Province of Newfoundland and Labrador



Financial Statements of Crown Corporations, Boards and Authorities (A - M)

FOR THE YEAR ENDED 31 MARCH 2009



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Province of Newfoundland and Labrador

Financial Statements of Crown Corporations, Boards and Authorities (A – M)

For The Year Ended 31 March 2009

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INTRODUCTION

The Financial Statements of Crown Corporations, Boards and Authorities are a reproduction of the available audited financial statements of various Government organizations as approved by the applicable boards of these organizations. This report is produced alphabetically in two books; A to M and N to Z. The fiscal years noted in the table of contents are based on the fiscal year end of the organization.

Information on the financial position and results of operations of the Province for the 2008-09 fiscal year may be found in the following financial reports:

Public Accounts Volume I - Consolidated Summary Financial Statements

This volume presents the summary financial statements which consolidate the financial statements of the Consolidated Revenue fund with the financial statements of various Crown Corporations, Boards and Authorities, as approved by Treasury Board, which are controlled by the Government of Newfoundland and Labrador.

Public Accounts Volume II - Consolidated Revenue Fund Financial Statements

This Volume presents the financial position of the Consolidated Revenue Fund and the results of its activities on an accrual basis.

Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund

This report presents the actual budgetary contribution (requirement) of the Consolidated Revenue Fund along with details on the actual revenues and expenditures, by program, using the modified cash basis of accounting.

The Financial Statements of Crown Corporations, Boards and Agencies is also available on the Government's website at: www.fin.gov.nl.ca/comptrollergeneral/publications.htm.

Table of Contents

Name	Page
Board of Commissioners of Public Utilities (2009)	1
Bull Arm Site Corporation (2009)	11
Business Investment Corporation (2009)	23
Central Regional Health Authority (2009)	35
College of the North Atlantic (2009)	91
Conseil scolaire francophone provincial de Terre-Neuve-et Labrador (2008)	117
Consumer Protection Fund for Prepaid Funeral Services (2009)	147
Credit Union Deposit Guarantee Corporation (2008)	155
Director of Support Enforcement (2009)	167
Discovery Health Care Foundation Inc. (2007)	
Discovery Health Care Foundation Inc. (2009)	
Eastern Regional Health Authority (2009)	
Eastern Regional Health Authority - Cottages and Hostels (2009)	221
Eastern School District (2008)	239
Embalmers and Funeral Directors Board of Newfoundland and Labrador (2008)	
Grenfell Foundation Inc. (2009)	277
Health Care Foundation of St. John's Inc. (2009)	
Heritage Foundation of Newfoundland and Labrador (2009)	299
Janeway Children's Hospital Foundation (2009)	
Labrador-Grenfell Regional Health Authority (2009)	
Labrador-Grenfell Regional Health Authority	
St. Anthony Interfaith Home 12 Unit Apartment Complex (2009)	
Labrador-Grenfell Regional Health Authority	
St. Anthony Interfaith Home 20 Unit Apartment Complex (2009)	
Labrador School Board (2008)	
Labrador School Board Trust Fund (2008)	
Livestock Owners Compensation Board (2009)	
Marble Mountain Development Corporation (2009)	401
Memorial University of Newfoundland (2009)	
Multi-Materials Stewardship Board (2009)	457
Municipal Assessment Agency Inc. (2009)	471
Nalcor Energy (2008)	

Table of Contents (Continued)

Name	Page
Newfoundland and Labrador Arts Council (2009)	
Newfoundland and Labrador Centre for Health Information (2009)	527
Newfoundland and Labrador Crop Insurance Agency (2009)	539
Newfoundland and Labrador Film Development Corporation (2009)	545
Newfoundland and Labrador Government Sinking Fund (2008)	557
Newfoundland and Labrador Government Sinking Fund (2009)	571
Newfoundland and Labrador Housing Corporation (2009)	583
Newfoundland and Labrador Immigrant Investor Fund Limited (2009)	605
Newfoundland and Labrador Industrial Development Corporation (2009)	615
Newfoundland and Labrador Legal Aid Commission (2005)	623
Newfoundland and Labrador Legal Aid Commission (2006)	633
Newfoundland and Labrador Legal Aid Commission (2007)	645
Newfoundland and Labrador Liquor Corporation (2009)	655
Newfoundland and Labrador Municipal Financing Corporation (2009)	669
Newfoundland Hardwoods Limited (2009)	681
Newfoundland Ocean Enterprises Limited (2009)	687
Newvest Realty Corporation (2008)	695
Nova Central School District (2008)	709
Office of the High Sheriff of Newfoundland and Labrador (2008)	739
Office of the High Sheriff of Newfoundland and Labrador (2009)	745
Private Training Corporation Train Out Fund (2008)	751
Province of Newfoundland and Labrador Pooled Pension Fund (2008)	757
Provincial Advisory Council on the Status of Women Newfoundland and Labrador (2009)	783
Provincial Information and Library Resources Board (2009)	791
Public Accountants Licensing Board (2008)	805
Public Health Laboratory (2009)	
Registrar of the Supreme Court (2008)	821
Special Celebrations Corporation of Newfoundland and Labrador Inc. (2008)	831
Student Loan Corporation of Newfoundland and Labrador (2009)	837
The Rooms Corporation of Newfoundland and Labrador (2009)	847
Trinity-Conception-Placentia Health Foundation Inc. (2007)	859
Trinity-Conception-Placentia Health Foundation Inc. (2008)	867
Western Regional Health Authority (2009)	877

Table of Contents (Continued)

Name	Page
Western Regional Health Authority Bay St. George Senior Citizens Home 30 Unit Cottages (2009)	901
Western Regional Health Authority Gateway Cottages Association (2009)	911
Western Regional Health Authority Inter-Faith Home for Senior Citizens Cottages #1 & #2 (2009)	921
Western Regional Health Authority NLHC Senior Cottages (2009)	931
Western School District (2008)	945
Workplace Health, Safety and Compensation Commission (2006)	975
Workplace Health, Safety and Compensation Commission (2008)	1001

The financial statements of the following agencies were not received in time for the inclusion in this report:

C.A. Pippy Park Commission (2009)
Dr. H. Bliss Murphy Cancer Care Foundation (2008 & 2009)
Ever Green Environmental Corporation (2009)
House of Assembly (2009)
Newfoundland and Labrador Farm Products (2006, 2007, 2008 & 2009)
Newfoundland and Labrador Legal Aid Commission (2008 & 2009)
Newfoundland Government Fund (2004, 2005, 2006, 2007, & 2008)
Private Training Corporation Train Out Fund (2007)
Registrar of the Supreme Court (2009)
The Burin Peninsula Health Care Foundation Inc. (2008 & 2009)
Trinity-Conception-Placentia Health Foundation Inc. (2009)

FINANCIAL STATEMENTS

MARCH 31, 2009



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AUDITORS' REPORT

To: The Board of Commissioners of Public Utilities

We have audited the statement of financial position of the Board of Commissioners of Public Utilities (the "Board") as at March 31, 2009 and the statements of operations, accumulated surplus and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Nosunthy thom

Chartered Accountants St. John's, Newfoundland & Labrador May 29, 2009

Statement of Financial Position March 31, 2009

	2009	2008
ASSETS		
Current		
Cash	\$ 1,950,658	\$1,573,886
Receivables	65,270	33,702
Recoverable costs (Note 4)	121,034	210,532
Prepaid expenses	16,283	7,867
	2,153,245	1,825,987
Capital assets (Note 5)	62,279	45,691
	\$ 2,215,524	\$1,871,678
LIABILITIES		
Current		
Payables and accruals	\$ 173,902	\$ 168,376
Payroll accruals	353,166	282,622
Designated pension funds (Note 7)	119,124	71,678
	646,192	522,676
Commitments (Note 10)		
ACCUMULATED SURPLUS		
Invested in capital assets	62,279	45,691
Invested in designated pension funds	(119,124)	(71,678)
Internally restricted (Note 8)	1,283,774	1,142,760
Unrestricted	342,403	232,229
	1,569,332	1,349,002
	\$ 2,215,524	\$1,871,678

On Behalf of the Chairperson and CEO alen Vice-Chairperson

Statement of Operations Year Ended March 31, 2009

	2009	2008
Revenues		
Regulatory assessments	\$2,208,131	\$2,023,443
Insurance review assessments (Note 9)	-	236,542
Interest and other income	24,744	50,305
Pension fund income (Note 7)	3,799	9,592
	2,236,674	2,319,882
Expenses		
Amortization	16,391	28,233
Consulting fees	138,170	92,126
Insurance review costs (Note 9)	-	236,542
Office equipment, supplies and services	58,113	60,656
Pension obligations estimation adjustment (Note 7)	51,245	50,24
Rent and insurance (Note 10)	235,072	183,41
Salaries and associated costs	1,400,439	1,412,482
Telecommunications	31,508	34,958
Training and membership	33,527	16,99
Travel	51,879	21,694
	2,016,344	2,137,34
Excess of revenues over expenses	\$ 220,330	\$ 182,537

-

Statement of Accumulated Surplus Year Ended March 31, 2009

			2009			2008
	Invested in Capital Assets	Invested in Designated Pension Funds	Internally Restricted (Note 9)	Unrestricted	Total	Total
Balance as at beginning of year	\$ 45,691	\$ (71,678)	\$1,142,760	\$ 232,229	\$1,349,002	\$1,678,430
Excess of revenues over expenses	(16,391)	(47,446)	-	284,167	220,330	182,537
Assessment reductions	-	-	-	-	-	(511,965)
Invested in capital assets	32,979	-	-	(32,979)	-	-
Restricted during the year	-	*	141,014	(141,014)		
Balance as at end of year	\$ 62,279	\$ (119,124)	\$1,283,774	\$ 342,403	\$1,569,332	\$1,349,002

Statement of Cash Flows Year Ended March 31, 2009

	2009	2008
Operating activities		
Cash receipts from assessments and other revenues	\$2,205,106	\$ 1,812,681
Cash paid to suppliers and employees	(1,932,299)	(2,331,717)
Cash (used in) operating activities	272,807	(519,036)
Hearing and review activities		
Decrease in recoverable costs	89,498	415,472
Decrease in deferred costs – insurance review		237,352
Cash provided by hearing and review activities	89,498	652,824
Investing activities		
Purchase of capital assets	(32,979)	(27,823)
Decrease in designated pension funds	47,446	40,653
Cash provided by investing activities	14,467	12,830
Increase in cash during year	376,772	146,618
Cash position as at beginning of year	1,573,886	1,427,268
Cash position as at end of year	\$1,950,658	\$ 1,573,886

1. General

The Board of Commissioners of Public Utilities (the "Board") is an independent, quasi-judicial regulatory tribunal constituted in 1949 by the Lieutenant-Governor in Council pursuant to the *Public Utilities Act*. The Board regulates the electric utilities in the Province of Newfoundland and Labrador and is responsible for ensuring that the rates charged are reasonable and that the service provided is safe and reliable. Other responsibilities include: (a) the regulation of automobile insurance rates; (b) the regulation of, from June 8, 2004, fuel prices pursuant to the Petroleum Products Act; (c) limited regulation of the motor carrier industry as it relates to certain passenger and ambulance operations; and (d) to establish compensation for matters referred to the Board pursuant to the *Expropriation Act*. The Board was incorporated on May 12, 2000 pursuant to an amendment to the *Public Utilities Act* and as a Crown entity of the Province is not subject to provincial or federal income taxes.

2. Summary of significant accounting policies

These financial statements have, in all material respects, been prepared in accordance with Canadian generally accepted accounting principles, the more significant of which are set out below:

a) Operating revenues and expenses

Operating revenues and expenses are accounted for on the accrual basis.

b) Recoverable costs

Recoverable costs relating to regulatory hearings and specific enquiries held by the Board are accrued until the Board orders payment. The costs and subsequent recoveries for these enquiries are not included in the operating revenues and expenses of the Board.

c) Capital assets

Capital assets are recorded on the Statement of Financial Position at their historical cost and are amortized as follows:

٠	Furniture and equipment	-	20% declining balance method
٠	Computer hardware	-	35% declining balance method
٠	Computer software	-	50% declining balance method
٠	Leasehold improvements	-	the lesser of five year straight-line and remaining
			term of the lease

d) Severance pay

Severance pay is accounted for on the accrual basis and is based upon years of service and current salary levels. The entitlement to severance pay vests with employees after nine years of continual service and accordingly no provision has been made in the accounts for employees with less than nine years of continual service. The amount is payable when the employee ceases employment with the Board.

