

Financial Statements of
Southern Health-Santé Sud
March 31, 2021



SOUTHERN HEALTH-SANTÉ SUD

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June 22, 2021

To the Board of Directors of Southern Health-Santé Sud

Re: Management's Responsibility

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the financial statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

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

The Board of Directors is composed entirely of directors who are neither management nor employees of Southern Health-Santé Sud. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external accountants. The Board is also responsible for recommending the appointment of the Southern Health-Santé Sud's external auditor.

Deloitte LLP, an independent firm of Chartered Professional Accountants, is appointed by the Board to audit the financial statements and report directly to them. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

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Jane Curtis
Chief Executive Officer

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Ken Klassen
Regional Lead – Corporate Services & Chief Financial Officer

Independent Auditor's Report

To the Board of Directors of Southern Health-Santé Sud

Opinion

We have audited the financial statements of Southern Health-Santé Sud (the "Region"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Southern Health-Santé Sud as at March 31, 2021, and its results of operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Region in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Region's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Region or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Region's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Region's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Region's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Region to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants

June 22, 2021
Winnipeg, Manitoba

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Southern Health-Santé Sud
Statement of Financial Position
March 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash and short term investments	\$ 71,452,759	\$ 64,845,665
Accounts receivable, net (Note 4)	5,232,865	4,014,890
Accounts receivable - external partners	1,942,567	1,769,199
Accounts receivable - Manitoba Health and Seniors Care - vacation entitlements	8,276,616	8,276,616
Accounts receivable - Manitoba Health and Seniors Care - retirement entitlements	8,845,020	8,845,020
	95,749,827	87,751,389
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	25,646,202	23,164,816
Accounts payable - Manitoba Health and Seniors Care (Note 6)	808,404	810,225
Unearned revenue (Note 7)	9,231,689	6,978,301
Accrued vacation benefit	18,143,926	17,732,172
Accrued sick leave benefit (Note 8)	5,066,795	5,594,044
Accrued retirement (Note 8)	18,220,800	18,254,809
Accrued retirement - Affiliate organizations	3,130,824	3,033,319
Long-term debt (Note 10)	150,733,996	129,708,516
	230,982,635	205,276,203
NET DEBT	(135,232,807)	(117,524,813)
NON-FINANCIAL ASSETS		
Inventory	1,927,315	1,866,321
Prepaid expenses	717,037	957,142
Tangible capital assets (Note 12)	245,459,881	220,527,409
TOTAL NON-FINANCIAL ASSETS	248,104,233	223,350,872
ACCUMULATED SURPLUS	\$ 112,871,425	105,826,058

APPROVED BY THE BOARD OF DIRECTORS

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Southern Health-Santé Sud
Statement of Operations and Accumulated Surplus
For the year ended March 31, 2021

	Actual 2021			Budget 2021	Actual 2020
	Operating	Capital	Total	Total	Total
REVENUE					
Manitoba Health and Seniors Care (Note 13)	\$ 312,035,952	\$ 15,065,052	327,101,004	\$ 341,721,123	\$ 333,125,232
Other Province of Manitoba departments	23,600,403	-	23,600,403	1,593,500	3,115,796
Government of Canada	430,462	-	430,462	544,050	500,336
Non-global patient and resident income	13,935,043	-	13,935,043	15,614,700	14,327,859
Other income	11,892,626	184,625	12,077,251	12,383,148	14,141,229
Interest	921,697	-	921,697	1,000,000	2,031,300
Donations	591,390	5,938,852	6,530,242	629,400	2,564,131
Ancillary operations (Schedule 1a)	2,392,527	-	2,392,527	2,477,400	2,501,344
	365,800,100	21,188,529	386,988,630	375,963,321	372,307,226
EXPENSES					
Acute care services	122,838,502	6,489,613	129,328,115	123,421,651	129,056,853
Long term care services	59,207,276	2,668,571	61,875,847	58,169,847	55,540,336
Medical remuneration	32,373,442	-	32,373,442	33,766,084	30,919,017
Community based therapy services	8,124,761	-	8,124,761	7,949,700	7,562,192
Community based mental health services	8,927,150	-	8,927,150	9,318,150	8,845,052
Community based home care services	43,120,333	-	43,120,333	45,017,352	44,482,511
Community based health services	25,915,540	237,144	26,152,685	24,142,780	22,881,046
Emergency medical services	-	182,719	182,719	204,800	206,974
Regional health authority undistributed	15,594,509	4,452,944	20,047,453	25,391,827	21,754,139
Affiliated organizations	47,877,361	412	47,877,772	45,196,850	47,141,603
Ancillary operations (Schedule 1a)	1,821,226	111,758	1,932,984	2,305,200	1,973,249
	365,800,100	14,143,162	379,943,262	374,884,241	370,362,972
SURPLUS BEFORE RESTRUCTURING	-	7,045,368	7,045,368	1,079,080	1,944,255
Restructuring gain	-	-	-	-	1,182,047
SURPLUS FOR THE YEAR	\$ -	\$ 7,045,368	\$ 7,045,368	\$ 1,079,080	\$ 3,126,302
ACCUMULATED SURPLUS, BEGINNING OF YEAR			105,826,058	105,826,058	102,699,756
ACCUMULATED SURPLUS, END OF YEAR			\$ 112,871,426	\$ 106,905,138	\$ 105,826,058

Southern Health-Santé Sud
Statement of Changes in Net Debt
For the year ended March 31, 2021

