

OFFICE RÉGIONAL DE LA SANTÉ
DES PARCS



Parkland Regional Health Authority Inc.
Consolidated Financial Statements
For the year ended March 31, 2011



Parkland Regional Health Authority Inc.
Contents

For the year ended March 31, 2011

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Management's Responsibility

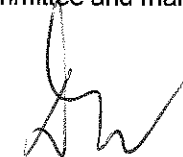
To the Board of Directors of Parkland Regional Health Authority Inc.:

Management has responsibility for preparing the accompanying consolidated financial statements. This responsibility includes selecting appropriate accounting principles and making objective judgments and estimates in accordance with Canadian generally accepted accounting principles.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and the Audit Committee are composed primarily of Directors who are neither management nor employees of the Organization. The Audit Committee is appointed by the Board to review the consolidated financial statements in detail with management and to report to the Board prior to their approval of the consolidated financial statements for publication.

MNP LLP, an independent firm of Chartered Accountants, is appointed by the Board of Parkland Regional Health Authority Inc. to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.



Management



Management

Independent Auditors' Report

To the Members of Parkland Regional Health Authority Inc:

We have audited the accompanying financial statements of Parkland Regional Health Authority Inc., 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 auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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 Parkland Regional Health Authority Inc. as at March 31, 2011 and the results of their operations, changes in net assets and their cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Brandon Manitoba

June 20 2011

MNP LLP
Chartered Accountants

**Parkland Regional Health Authority Inc.
Consolidated Statement of Financial Position**

As at March 31, 2011

	<i>Affiliates</i>	<i>Devolved</i>	2011	2010
Assets				
Current				
Cash	1,996,680	1,113,904	3,110,584	3,219,191
Current investments (Note 3)	-	161,367	161,367	163,685
Accounts receivable (Note 4)	109,208	1,321,335	1,430,543	1,767,968
Due from Manitoba Health (Note 5)	-	6,837,165	6,837,165	2,593,923
Inventory	135,030	1,241,814	1,376,844	1,496,931
Prepaid expenses	64,950	538,283	603,233	480,796
Inter-facility	(2,149,712)	2,149,712	-	-
	156,156	13,363,580	13,519,736	9,722,494
Capital assets (Note 6)	8,041,874	73,762,129	81,804,003	82,849,246
Trust assets	36,674	35,288	71,962	72,148
Manitoba Health receivable—benefits obligation (Note 8)	1,634,175	8,533,598	10,167,773	10,167,773
	9,868,879	95,694,595	105,563,474	102,811,661

Continued on next page

**Parkland Regional Health Authority Inc.
Consolidated Statement of Financial Position**

As at March 31, 2011

	<i>Affiliates</i>	<i>Devolved</i>	2011	2010
<i>Continued from previous page</i>				
Liabilities				
Current				
Lines of credit (Note 7)	-	2,413,263	2,413,263	778,966
Accounts payable and accruals	1,447,958	7,479,292	8,927,250	8,700,935
Employee benefits payable (Note 8)	1,300,539	9,149,839	10,450,378	10,045,619
	2,748,497	19,042,394	21,790,891	19,525,520
Other long-term liabilities (Note 8)	-	496,017	496,017	518,314
Deferred benefits entitlement (Note 8)	634,086	4,600,599	5,234,685	4,342,722
Deferred contributions (Note 11)	7,907,341	74,823,556	82,730,897	82,837,302
Trust liabilities	36,674	35,288	71,962	72,148
	8,578,101	79,955,460	88,533,561	87,770,486
Net Assets				
Invested in capital assets (Note 12)	444,147	2,521,793	2,965,940	2,807,478
Internally restricted net assets	-	265,397	265,397	679,277
Unrestricted net assets	(1,901,866)	(6,090,449)	(7,992,315)	(7,971,100)
	(1,457,719)	(3,303,259)	(4,760,978)	(4,484,345)
	9,868,879	95,694,595	105,563,474	102,811,661

Approved on behalf of the Board

Mary K. Dudygna Director

Harry S. Howden Director

Parkland Regional Health Authority Inc.
Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2011