2. Significant accounting policies (cont'd)

e) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires the Board's management to make estimates and assumptions that affect the amounts reported in the financial statements and the notes related thereto. Actual results may differ from those estimates.

f) Designated pension funds

The Board maintains a defined benefit pension plan for two former commissioners. The Board accrues its obligation under employee benefit plans, net of plan assets. The cost of the Boards defined benefit pension is actuarially determined using the accumulated benefit method. The actuarial assumptions are a rate of return of 3.46% per annum using the UP94 mortality table projected to 2015 with scale AA.

3. Financial instruments

The Board's financial instruments consist of cash, receivables, recoverable costs and payables and accruals. Unless otherwise noted, it is management's opinion that the Board is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

4. Recoverable costs

	2009	2008
Recoverable costs, beginning of year	\$210,532	\$ 626,004
Add – specific enquiry costs incurred during the year:		
Consulting fees	169,531	328,198
Consumer Advocate	76,173	570,240
Transcription and printing	-	6,103
Advertising and notice	1,963	33,204
Other	39	4,458
	247,706	942,203
	458,238	1,568,207
Less – costs recovered during the year	337,204	1,357,675
Recoverable costs, end of year	\$121,034	\$ 210,532

5. Capital assets

	2009		2008
Original Cost	Accumulated Amortization	Net Book Value	Net Book Value
\$225,102	\$206,635	\$ 18,467	\$ 20,447
143,980	128,141	15,839	21,974
49,248	22,104	27,144	1,550
132,284	131,455	829	1,720
\$550,614	\$488,335	\$ 62,279	\$ 45,691
	Cost \$225,102 143,980 49,248 132,284	Original CostAccumulated Amortization\$225,102\$206,635143,980128,14149,24822,104132,284131,455	Original Cost Accumulated Amortization Net Book Value \$225,102 \$206,635 \$ 18,467 143,980 128,141 15,839 49,248 22,104 27,144 132,284 131,455 829

6. Bank credit agreement

The Board has established a \$1,000,000 line-of-credit subject to a general security agreement over all accounts and book debts, equipment, tangible capital assets and certain other assets. Any outstanding balance bears interest at the bank prime rate plus 0.5%.

7. Designated pension funds and pension obligations

Designated pension funds are disclosed in the Statement of Financial Position as net of the related pension obligation.

The Board maintains a deferred benefit pension plan for two former commissioners. Designated pension funds have been established and consist of investments maintained in trust with RBC Dexia Investor Services Trust on behalf of these pensioners and are recorded at market value.

	2009	2008
Balance on deposit, beginning of year	\$263,722	\$ 319,575
Add – earnings net of expenses	3,799	9,592
	267,521	329,167
Deduct – benefit payments	65,445	(65,445)
Balance on deposit, end of year	202,076	263,722
Related pension obligation	(321,200)	(335,400)
	\$(119,124)	\$ (71,678)

Pension obligations represent the present value of accrued pension benefits as calculated in an actuarial report dated May 12, 2009. A pension obligations estimation adjustment of \$51,245 (2008 - \$50,245) is included in expenses in the fiscal year.

In addition, other commissioners and employees for which no designated pension plan has been established are members of The Public Service Pension Fund Act 1991, pension contributions deducted from commissioners and employees salaries are matched by the Board and then resubmitted to the Province of Newfoundland and Labrador Pooled Pension Fund from which pensions will be paid to commissioners and employees when they retire. The Board's share of pension expense for the year of \$86,058 (2008 - \$65,377) is included in salaries and associated costs.

8. Internally restricted surplus

The Board has adopted a formal policy to accumulate and restrict estimated amounts required to meet expected future obligations. The amounts restricted as at March 31, 2009 are as follows:

	2009	2008
Lease commitments	\$ 242,900	\$ 232,580
Payroll contingency	91,048	73,514
Redundancy pay contingency	536,159	463,165
Working capital	413,667	373,501
	\$1,283,774	\$1,142,760

9. Insurance review

The Board incurred costs during the 2005, 2006 and 2007 fiscal years relating to the insurance industry review. These costs were deferred until all costs pertaining to the specific review had been accumulated and a special assessment issued. Assessment revenue and the related costs were included in the 2008 operating revenues and expenses of the Board.

10. Commitments

The Board has the following lease commitments for the rental of office space in St. John's and Grand Falls-Windsor:

١

<u>St. John's</u>

a) lease agreement in the amount of \$17,417 per month (\$209,004 per annum), concluding May 31, 2013.

Grand Falls-Windsor

b) lease agreement in the amount of \$2,825 per month (\$33,900 per annum), concluding February 28, 2010.

BULL ARM SITE CORPORATION FINANCIAL STATEMENTS March 31, 2009

Deloitte & Touche LLP 10 Factory Lane Fort William Building St. John's NL A1C 6H5 Canada

Tel: (709) 576-8480 Fax: (709) 576-8460 www.deloitte.ca

Auditors' Report

To the Directors of Bull Arm Site Corporation

We have audited the balance sheet of Bull Arm Site Corporation (the "Corporation") as at March 31, 2009 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures were audited by another firm of chartered accountants who issued their opinion without reservation dated June 3, 2008.

Deloite : Touche UP

Chartered Accountants June 11, 2009

BOARD OF DIRECTORS

JOHN OTTENHEIMER¹ Lawyer and Corporate Director

EDMUND J. MARTIN¹ President and Chief Executive Officer Nalcor Energy

BILL FANNING ^{1,2} President and Chief Operating Officer Spectrol Energy Services

MICHAEL MULROONEY ^{1,2} Production Day Coordinator Petro Canada

CATHY BENNETT¹ Owner / Operator Bennett Restaurants Ltd.

GERALD SHORTALL¹ Chartered Accountant and Corporate Director

GARY GORMAN² Dean, Faculty of Business Administration Memorial University

JIM KEATING² Vice-president Business Development Newfoundland and Labrador Hydro

FRED DROVER² Comptroller, Keyin College

PIERRE TOBIN⁴ Assistant Deputy Minister Natural Resources

OFFICERS

JOHN OTTENHEIMER³ Chairman

EDMUND J. MARTIN³ President and Chief Executive Officer

DERRICK F. STURGE³ Vice-President, Finance and Chief Financial Officer

CHRIS KIELEY³ Vice-President

GREG JONES³ General Manager

WAYNE D. CHAMBERLAIN³ General Counsel and Corporate Secretary

PETER A. HICKMAN³ Assistant Corporate Secretary

MARK G.S. BRADBURY³ Corporate Treasurer

GLENN H. MITCHELL³ Corporate Controller

HEAD AND CORPORATE OFFICE

P.O. Box 12800 St. John's, Newfoundland and Labrador

¹ Appointed March 31, 2009

² Term ended October 2008 but continued as member of the Board of Directors until March 31, 2009

³ Appointed April 27, 2009

⁴ Term ended upon appointment of new Board of Directors, March 31, 2009

BULL ARM SITE CORPORATION BALANCE SHEET

As at March 31	2009	2008
ASSETS		
Current assets		
Cash and cash equivalents	662,246	202,722
Investments (Note 2)	126,747	123,834
Receivables (Note 3)	553,682	62,421
Prepaid expenses (Note 4)	37,879	87,068
	1,380,554	476,045
Investment property (Note 5)	1	1
Property, plant and equipment (Note 6)	<u> </u>	630,397
	<u>1,895,537</u>	<u> 1.106,443</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	66,081	97,024
Due to related parties (Note 9)	768,738	· ·
Distribution payable to the Province of Newfoundland and Labrador (Note 7)	836,308	1,009,415
	1,671,127	1,106,439
Shareholder's equity		
Share capital		
Authorized		
100 common shares of no par value		
Issued		
3 common shares	3	3
Equity in investment property (Note 5)	1	1
Retained earnings	224,406	<u> </u>
	224,410	4
Contingent liability (Note 8)		
	<u>1,895,537</u>	<u>1,106,443</u>
See accompanying notes		

On behalf of the Board:

DIRECTOR

Siller

DIRECTOR

BULL ARM SITE CORPORATION

STATEMENT OF INCOME AND COMPREHENSIVE INCOME

For the year ended March 31	2009	2008
Revenue		
Province of Newfoundland and Labrador		
Operating grant	1,600,000	1,135,000
Lease and rental revenue	544,704	42,162
Interest	7,089	12,426
	2,151,793	1,189,588
Expenses		
Operating and maintenance	1,664,782	1,066,071
Amortization	115,415	145,036
	1,780,197	1,211,107
Net income (loss) (Note 7)	371,596	(21,519)

See accompanying notes

BULL ARM SITE CORPORATION STATEMENT OF RETAINED EARNINGS

For the year ended March 31	2009	2008
Retained earnings, beginning of year		-
Net income (loss) (Note 7)	371,596	(21,519)
Deductions (additions) to distribution payable to Province (Note 7)	(147,190)	21,519
Retained earnings, end of year	224,406	

BULL ARM SITE CORPORATION STATEMENT OF CASH FLOWS

For the year ended Morch 31	2009	2008
Cash provided by (used in)		
Operating activities		
Net income (loss)	371,596	(21,519)
Adjusted for items not involving a cash flow		
Amortization	115,415	145,036
Bad debt		2,875
	487,011	126,392
Changes in non-cash operating working capital balance		
Receivables	(491,261)	(55,981)
Due to related parties	768,738	-
Accounts payable and accrued liabilities	(30,943)	(9,711)
Performance bonds payable	-	(9,135)
Prepaid expenses	49,189	74,023
	<u> </u>	125,588
Financing activity		
Amounts paid or payable to Province of Newfoundland and Labrador (Note 7)	(320,297)	(32,362)
Net increase in cash and cash equivalents	462,437	93,226
Cash position, beginning of year	326,556	233,330
Cash position, end of year	<u> </u>	326,556
Cash is represented by		
Cash and cash equivalents	662,246	202,722
Investments	126,747	123,834
	788,993	326,556

See accompanying notes

BULL ARM SITE CORPORATION NOTES TO FINANCIAL STATEMENTS

The Bull Arm Site Corporation (Bull Arm or the Corporation) was incorporated by the Province of Newfoundland and Labrador (the Province) on September 15, 1995, under the Corporations Act. All shares of the Corporation were held by ministers of the crown on behalf of the Province. Its affairs were governed by a Board of Directors appointed by the Lieutenant-Governor in Council. Effective March 31, 2009, the Province authorized Nalcor Energy (Nalcor) to acquire the outstanding shares of the Corporation for \$1 and to maintain it as a subsidiary of Nalcor. Bull Arm was renamed Nalcor Energy - Bull Arm Fabrication Incorporated effective May 12, 2009.

An agreement between the Province and the parties involved in the Hibernia project provided for the transfer of assets, known as investment property, at the Bull Arm Site (Site) to the Province. Investment property is defined in the agreement to include buildings, fixed equipment, living and recreational facilities, drydock, wharves, vehicles and other assets. In addition, the Corporation may accept investment property from other lessors of the Site upon termination of the lease agreements. The purpose of the Corporation is to receive and administer these assets at the Site. Investment property that is surplus to the future needs of the Corporation is either transferred for nil proceeds to the Province for its use or, if not required by the Province, disposed of to third parties.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by the Corporation's management in accordance with Canadian generally accepted accounting principles. The preparation of these financial statements requires the use of estimates and assumptions that affect the amounts reported and disclosed in these statements and related notes. Key areas where management has made complex or subjective judgements include the fair value and recoverability of assets, environmental and asset retirement obligations, amortization, and property, plant and equipment. Actual results may differ from these estimates.

Revenue

Revenue is recognized on the accrual basis.

Investment Property

Management of the Corporation has concluded that it is not practical to determine the value of the investment property with sufficient reliability and thus investment property is recorded at a nominal value of \$1. Any costs associated with obtaining the investment property are expensed as incurred.

Property, Plant and Equipment

Property, plant and equipment is capitalized at cost at the time of acquisition. Contributions toward the acquisition of capital assets are deducted from the related capital asset cost with any amortization calculated on the net amount. Amortization is calculated using the methods described below based on the expected future life of the asset.