	Actual 2021	Budget 2021	Actual 2020
Surplus for the year	\$ 7,045,368	\$ 1,079,080	\$ 3,126,302
Acquisition of tangible capital assets	(35,139,037)	(36,257,300)	(26,609,681)
Amortization of tangible capital assets	10,206,565	10,401,350	10,447,670
	(24,932,472)	(25,855,950)	(16,162,011)
Increase in inventory	(60,994)	-	(369,259)
Decrease (increase) in prepaid expenses	240,105	-	(79,318)
	179,111	-	(448,577)
INCREASE IN NET DEBT	(17,707,994)	(24,776,870)	(13,484,286)
NET DEBT, BEGINNING OF YEAR	(117,524,813)	(117,524,813)	(104,040,528)
NET DEBT, END OF YEAR	\$ (135,232,807)	\$ (142,301,683)	\$ (117,524,813)

Southern Health-Santé Sud
Statement of Cash Flows
For the year ended March 31, 2021

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Excess of revenue over expenses	7,045,368	3,126,302
Items not affecting cash		
Amortization of tangible capital assets	10,206,565	10,447,670
Recognition of unearned revenues	(4,271,582)	(5,571,698)
	12,980,351	8,002,273
Changes in non-cash operating working capital items	1,679,085	(6,352,635)
Decrease in sick leave and retirement entitlements	(463,753)	(775,759)
Unearned revenues received	6,524,970	6,637,713
	20,720,652	7,511,592
FINANCING ACTIVITIES		
Proceeds from issuance of new long-term debt	72,370,263	40,874,580
Principal payments of MHSC funded long-term debt	(51,299,216)	(25,986,594)
Principal payments on non-MHSC funded long-term debt	(45,567)	(173,752)
	21,025,480	14,714,233
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(35,139,037)	(26,609,681)
	(35,139,037)	(26,609,681)
INCREASE (DECREASE) IN CASH AND SHORT TERM INVESTMENTS	6,607,094	(4,383,854)
CASH AND SHORT TERM INVESTMENTS, BEGINNING OF YEAR	64,845,665	69,229,519
CASH AND SHORT TERM INVESTMENTS, END OF YEAR	\$ 71,452,759	\$ 64,845,665
CASH AND SHORT TERM INVESTMENTS IS COMPRISED OF:		
Cash	71,303,401	64,695,586
Short term investments	149,358	150,079
	\$ 71,452,759	\$ 64,845,665

Southern Health-Santé Sud
Notes to the financial statements
March 31, 2021

1. Nature of business

Southern Health-Santé Sud ("the Region") was incorporated under the laws of Manitoba on May 30, 2012, as an amalgamation of the former Regional Health Authority Central Manitoba Inc., and the former South Eastman Health/Santé Sud-Est Inc. The Region is principally involved in providing health care services to the southern and central regions of Manitoba. The Region is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

2. Basis of presentation

These financial statements reflect the operating results and financial position of the Region as at March 31, 2021. The assets, liabilities and operations of the following devolved organizations have been included in these financial statements:

Altona Community Memorial Health Centre	Eastview Place
Bethesda Place	Emerson Health Centre
Bethesda Regional Health Centre	Gladstone Health Centre
Boundary Trails Health Centre	Hôpital Ste-Anne Hospital
Boyne Lodge Personal Care Home	Lions Prairie Manor
Boyne Towers Elderly Persons Housing	Lorne Memorial Hospital
Carman Memorial Hospital	MacGregor Health Centre
Centennial Apartments Elderly Persons Housing	Morris General Hospital
Centre de santé - Foyer Notre Dame	Pembina Manitou Health Centre
Centre de santé Notre Dame Health Centre	Portage District General Hospital
Centre de santé St. Claude Health Centre	Red River Valley Lodge
Centre médico-social De Salaberry District Health Centre	Regency House Elderly Persons Housing
Crescent Lodge Elderly Persons Housing	Repos Jolys
Crisis Stabilization Unit	Rotary Park Elderly Persons Housing
Douglas Campbell Lodge	Third Crossing Manor
	Vita & District Health Centre

2. Basis of presentation (continued)

The Region also receives funding for the following nine affiliated organizations from Manitoba Health and Seniors Care (MHSC) and Mental Health, Wellness and Recovery (MHWR) and forwards the funding on to these organizations as per their respective approved service purchase agreements. Because the Region does not control the strategic, operational or financial decisions of these affiliated organizations, the operating results and financial position of these affiliated organizations have not been consolidated into these financial statements.

Eden Mental Health Centre	Rock Lake Health District
Menno Home for the Aged Inc. (PCH Division)	Salem Home Inc.
Niverville Heritage PCH Inc.	Tabor Home Inc.
Prairie View Lodge Inc.	Villa Youville Inc. - Nursing
Rest Haven Care Home Inc.	

In addition to the above, grant funding is provided to a number of community-based organizations that have also not been consolidated into these financial statements. These statements also do not consolidate any of the large number of foundations that operate within the Region because they are not controlled by the Region.

The statement of operations has been presented with both core operations and capital operations. Core operations represents the ongoing general operations of the Region. Capital operations represents the capital operations of the Region and includes capital revenue for funded capital as well as amortization expense and interest on long term debt.

3. Significant accounting policies

The financial statements have been prepared in accordance with Public Sector Accounting Board and include the following significant accounting policies:

a) Revenue recognition

Provincial government transfers for operating purposes are recognized as revenue in the period in which all eligibility criteria and/or stipulations have been met and the amounts are authorized. Any funding received prior to satisfying these conditions are considered unearned until conditions have been met. When revenue is received without eligibility criteria or stipulations, it is recognized when the transfer from the Province of Manitoba is authorized, except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability for the Region.