	<i>Invested in capital assets</i>	<i>Internally restricted for capital purposes</i>	<i>Unrestricted</i>	2011 Total	<i>2010 Total</i>
Balance, beginning of year	2,807,478	679,277	(7,971,100)	(4,484,345)	481,402
Reclassification (Note 17)	(12,469)	(25,728)	39,519	1,322	-
Restated	2,795,009	653,549	(7,931,581)	(4,483,023)	481,402
Excess (deficiency) of revenues over expenses	(395,658)	-	117,703	(277,955)	(4,965,747)
Investment in capital assets	577,765	(216,903)	(360,862)	-	-
Internal transfers	(11,176)	(171,249)	182,425	-	-
Balance, end of year	2,965,940	265,397	(7,992,315)	(4,760,978)	(4,484,345)

The accompanying notes are an integral part of these financial statements.

Parkland Regional Health Authority Inc.
Consolidated Statement of Operations

For the year ended March 31, 2011

	<i>Affiliates</i>	<i>Devolved</i>	2011	<i>2010</i>
Revenues				
Manitoba Health operating income (Note 9)	13,560,342	109,384,706	122,945,048	116,896,264
Patient income	2,420,875	5,664,469	8,085,344	8,034,366
Other income	280,759	3,409,312	3,690,071	4,068,033
Amortization of deferred contributions	398,781	4,161,501	4,560,282	4,261,972
	16,660,757	122,619,988	139,280,745	133,260,635
Expenses				
Acute care	5,850,702	47,744,039	53,594,741	54,979,950
Long-term care	10,548,599	29,318,587	39,867,186	38,764,998
Community and mental health	-	11,783,603	11,783,603	11,075,448
Homecare	98,687	13,368,946	13,467,633	12,626,422
Emergency response and transport	-	5,858,594	5,858,594	5,538,570
Regional health costs (Note 10)	-	2,777,780	2,777,780	2,894,496
Medical remuneration – non global	-	5,652,409	5,652,409	5,500,142
Pre-retirement	57,103	1,540,054	1,597,157	2,156,227
Amortization of capital assets	457,724	4,501,873	4,959,597	4,690,129
	17,012,815	122,545,885	139,558,700	138,226,382
Excess (deficiency) of revenues over expenses	(352,058)	74,103	(277,955)	(4,965,747)

The accompanying notes are an integral part of these financial statements.

Parkland Regional Health Authority Inc.
Consolidated Statement of Cash Flows

For the year ended March 31, 2011

	<i>Affiliates</i>	<i>Devolved</i>	2011	2010
Cash provided by (used in)				
Operations				
Excess (deficiency) of revenues over expenses	(352,058)	74,103	(277,955)	(4,965,747)
Items not involving cash:				
Amortization of capital assets	457,724	4,501,873	4,959,597	4,690,129
Amortization of deferred contributions	(398,781)	(4,161,501)	(4,560,282)	(4,261,972)
	(293,115)	414,475	121,360	(4,537,590)
Changes in non-cash operating working capital				
Temporary investments	-	2,318	2,318	(61,730)
Lines of credit	-	1,634,297	1,634,297	708,966
Due (to) from Manitoba Health	-	(4,243,242)	(4,243,242)	(1,771,178)
Other working capital	55,249	1,780,563	1,835,812	1,463,623
	55,249	(826,064)	(770,815)	339,681
Financing and Investing				
Purchase of capital assets	(379,088)	(3,568,280)	(3,947,368)	(4,616,136)
Disposal of capital assets	-	33,017	33,017	32,041
Deferred contributions	390,875	4,064,324	4,455,199	2,877,546
Interfacility	1,151,342	(1,151,342)	-	-
	1,163,129	(622,281)	540,848	(1,706,549)
Increase (decrease) in cash during the year	925,263	(1,033,870)	(108,607)	(5,904,458)
Cash, beginning of year	1,071,417	2,147,774	3,219,191	9,123,649
Cash, end of year	1,996,680	1,113,904	3,110,584	3,219,191

The accompanying notes are an integral part of these financial statements.

Parkland Regional Health Authority Inc.
Notes to the Consolidated Financial Statements

For the year ended March 31, 2011

1. Organization

The Parkland Regional Health Authority Inc. is a non-profit organization incorporated without share capital under the laws of the Province of Manitoba. The Parkland Regional Health Authority Inc. is involved in the provision of health care services to persons resident in the Parkland Region.