Computer equipment	30% declining balance
Vehicle	30% declining balance
Office equipment	20% declining balance
Topsides module hall door	20% declining balance
Security building	4% declining balance

Impairment of Long-Lived Assets

Bull Arm reviews the carrying value of its property, plant and equipment whenever events or changes in circumstances indicate that the expected undiscounted net cash flows could be lower than the carrying value of the property and assets. An impairment loss corresponding to the amount by which the carrying value exceeds fair value is recognized, if applicable.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

New Accounting Policies

Effective January 1, 2008, Bull Arm adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA).

(a) Disclosure and Presentation of Financial Instruments

Section 3862, Financial Instruments, Disclosures and Section 3863, Financial Instruments, Presentation sets out new accounting recommendations for disclosure and presentation of financial instruments. The new recommendations require disclosure of both quantitative and qualitative information that enables users of financial statements to evaluate the nature and extent of exposure to risks from financial instruments. These new standards did not have any impact on Bull Arm financial results. The additional disclosure is included in Note 10 to these financial statements.

(b) Capital Disclosures

Section 1535, Capital Disclosures requires Bull Arm to include additional information in the notes to the financial statements about its capital and the manner in which it is managed. This additional disclosure includes quantitative and qualitative information regarding objectives, policies and processes for managing capital. The additional required disclosure is provided in Note 11.

Distribution Payable to the Province of Newfoundland and Labrador

The Minister of Finance is authorized to invest any surplus from operations. Each year, the surplus or deficit from operations was credited or charged to the Distribution payable to the Province of Newfoundland and Labrador account however there are no set terms of payment (see Note 7). This account contains the accumulated results of operations of the Corporation since its inception, less any distributions paid to the Province. Effective January 1, 2009, rental revenues are to be retained by Bull Arm and are reflected in retained earnings.

2. INVESTMENTS

Investments of \$126,747 (2008 – \$123,834) in redeemable guaranteed investment certificates are valued at cost which approximates market value. Maturity dates range from April 17, 2009, to March 8, 2010, with interest rate of 0.75% (2008 2.00% - 2.55%).

3. RECEIVABLES

	2009	2008
Harmonized sales tax	78,208	53,802
Trade	475,378	7,929
Interest	96	690
	553,682	62,421

BULL ARM SITE CORPORATION NOTES TO FINANCIAL STATEMENTS

4. PREPAID EXPENSES

	2009	2008
Insurance	1,663	42,700
Grants	35,000	35,000
Maintenance		7,764
Salaries and employee benefits	1,216	1,196
Membership fees	<u>.</u>	408
	<u>37,879</u>	87,068

5. INVESTMENT PROPERTY

In March, 1998, the Corporation accepted all remaining investment property from the Hibernia Management Development Corporation. In November, 2001, the Corporation accepted investment property relating to the Terra Nova Project which remained on site following the expiration of a site lease with PCL Industrial Contractors Inc.

6. PROPERTY, PLANT AND EQUIPMENT

	Cost	Capital Contributions	Accumulated Amortization	Net Book Value
	2(009		
Computer equipment	16,464	-	15,053	1,411
Vehicles	45,672	-	27,928	17,744
Office equipment	6,246	-	4,873	1,373
Topsides module hall door	1,623,179	500,000	709,131	414,048
Security building	89,027	·	8,621	80,406
	1,780,588	500,000	<u> </u>	514,982
	200)8		
Computer equipment	16,464	-	14,449	2,015
Vehicles	45,672	-	20,323	25,349
Office equipment	6,246	-	4,530	1,716
Topsides module hall door	1,623,180	500,000	605,619	517,561
Security building	89,027		5,271	83,756
	1,780,589	500,000	650,192	<u> 630,397</u>

7. DISTRIBUTION PAYABLE TO THE PROVINCE OF NEWFOUNDLAND AND LABRADOR

The change in the distribution payable to the Province of Newfoundland and Labrador for the year is as follows:

	2009	2008
Balance, beginning of year	1,009,415	1,063,296
Amounts paid or payable to Province	(320,297)	(32,362)
Net income	371,596	(21,519)
Allocation to retained earnings	(224,406)	
Balance, end of year	836,308	1,009,415

BULL ARM SITE CORPORATION NOTES TO FINANCIAL STATEMENTS

8. CONTINGENT LIABILITY

- (a) The Corporation has agreed to store used tires at the Bull Arm Site on behalf of the Multi-Materials Stewardship Board until the recycling phase of the used tire recycling program begins. The Corporation does not receive any lease or rental income for providing this storage. Based upon legal advice obtained by the Corporation, it is the legal guardian of the tires and any possible liabilities arising in relation to the storage of the tires is the responsibility of the Corporation. The Corporation has directed legal counsel to seek an indemnification from any liabilities associated with the storage of used tires at the Bull Arm Site from the Multi-Materials Stewardship Board.
- (b) Bull Arm has undertaken a Phase 1 Environmental Site Assessment of the Site. Management is reviewing the conclusions and recommendations contained in the consultant's report but has not determined whether any additional investigation, remediation or other action will be undertaken and therefore the cost of any such actions cannot be reasonably determined at this time.

9. RELATED PARTY TRANSACTIONS

	2009	2008
Due to the Province of Newfoundland and Labrador	316,086	-
Due to Nalcor Energy	452,652	
	768,738	

The Province, Nalcor, Newfoundland and Labrador Hydro (Hydro) and Bull Arm are related parties.

- (a) The Province has provided office space, office equipment and furnishings, and legal services at no cost to the Corporation. These contributions are not reflected in these financial statements. Salaries and benefits for certain employees of the Corporation are paid directly by the Province and reimbursed by the Corporation.
- (b) Nalcor and Hydro provide engineering, technical, management and administrative services. These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments

Bull Arm has classified its financial instruments as follows:

Cash and cash equivalents Short-term investments Receivables Accounts payable and accrued liabilities Due to related parties Held-for-trading Held-to-maturity Loans and receivables Other liabilities Other liabilities

Each of these financial instruments is measured at amortized cost, which approximates fair value.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd.)

Risk Management

Exposure to credit risk and liquidity risk arises in the normal course of Bull Arm's business.

(a) Credit Risk

Bull Arm is exposed to credit risk in the event of non performance by counterparties to its financial instruments. Credit risk on sales is minimized by the credit terms extended to customers. Bull Arm has no history of collection issues. Bull Arm manages its investment credit risk exposure by restricting its investments to high quality securities such as Guaranteed Investment Certificates from Schedule 1 Canadian Chartered Banks.

(b) Liquidity Risk

Bull Arm is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. Short-term liquidity is provided through cash and cash equivalents on hand and funds from operations. Long-term liquidity risk is minimized through the provision of annual operating grants from the Province.

Bull Arm has no significant exposure to market risk.

11. CAPITAL MANAGEMENT

Bull Arm's objective when managing capital is to maintain its ability to continue as a going concern. The focus of the capital management policy is to provide flexibility to ensure cash continues to be available to satisfy capital requirements. Commencing in January 2009, rental revenues are retained by Bull Arm and reflected in retained earnings. The balance of surplus from operations are payable to the Province, but there are no set repayment terms.

12. INCOME TAXES

The Corporation is a crown entity of the Province and as such is not subject to Federal or Provincial income taxes.

13. COMPARATIVE FIGURES

Certain figures from the 2008 financial statements have been reclassified to conform with the basis of presentation used in 2009.

- 22 -

BUSINESS INVESTMENT CORPORATION

FINANCIAL STATEMENTS

31 MARCH 2009

Office of the Auditor General



OFFICE OF THE AUDITOR GENERAL St. John's, Newfoundland and Labrador

AUDITOR'S REPORT

To the Board of Directors Business Investment Corporation St. John's, Newfoundland and Labrador

I have audited the balance sheet of the Business Investment Corporation as at 31 March 2009 and the statements of equity, revenues and expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 March 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

JOHN L. NOSEWORTHY, CA Auditor General

St. John's, Newfoundland and Labrador 18 June 2009

STATEMENT 1

BUSINESS INVESTMENT CORPORATION BALANCE SHEET

·····	2009	2008
\$	18,340,233	\$ 16,008,226
	8,705,280	8,947,471
	9,422	9,422
¢	27 054 025	¢ 04.065.110
⊅_	47,034,933	\$ 24,965,119
	,	
\$	68,517	\$ 68,517
	26,986,418	24,896,602
\$	27,054,935	\$ 24,965,119
	\$	\$ 18,340,233 8,705,280 9,422 \$ 27,054,935 \$ 68,517 26,986,418

Contingent liabilities (Note 5) Commitments (Note 6)

See accompanying notes

Director of Portfolio Management

Signed on behalf of the Board:

Chairperson

STATEMENT 2

2008

2009

BUSINESS INVESTMENT CORPORATION STATEMENT OF EQUITY For the Year Ended 31 March

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Contributed capital (Note 7)		
Balance, beginning of year	\$ 50,008,969	\$ 52,843,509
Aquaculture Working Capital Fund reserve (Note 2)	10,462	9,237
Principal written off, net of recoveries (Note 3)	(1,338,309)	(2,843,777)
Balance, end of year	48,681,122	50,008,969
Deficit		
Balance, beginning of year	(25,112,367)	(28,961,562)
Excess of revenues over expenses	2,079,354	1,005,418
Principal written off, net of recoveries (Note 3)	1,338,309	2,843,777
Balance, end of year	(21,694,704)	(25,112,367)
Equity, end of year	\$ 26,986,418	\$ 24,896,602

See accompanying notes

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STATEMENT 3

2008

2009

BUSINESS INVESTMENT CORPORATION STATEMENT OF REVENUES AND EXPENSES For the Year Ended 31 March

		2007		
REVENUES			•,	
Interest on loans	\$	743,413	\$	513,739
Other investment income		403,612		622,465
Contributions from Province				
Small and Medium Enterprise Fund		2,000,000		-
Business Marketing and Development Program		1,000,000	1	1,000,000
Other Provincial contributions (Note 9)		866,271		870,557
	· · · · · · · · · · · · · · · · · · ·	5,013,296		<u>3,006,761</u>
EXPENSES				
Business Marketing and Development Program		640,084		705,399
Provision for decline in value of loans receivable				
and equity investments (Note 3)		1,427,540		424,503
Operating expenses (Note 9)		866,271		870,557
Miscellaneous expense		47		884
		2,933,942		2,001,343
Excess of revenues over expenses	\$	2,079,354	<u> </u>	1,005,418

2008

2009

BUSINESS INVESTMENT CORPORATION STATEMENT OF CASH FLOWS For the Year Ended 31 March

Cash flows from operating activities		
Excess of revenues over expenses Adjustments for non-cash items	\$ 2,079,354	\$ 1,005,418
Provision for decline in value of loans receivable and equity investments	1,427,540	424,503
	3,506,894	1,429,921
Cash flows from investing activities		
Increase in loans and equity investments Collection of loans and equity investments	(4,279,261) 3,093,912	(3,534,040) 3,475,102
	(1,185,349)	(58,938)
Cash flows from financing activities		
Aquaculture Working Capital Fund reserve	10,462	9,237
	10,462	9,237
Net increase in cash	2,332,007	1,380,220
Cash, beginning of year	16,008,226	14,628,006
Cash, end of year	\$ 18,340,233	\$ 16,008,226

Authority

The Business Investment Corporation (the Corporation) was established under the authority of the *Business Investment Corporation Act*. The Corporation is funded by the Province of Newfoundland and Labrador (the Province) and is responsible for making available and managing investments in small to medium sized private businesses, co-operatives, community development corporations and other enterprises for the purpose of creating employment opportunities for the people of the Province. The affairs of the Corporation are managed by a Board of Directors appointed by the Lieutenant-Governor in Council.

The Business Investment Corporation Act came into force effective 1 April 2002. Under this Act, the Business Investment Corporation was incorporated and became the successor to Enterprise Newfoundland and Labrador Corporation, the Fisheries Loan Board and the Farm Development Loan Board. Also under this Act, the Fisheries Loan Act, the Farm Development Loan Act, the Economic Recovery Commission Act and the Enterprise Newfoundland and Labrador Corporation Act were repealed.

1. Significant accounting policies

These financial statements have been prepared by the Corporation's management in accordance with Canadian generally accepted accounting principles. Outlined below are the significant accounting policies followed.