Funding received for the acquisition or development of tangible capital assets is recognized as revenue in one of two ways:

- i. Assets funded by approved/funded debt: revenue is recognized when the funding for the principal and interest payment is received.

3. Significant accounting policies (continued)

a) Revenue recognition (continued)

- ii. Assets funded by cash received or receivable: revenue is recognized when the funded asset is purchased or developed.

Any unrestricted non-government contributions or grants are recorded as revenue in the year received or in the year the funds are committed to the Region if the amount can be reasonably estimated and collection is reasonably assured. All non-government contribution or grants that are externally restricted such that they must be used for a specified purpose are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Any externally restricted funds received before the criterion has been met are reported as unearned revenue until the resources are used for the purpose or purposes specified.

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

b) Contributed services

A substantial number of volunteers contribute a significant amount of their time each year. Due to the difficulty of determining the fair value, contributed services are not recognized in these financial statements.

c) Inventories

Inventories are recorded at the cost, which is determined on an average cost basis.

d) Tangible capital assets

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Repairs and maintenance expenditures are charged to expense. Betterments which extend the estimated useful life of an asset are capitalized. When a capital asset no longer contributes to the Region's ability to provide services, its carrying value is written down to its residual value.

Tangible capital assets are amortized on a straight-line basis using the following annual rates:

Land improvements	10%
Buildings	2%
Building renovations and upgrades	5%
Leasehold improvements	5%
Building service equipment	5%
Major equipment	10%
Computers, software and automobiles	20%

3. Significant accounting policies (continued)

d) Tangible capital assets (continued)

Construction in progress is recorded at cost. When the specific project is completed and available for use, all capitalized costs are transferred to the appropriate category and subject to amortization.

e) Vacation pay

The Region records the accrued vacation pay entitlement liability. Funding for the entitlement is recoverable as a component of salary cost funding in the subsequent year.

f) Pre-retirement entitlement obligations

The Region's contractual commitment, based on an actuarial valuation, for the pre-retirement entitlement for all employees, is to pay out four days of salary per year of service upon retirement if the employee complies with one of the following conditions:

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

The Region undertook an actuarial valuation of the accrued pre-retirement entitlements.

Funding for the retirement obligation in the amount of \$8,845,020 has been set up as a receivable from the Province and includes \$1,719,577 related to the affiliated organizations. The amount recorded as a receivable from the Province for retirement entitlements was initially determined based on the value of the corresponding actuarial liability for retirement entitlements as at March 31, 2004. Subsequent to March 31, 2004, the Province has included in its ongoing annual funding to the Region an amount equivalent to the change in the retirement entitlement obligation, which includes annual interest accretion related to the receivable. The receivable may be paid by the Province when the Region requires the funding to discharge the related retirement entitlement obligation.

3. Significant accounting policies (continued)

g) Sick Leave obligations

The sick leave benefits offered by the Region do not vest and therefore there are no sick-leave payouts to employees upon retirement.

All employees are credited with 1.25 days per month for use as paid absence in the year, due to illness or injury. Employees are allowed to accumulate unused sick day credits each year, up to the allowable maximum provided in their respective employment agreement. Accumulated credits may be used in future years to the extent that the employee's illness or injury exceeds the current year's allocation of credits. The use of accumulated sick days for sick-leave compensation ceases on termination of employment. The benefit costs and liabilities related to the plan are included in the financial statements.

h) Use of estimates

The preparation of financial statements in conformity with PSAS 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 Region is funded by the Province of Manitoba using Manitoba Health and Seniors Care (MHSC) funding mechanisms. These financial statements use funding mechanisms approved by MHSC for the year ended March 31, 2021.

The amount of revenue recognized from MHSC requires a number of estimates. Since MHSC does not communicate certain adjustments related to revenue until after the completion of the 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 financial statements represents management's best estimate of amounts that have been earned during the year.

Other amounts estimated by management include the useful life of tangible capital assets, employee future benefits payable, compensated absences, unsettled wage accruals and allowance for doubtful accounts.

i) Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Region becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments, including cash, short term investments, accounts receivable, due from MHSC, accounts payable and accrued liabilities and long term debt are measured at amortized cost.

Transaction costs related to financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in net earnings as interest income or expense.

3. Significant accounting policies (continued)

i) Financial instruments (continued)

With respect to financial assets measured at cost or amortized cost, the Region recognizes in net earnings an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in net earnings in the period the reversal occurs.

j) Impact of COVID-19 on significant judgments, estimates and assumptions

In March 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus (“COVID-19”) as a pandemic which resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

Significant expenditures were incurred by the Region as part of the response to combat COVID-19. Throughout the fiscal year, the Region was reimbursed by MHSC for those costs identified as incremental expenditures due to the COVID-19 pandemic. While these amounts have been paid to the Region, it is anticipated that MHSC will perform audit procedures subsequent to year-end that may result in revised settlement of the revenues provided for these expenditures. In addition, government transfers were received from Government of Manitoba Central Services for certain personal protective equipment and minor equipment. The Region has recognized grant revenue for these transfers.

The duration and impact of the COVID-19 pandemic continues to be unknown at this time, as is the efficacy of the government and central bank interventions.

k) Future accounting policies

i) Standard effective April 1, 2022

The Region has undertaken a review of the Public Sector Accounting Standard (“PSAS”)3280 – Asset Retirement Obligations which takes effect April 1, 2022. The Region has begun its review of potential obligations that may require recognition under this standard, including liabilities related to the retirement of assets which contain asbestos or other contaminants. Further review and refinement of the valuation methodologies for recognizing these obligations continues. The impact to the Region’s financial statements is unknown at this time.