The Parkland Regional Health Authority Inc. is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and include the following significant accounting policies:

Basis of accounting

These financial statements were prepared using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenses are recognized, as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.

The financial statements include the accounts of all controlled not-for-profit organizations of the Parkland Regional Health Authority Inc. All significant inter-departmental transactions have been eliminated.

The assets, liabilities, revenues and expenses of the following not-for-profit operations have been included in these financial statements:

Devolved facilities:

Dauphin Regional Health Centre
Roblin District Health Centre
Gilbert Plains Health Centre
Grandview Hospital District
Dauphin & District Ambulance Service
Roblin & District Ambulance Service
Grandview Personal Care Home
Parkland Regional Hospital Laundry Ltd.
McCreary/Alonsa Health Centre
Ste. Rose Ambulance Service
SwanValley Ambulance Service
SwanValley Lodge
SwanValley Health Centre
Swan River Valley Personal Care Home
Benito Health Centre
Waterhen Ambulance Service

Affiliates:

Hôpital Général – Ste. Rose – General Hospital
Winnipegosis – Mossey River Personal Care Home Inc.
Winnipegosis General Hospital
St. Paul's Home Inc.
Dr. Gendreau Personal Care Home Inc.

2. Significant accounting policies (continued)

The Winnipegosis Ambulance Service devolved to the Parkland Regional Health Authority Inc. April 1, 2011.

The Parkland Regional Health Authority Inc. also receives funding from independent organizations, which organize fundraising drives in various geographical areas exclusively for the use of the Parkland Regional Health Authority Inc. or its related entities. The extent of any funding provided by these independent entities is solely at the discretion of the board of directors of the independent entities.

A number of facilities within the Parkland Regional Health Authority Inc. receive donations from charitable foundations. As there is no control, significant influence or economic interest between the Parkland Regional Health Authority Inc. and these foundations, no financial information regarding these foundations is reported or disclosed in the financial statements of the Parkland Regional Health Authority Inc.

Inventory

Inventory is stated at the lower of cost and replacement cost. Cost is determined on the first-in, first-out basis.

Capital assets

Capital assets are recorded at cost. Amortization is provided using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives.

Buildings	20 to 40 years
Equipment	4 to 20 years

Long-lived assets

Long-lived assets consist of capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Organization performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in operations for the year.

Quoted market prices and prices for similar items are used to measure fair value of long-lived assets.

Benefits obligation

The Health Authority applies the accounting recommendations for employee future benefits contained in Section 3461 of the Canadian Institute of Chartered Accountant's Handbook. The pre-retirement benefits are determined by actuarial valuation.

Revenue recognition

The Parkland Regional Health Authority Inc. follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

2. Significant accounting policies (continued)

Contributed services

A number of individuals donate significant amounts of time to the Organization's activities. No amount is reflected in the statements for donated services since no objective basis is available to measure the value of such services.

Measurement uncertainty

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 revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Estimates are made for amortization, based on the useful lives of capital assets, amounts due from Manitoba Health, revenue from Manitoba Health and In-Globe and Out-of-Globe funding that is not yet approved. Retirement obligations are based on actuarial valuations.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in operations in the periods in which they become known.

Financial instruments

In January 2005, the Canadian Institute of Chartered Accountants' ("CICA") issued new recommendations for the recognition and measurement of financial instruments, and amendments to the existing presentation and disclosure standards, effective for financial statements with fiscal years beginning on or after October 1, 2006. On January 1, 2007, the Organization implemented these new standards, the main requirements of which are set out below:

Held for trading:

The Organization has classified the following financial assets and liabilities as held for trading: cash and lines of credit. These instruments are initially recognized at their fair value.

Loans and receivables:

The Organization has classified the following financial assets as loans and receivables: accounts receivable and current investments. These assets are initially recognized at their fair value approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in operations.

Other financial liabilities:

The Organization has classified the following financial liabilities as other financial liabilities: accounts payable and accruals. These liabilities are initially recognized at their fair value approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in operations. Total interest expense, calculated using the effective interest rate method, is recognized in operations.

Financial asset impairment:

The organization assesses impairment of all its financial assets, except those classified as held for trading. Impairment is measured as the difference between the asset's carrying value and its fair value. Any impairment, which is not considered temporary, is included in current year operations.

