \$2,248 (2014 - \$2,814) receivable from and \$194 (2014 - \$29) 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 \$2,841 (2014 - \$3,543) to various facilities within the Authority. The Authority incurred expenses of \$7,825 (2014 - \$nil) with these entities. As at March 31, 2015, various facilities within the Authority had aggregate amounts of \$448 (2014 - \$793) receivable from and \$nil (2014 - \$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. As at March 31, 2015, the Authority had aggregate amounts of \$nil (2014 - \$nil) receivable from and \$26,670 (2014 - \$16,744) payable to proprietary and non-proprietary personal care homes and community health agencies.

16. 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 a formula (dependent on the agreement/policy applicable to the employee).

The most recent valuation of the obligation was performed as at December 31, 2014, projected to March 31, 2015.

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As at March 31, 2015

(in thousands of dollars)

Information about the Authority's accrued retirement benefit plan at March 31 is as follows:

	<u>2015</u>	2014
Accrued benefit obligation	\$ 173,119	\$ 164,995
Funded status – plan deficit	\$ (173,119)	\$ (164,995)
Adjustment for Middlechurch (Note 18)	-	(373)
Unamortized net actuarial loss (gain)	(14,084)	(18,638)
Accrued benefit (liability)	\$ (187,203)	\$ (184,006)

The change in the Authority's accrued retirement benefit plan is comprised of the following:

	<u>2015</u>	2014
Accrued benefit (liability) – beginning of year	\$ (184,006)	\$ (177,753)
Adjustment for Middlechurch (Note 18)	-	(373)
In-year (expense)	(12,674)	(17,316)
Benefits paid	9,477	11,436
Accrued benefit (liability) – end of year	\$ (187,203)	\$ (184,006)

The expense related to the Authority's accrued retirement benefit plans consists of the following:

	<u>2015</u>	2014
Current service cost	\$ 9,905	\$ 13,340
Amortization of actuarial (gain) loss	(2,244)	413
Interest cost	5,013	3,563
	\$ 12,674	\$ 17,316

The significant actuarial assumptions adopted for measuring the Authority's accrued benefit obligations are as follows:

	<u>2015</u>	2014
Discount rate	2.550 %	3.350 %
Salary escalation	3.500 %	3.000 %
EARSLS	7.6 Yrs	8.3 Yrs

The significant actuarial assumptions adopted in measuring the Authority's expense for the retirement benefit plan are as follows:

	<u>2015</u>	2014
Discount rate	3.350 %	2.125 %
Salary escalation	3.000 %	3.000 %

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 of \$82,499 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.

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b) Pension plans

Most of the employees are members of the Healthcare Employees Pension Plan (the "Plan"), which is a multi-employer, defined benefit, highest consecutive average earnings, contributory pension plan available to all eligible employees. The Authority is a Signatory Board and Settlor of the Plan. All of the relevant financial information is contained within the financial information of the Plan.

Actual contributions to the Plan made during the year by the Authority on behalf of its employees amounted to \$82,575 (2014 - \$77,878) and are included as an expense in the consolidated statement of operations.

The most recent valuation for financial reporting purposes completed by the Plan as at December 31, 2013 disclosed net assets available for benefits of \$5,490,934 with pension obligations of \$5,231,833, resulting in a surplus of \$259,101.

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 \$1,871 (2014 - \$1,308) for current year's contributions. The most recent valuation for financial reporting purposes completed by this plan as at December 31, 2013 disclosed net assets available for benefits of \$3,909,462 with pension obligations of \$3,793,023, resulting in a surplus of \$116,439.

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 of \$1,500 (2014 - \$1,528) to this plan.

c) Sick leave liability

The Authority provides sick leave benefits that accumulate, but do not vest.

Information about the Authority's sick leave liability at March 31 is as follows:

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 37,073	\$ 35,336
Net (decrease) increase sick leave liability	(1,179)	1,737
Balance, end of year	<u>\$ 35,894</u>	<u>\$ 37,073</u>

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The significant actuarial assumptions adopted for measuring the Authority's accrued benefit obligation are as follows:

	<u>2015</u>	<u>2014</u>
Discount rate	2.550 %	3.350 %
Salary escalation	3.500 %	3.000 %
EARSLS	7.6 Yrs	8.3 Yrs

The significant actuarial assumptions adopted in measuring the Authority's expense for the sick leave liability are as follows:

	<u>2015</u>	<u>2014</u>
Discount rate	3.350 %	2.125 %
Salary escalation	3.000 %	3.000 %

17. FINANCIAL INSTRUMENT RISK MANAGEMENT

The Authority is exposed to various financial risks through transactions in financial instruments.

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Authority is exposed to credit risk in connection with its accounts receivable, interest rate swap, and investment activities.