Southern Health-Santé Sud
Notes to the financial statements
March 31, 2021

3. Significant accounting policies (continued)

k) Future accounting policies (continued)

ii) Standard effective April 1, 2023

PSAS 3400 – Revenue takes effect April 1, 2023. This new standard provides guidance on accounting for overall revenue transactions for which there is no specific guidance elsewhere in the Public Sector Accounting Handbook. This standard may be applied retroactively or prospectively. The Region continues to evaluate the impact of the adoption of this standard.

4. Accounts receivable, net

The Region's exposure to credit risk from accounts receivable as at March 31 is as follows:

	2021				
	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
Trade Receivables	\$ 1,132,044	\$ 402,769	\$ 215,578	\$ 5,501,005	\$ 7,251,397
Resident Receivables	10,202	23,522	25,056	88,821	147,600
GST Receivable	801,889	-	-	-	801,889
Other Receivables	1,472,764	358	116	43,118	1,516,356
	3,416,899	426,648	240,750	5,632,944	9,717,241
Less allowance for doubtful accounts:					
Emergency medical services	-	-	-	(3,361,349)	(3,361,349)
Other	-	-	-	(1,123,027)	(1,123,027)
	-	-	-	(4,484,376)	(4,484,376)
	\$ 3,416,899	\$ 426,648	\$ 240,750	\$ 1,148,568	\$ 5,232,865

	2020				
	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
Trade Receivables	\$ 1,126,959	\$ 323,128	\$ 130,756	\$ 5,112,820	\$ 6,693,663
Resident Receivables	106,292	44,128	8,702	67,078	226,200
GST Receivable	771,082	-	-	-	771,082
Other Receivables	323,824	20,137	207	42,569	386,738
	2,328,158	387,393	139,666	5,222,467	8,077,683
Less allowance for doubtful accounts:					
Emergency medical services	-	-	-	(2,986,732)	(2,986,732)
Other	-	-	-	(1,076,062)	(1,076,062)
	-	-	-	(4,062,794)	(4,062,794)
	\$ 2,328,158	\$ 387,393	\$ 139,666	\$ 1,159,673	\$ 4,014,890

Southern Health-Santé Sud
Notes to the financial statements
March 31, 2021

5. Accounts payable and accrued liabilities

	<u>2021</u>	<u>2020</u>
Accounts payable and accrued liabilities	\$ 11,613,363	\$ 11,140,778
Salaries and benefits liability	14,023,642	12,012,977
Accrued interest	9,196	11,061
	<u>\$ 25,646,202</u>	<u>\$ 23,164,816</u>

In 2021, a contingent liability was recognized in accrued salaries for wage settlements related to expired collective agreements. The amount recorded is an estimate, which may be subject to change. The extent of the liability accrued is not being disclosed pending the completion of labour negotiations.

6. Accounts receivable/payable - Manitoba Health and Seniors Care

Accounts receivable (payable) - MHSC includes the following:

	<u>2021</u>	<u>2020</u>
Current year's operating funding		
Medical year end payable	(\$3,823,247)	(\$2,792,585)
Wage Settlements	3,162,600	-
COVID-19 pandemic funding	(1,148,882)	-
Immunization per dose funding	226,083	264,384
Tertiary care regional centres	180,000	180,000
Teen Clinic Recovery	(6,250)	-
Other programs	469	61,006
	<u>(1,409,227)</u>	<u>(2,287,195)</u>
Approved capital projects	600,823	1,476,970
	<u>\$ (808,404)</u>	<u>\$ (810,225)</u>

In Globe Funding

In Globe funding is funding provided by MHSC for regional programs unless otherwise specified as Out of Globe funding. This may include volume changes, price increases and program expansion 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 covered by internal reallocations of global funding from MHSC, own source revenues or additional global funding provided by MHSC.

Under MHSC policy, the Region is responsible for In Globe deficits, unless otherwise approved by MHSC.

6. Accounts receivable/payable - Manitoba Health and Seniors Care (continued)

Out of Globe Funding

Out of Globe funding is funding approved by MHSC 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 MHSC until such time as MHSC reviews the financial statements. At that time, MHSC determines what portion of the approved surplus may be retained by the Region or repaid to MHSC.

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

7. Unearned revenue

	<u>2021</u>	<u>2020</u>
Funded by MHSC	(6,129,692)	(4,559,119)
Funded by other sources	(3,101,997)	(2,419,182)
Balance, end of year	\$ (9,231,689)	\$ (6,978,301)
	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ (6,978,301)	(\$5,912,286)
Additional funding received in year	(6,524,970)	(6,637,713)
Less amounts recognized as revenue	4,271,582	5,571,698
	\$ (9,231,689)	\$ (6,978,301)

8. Employee future benefits

Multi-employer pension plan

Most of the employees of the Region 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 Chartered Professional Accountants of Canada Handbook section PS3250.

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, of the amount, together with the 7.9% of basic annual earnings up to the Canada Pension Plan ceiling and 9.5% of earning in excess of the ceiling, contributed by employees, required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by the Plan. The funding objective is for the employer contributions to the Plan to remain a constant percentage of employees' contributions.