(a) Loans receivable

The Corporation records loans receivable at cost. When loans are identified as impaired, the Corporation records an allowance to reduce their carrying values to their estimated realizable amounts. Estimated realizable amounts are measured at discounted cash flows when the cash flows can be estimated with reasonable reliability, or alternatively, at the estimated net realizable value of the underlying security.

(b) Equity investments

The Corporation records equity investments at cost. In certain circumstances, the Corporation may have acquired the right to appoint representatives to an equity investee's board of directors or it may have a significant influence on the strategic operating, investing and financing policies of the investee. However, because of the nature of the Corporation's investment process and the manner in which these positions were acquired, such control or significant influence may not in fact be exercised or the Corporation may not intend to maintain such positions. Accordingly the Corporation's equity investments for all companies in which the Corporation holds voting rights are accounted for on the cost basis.

Provision is made by the Corporation for any decline in the value of investee companies which is considered to be other than temporary.

1. Significant accounting policies (cont.)

(c) Revenue recognition

Contributions from the Province are recorded as revenue to the Corporation.

Interest income is accounted for on the accrual basis for all loans other than the impaired portion of loans. Recognition of interest in accordance with the terms of the original loan agreement ceases when a loan becomes impaired. A loan is classified as impaired when, in the opinion of management, there is reasonable doubt as to the ultimate collectability of a portion of principal or interest, or when payment is contractually past due 90 days. The impaired portion of loans may revert to accrual status only when principal and interest payments have become fully current again, at which time any interest will be recognized in that fiscal year.

Dividends are recorded as income when received.

2. Aquaculture Working Capital Fund

On 30 March 2001, Enterprise Newfoundland and Labrador Corporation, a predecessor of the Corporation, entered into an agreement with the Federal and Provincial Governments to set up the Aquaculture Working Capital Fund (AWCF). The AWCF assists individuals and companies in the shell fish industry throughout the Province through repayable loans. The AWCF is a revolving fund in which the Corporation retains the loan repayments for future aquaculture loans until the conclusion of the agreement. The agreement is scheduled to conclude on 31 March 2011, extendable for 3 years, at which time the Corporation will reimburse all monies to the Federal and Provincial governments based on the proportions of their contribution.

To date the Corporation has received funding totalling \$1.5 million based on contributions of \$1.3 million in Federal funding from the Canada/Newfoundland Strategic Regional Diversification Agreement, and \$160,000 Federal and \$40,000 Provincial funding from the Canada/Newfoundland Agreement on Economic Renewal.

As at 31 March 2009, the AWCF had 14 loans outstanding totalling \$1,013,355 (2008 - 17 loans totalling \$1,186,323). During 2003-04 the Corporation established a separate loan portfolio and bank account to administer the AWCF and assist in identifying payments that are received and held for future loans. As at 31 March 2009, the AWCF had a balance of \$534,865 (2008 - \$338,959) which is included in these financial statements as cash.

3. Loans and equity investments

The determination of whether a loan is impaired and the appropriate carrying value of equity investments, involves significant judgement. The estimation of an appropriate allowance for decline in value of loans receivable and equity investments necessarily involves the use of estimates. These financial statements represent management's best estimates based on available information.

3. Loans and equity investments (cont.)

Loans and equity investments consist of the following:

	<u>2009</u>	<u>2008</u>
Loans receivable		
Principal due and unpaid	\$ 16,832,613	\$ 17,436,244
Principal not yet due	14,415,234	14,307,536
Interest due and unpaid	2,747,215	2,435,448
	33,995,062	34,179,228
Less: allowance for decline in value	(25,630,182)	(26,121,540)
·····	8,364,880	8,057,688
Equity investments		
Equity investments, at cost	19,667,433	19,728,458
Less: allowance for decline in value	(19,327,033)	(18,838,675)
	340,400	889,783
Loans and equity investments	\$ 8,705,280	<u>\$ 8,947,471</u>

The allowance for the decline in value of loans receivable and equity investments consists of the following:

	2009	<u>2008</u>
Balance, beginning of year	\$ 44,960,215	\$ 47,794,164
Principal written off, net of recoveries Interest written off, net of recoveries Provision for decline in value of loans receivable	(1,338,309) (92,231)	(2,843,777) (414,675)
and equity investments	1,427,540	424,503
Balance, end of year	\$ 44,957,215	\$ 44,960,215

The allowance for decline in value represents the Corporation's best estimate of future probable losses with respect to the loans receivable and equity investments. The Corporation recognizes that future economic and industry conditions are not predictable and therefore, their impact on the future cash flows anticipated is uncertain. Consequently, adjustments to the allowance are possible depending on the impact of these future events and management's best estimate of them.

4. Long-term investments

Long-term investments consist of 673 shares of Sun Life Financial Services of Canada Incorporated which were given to the Corporation as a result of the demutualization of Sun Life Assurance Company of Canada. The carrying value of the shares is recognized at the fair market value of \$9,422 as determined by the share price at the time of the transfer of shares to the Corporation. The fair market value of these shares as at 31 March 2009 was \$15,371 (2008 - \$32,297).

5. Contingent liabilities

- (a) A client of the Corporation has taken legal action as a result of certain alleged technical problems that the client claims to have experienced with a vessel that was financed through the Fisheries Loan Board Program. The amount of this potential claim is in the \$900,000 to \$1,100,000 range. In a matter related to this legal action, another party has been awarded a claim of \$1,800,000. The Province will not appeal this decision.
- (b) A statement of claim has been served on the Corporation by a company claiming a breach of contract. The company is claiming special damages of \$811,040, other general and unspecified damages, interest and costs associated with the action. The likelihood of loss as a result of this claim is not determinable.

6. Commitments

The Corporation has outstanding commitments in respect of approved but not yet disbursed loans, equity investments and/or grants in the amount of \$3,096,368 (2008 - \$3,849,300).

7. Contributed capital

Contributed capital represents accumulated capital contributions from the Province and the Government of Canada. These contributions are used for the purpose of making loans, equity investments, and providing business and market development grants. The Corporation depends on these capital contributions to carry out its mandate.

8. Financial instruments

The Corporation's financial instruments recognized on the balance sheet, in addition to the long-term investments described in Note 4, consist of cash, loans and equity investments, and borrowers' deposits. The carrying values of cash and borrowers' deposits approximate current fair value due to their nature and the short-term maturity or current market rate associated with these instruments.

The Corporation's loans and equity investments are recognized on the balance sheet at cost with provision being made for any decline in their value. Any estimated impairment of these loans and equity investments has been provided for through an allowance for decline in value and no further credit risk exists for these items. The carrying value of loans and equity investments approximates discounted value of expected receipts. Therefore, their carrying values approximate their current fair value and these instruments are not subject to any material interest rate risk.

9. Related party transactions

The Corporation is administered as a division of the Department of Innovation, Trade and Rural Development. Expenses related to salaries, accommodations and administration totaling \$866,271 (2008 -\$870,557) are paid directly by the Department and are reflected in these financial statements as expenses of the Corporation and as revenue from the Province.

10. Economic dependence

As a result of the Corporation's reliance on Provincial funding, the Corporation's ability to continue viable operations is dependent upon the decisions of the Province.

11. Income taxes

The Corporation is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.

- 34 -

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AUDITORS' REPORT

FINANCIAL STATEMENTS - MARCH 31, 2009





AUDITORS' REPORT

To the Board of Trustees of the Central Regional Health Authority

We have audited the consolidated balance sheet of the **Central Regional Health Authority** as at March 31, 2009 and the statements of changes in net assets, operations and cash flow for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2009 and the results of its operations and the changes in its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Gander, Newfoundland July 17, 2009

CONSOLIDATED

Balance Sheet

March 31, 2009	2009	2008
Assets		
Current assets:		
Receivables (Note 3)	\$ 19,169,137	12,548,071
Inventories (Note 4)	1,956,854	1,943,615
Prepaids (Note 5)	5,004,614	4,774,569
Total current assets	26,130,605	19,266,255
Cash restricted for security deposits	25,674	24,223
Investments restricted for general endowment purposes (Note 6)	430,161	391,801
Replacement reserve funding (Note 14)	310,828	276,230
Residents' trust funds held on deposit	751,903	679,247
Property, plant and equipment (Note 7)	55,902,486	59,332,851
	\$ 83,551,657	79,970,607
Liabilities Current liabilities:		
Bank indebtedness (Note 8)	\$ 177,214	10,856,893
Payables and accruals (Note 9)	25,078,014	22,218,661
Accrued vacation pay	10,763,896	9,282,621
Deferred grants and donations (Note 10)	19,441,040	5,436,082
Current portion of obligations under capital lease	116,598	
Current portion of long-term debt	1,244,314	126,281 1,186,646
Current portion of accrued severance pay - estimated	1,500,000	1,500,000
Total current liabilities		
Total current nabilities	58,321,076	50,607,184
Security deposits payable	25,674	24,223
Long-term debt (Note 11)	20,290,700	21,540,329
Obligations under capital lease (Note 12)	30,933	147,532
Trust funds payable	751,903	679,247
Accrued severance pay, less current portion	21,749,706	21,132,646
Unamortized deferred contributions related to property,		
plant and equipment (Note 13)	26,350,952	27,454,418
Replacement reserves (Note 14)	310,828	276,230
J.M. Olds scholarship and library funds	85,603	<u> </u>
	127,917,375	121,948,129
Net assets, per accompanying statement:		
Net assets invested in property, plant and equipment	7,803,669	8,755,956
Net assets restricted for general endowment purposes	430,161	391,801
Unrestricted net assets (deficit)	(52,599,548)	(51, 125, 279)
	(44,365,718)	(41,977,522)
	<u>\$ 83,551,657</u>	79,970,607
See accompanying notes	<u></u>	

Approved: tee Trustee an 10

CONSOLIDATED

Statement of Changes in Net Assets

Year ended March 31, 2009

		2009	6		2008
	Invested in Property, Plant and Equipment	Restricted for General Endowment Purposes	Unrestricted	Total	Total
Balance (deficit), beginning: As previously reported	\$ 8,755,956	391,801	(51,423,376)	(51,423,376) (42,275,619) (39,537,846)	(39,537,846)
Prior years' adjustment to revenue for donations deferred in error		•	298,097	298,097	298,272
As restated	8,755,956	391,801	(51,125,279)	(41,977,522) (39,239,574)	(39,239,574)
Deficiency of revenue over expenditure	(2,255,529)		(117,667)	(2,373,196) (2,737,948)	(2,737,948)
Investment in property, plant and equipment (Note 15)	1,318,242		(1,318,242)	r	ı
Equity in land sold	(15,000)	1		(15,000)	ı
Transfers to endowment fund: Reinvested investment income Contributed from unrestricted	• •	18,360 20,000	(18,360) (20,000)		
Balance (deficit), ending	\$ 7,803,669	430,161	(<u>52,599,548</u>)	(44,365,718) (41,977,522)	(<u>41,977,522</u>)