Parkland Regional Health Authority Inc.
Notes to the Consolidated Financial Statements

For the year ended March 31, 2011

3. Investments

	2011	2010
Royal Bank money market funds earning an annual rate of .5%. Fair market value of fund is 102,607.	102,607	102,094
Royal Bank money market funds earning an annual rate of .5%. Fair market value of fund is 58,760.	58,760	61,591
	161,367	163,685
Amount due within one year included in current investments	(161,367)	(163,685)
	-	-

4. Accounts receivable

	2011	2010
Accrued interest	310	649
Ambulance	233,351	196,669
Ambulance - Health Canada First Nations Inuit Health	207,775	208,116
Dauphin General Hospital Foundation	59,115	22,722
Dr. Gendreau Memorial PCH Foundation Inc.	-	472
Employee Education Advances	29,676	40,195
Manitoba Renal Program	18,212	32,319
National Industrial Communications	10,445	45,264
Other	624,500	885,201
QA Adjusting Company	23,778	138,924
Residents/ Patients	197,843	187,948
Prevost Foundation Inc.	25,538	6,777
Swan Valley Health Facilities Foundation Inc.	-	2,712
	1,430,543	1,767,968

5. Due from Manitoba Health

	2011	2010
Current year's Operating Funding	6,118,781	2,542,355
Out of Globe – 2010/2011	245,617	-
Out of Globe – 2009/2010	97,945	89,173
Out of Globe – 2008/2009	(415,875)	(415,875)
Approved Capital Funding	88,178	93,892
Ambulance Interfacility Transfers and Lifeflights	702,519	284,378
	6,837,165	2,593,923

Parkland Regional Health Authority Inc.
Notes to the Consolidated Financial Statements

For the year ended March 31, 2011

5. Due from Manitoba Health (continued)

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

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

Out-of-Globe Funding

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

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

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

6. Capital assets

	2011	2010	2011	2010
	<i>Accumulated</i>	<i>Net Book</i>	<i>Net Book</i>	<i>Net Book</i>
	<i>Cost</i>	<i>Value</i>	<i>Value</i>	<i>Value</i>
	<i>Amortization</i>			
Land	636,513	-	636,513	603,643
Buildings	113,368,185	45,475,748	67,892,437	69,636,977
Equipment	40,158,875	28,067,199	12,091,676	11,781,443
Construction in progress	1,183,377	-	1,183,377	827,183
	155,346,950	73,542,947	81,804,003	82,849,246

7. Lines of Credit

The Authority has authorized capital lines of credit of \$2,413,263 and has authorized \$5,300,000 of an operating line of credit. These lines of credit bear interest at the bank's prime rate minus .50%. Security provided on these lines of credit includes an overdraft borrowing agreement and a letter of comfort from Manitoba Health and Healthy Living.

Parkland Regional Health Authority Inc.
Notes to the Consolidated Financial Statements
For the year ended March 31, 2011

8. Benefits obligation

The Health Authority recorded pre-retirement, accrued vacation, statutory holiday and overtime salary liability as benefits obligation. Funding for the entitlement as at March 31, 2004 is recoverable from Manitoba Health.

Accrued retirement entitlement

The Health Authority has a contractual commitment to pay out to employees four days salary per year of service upon retirement if they comply with the following conditions:

- i) have ten years service and have reached the age of 55 or
- ii) qualifies for the "eighty" rule which is calculated by adding the number of years service to the age of the employee
- iii) retires at or after age 65 or
- iv) terminates employment at any time due to permanent disability

The Health Authority has recorded an accrual amount based on an actuarial valuation that includes employees who qualify at the year-end balance sheet date and an estimate for the remainder of the employees who have not yet met the criteria above. Funding for the retirement entitlement accrued prior to March 31, 2004 is recoverable from Manitoba Health on an Out-of-Globe basis in the year of payment.

Each year, the Health Authority updates an actuarial valuation of the accrued retirement entitlements. The significant actuarial assumptions adopted in measuring the accrued retirement entitlements include mortality and withdrawal rates, a discount rate of 4.7% (4.9% in 2010) and a rate of salary increase of 3.5% (4.0% in 2010) plus age related merit/promotion scale with nil disability.