Effective April 1, 2014, contributions began to establish Cost of Living Adjustment funds ("COLA") for the pension plan. Active pension plan members and their employers contribute 1.0% of pensionable earnings, with 90% of contributions going to the active members fund and 10% going to the retired members fund. COLA increases are done on an "ad hoc" basis and are not guaranteed. The first COLA was paid on January 1, 2018. Future COLAs, if granted, will be paid in January of the applicable year. The payments will be a lump sum.

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 for financial reporting purposes, which was completed as at December 31, 2020, disclosed the total actuarial value of the assets to be \$8,864,899,000 and the total actuarial value of the liabilities to be \$7,936,834,000, resulting in a surplus of \$928,065,000. Actual contributions to the plan made during the year by the Region on behalf of its employees amounted to \$11,443,392 (2020 - \$11,427,062) for the pension plan and \$1,409,437 (2020 - \$1,405,609) for the COLA plan and are included in the statement of operations.

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

Southern Health-Santé Sud
Notes to the financial statements
March 31, 2021

8. Employee future benefits (continued)

Pre-retirement leave benefits payable

The Region measures its obligation for pre-retirement leave benefits as of March 31 of each year. The most recent actuarial valuation report was at March 31, 2021.

Detailed information about the Region's pre-retirement leave benefits are as follows:

	2021	2020
Accrued benefit obligation	22,537,882	22,738,114
Unamortized net actuarial loss	(1,186,258)	(1,449,986)
Actuarial benefit liability	\$ 21,351,624	\$ 21,288,128

The change in actuarial benefit liability is detailed as follows:

	2021	2020
Accrued benefit liability, beginning of year	\$ 22,738,114	\$ 23,324,438
Current expense	2,301,644	2,240,077
Benefit payments	(2,449,222)	(2,189,712)
Transfer to Shared Health	-	(1,273,155)
Actuarial gain (loss)	(52,654)	636,466
Actuarial benefit liability, end of year	\$ 22,537,882	\$ 22,738,114

The split of the actuarial benefit liability is between the Region and the affiliated organizations is as follows:

	2021	2020
Actuarial benefit liability - Region	\$ 18,220,800	\$ 18,254,809
Actuarial benefit liability - Affiliated organizations	3,130,824	3,033,319
	\$ 21,351,624	\$ 21,288,128

The details of the expense related to pre-retirement leave benefits are as follows:

	2021	2020
Current year service cost	1,708,643	1,576,079
Interest cost	593,001	663,998
Amortization of actuarial (gain) loss	211,075	129,413
Total expense	\$ 2,512,719	\$ 2,369,490

Southern Health-Santé Sud
Notes to the financial statements
March 31, 2021

8. Employee future benefits (continued)

Pre-retirement leave benefits payable (continued)

The actuarial valuation is based on assumptions about future events. The significant actuarial assumptions adopted in measuring the Region's pre-retirement leave obligation are as follows:

	2021	2020
Discount rate	2.65%	2.60%
Rate of base compensation increase	3.50%	3.50%
Expected average remaining service life	7.9 years	7.9 years

The significant actuarial assumptions adopted in measuring the Region's pre-retirement leave expense are as follows:

	2021	2020
Discount rate	2.60%	3.10%
Rate of base compensation increase	3.50%	3.50%

Sick leave benefits payable

In the current year the Region undertook an actuarial valuation of the accrued sick leave benefits. Detailed information about the Region's sick leave benefits are as follows:

	2021	2020
Accrued benefit obligation	\$ (3,337,986)	\$ (3,516,190)
Unamortized net actuarial loss	(1,728,809)	(2,077,854)
Actuarial benefit liability	\$ (5,066,795)	\$ (5,594,044)

The change in actuarial benefit liability is detailed as follows:

	2021	2020
Accrued benefit liability, beginning of year	\$ 3,516,190	\$ 3,988,881
Current expense	381,405	378,948
Benefit payments	(547,970)	(660,177)
Transfer to Shared Health	-	(299,742)
Actuarial gain (loss)	(11,639)	108,280
Actuarial benefit liability, end of year	\$ 3,337,986	\$ 3,516,190

Southern Health-Santé Sud
Notes to the financial statements
March 31, 2021

8. Employee future benefits (continued)

Sick leave benefits payable (continued)

The details of the expense related to the Region's sick leave benefits are as follows:

	2021	2020
Current year service cost	289,579	266,555
Interest cost	91,826	112,394
Transfer to Shared Health	-	(299,742)
Amortization of actuarial (gain) loss	(360,684)	(374,565)
	\$ 20,721	\$ (295,358)

The actuarial valuation is based on assumptions about future events. The significant actuarial assumptions adopted in measuring the Region's sick leave obligation are as follows:

	2021	2020
Discount rate	2.65%	2.60%
Rate of base compensation increase	3.50%	3.50%
Expected average remaining service life	7.9 years	7.9 years

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

	2021	2020
Discount rate	2.60%	3.10%
Rate of base compensation increase	3.50%	3.50%

9. Available credit facility

MHSC has authorized the Region to set up a credit facility with the Region's financial institutions to finance operating requirements in the amount of \$16,100,000, with an interest rate of prime minus 1.00%. The balance drawn at March 31, 2021 was \$nil (\$nil in 2020).