CONSOLIDATED

Statement of Operations

Revenue: \$ 238,401,315 218,814,183 MCP physicians salaries 11,281,390 10,403,171 Patient-resident services 11,390,800 11,399,880 CMHC mortgage interest subsidy (Note 11) 189,283 107,256 Redundancy and other funding 345,288 469,533 Capital project funding 345,288 469,533 Capital project funding 3,754,746 2,868,172 Cottage operations 1,471,369 1,457,116 Foundations 994,982 855,893 Other revenue 2,279,212 2,231,944 Z72,501,780 251,221,486 Expenditure: Administration 25,801,180 22,718,136 Community and social services 64,913,656 57,339,747 Support services - long-term care 26,623,062 23,622,121 Ambulatory care services 15,951,746 15,091,072 15,951,746 15,091,072 Diagnostic and therapeutic services 28,703,310 27,492,203 Medical services 15,951,746 1,402,692 Cottage operations, including amortiza	Year ended March 31, 2009	2009	2008
Provincial plan operating \$ 238,401,315 218,814,183 MCP physicians salaries 11,281,390 10,403,171 Patient-resident services 11,390,880 CMHC mortgage interest subsidy (Note 11) 108,928 107,256 Redundancy and other funding 345,288 489,533 Capital project funding 3,764,746 2,868,172 Cottage operations 1,471,369 1,457,116 Foundations 1,457,116 221,221,486 Expenditure: 2272,501,780 251,221,486 Administration 25,801,180 22,718,136 Community and social services 54,008,429 50,057,346 Nursing inpatient services - acute 26,622,906 23,622,121 Ambulatory care services 15,951,746 15,091,072 Diagonstic and therapeutic services 28,703,310 27,492,203 Medical services 15,251,141 14,207,669 Education services 1,408,164 1,426,792 Cottage operations, including amortization of \$5,151 (2008 - \$2,538) 1,467,006 1,450,096 Foundations, including amortization of \$5,151 (2008 - \$2,538) 1,467,006 1,450,096 <	Revenue:		
MCP physicians salaries 11,281,390 10,403,171 Patient-resident services 11,394,676 11,399,880 CMHC mortgage interest subsidy (Note 11) 108,928 107,256 Redundancy and other funding 345,288 469,533 Capital project funding 1,923,874 2,614,338 Recoveries 3,754,746 2,868,172 Cottage operations 1,471,369 1,467,116 Foundations 994,982 855,893 Other revenue 2,279,212 2,231,944 272,501,780 251,221,486 Expenditure: Administration 25,801,180 22,718,136 Community and social services 64,913,656 27,346,747 Support services 15,951,746 15,091,072 Diagnostic and therapeutic services 23,622,121 46,89,868 - long-term care 26,625,906 23,622,121 Diagnostic and therapeutic services 15,951,746 15,091,072 Diagnostic and therapeutic services 15,251,141 142,07,669 Eduction services 1,452,151 250,864,544 Surplus prior to non-shareable items 1,597,083 <		\$ 238 401 315	218 814 183
Patient-resident services 11,340,676 11,399,880 CMHC mortgage interest subsidy (Note 11) 108,928 107,256 Redundancy and other funding 345,288 499,533 Capital project funding 1,923,874 2,614,338 Recoveries 3,754,746 2,868,172 Cottage operations 1,471,369 1,457,116 Foundations 994,982 855,893 Other revenue 2,279,212 2,231,944 272,501,780 251,221,4866 Expenditure: Administration 25,801,180 22,718,136 Community and social services 54,008,429 50,057,346 Nursing inpatient services - acute 36,223,467 36,869,868 -long-term care 26,625,906 23,622,121 Ambulatory care services 15,951,746 15,091,072 Diagnostic and therapeutic services 15,251,141 14,207,669 Education services 15,251,141 14,26,792 Cottage operations, including amortization 650,692 530,494 Z70,904,697 250,864,544 270,904,697 250,864,544 Surplus prior to non-shareable items:			
CMHC mortgage interest subsidy (Note 11) 108,928 107,256 Redundancy and other funding 345,288 469,533 Capital project funding 1,923,874 2,614,338 Recoveries 3,754,746 2,688,172 Cottage operations 1,471,369 1,457,116 Foundations 994,982 855,893 Other revenue 2,279,212 2,231,944 Z72,501,780 251,221,486 Expenditure: Administration 25,801,180 22,718,136 Community and social services 64,913,656 57,398,747 36,829,868 - long-term care 26,622,906 23,622,121 Ambulatory care services 15,951,746 15,091,072 Diagnostic and therapeutic services 15,251,141 14,207,669 Education services 14,407,006 1,426,792 Cottage operations, including amortization 14,87,006 1,450,096 of 3378,429 (2008 - \$354,834) 1,467,006 1,450,096 Foundations, including amortization of \$5,151 (2008 - \$2,538) 550,692 530,494 2019us prior to non-shareable items: 1,597,083 356,942 Amo			
Redundancy and other funding 345,288 469,533 Capital project funding 1,923,874 2,614,338 Recoveries 3,754,746 2,868,172 Cottage operations 1,471,1369 1,457,116 Foundations 994,982 855,893 Other revenue 22,279,212 -2,231,944 272,501,780 251,221,486 Expenditure:		• •	
Capital project funding Recoveries 1,923,874 2,614,338 Recoveries 3,754,746 2,868,172 Cottage operations 1,471,369 1,457,116 Foundations 994,982 855,883 Other revenue 2,279,212 2,231,944 272.501,780 251,221,486 Expenditure: Administration 25,801,180 22,718,136 Community and social services 64,913,656 57,398,747 Support services 54,008,429 50,057,346 Nursing inpatient services - acute -long-term care 26,625,906 23,622,121 Ambulatory care services 15,951,746 15,091,072 Diagnostic and therapeutic services 15,251,141 14,207,669 Education services 1,420,7669 250,864,544 Cottage operations, including amortization of \$378,429 (2008 - \$354,834) 1,467,006 1,450,096 Foundations, including amortization of \$5,151 (2008 - \$2,538) 250,697 250,864,544 Surplus prior to non-shareable items: Amortization of deferred capital grants 3,557,464 3,898,563 Amortization of deferred capital grants 3,557,464 3,898,563 (1,481,270) (229,649)		-	,
Recoveries 3,754,746 2,868,172 Cottage operations 1,471,369 1,457,116 Foundations 994,982 855,893 Other revenue 2,279,212 2,231,944 272,501,780 251,221,486 Expenditure: Administration 25,801,180 22,718,136 Community and social services 54,008,429 50,057,346 Nursing inpatient services - acute 36,223,467 36,869,868 - long-term care 26,625,906 23,622,121 Ambulatory care services 15,951,746 15,091,072 Diagnostic and therapeutic services 28,703,310 27,492,203 Medical services 15,251,141 14,207,669 Education services 1,467,006 1,450,096 Foundations, including amortization of \$5,151 (2008 - \$2,538) 250,6692 530,494 Surplus prior to non-shareable items 1,597,083 356,942 Non-shareable items: Amortization of deferred capital grants 3,557,464 3,898,563 Amortization of deferred capital grants (5,429,413) (6,122,294) (222,949)			
Cottage operations 1,471,369 1,457,116 Foundations 994,982 855,893 Other revenue 2,279,212 2,231,944 272.501.780 251,221,466 Expenditure: Administration 25,801,180 22,718,136 Community and social services 54,008,429 50,057,346 Nursing inpatient services - acute 36,223,467 36,869,868 - long-term care 26,625,906 23,622,121 Ambulatory care services 15,951,746 15,091,072 Diagnostic and therapeutic services 28,703,310 27,492,203 Medical services 15,251,141 14,207,669 Education services 15,251,141 14,207,669 Education services 1,457,006 1,450,096 Foundations, including amortization 1,467,006 1,450,096 of \$378,429 (2008 - \$354,834) 1,467,006 1,450,096 Foundations, including amortization of \$5,151 (2008 - \$2,538) 550,692 530,494 270,904,697 250,864,544 22,084,563 26,622,949 Non-shareable items: Amortization of deferred capital grants 3,557,464 3,898,563	Recoveries		
Foundations 994,982 855,893 Other revenue 2,279,212 2,231,944 272,501,780 251,221,486 Expenditure: Administration 25,801,180 22,718,136 Community and social services 64,913,656 57,398,747 Support services 64,913,656 57,398,747 Support services 64,913,656 57,398,747 Nursing inpatient services - acute 36,223,467 36,869,868 long-term care 26,625,906 23,622,121 Ambulatory care services 15,951,746 15,091,072 Diagnostic and therapeutic services 28,703,310 27,492,203 Medical services 15,951,746 14,207,669 Education services 1,408,164 1,42,07,669 Cottage operations, including amortization of \$5,151 (2008 - \$2,538) 270,904,697 250,864,544 Surplus prior to non-shareable items 1,597,083 _356,942 Non-shareable items: 3,557,464 3,898,563 Amortization of deferred capital grants (5,429,413) (6,122,294) Accrued vacation pay - (increase) decrease (1,481,270) (229,649)	Cottage operations		
Expenditure: 272,501,780 251,221,486 Administration 25,801,180 22,718,136 Community and social services 64,913,656 57,398,747 Support services 64,913,656 57,398,747 Diagnostic and therapeutic services 26,625,906 23,622,121 Ambulatory care services 15,951,746 15,091,072 Diagnostic and therapeutic services 15,251,141 14,207,669 Education services 1,408,164 1,426,792 Cottage operations, including amortization of \$5,151 (2008 - \$2,538) 550,692 530,494 270,904,697 250,864,544 Surplus prior to non-shareable items 1,597,083 356,942 Non-shareable items: 3,557,464 3,898,563 Amortization (5,429,413) (6,122,294) Accrued vacation pay - (increase) decrease (1,481,270)	Foundations		
Expenditure: Administration 25,801,180 22,718,136 Community and social services 64,913,656 57,398,747 Support services 54,008,429 50,057,346 Nursing inpatient services - acute 36,223,467 36,869,868 - long-term care 26,625,906 23,622,121 Ambulatory care services 15,951,746 15,091,072 Diagnostic and therapeutic services 28,703,310 27,492,203 Medical services 28,703,310 27,492,203 Education services 1,408,164 1,4207,669 Cottage operations, including amortization 1,408,164 1,426,792 Cottage operations, including amortization of \$5,151 (2008 - \$2,538) 550,692 530,494 Z70,904,697 250,864,544 Surplus prior to non-shareable items 1,597,083 366,942 Non-shareable items: 3,557,464 3,898,563 Amortization (5,429,413) (6,122,294) Accrued vacation pay - (increase) decrease (1,481,270) 229,649) Accrued severance pay - (increase) decrease (1,481,270) (229,649) (617,060) (641,510) (641,510)	Other revenue	2,279,212	2,231,944
Administration 25,801,180 22,718,136 Community and social services 64,913,656 57,398,747 Support services 54,008,429 50,057,346 Nursing inpatient services - acute 36,223,467 36,869,868 - long-term care 26,625,906 23,622,121 Ambulatory care services 15,951,746 15,091,072 Diagnostic and therapeutic services 28,703,310 27,492,203 Medical services 15,251,141 14,207,669 Education services 15,351,746 15,091,072 Cottage operations, including amortization 1,408,164 1,426,792 Cottage operations, including amortization of \$378,429 (2008 - \$354,834) 1,467,006 1,450,096 Foundations, including amortization of \$5,151 (2008 - \$2,538) 550,692 530,494 200,904,697 250,864,544 250,864,544 Surplus prior to non-shareable items: 1,597,083 356,942 Non-shareable items: 3,557,464 3,898,563 Amortization (5,429,413) (6,122,294) Accrued vacation pay - (increase) decrease (1,481,270) 229,649) Accrued severance pay - (increase) decrease		272,501,780	251,221,486
Administration 25,801,180 22,718,136 Community and social services 64,913,656 57,398,747 Support services 54,008,429 50,057,346 Nursing inpatient services - acute 36,223,467 36,869,868 - long-term care 26,625,906 23,622,121 Ambulatory care services 15,951,746 15,091,072 Diagnostic and therapeutic services 28,703,310 27,492,203 Medical services 15,251,141 14,207,669 Education services 15,351,746 15,091,072 Cottage operations, including amortization 1,408,164 1,426,792 Cottage operations, including amortization of \$378,429 (2008 - \$354,834) 1,467,006 1,450,096 Foundations, including amortization of \$5,151 (2008 - \$2,538) 550,692 530,494 200,904,697 250,864,544 250,864,544 Surplus prior to non-shareable items: 1,597,083 356,942 Non-shareable items: 3,557,464 3,898,563 Amortization (5,429,413) (6,122,294) Accrued vacation pay - (increase) decrease (1,481,270) 229,649) Accrued severance pay - (increase) decrease	Expenditure:		
Community and social services 64,913,656 57,398,747 Support services 36,223,467 36,869,868 - long-term care 26,622,906 23,622,121 Ambulatory care services 15,951,746 15,091,072 Diagnostic and therapeutic services 28,703,310 27,492,203 Medical services 15,251,141 14,207,669 Education services 1,408,164 1,426,792 Cottage operations, including amortization 1,467,006 1,450,096 of \$378,429 (2008 - \$354,834) 1,467,006 1,450,096 Foundations, including amortization of \$5,151 (2008 - \$2,538) 550,692 530,494 270,904,697 250,864,544 Surplus prior to non-shareable items 1,597,083 356,942 Non-shareable items: 3,557,464 3,898,563 Amortization of deferred capital grants 3,557,464 3,898,563 Amortization Accrued vacation pay - (increase) decrease (1,481,270) (229,649) Accrued severance pay - (increase) decrease (1,481,270) (229,649) (617,060) (641,510) (3,094,890)	Administration	25,801,180	22,718,136
Nursing inpatient services - acute 36,223,467 36,869,868 - long-term care 26,625,906 23,622,121 Ambulatory care services 15,951,746 15,091,072 Diagnostic and therapeutic services 28,703,310 27,492,203 Medical services 15,251,141 14,207,669 Education services 1,408,164 1,426,792 Cottage operations, including amortization 1,467,006 1,450,096 of \$378,429 (2008 - \$354,834) 1,467,006 1,450,096 Foundations, including amortization of \$5,151 (2008 - \$2,538) 550,692 530,494 Z70,904,697 250,864,544 Surplus prior to non-shareable items 1,597,083 356,942 Non-shareable items: 3,557,464 3,898,563 Amortization of deferred capital grants (5,429,413) (6,122,294) Accrued vacation pay - (increase) decrease (1,481,270) (229,649) Accrued severance pay - (increase) decrease (617,060) (617,060) (641,510) (3,970,279) (3,094,890) (3,094,890)	Community and social services	64,913,656	
- long-term care 26,625,906 23,622,121 Ambulatory care services 15,951,746 15,091,072 Diagnostic and therapeutic services 28,703,310 27,492,203 Medical services 15,251,141 14,207,669 Education services 1,408,164 1,426,792 Cottage operations, including amortization of \$378,429 (2008 - \$354,834) 1,467,006 1,450,096 Foundations, including amortization of \$5,151 (2008 - \$2,538) 550,692 530,494 270,904,697 250,864,544 Surplus prior to non-shareable items 1,597,083 356,942 Non-shareable items: 3,557,464 3,898,563 Amortization of deferred capital grants 3,557,464 3,898,563 Accrued vacation pay - (increase) decrease (1,481,270) 229,649) Accrued severance pay - (increase) decrease (617,060) (641,510) (3,970,279) (3,094,890) (3,094,890) (3,094,890)		54,008,429	50,057,346
Ambulatory care services 15,951,746 15,091,072 Diagnostic and therapeutic services 28,703,310 27,492,203 Medical services 15,251,141 14,207,669 Education services 1,408,164 1,426,792 Cottage operations, including amortization of \$378,429 (2008 - \$354,834) 1,467,006 1,450,096 Foundations, including amortization of \$5,151 (2008 - \$2,538) 550,692 530,494 Z70,904,697 250,864,544 Surplus prior to non-shareable items 1,597,083 356,942 Non-shareable items: 3,557,464 3,898,563 Amortization of deferred capital grants 3,557,464 3,898,563 Accrued vacation pay - (increase) decrease (1,481,270) 229,649) Accrued severance pay - (increase) decrease (617,060) (641,510) (3,970,279) (3,094,890) (3,094,890)	Nursing inpatient services - acute	36,223,467	36,869,868
Diagnostic and therapeutic services 28,703,310 27,492,203 Medical services 15,251,141 14,207,669 Education services 1,408,164 1,426,792 Cottage operations, including amortization 1,467,006 1,450,096 of \$378,429 (2008 - \$354,834) 1,467,006 1,450,096 Foundations, including amortization of \$5,151 (2008 - \$2,538) 550,692 530,494 270,904,697 250,864,544 Surplus prior to non-shareable items 1,597,083 356,942 Non-shareable items: 3,557,464 3,898,563 Amortization of deferred capital grants (5,429,413) (6,122,294) Accrued vacation pay - (increase) decrease (1,481,270) 229,649) Accrued severance pay - (increase) decrease (1,3,970,279) (3,094,890)		26,625,906	23,622,121
Medical services 15,251,141 14,207,669 Education services 1,408,164 1,426,792 Cottage operations, including amortization 1,467,006 1,450,096 of \$378,429 (2008 - \$354,834) 1,467,006 1,450,096 Foundations, including amortization of \$5,151 (2008 - \$2,538) 550,692 530,494 270,904,697 250,864,544 Surplus prior to non-shareable items 1,597,083 356,942 Non-shareable items: 3,557,464 3,898,563 Amortization (5,429,413) (6,122,294) Accrued vacation pay - (increase) decrease (1,481,270) 229,649) Accrued severance pay - (increase) decrease (1,481,270) (229,649) (3,970,279) (3,094,890) (3,094,890)	•	15,951,746	15,091,072
Education services 1,408,164 1,426,792 Cottage operations, including amortization 1,408,164 1,426,792 of \$378,429 (2008 - \$354,834) 1,467,006 1,450,096 Foundations, including amortization of \$5,151 (2008 - \$2,538) 1,467,006 1,450,096 Surplus prior to non-shareable items 270,904,697 250,864,544 Non-shareable items: 1,597,083 356,942 Non-shareable items: 3,557,464 3,898,563 Amortization (5,429,413) (6,122,294) Accrued vacation pay - (increase) decrease (1,481,270) 229,649) Accrued severance pay - (increase) decrease (1,3,970,279) (3,094,890)			
Cottage operations, including amortization of \$378,429 (2008 - \$354,834) 1,467,006 1,450,096 Foundations, including amortization of \$5,151 (2008 - \$2,538) 270,904,697 250,864,544 Surplus prior to non-shareable items 1,597,083 356,942 Non-shareable items: 3,557,464 3,898,563 Amortization (5,429,413) (6,122,294) Accrued vacation pay - (increase) decrease (1,481,270) 229,649) Accrued severance pay - (increase) decrease (1,481,270) (229,649) (3,970,279) (3,094,890)			
of \$378,429 (2008 - \$354,834) 1,467,006 1,450,096 Foundations, including amortization of \$5,151 (2008 - \$2,538) 270,904,697 250,864,544 Surplus prior to non-shareable items 1,597,083 356,942 Non-shareable items: 3,557,464 3,898,563 Amortization of deferred capital grants (5,429,413) (6,122,294) Accrued vacation pay - (increase) decrease (1,481,270) (229,649) Accrued severance pay - (increase) decrease (3,970,279) (3,094,890)		1,408,164	1,426,792
Foundations, including amortization of \$5,151 (2008 - \$2,538) 550,692 530,494 270,904,697 250,864,544 Surplus prior to non-shareable items 1,597,083 356,942 Non-shareable items: 3,557,464 3,898,563 Amortization of deferred capital grants (5,429,413) (6,122,294) Accrued vacation pay - (increase) decrease (1,481,270) 229,649) Accrued severance pay - (increase) decrease (3,970,279) (3,094,890)			4 4 5 9 9 9 9
270,904,697 250,864,544 Surplus prior to non-shareable items 1,597,083 356,942 Non-shareable items: 3,557,464 3,898,563 Amortization of deferred capital grants 3,557,464 3,898,563 Amortization (5,429,413) (6,122,294) Accrued vacation pay - (increase) decrease (1,481,270) 229,649) Accrued severance pay - (increase) decrease (13,970,279) (3,094,890)			
Surplus prior to non-shareable items 1,597,083 356,942 Non-shareable items: Amortization of deferred capital grants 3,557,464 3,898,563 Amortization (5,429,413) (6,122,294) Accrued vacation pay - (increase) decrease (1,481,270) 229,649) Accrued severance pay - (increase) decrease (13,970,279) (3,094,890)	Foundations, including amortization of \$5,151 (2008 - \$2,538)	550,692	530,494
Non-shareable items: Amortization of deferred capital grants 3,557,464 3,898,563 Amortization (5,429,413) (6,122,294) Accrued vacation pay - (increase) decrease (1,481,270) (229,649) Accrued severance pay - (increase) decrease (617,060) (641,510) (3,970,279) (3,094,890)		270,904,697	250,864,544
Amortization of deferred capital grants 3,557,464 3,898,563 Amortization (5,429,413) (6,122,294) Accrued vacation pay - (increase) decrease (1,481,270) (229,649) Accrued severance pay - (increase) decrease (617,060) (641,510) (3,970,279) (3,094,890)	Surplus prior to non-shareable items	1,597,083	356,942
Amortization of deferred capital grants 3,557,464 3,898,563 Amortization (5,429,413) (6,122,294) Accrued vacation pay - (increase) decrease (1,481,270) (229,649) Accrued severance pay - (increase) decrease (617,060) (641,510) (3,970,279) (3,094,890)	Non-shareable items:		
Amortization (5,429,413) (6,122,294) Accrued vacation pay - (increase) decrease (1,481,270) (229,649) Accrued severance pay - (increase) decrease (617,060) (641,510) (3,970,279) (3,094,890)		3 557 464	3 898 563
Accrued vacation pay - (increase) decrease (1,481,270) (229,649) Accrued severance pay - (increase) decrease (617,060) (641,510) (3,970,279) (3,094,890)			
Accrued severance pay - (increase) decrease (<u>617,060</u>) (<u>641,510</u>) (<u>3,970,279</u>) (<u>3,094,890</u>)	Accrued vacation pay - (increase) decrease	,	
Deficiency of revenue over expenditure <u>\$(2,373,196</u>) (<u>2,737,948</u>)		<u>(3,970,279</u>)	(<u>3,094,890</u>)
	Deficiency of revenue over expenditure	<u>\$(2,373,196</u>)	(<u>2,737,948</u>)