Pension plan

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by the Plan by placing assets in trust and through the Plan investment policy. Pension expense is based on Plan management's best estimates, in consultation with its actuaries, together with the 7.8% (6.8% in 2010) of basic annual earnings up to the Canada Pension Plan ceiling contributed by employees and 9.4% (8.4% in 2010) thereafter, 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 the 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 of the Plan as at December 31, 2009, indicates a solvency deficiency. If the funding deficiency reaches a certain level or persists, it may need to be eliminated through contribution rate increases, pensions benefit reductions or a combination of the two.

Actual contributions to the Plan made during the year by the Authority on behalf of its employees amounted to \$4,229,629 (2010 - \$3,937,796) and are included in the statement of operations.

Other long-term liabilities consist of the accrued retirement entitlement due to Diagnostic Services of Manitoba.

Parkland Regional Health Authority Inc.
Notes to the Consolidated Financial Statements
For the year ended March 31, 2011

9. Manitoba Health operating income

	2011	2010
Revenue as per Manitoba Health's final funding document	116,245,605	111,547,705
Add:		
Salary and Benefit Settlements	3,670,104	1,827,463
Long Term Care staffing guidelines	297,008	-
Unified Referral Intake System	116,320	-
Nurse Practitioner Funding	66,839	-
Medical Remuneration Adjustments	60,000	60,000
Seniors Group Living	44,844	-
Ostomy Program	25,000	-
Provincial Data Network Funding	8,280	-
Reclaiming Hope Suicide Prevention Funding	7,257	4,750
Patient Safety Funding	5,041	76,660
Supply Funding	-	434,000
Pandemic Funding	-	348,462
Dauphin Emergency Department Enhancement Initiative	-	177,000
Dauphin Role Study Funding	-	79,100
Renal Unit Expansion	-	40,247
Mentorship Funding	-	13,832
Aboriginal Health	-	7,900
MSSP pre-retirement funding	785,556	-
	121,331,854	114,617,119
Add/Deduct: Non-Global surplus receivable for 2010/11	258,778	97,945
Non-Global Prior Year Adjustments	(10,935)	308,032
	121,579,697	115,023,096
Total funding approved by Manitoba Health	121,579,697	115,023,096
Add separately funded programs:		
Emergency Services Billings	2,074,822	1,801,833
Immunization Program	84,686	115,431
Chronic Disease Prevention Initiative	47,423	82,368
Board expenses and Other	6,228	3,806
Risk Factor and Complication Assessment Funding	3,471	4,016
Recruitment	1,851	367,147
Community Health Needs Assessment	1,398	51,787
	123,799,576	117,449,484
Deduct: Amounts recorded as deferred contributions for:		
- Long-term debt	(450,665)	(244,463)
- Major repairs	(37,495)	(37,495)
- Capital interest on loans reclassified to deferred contributions	(300,720)	(246,262)
- Ostomy Program	-	(25,000)
- Hemodialysis	(65,648)	-
	122,945,048	116,896,264
Revenue from Manitoba Health	122,945,048	116,896,264

Parkland Regional Health Authority Inc.
Notes to the Consolidated Financial Statements
For the year ended March 31, 2011

10. Regional Health Authority Inc. costs

	2011	2010
Corporate office salaries	1,344,637	1,216,403
Corporate office benefits	244,694	220,564
Expenses paid on behalf of facilities	363,362	262,433
Board expenses	96,206	129,640
Recruitment	96,957	101,902
Medical Remuneration - Global	227,714	324,224
Pandemic Expenses	-	302,575
Community Health Needs Assessment	1,398	51,787
Other	402,812	284,968
	2,777,780	2,894,496

11. Deferred contributions

Deferred contributions represent capital funding received from Manitoba Health or donations received from other sources restricted for the purchase of depreciable capital assets and/or future expenses.