Southern Health-Santé Sud
Notes to the financial statements
March 31, 2021

10. Long-term debt

	<u>2021</u>	<u>2020</u>
Promissory Notes payable in monthly principal payments of \$670,246 bearing interest rates between 3.25% to 6.25% with due dates from February 28, 2021 to September 30, 2048. Principal and interest fully funded by MHSC.	85,577,246	93,542,535
Promissory Notes payable in monthly blended installments of \$359,388 bearing interest rates between 1.5% to 3.05% with due dates from March 31, 2023 to February 28, 2061. Principal and interest fully funded by MHSC.	57,159,948	17,742,412
Capital loans where debt repayment has not yet started bearing interest at 0.55% (0.55% in 2020). Principal and interest will be fully funded by MHSC once debt repayment begins.	6,794,009	16,917,334
CMHC mortgages payable in monthly blended installments of \$28,952 bearing interest rates between 7.25% to 10.50% with due dates from October 1, 2021 to July 1, 2028. Principal and interest fully funded by MHSC.	1,202,794	1,460,667
CMHC mortgage payable in monthly blended installments of \$13,768 bearing interest at 1.04% due June 1, 2020. Secured by land and building.	-	41,235
CMHC mortgage payable in monthly blended installments of \$887 bearing interest at 7.875% due August 1, 2020. Secured by land and building.	-	4,333
Total	<u>\$ 150,733,996</u>	<u>\$ 129,708,516</u>

In 2021, tangible capital assets totaling \$1,321,425 were acquired which will be financed by loans drawn in 2022. Because these were approved purchases, the related principal and interest payments will be fully funded by MHSC.

Estimated principal repayment requirements for the next five years and thereafter are as follows:

2022	10,369,061
2023	9,555,421
2024	9,150,326
2025	9,193,214
2026	9,028,343
Thereafter	103,437,631
	<u>\$ 150,733,996</u>

Southern Health-Santé Sud
Notes to the financial statements
March 31, 2021

11. Commitments and contingencies

- (a) The Region is subject to individual legal actions arising in the normal course of business. The effect of any contingent claims relating to these legal actions is not determinable at the date of the audit report.
- (b) The Healthcare Insurance Reciprocal of Canada ("HIROC") is an organization that pools the public liability insurance risks of all its members. The Region may be subject to reassessment for losses, if any, experienced by the pool for the years in which it was a member, and these losses could be material. No reassessments have been made to March 31, 2021.
- (c) The Region has signed various building lease agreements and its minimum aggregate lease payments over the next five years and thereafter are as follows:

2022	1,064,646
2023	798,596
2024	548,903
2025	524,241
2026	397,606
Thereafter	1,836,669
	\$ 5,170,661

12. Tangible capital assets

Cost	2021					
	Opening	Transfer	Additions	Disposals	Writedowns	Closing
Land	\$ 1,653,519	\$ -	\$ -	\$ -	\$ -	\$ 1,653,519
Land improvements	2,398,859	358,192	234,027	-	-	2,991,077
Buildings	230,594,976	9,035	-	-	-	230,604,011
Building renovations and upgrades	21,450,553	1,137,735	-	-	-	22,588,288
Leasehold improvements	836,376	-	-	-	-	836,376
Building service equipment	14,302,490	5,180,212	-	-	-	19,482,702
Major equipment	76,701,879	1,057,135	968,628	-	-	78,727,643
Computers, software and automobiles	13,117,801	-	-	-	-	13,117,801
Construction in progress	28,388,919	(7,742,309)	33,936,382	-	-	54,582,992
	\$ 389,445,373	\$ -	\$ 35,139,037	\$ -	\$ -	\$ 424,584,410
Accumulated depreciation	2021					
	Opening	Transfer	Additions	Disposals	Writedowns	Closing
Land improvements	\$ (1,521,611)	\$ -	\$ (269,497)	\$ -	\$ -	\$ (1,791,108)
Buildings	(78,456,140)	-	(4,549,567)	-	-	(83,005,707)
Building renovations and upgrades	(7,543,292)	-	(1,100,971)	-	-	(8,644,263)
Leasehold improvements	(198,787)	-	(41,819)	-	-	(240,606)
Building service equipment	(4,147,626)	-	(807,100)	-	-	(4,954,726)
Major equipment	(65,568,162)	-	(2,888,281)	-	-	(68,456,443)
Computers, software and automobiles	(11,482,345)	-	(549,331)	-	-	(12,031,676)
	\$ (168,917,963)	\$ -	\$ (10,206,566)	\$ -	\$ -	\$ (179,124,529)
Net book value	\$ 245,459,881					

Southern Health-Santé Sud
Notes to the financial statements
March 31, 2021

12. Tangible capital assets (continued)

Cost	2020					
	Opening	Transfer	Additions	Disposals	Writedowns	Closing
Land	\$ 1,653,519	\$ -	\$ -	\$ -	\$ -	\$ 1,653,519
Land improvements	2,105,160	293,699	-	-	-	2,398,859
Buildings	229,913,605	681,371	-	-	-	230,594,976
Building renovations and upgrades	20,749,221	701,332	-	-	-	21,450,553
Leasehold improvements	836,376	-	-	-	-	836,376
Building service equipment	12,389,135	1,913,355	-	-	-	14,302,490
Major equipment	74,834,499	859,034	1,172,707	(164,361)	-	76,701,879
Computers, software and automobiles	13,099,778	18,023	-	-	-	13,117,801
Construction in progress	7,418,760	(4,466,814)	25,436,974	-	-	28,388,919
	\$ 363,000,053	\$ -	\$ 26,609,681	\$ (164,361)	\$ -	\$ 389,445,372