CONSOLIDATED

Statement of Cash Flow

Year ended March 31, 2009	2009	2008
Cash flows:		
Operations: Deficiency of revenue over expenditure Amortization Amortization of deferred capital grants Gain on disposal of property, plant and equipment	\$(2 ,373,196) 5,812,995 (3,557,464) (23,337)	(2,807,773) 6,479,667 (3,898,563)
	(141,002)	(226,669)
Changes in: Receivables Inventories Prepaids Deferred charges Payables and accruals Accrued vacation pay Deferred grants and donations Accrued severance pay	(6,621,065) (13,239) (230,044) - 2,859,353 1,481,270 14,004,958 <u>617,060</u>	(2,179,629) 134,724 (1,046,050) 4,586 596,668 228,496 (293,823) 641,510
	11,957,291	(_2,140,187)
Investing: Additions to property, plant and equipment Deposits on property, plant and equipment Increase in general endowment fund investments Donation received for general endowment fund Proceeds on disposal of property, plant and equipment	(2,675,010) (38,360) <u>79,707</u> (2,633,663)	(7,712,837) 2,188,547 (102,470) 70,000
Financing: Repayment of long-term debt Repayment of capital leases Net changes in J. M. Olds funds Grants used for the purchase of property, plant and equipment Department used for the purchase of property.	(1,191,961) (126,281) (717) 2,449,377	(1,291,987) (119,183) 746 7,223,739
Donations used for the purchase of property, plant and equipment New loan proceeds	225,633	307,451 149,737
	1,356,051	6,270,503
Net increase (decrease) in cash	10,679,679	(1,426,444)
Cash, net of bank indebtedness: Beginning	_ <u>(10,856,893</u>)	(<u>9,430,449</u>)
Ending (Note 8)	<u>\$(177,214</u>)	(<u>10,856,893</u>)

OPERATING

Balance Sheet

March 31, 2009	2009	2008
Assets		
Current assets: Receivables (Note 3) Due from cottage operations and Foundations - net Inventories (Note 4) Prepaids (Note 5)	\$ 19,097,574 260,172 1,956,854 4,936,447	12,449,229 477,903 1,943,615 4,706,669
Total current assets	26,251,047	19,577,416
Residents' trust funds held on deposit Property, plant and equipment (Note 7)	751,903 50,296,490	679,247 <u>53,343,276</u>
	<u>\$ 77,299,440</u>	_73,599,939
Liabilities		
Current liabilities: Bank indebtedness (Note 8) Payables and accruals (Note 9) Accrued vacation pay Deferred grants and donations (Note 10) Current portion of obligations under capital lease Current portion of long-term debt Current portion of accrued severance pay - estimated	\$ 979,829 25,046,459 10,763,286 19,441,040 116,598 842,038 1,500,000	11,477,151 22,177,636 9,282,016 5,406,082 126,281 810,471 1,500,000
Total current liabilities	58,689,250	50,779,637
Long-term debt (Note 11) Obligations under capital lease (Note 12) Trust funds payable Accrued severance pay, less current portion Unamortized deferred contributions related to property,	15,276,644 30,933 751,903 21,749,706	16,118,842 147,532 679,247 21,132,646
plant and equipment (Note 13) J.M. Olds scholarship and library funds	26,350,952 85,603	27,454,418 86,320
	122,934,991	<u>116,398,642</u>
Net assets, per accompanying statement: Net assets invested in property, plant and equipment Unrestricted net assets (deficit)	7,612,324 (<u>53,247,875</u>)	8,562,361 (<u>51,361,064</u>)
	<u>(45,635,551</u>)	(<u>42,798,703</u>)
	<u>\$ 77,299,440</u>	73,599,939