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. These receivable balances are monitored on an on-going basis. An impairment allowance is set up based on the Authority's judgment on a case by case basis. There are no significant amounts that are past due or impaired.

The Authority's credit risk associated with an interest rate swap is minimized by entering into an agreement with a major Canadian financial institution.

With respect to credit risk arising from investment activities, the Authority manages this risk by developing an investment policy that establishes criteria for the selection of investments that include benchmarks for the creditworthiness of entities.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure the risk.

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: interest rate risk, foreign exchange 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

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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.

Interest rate risk

Interest rate risk includes 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 is exposed to interest rate risk with respect to its investments because the fair value will fluctuate due to changes in market interest rates. In addition, the Authority is exposed to interest rate risk with respect to its long-term debt because cash flows will fluctuate because the interest rate is linked to the bank's prime rate, which changes from time to time.

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 has entered into an interest rate swap to manage the interest rate cash flow exposure associated with a proportion of total debt that is subject to variable rates. The contracts have an effect of converting the floating rate of interest to a fixed rate.

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

The fair value of the bond portfolio is also subject to changes in the interest rate. The bonds held as investments have interest rates ranging from 1.15% to 5%, and maturities from April 27, 2015 to March 5, 2037. A 1% change in the interest rates, with all other variables held constant, would result in an estimated impact of \$1,652 (2014 - \$2,310) on net assets and accumulated remeasurement gains (losses).

The interest payments on the variable rate long-term debt are subject to changes in the interest rate. A 1% change in the interest rate would result in an impact of \$75 (2014 - \$444) on interest expense on the consolidated statement of operations.

Offsetting the change on the variable rates of the Tecumseh and Emily Street Parkades is the interest rate swap. A 1% increase in interest rates, with all other variables held constant, would result in an estimated impact of \$3,435 (2014 - \$3,351) on net assets and accumulated remeasurement gains (losses).

Liquidity Risk

The Authority is exposed to the risk that it will encounter difficulty in meeting obligations associated with its financial liabilities. The Authority manages its liquidity risk by monitoring cash requirements through cash forecasts to ensure sufficient resources are available to meet its obligations.

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The maturities of financial liabilities are provided in the notes to the consolidated financial statements related to these liabilities.

Foreign exchange and other price risk

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

18. MIDDLECHURCH ASSET TRANSFER

On January 1, 2014, the Authority acquired the assets and assumed the liabilities of Middlechurch Home of Winnipeg Inc. (now "Middlechurch"). As a result of the acquisition, the net assets of the Authority as at March 31, 2014 had increased by \$1,363 and the accrued retirement entitlement as at March 31, 2014 had increased \$373.

19. MISERICORDIA TRANSFER OF ASSETS

Effective March 31, 2015 Misericordia Health Centre transferred assets to a separately held corporation for the purposes of supporting the work of the Misericordia General Hospital in providing assistance for programs designed to support the needs of an aging population in accordance with the legacy of the Misericordia Sisters. The net value of the assets transferred amounted to \$7,825, resulting in a corresponding decrease in net assets of \$7,825 on the consolidated WRHA financial statements.

The assets transferred were previously held in the Ancillary funds of Misericordia General Hospital and were assets derived from the legacy of the Sisters of Misericordia and did not derive, either directly or indirectly, from funding of the Winnipeg Regional Health Authority, Manitoba Health or other Government sources.

20. COMPARATIVE FIGURES

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

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Supplementary Information

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(unaudited)

(in thousands of dollars)

ADMINISTRATIVE COSTS

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

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

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

At the request of 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.

Recruitment & Human Resources

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
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ADMINISTRATIVE COSTS (continued)

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

	2015						2014					
	Acute Care Facilities and Corporate Office		Personal Care Homes and Community Health Agencies		Total		Acute Care Facilities and Corporate Office		Personal Care Homes and Community Health Agencies		Total	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Corporate	\$59,604	2.29%	\$12,595	5.23%	\$72,199	2.54%	\$56,627	2.20%	\$13,715	5.54%	\$70,342	2.49%
HR and Recruitment	26,654	1.02%	1,975	0.82%	28,629	1.01%	23,376	0.91%	2,009	0.81%	25,385	0.90%
Patient Care Related	18,120	0.69%	1	0.00%	18,120	0.64%	17,337	0.67%	21	0.01%	17,358	0.62%
	\$104,378	4.00%	\$14,571	6.05%	\$118,948	4.19%	\$97,340	3.78%	\$15,745	6.36%	\$113,085	4.01%

The 2015 figures presented are based on preliminary data available at time of publication. Restatements were made to the 2014 figures to reflect the final data that was submitted after the publication date.

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.