Accumulated depreciation	2020					
	Opening	Transfer	Additions	Disposals	Writedowns	Closing
Land improvements	\$ (1,296,410)	\$ -	\$ (225,201)	\$ -	\$ -	\$ (1,521,611)
Buildings	(73,913,477)	-	(4,542,663)	-	-	(78,456,140)
Building renovations and upgrades	(6,488,298)	-	(1,054,994)	-	-	(7,543,292)
Leasehold improvements	(156,968)	-	(41,819)	-	-	(198,787)
Building service equipment	(3,513,899)	-	(633,727)	-	-	(4,147,626)
Major equipment	(62,792,620)	-	(2,939,903)	164,361	-	(65,568,162)
Computers, software and automobiles	(10,472,983)	-	(1,009,362)	-	-	(11,482,345)
	\$ (158,634,655)	\$ -	\$ (10,447,669)	\$ 164,361	\$ -	\$ (168,917,963)
Net book value						\$ 220,527,409

Southern Health-Santé Sud
Notes to the financial statements
March 31, 2021

13. Manitoba Health and Seniors Care revenue

During the year, the Manitoba government has officially moved responsibility for the administration of the Mental Health Act to the Minister of Mental Health, Wellness and Recovery (MHWR) from the Minister of Manitoba Health and Seniors Care (MHSC), previously known as Manitoba Health, Seniors and Active Living. A portion of the In-Globe and Out-of-Global funding has moved to MHWR from MHSC. Overall funding to the Region has not changed, however funding will be received separately from each health department. MHWR funding guidelines and reporting requirements have yet to be defined.

MHSC revenue includes the following:

	<u>2021</u>	<u>2020</u>
Revenue as per final approved budget	\$ 326,242,335	\$ 321,068,904
Transfer to Mental Health, Wellness and Recovery	(20,012,300)	-
Province of Manitoba capital costs	(397,823)	(397,823)
Amounts recorded as unearned revenue	(41,168)	(41,168)
	305,791,043	320,629,913
Capital funding	15,065,052	14,287,387
Revenue recognized related to basic equipment funding	634,158	789,283
Revenue recognized related to specific programs:		
Adolescent Development	-	25,000
Community Falls Prevention	18,000	20,000
Tobacco Reduction	5,425	44,185
Healthy Together Now	25,169	5,682
Harm Reduction	36,675	36,675
Healthy Sexuality/Relationships	5,910	32,090
HPV Immunization	-	39,442
MyHealth teams	191,715	-
One time operational funding:		
COVID-19 pandemic funding	3,308,703	-
Wage Settlements	3,162,600	-
Immunization	226,083	264,384
Tertiary care regional centres	180,000	180,000
RAAM Clinic	115,101	-
Medical remuneration	(1,030,662)	(2,744,307)
MyHealth teams surplus deferrals	(162,221)	(402,240)
Recovery for Families First	(440,500)	-
Recovery for Towards Flourishing	(25,000)	-
Recovery for Teen Clinic	(6,250)	-
Pre-retirement leave funding transferred to Shared Health	-	(142,838)
Dialysis	-	60,537
Other	3	39
	\$ 327,101,004	\$ 333,125,232

Southern Health-Santé Sud
Notes to the financial statements
March 31, 2021

14. Operating expenses by expense type

	<u>2021</u>	<u>2020</u>
Salaries and benefits	\$ 253,588,551	\$ 243,681,050
Grants	49,216,533	47,149,727
Supplies and services	40,053,845	40,092,847
Miscellaneous	15,728,227	14,884,668
Amortization	10,206,565	10,447,670
Transportation	2,660,162	3,562,302
Bank charges and interest	3,970,544	3,903,113
Equipment expense	1,574,233	1,834,518
Computer	26,669	54,127
Communication	763,134	945,368
Insurance	1,374,122	1,155,831
Bad debt	274,719	168,966
Assets transferred to affiliated organizations	-	1,648,133
Employee training	347,562	500,590
Meals	125,341	275,403
Subscriptions	33,054	58,658
	<u>\$ 379,943,262</u>	<u>\$ 370,362,972</u>

15. Related party and economic dependence

Economic dependence

The Region receives in excess of 85% of its total revenue from MHSC and MHWR combined and is economically dependent on MHSC and MHWR for its continued operations.

Key management personnel

The Region undertakes an annual review to identify all of its related parties, including key management personnel, who are the individuals having authority and responsibility for planning, directing and controlling the activities of the entity. The key management personnel of the Region include members of the Board of Directors and Senior Management. Each person identified as a key manager is required to disclose, on an annual basis or as any applicable situation arises, any conflict of interest with the Region. If a conflict exists, the Region quantifies the transactions and discloses as required. There were no related party transactions during the year ended March 31, 2021 that required disclosure.

Entities under common control

The Region enters into funding arrangements either to receive or provide funding from/to other entities within the Province of Manitoba Government Reporting Entity. These entities are considered related parties as they and the Region are under common control of the Province of Manitoba. The funding received or provided is recognized on an accrual basis at the exchange value of the funding transferred between the entities.

16. Financial instruments

The Region, through its financial assets and liabilities has exposure to various risks in the normal course of operations. The Region's objective in risk management is to optimize the risk return within set limits, by applying integrated risk management and control strategies, policies and procedures throughout the organization's activities. The Region's risk management strategies are unchanged from the previous year. The following analysis provides a measurement of those risks at March 31, 2021.

Credit risk

The Region's principal financial assets, which are subject to credit risk are cash and accounts receivable.