OPERATING

Statement of Changes in Net Assets

Year ended March 31, 2009

		2009		2008
	Invested in Property, <u>Plant and Equipment</u>	Unrestricted	Total	Total
Balance (deficit), beginning	\$ 8,562,361	(51,361,064)	(42,798,703)	(39,728,336)
Deficiency of revenue over expenditure	(1,871,949)	(949,899)	(2,821,848)	(3,070,367)
Investment in property, plant and equipment (Note 15)	936,912	(936,912)		1
Equity in land sold	(15,000)		(15,000)	-
Balance (deficit), ending	<u>\$ 7,612,324</u>	(<u>53,247,875</u>)	(45,635,551)	(42,798,703)

OPERATING

Statement of Operations

Year ended March 31, 2009	2009	2008
Revenue:		
Provincial plan	\$ 233,363,809	214,548,349
Primary Health Care	628,924	444,800
MCP physicians salaries	11,281,390	10,403,171
Inpatient	1,642,680	1,500,846
Outpatient	2,415,804	2,006,313
Resident revenue - long-term care	7,882,192	7,892,721
CMHC mortgage interest subsidy (Note 11)	108,928	107,256
Redundancy and other funding	345,288	469,533
Capital project funding	1,923,874	2,614,338
National Child Benefit	1,412,694	1,192,074
Early Childhood Development	733,067	767,997
Early Learning and Child Care Initiatives	2,262,822	1,860,963
Recoveries - services	2,164,289	909,639
- salaries	1,262,667	1,661,098
- ambulance	327,790	297,435
Other miscellaneous revenue	2,279,212	2,231,944
	270,035,430	248,908,477
Expenditure:		
Administration	25,801,180	22,718,136
Primary Health Care	805,091	516,894
Community and social services	64,108,565	56,881,853
Support services	54,008,429	50,057,346
Nursing inpatient services - acute	36,223,467	36,869,868
- long-term care	26,625,906	23,622,121
Ambulatory care services	15,951,746	15,091,072
Diagnostic and therapeutic services	28,703,310	27,492,203
Medical services	15,251,141	14,207,669
Education services	1,408,164	1,426,792
	268,886,999	248,883,954
Surplus prior to non-shareable items	1,148,431	24,523
Non-shareable items:		
Amortization of deferred capital grants	3,557,464	3,898,563
Amortization	(5,429,413)	(6,122,294)
Accrued vacation pay - (increase) decrease	(1,481,270)	(229,649)
Accrued severance pay - (increase) decrease	(617,060)	(<u>641,510</u>)
	(3,970,279)	(<u>3,094,890</u>)
Excess (deficiency) of revenue over expenditure	<u>\$(2,821,848</u>)	(<u>3,070,367</u>)

OPERATING

Statement of Cash Flow

Year ended March 31, 2009	2009	2008
Cash flows:		
Operations: Deficiency of revenue over expenditure Amortization Amortization of deferred capital grants Gain on disposal of property, plant and equipment	\$(2,821,848) 5,429,413 (3,557,464) (23,337)	(3,070,367) 6,122,294 (3,898,563)
	(973,236)	(846,636)
Changes in: Receivables Due from cottage operations and Foundations Inventories Prepaids Deferred charges Payables and accruals Accrued vacation pay Deferred grants and donations Accrued severance pay	(6,648,345) 217,731 (13,239) (229,778) 2,868,823 1,481,270 14,034,958 617,060	(2,108,532) (69,598) 134,724 (1,044,002) 4,586 594,111 229,640 (323,648) <u>641,510</u>
	11,355,244	(_2,787,845)
Investing: Additions to property, plant and equipment Deposits on property, plant and equipment Proceeds on disposal of property, plant and equipment	(2,675,010) 	(7,560,563) 2,188,547
	(2,595,303)	(<u>5,372,016</u>)
Financing: Repayment of long-term debt Repayment of capital leases Net changes in J.M. Olds funds Grants used for the purchase of property, plant	(810,631) (126,281) (717)	(936,320) (119,183) 746
and equipment Donations used for the purchase of property, plant	2,449,377	7,223,739
and equipment New loan proceeds	225,633	307,451 <u>31,338</u>
	1,737,381	6,507,771
Net increase (decrease) in cash	10,497,322	(1,652,090)
Cash, net of bank indebtedness:		
Beginning	<u>(11,477,151</u>)	(<u>9,825,061</u>)
Ending (Note 8)	<u>\$(979,829</u>)	(<u>11,477,151</u>)

See accompanying notes

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NORTH HAVEN MANOR COTTAGES UNITS PHASE I, II, III

Balance Sheet

March 31, 2009	2009	2008
Assets		
Current assets: Cash Receivables (Note 3) Prepaids (Note 5)	\$ 102,831 17,236 37,473	10,498 14,993 <u>37,252</u>
Total current assets	157,540	62,743
Cash restricted for security deposits Replacement reserve cash Property, plant and equipment (Note 7)	11,904 74,033 <u>2,546,536</u> <u>\$ 2,790,013</u>	12,105 44,003 <u>2,709,272</u> <u>2,828,123</u>
Liabilities		
Current liabilities: Payables and accruals (Note 9) Due to Central Regional Health Authority Current portion of long-term debt	\$ 18,023 169,152 <u> 166,975</u>	14,271 108,095 <u>158,244</u>
Total current liabilities	354,150	280,610
Security deposit liability Long-term debt (Note 11) Replacement reserve (Note 14)	11,904 2,268,044 <u>74,033</u> <u>2,708,131</u>	12,105 2,439,511 <u>44,003</u> <u>2,776,229</u>
Net assets, per accompanying statement:		
Net assets invested in property, plant and equipment Unrestricted net assets (deficit)	119,550 <u>(37,668</u>)	119,550 (<u>67,656</u>)
	81,882	51,894
	<u>\$ 2,790,013</u>	<u>2,828,123</u>

NORTH HAVEN MANOR COTTAGES UNITS PHASE I, II, III

Statement of Changes in Net Assets

Year ended March 31, 2009

		2009		2008
	Invested in Property, Plant and Equipment	Unrestricted	Total	Total
Balance, beginning	\$ 119,550	(67,656)	51,894	16,011
Excess of revenue over expenditure	(162,736)	192,724	29,988	35,883
Repayment of long-term debt (Note 15)	<u> 162,736</u>	(<u>162,736</u>)		
Balance, ending	<u>\$ 119,550</u>	(<u> 37,668</u>)	<u>81,882</u>	<u>51,894</u>

NORTH HAVEN MANOR COTTAGES UNITS PHASE I, II, III

Statement of Operations

Year ended March 31, 2009

	200 Budget)9 Actual	2008 Actual
Revenue: Rentals NLHC subsidy Interest	\$ 570,641 187,121 500	530,733 204,953 <u>412</u>	546,760 193,657 936
	758,262	736,098	<u>741,353</u>
Expenditures: Administration Allocation to replacement reserve Amortization Fire and safety Heat and light Insurance Mortgage interest Municipal taxes Office Professional fees Repairs and maintenance Salaries and benefits Snowclearing	9,300 30,220 162,736 2,856 153,454 5,400 190,328 51,000 200 1,000 37,000 89,250 23,000	9,300 30,220 162,736 - 158,609 5,731 133,868 49,933 62 1,800 24,510 77,693 48,462	9,300 30,220 151,522 2,856 155,692 5,283 145,226 49,361 264 5,592 32,874 79,832 34,957
Telephone Travel	2,300 <u>218</u>	2,101 <u>1,085</u>	2,101 <u>390</u>
	758,262	706,110	705,470
Excess of revenue over expenditures	<u>\$</u>	29,988	<u>35,883</u>

NORTH HAVEN MANOR COTTAGES UNITS PHASE I, II, III

Statement of Cash Flow

Year ended March 31, 2009	2009	2008
Cash flows: Operations: Excess of revenue over expenditure	\$ 29,988	35,883
Amortization	162,736	151,522
	192,724	187,405
Changes in: Receivables Prepaids Payables and accruals Due to Central Regional Health Authority	(2,243) (221) 3,752 <u>61,057</u> <u>255,069</u>	(3,884) 1,141 (322) (<u>23,658</u>) <u>160,682</u>
Financing: Principal repayments	_ <u>(162,736</u>)	(<u>151,519</u>)
Net increase in cash	92,333	9,163
Cash	40.400	4 0 0 5
Beginning	<u> 10,498</u>	1,335
Ending	<u>\$ 102,831</u>	10,498

NORTH HAVEN MANOR COTTAGE UNITS PHASE IV

Balance Sheet

March 31, 2009	2009	2008
Assets		
Current assets: Cash Receivables (Note 3) Prepaids (Note 5)	\$ 7,268 36,530 3,756	9,584 8,191 3,710
Total current assets	47,554	21,485
Cash restricted for security deposits Due from NLHC for replacement reserve Property, plant and equipment (Note 7)	1,415 107,850 <u>517,299</u>	1,415 108,330 <u>538,176</u>
	<u>\$ 674,118</u>	669,406
Liabilities		
Current liabilities: Payables and accruals (Note 9) Due to Central Regional Health Authority Current portion of long-term debt	\$ 3,374 44,180 <u>21,741</u>	7,910 13,575 <u>25,385</u>
Total current liabilities	69,295	46,870
Security deposit liability Long-term debt (Note 11) Replacement reserve (Note 14)	1,415 480,558 107,850	1,415 497,791 <u>108,330</u>
	659,118	654,406
Net assets, per accompanying statement Invested in property, plant and equipment	15,000	15,000
	<u>\$ 674,118</u>	<u>669,406</u>

CENTRAL REGIONAL HEALTH AUTHORITY NORTH HAVEN MANOR COTTAGE UNITS PHASE IV

Statement of Changes in Net Assets

Year ended March 31, 2009

	2009		_2008_	
	Invested in Property, Plant and Equipment	Unrestricted	Total	Total
Balance, beginning	\$ 15,000	-	15,000	15,000
Excess of revenue over expenditure	(20,877)	20,877	-	-
Repayment of long-term debt (Note 15)	20,877	(<u>20,877</u>)		·
Balance, ending	<u>\$ 15,000</u>		<u>15,000</u>	<u>15,000</u>

CENTRAL REGIONAL HEALTH AUTHORITY NORTH HAVEN MANOR COTTAGE UNITS PHASE IV

Statement of Operations

Year ended March 31, 2009

Revenue:	20 Budget	09 Actual	2008 Actual
Rentals NLHC subsidy Interest	\$ 47,340 36,876	43,437 42,807 109	47,534 37,710 140
	<u>\$ 84,216</u>	86,353	<u>85,384</u>
Expenditure: Administration	3,600	3,600	3,600
Amortization Heat and light	20,877 16,546	20,877 15,086	19,906 15,131
Insurance Mortgage interest Municipal taxes	600 21,899 5,185	528 21,828 4,939	528 22,791
Office Other	5,185 400 25	4,539	4,824
Professional fees Repairs and maintenance	1,650 3,800	1,500 5,188	1,500 4,035
Salaries and benefits Snowclearing Telephone	6,720 2,684	7,557 4,846	8,467 3,496
Telephone Travel	230	229 175	428 678
	<u>\$ 84,216</u>	<u>86,353</u>	<u>85,384</u>

NORTH HAVEN MANOR COTTAGE UNITS PHASE IV

Statement of Cash Flow

Year ended March 31, 2009	2009	2008
Cash flows: Operations:		
Amortization	\$ 20,877	19,906
Changes in: Receivables Prepaids Payables and accruals Due to Central Regional Health Authority	(28,339) (46) (4,536) <u>30,605</u> <u>18,561</u>	1,586 304 4,309 (<u>5,792</u>) <u>20,313</u>
Financing:		20,010
Principal repayments	(20,877)	(<u>19,906</u>)
Net increase (decrease) in cash	(2,316)	407
Cash: Beginning	9,584	9,177
Ending	<u>\$ 7,268</u>	<u>9,584</u>