	Donation	Unexpended	Expended	2011	2010
Balance, beginning of year	285,702	1,874,088	80,054,649	82,214,439	83,132,057
Reclassification	(39,519)	38,197	-	(1,322)	(32,334)
Capital asset additions	(109,818)	(223,549)	3,343,821	3,010,454	2,205,987
Capital asset disposals	-	-	(7,353)	(7,353)	294
Capital funding	-	224,297	7,252	231,549	1,018,212
Interest and donations	221,658	6,890	-	228,548	338,734
Amortization	-	-	(4,560,282)	(4,560,282)	(4,261,972)
Other operating expenses	(107,741)	(17,346)	-	(125,087)	(186,539)
Balance, end of year	250,282	1,902,577	78,838,087	80,990,946	82,214,439
Deferred revenue				739,951	622,863
Manitoba Health Long-term debt				1,000,000	-
				82,730,897	82,837,302

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12. Invested in capital assets

	Affiliates	Devolved	2011	2010
Capital Assets	8,041,874	73,762,129	81,804,003	82,849,246
Amounts financed by:				
Deferred contributions and revenue related to capital assets	(7,904,524)	(73,086,421)	(80,990,945)	(82,214,439)
Cash – capital	297,837	725,759	1,023,596	920,042
Temporary investments – capital	-	58,760	58,760	61,591
Accounts receivable – capital	13	314,673	314,686	531,787
Due from Manitoba Health – capital	-	88,178	88,178	93,892
Accounts payable – capital	-	(58,564)	(58,564)	(47,071)
Due from operating account	8,947	717,279	726,226	612,430
	444,147	2,521,793	2,965,940	2,807,478

13. Financial instruments

The Parkland Regional Health Authority Inc.'s financial instruments consist of cash, accounts receivable, temporary investments, accounts payable, amounts due to (from) Manitoba Health and long-term liabilities. Unless otherwise noted, it is management's opinion that the Parkland Regional Health Authority Inc. is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Fair Value

The carrying amounts of cash, accounts receivable, temporary investments, lines of credit, accounts payable, amounts due to (from) Manitoba Health and accrued liabilities approximate their fair values due to the short-term maturities of these items. The carrying amounts of the organization's investments and loans approximate their fair values as the investments and loans have currently prevailing interest rates.

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14. Allocation of expenses

The Parkland Regional Health Authority has allocated the following expenses:

	2011				2010			
	Acute	Long-term Care	Community	Total	Acute	Long-term Care	Community	Total
Education	32,637	31,419	20,324	84,380	33,345	29,705	20,876	83,926
Human Resources	311,105	271,915	192,697	775,717	285,972	254,372	175,594	715,938
Information Tech	790,784	450,749	313,241	1,554,774	784,757	262,567	219,791	1,267,115
Laundry Services	598,556	586,733	-	1,185,289	525,777	546,056	-	1,071,833
Quality Assurance	41,515	36,761	25,546	103,822	35,258	31,200	21,687	88,145
	1,774,597	1,377,577	551,808	3,703,982	1,665,109	1,123,900	437,948	3,226,957

15. Economic dependence

The Parkland Regional Health Authority Inc. received 88% of its total revenue for the year ended March 31, 2011 from Manitoba Health.

16. Comparative amounts

Certain comparative figures have been reclassified to conform with the current year presentation.

17. Reclassification

An adjustment was made by St. Paul's Home Inc. and Dr. Gendreau Memorial Personal Care Home Inc. to reclassify interest earned on the reserve for major repairs bank to deferred contributions. Ste. Rose General Hospital made an adjustment recognizing deferred contributions for the past costs of the pastoral care program.

18. Related party transactions

The Authority is responsible for the overall management of the health care services provided in the Parkland region. Programs for hospital and personal care home services are delivered in the region by the Health Authority. The Health Authority transacts business on a regular basis with organizations and agencies as described in Notes 5, 8, 9, 11, and 12.

19. Capital disclosures

The Authority considers its capital to be its net assets. The Authority's objectives when managing its capital are to safeguard its ability to operate as a going concern so it can continue to provide services to its residents. An Annual Health Plan including operating and capital budgets is developed and monitored to ensure the Authority's capital is maintained at an appropriate level.

If the retainable surplus exceeds 2% of the annual in globe operating budget, as approved by the Authority, the surplus in excess of 2% is an obligation payable to Manitoba Health. For the fiscal year ended March 31, 2011, the Authority was in a deficit position. For the affiliates, if the retainable surplus exceeds 1.5% of the annual in globe operating budget, as approved by the Authority, the surplus in excess of 1.5% is an obligation payable to Parkland Regional Health Authority.