Credit risk is the risk that the Region will incur a loss due to the failure by its debtors to meet their contractual obligations. The Region's credit risk is primarily attributable to its accounts receivable. The amounts disclosed in the balance sheet are net of allowance of doubtful accounts in the amount of \$4,484,376 (2020 - \$4,062,794) estimated by the management based on previous experience and its assessment of the current economic environment. The credit risk on cash is limited because the counterparties are primarily chartered banks with a high credit rating assigned by national credit-rating agencies.

The carrying amounts of these financial assets on the balance sheet represent the Region's maximum credit exposure at the balance sheet date.

Liquidity risk

Liquidity risk is the risk that the Region will not be able to meet its obligations as they come due. The Region maintains adequate levels of working capital to ensure all its obligations can be met when they come due.

Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Region is exposed to interest rate risk on its short term investments and certain long term debt. A 1% change in the prevailing interest rates has a nominal impact on the interest expense reported by the Region.

Foreign exchange risk

Foreign exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Region is not exposed to significant foreign exchange rate risk as virtually all of its financial instruments are denominated in Canadian dollars and the number of transactions undertaken in a foreign currency is minimal.

17. Manitoba housing income reconciliation

Schedule 1b has been prepared for Manitoba Housing and has been audited to the Region's materiality level.

18. Comparative figures

Some prior year balances have been reclassified to be consistent with the current year's presentation.

Southern Health-Santé Sud
Statement of Operations - Ancillary Operations
For the year ended March 31, 2021

Schedule 1a

	Elderly Person's Housing	Handivan	Retail Pharmacy	2021	2020
REVENUE					
Outside sources	\$ 1,288,691	\$ 10,184	\$ 1,093,652	\$ 2,392,527	\$ 2,501,344
	1,288,691	10,184	1,093,652	2,392,527	2,501,344
EXPENSES					
Operating	914,381	6,056	900,698	1,821,135	1,859,587
Amortization of capital assets	111,758	-	-	111,758	111,758
Interest on long term debt	92	-	-	92	1,904
	1,026,231	6,056	900,698	1,932,984	1,973,249
EXCESS OF REVENUE OVER EXPENSES	\$ 262,461	\$ 4,128	\$ 192,955	\$ 459,543	\$ 528,095

Southern Health-Santé Sud
Statement of Operations - Elderly Person's Housing
For the year ended March 31, 2021

Schedule 1b

	Regency House	Rotary Park	Crescent Lodge	Centennial Apartments	Boyne Towers	2021	2020
REVENUE							
Rental Income	\$ 396,399	\$ 235,389	\$ 78,749	\$ 197,101	\$ 258,182	\$ 1,165,820	\$ 1,235,721
MHRC Subsidy	10,855	-	-	-	-	10,855	75,113
Other	35,081	42,891	11,706	16,151	6,187	112,017	95,872
	442,336	278,280	90,455	213,251	264,370	1,288,691	1,406,707
EXPENSES							
Purchased Services	25,800	25,800	10,815	16,223	10,705	89,343	83,176
Interdepartmental Services	10,413	16,411	5,164	5,902	30,862	68,752	69,062
Salaries and Benefits	-	-	-	-	14,881	14,881	17,798
Mortgage Interest	35	56	-	-	-	92	1,904
Property Taxes	36,231	17,406	3,018	9,499	17,999	84,152	100,630
Insurance	5,500	3,200	1,100	4,400	5,100	19,300	18,750
Maintenance	81,714	48,264	3,746	9,142	5,064	147,930	146,664
Major Repairs	48,466	88,800	13,707	29,162	40,592	220,727	256,459
Electricity	53,695	34,233	13,240	27,771	53,107	182,046	179,839
Natural Gas	-	3,619	-	-	5,945	9,564	9,628
Water and Sewer	21,660	16,634	2,080	4,471	6,960	51,806	52,855
Professional Fees - Audit	1,200	1,200	1,200	1,200	1,200	6,000	5,700
Telephone	0	114	-	-	-	114	196
Supplies	4,101	4,823	198	1,631	9,014	19,767	16,120
Amortization of capital assets - Land Improvements	1,558	-	-	-	611	2,169	2,169
Amortization of capital assets - Building	55,246	-	-	19,745	20,733	95,723	95,723
Amortization of capital assets - Equipment	5,030	-	-	-	8,835	13,865	13,865
	350,651	260,560	54,267	129,145	231,607	1,026,231	1,070,537
EXCESS OF REVENUE OVER EXPENSES	\$ 91,684	\$ 17,720	\$ 36,188	\$ 84,106	32,762	\$ 262,461	\$ 336,170
Manitoba Housing Income Reconciliation: (Note 17)							
Principal payments on mortgage	\$ (41,235)	\$ (4,333)	\$ -	\$ -	\$ -	\$ (45,567)	\$ (173,752)
Depreciation land improvements	1,558	-	-	-	611	2,169	2,169
Depreciation buildings	55,246	-	-	19,745	20,733	95,723	95,723
Depreciation equipment	5,030	-	-	-	8,835	13,865	13,865
Recognition of unearned revenues	(30,466)	(9,807)	(5,820)	(29,556)	(3,376)	(79,026)	(80,459)
Income for Manitoba Housing Purposes	\$ 81,818	\$ 3,580	\$ 30,368	\$ 74,294	\$ 59,566	\$ 249,625	\$ 193,717
ACCUMULATED SURPLUS (DEFICIT)	214,376	(13,419)	74,675	63,118	(24,036)	\$ 314,714	771,744
Reserve for Major Repairs Balance	\$ 105,827	\$ 133,921	\$ 29,436	\$ 42,555	\$ 87,881	\$ 399,621	\$ 372,332