VALLEY VISTA COTTAGES

Balance Sheet

March 31, 2009	2009	2008
Assets		
Current assets: Cash Receivables (Note 3) Prepaids (Note 5)	\$ 27,523 5,661 25,876	115,460 5,658 25,876
Total current assets	59,060	146,994
Cash restricted for security deposits Replacement reserve cash Property, plant and equipment (Note 7)	12,355 11,182 <u>1,801,304</u>	10,703 5,132 <u>1,972,583</u>
	<u>\$ 1,883,901</u>	<u>2,135,412</u>
Liabilities		
Current liabilities: Payables and accruals (Note 9) Due to Central Regional Health Authority Current portion of long-term debt	\$ 7,534 182,996 <u>178,226</u>	8,573 244,265 166,270
Total current liabilities	368,756	419,108
Security deposit liability Long-term debt (Note 11) Replacement reserves (Note 14)	12,355 1,589,854 <u>11,182</u>	10,703 1,773,089 <u>5,132</u>
	1,982,147	2,208,032
Net assets, per accompanying statement Net assets invested in property, plant and equipment Unrestricted net assets (deficit)	26,872 (125,118)	26,872 (99,492)
	<u>(98,246</u>)	(<u>72,620</u>)
	<u>\$ 1,883,901</u>	<u>2,135,412</u>

VALLEY VISTA COTTAGES

Statement of Changes in Net Assets

Year ended March 31, 2009

	2009			2008_
	Invested in Property, Plant and Equipment	Unrestricted	Total	Total
Balance (deficit), beginning	\$ 26,872	(99,492)	(72,620)	(43,757)
Excess (deficiency) of revenue over expenditure	(171,279)	145,653	(25,626)	(28,863)
Repayment of long-term debt (Note 15)	171,279	(<u>171,279</u>)		
Balance (deficit), ending	<u>\$ 26,872</u>	(<u>125,118</u>)	(<u>98,246</u>)	(<u>72,620</u>)

VALLEY VISTA COTTAGES

Statement of Operations

Year ended March 31, 2009

Revenue: Rental revenue NLHC subsidy	20 <u>Budget</u> \$ 454,260 <u>67,659</u> 521,919	009 Actual 454,209 <u>65,123</u> 519,332	2008 Actual 435,768 68,609 504,377
Expenditures: Allocation to replacement reserve Amortization Cable television Heat and light Insurance Mortgage interest Municipal taxes Office Professional fees Repairs and maintenance Salaries and benefits Snowclearing Travel	28,928 149,500 16,500 117,500 4,367 100,000 34,500 1,200 1,800 33,500 53,050 8,000	28,928 171,279 16,231 117,069 4,367 74,903 34,345 665 1,800 35,131 51,069 8,915 <u>256</u> 544,958	28,928 161,239 15,889 110,499 4,367 88,500 31,914 774 1,800 32,479 49,174 7,358 319 533,240
Excess (deficiency) of revenue over expenditures	<u>\$(_26,926</u>)	(<u>25,626</u>)	(<u>28,863</u>)

VALLEY VISTA COTTAGES

Statement of Cash Flow

Year ended March 31, 2009	2009	2008
Cash flows: Operations:		
Excess (deficiency) of revenue over expenditure Amortization	\$(25,626) <u>171,279</u>	(28,863) <u>161,239</u>
	145,653	132,376
Changes in: Receivables Prepaids Payables and accruals Due to Central Regional Health Authority	(3) (1,039) <u>(61,269</u>) <u>83,342</u>	657 (2,431) (831) <u>106,508</u> <u>236,279</u>
Financing: Principal repayments	(171,279)	(<u>161,239</u>)
Net increase (decrease) in cash	(87,937)	75,040
Cash: Beginning	115,460	40,420
Ending	<u>\$ 27,523</u>	<u>115,460</u>

See accompanying notes

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BONNEWS LODGE APARTMENT COMPLEX

Balance Sheet

March 31, 2009	2009	2008	
Assets		<u> </u>	
Current assets: Receivables (Note 3) Due from Central Regional Health Authority	\$ 7,360	8,971	
Total current assets	7,360	8,971	
Due from NLHC for replacement reserve Property, plant and equipment (Note 7)	117,763 596,271	118,765 <u>619,808</u>	
	<u>\$ 721,394</u>	<u>747,544</u>	
Liabilities			
Current liabilities: Payables and accruals (Note 9) Due to Central Regional Health Authority Current portion of long-term debt	\$ 2,624 4,736 <u> 32,354</u>	8,971 	
Total current liabilities	39,714	32,462	
Long-term debt (Note 11) Replacement reserve (Note 14)	563,917 <u>117,763</u>	596,317 <u>118,765</u>	
	721,394	747,544	
Net assets, per accompanying statement			
	<u>\$ 721,394</u>	<u>747,544</u>	

BONNEWS LODGE APARTMENT COMPLEX

Statement of Changes in Net Assets

Year ended March 31, 2009

	2009			2008
	Invested in Property, Plant <u>and Equipment</u>	<u>Unrestricted</u>	Total	Total
Balance, beginning	\$-	-	-	-
Excess of revenue over expenditure	(23,537)	23,537	- "	-
Repayment of long-term debt (Note 15)	23,537	(<u>23,537</u>)		
Balance, ending	<u>\$</u>	-	-	

BONNEWS LODGE APARTMENT COMPLEX

Statement of Operations

Year ended March 31, 2009

Revenue:	200 Budget	99 Actual	_2008 Actual
Rentals NLHC subsidy Surcharges - utilities - laundry	\$ 56,100 68,205 3,120 <u>1,440</u>	56,049 68,976 3,120 1,440	60,537 60,947 3,092 <u>1,426</u>
	<u>\$ 128,865</u>	<u>129,585</u>	<u>126,002</u>
Expenditure: Administration allowance Amortization Fire and safety Heat and light Insurance Mortgage interest Municipal taxes Professional fees Repairs and maintenance Snowclearing	\$ 7,728 23,537 1,000 21,032 700 33,080 7,958 2,400 26,430 5,000	7,896 23,537 - 21,503 699 31,164 7,958 2,400 23,945 10,483	6,403 22,167 20,683 699 34,450 7,958 2,400 21,898 9,344
	<u>\$ 128,865</u>	<u>129,585</u>	<u>126,002</u>

See accompanying notes

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BONNEWS LODGE APARTMENT COMPLEX

Statement of Cash Flow

Year ended March 31, 2009	2009	2008
Cash flows: Operations:		
Amortization	\$ 23,537	22,167
Changes in: Receivables Payables and accruals Due to Central Regional Health Authority	(7,360) (6,347) 13,707	544 (1,899) <u>1,355</u>
Financing: Principal repayments	<u>23,537</u> (23,537)	<u>22,167</u> (<u>22,167</u>)
Net increase in cash	-	-
.Cash, net of bank indebtedness: Beginning	-	
Ending	<u>\$</u>	

CENTRAL NORTHEAST HEALTH FOUNDATION INC.

Balance Sheet

March 31, 2009	2009	2008
Assets		
Current assets: Cash Endowment fund contribution receivable Due from Central Regional Health Authority	\$ 37,871 4,776 308,036	37,211 70,000 <u>180,709</u>
Total current assets	350,683	287,920
Investments restricted for general endowment fund (Note 6)	89,275	85,454
	<u>\$ 439,958</u>	<u>373,374</u>
Liabilities		
Current liabilities: Deferred capital grants Accrued vacation pay	\$ - 609	15,000 609
Total current liabilities	609	15,609
Net assets, per accompanying statement Net assets restricted for general endowment fund Unrestricted net assets (deficit)	89,275 <u>350,074</u>	85,454 <u>272,311</u>
	439,349	<u>357,765</u>
	<u>\$ 439,958</u>	<u>373,374</u>

CENTRAL NORTHEAST HEALTH FOUNDATION INC.

Statement of Changes in Net Assets

Year ended March 31, 2009

	2009			2008
	Restricted for General Endowment <u>Fund</u>	Unrestricted Operating	Total	Total
Balance (deficit), beginning: As previously reported	\$ 85,454	(25,786)	59,668	(10,610)
Prior years' adjustment to revenue for donations, deferred in error	<u> </u>	<u>298,097</u>	<u>298,097</u>	298,272
As restated	85,454	272,311	357,765	287,662
Excess (deficiency)of revenue over expenditure	-	81,584	81,584	70,103
Transfers to endowment fund: Reinvested investment income	<u> </u>	(<u>3,821</u>)		
Balance, ending	<u>\$ 89,275</u>	<u>350,074</u>	<u>439,349</u>	<u>357,765</u>

See accompanying notes

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CENTRAL NORTHEAST HEALTH FOUNDATION

Statement of Operations

Year ended March 31, 2009	2009	2008
Revenue:		
Donations	\$ 317,575	353,665
Staff lottery	37,410	33,743
Endowment fund investment income	3,820	454
Grants	40,000	-
Other	10,439	14,291
	409,244	<u>402,153</u>
Expenditure		
Capital equipment donations:		
Cadwell wave EMC	41,015	-
Fluid warmer	19,170	-
Stretcher chairs	17,278	-
Air shield isolette	16,885	-
Bowell screening campaign	8,420	-
Warming cabinet	8,125	-
Laser vectra	6,141	-
Criticare monitors	6,079	-
Library shelving	5,865	-
Passive motion machine	5,645	-
Neuroprobe 670	5,487	- 1
Glidescope	5,283	-
Broda chairs	2,498	6,300
Auto Kerato	-	16,098
Audio Scan	-	15,699
Versacare bed	-	13,900
Grayside monitors	-	13,301
Slit lamp	-	12,537
Workstations	-	10,975
Sleep study	-	9,818
Comfort & night chairs	-	9,418
Transport stretchers	-	9,294
Benchtop centrifuge	-	8,000
Pumps	-	6,400
Prizm pump	-	5,964
Other	53,105	81,492
	200,996	219,196
Minor equipment purchases	631	901
Salaries and benefits	74,860	68,611
Office	6,673	3,555
Travel	1,036	1,556
Other supplies and expenses	43,464	<u>38,231</u>
	327,660	<u>332,050</u>
Excess of revenue over expenditure	<u>\$ 81,584</u>	70,103

CENTRAL NORTHEAST HEALTH FOUNDATION INC.

Statement of Cash Flow

Year ended March 31, 2009	2009	2008
Cash flows: Operations:		
Excess of revenue over expenditure	\$ 81,583	70,103
Changes in: Endowment fund contribution receivable Due from Central Regional Health Authority Deferred capital grants Accrued vacation pay	65,224 (127,327) (15,000) 4,480	(70,000) 71,491 15,000 (<u>1,140</u>) <u>85,454</u>
Investing: Increase in general endowment fund investments	(3,820)	(<u>85,454</u>)
Net increase in cash	660	-
Cash: Beginning	37,211	<u>37,211</u>
Ending	<u>\$ 37,871</u>	<u>37,211</u>

SOUTH AND CENTRAL HEALTH FOUNDATION

Balance Sheet

March 31, 2009	2009	2008
Assets		
Current assets: Cash Prepaids (Note 5)	\$ 627,122 1,062	447,505 <u>1,062</u>
Total current assets	628,184	448,567
Investments restricted for general endowment fund (Note 6)	340,886	306,347
Property, plant and equipment (Note 7)	144,586	149,737
	<u>\$ 1,113,656</u>	<u>904,651</u>
Liabilities		
Current liabilities: Due to Central Regional Health Authority: Operating Capital Payables and accruals (Note 9) Deferred capital grants Current portion of long-term debt	\$ 20,256 146,888 - - 2,981	20,234 281,410 1,300 15,000 2,786
Total current liabilities	170,125	320,730
Long-term debt (Note 11)	111,682	<u>114,779</u>
	281,807	<u>435,509</u>
Net assets, per accompanying statement: Net assets invested in property, plant and equipment Net assets restricted for general endowment fund Unrestricted net assets	29,923 340,886 <u>461,040</u> 831,849	32,173 306,347 <u>130,622</u> <u>469,142</u>
	<u>\$ 1,113,656</u>	<u>904,651</u>

SOUTH AND CENTRAL HEALTH FOUNDATION

Statement of Changes in Net Assets

Year ended March 31, 2009

		2009			2008
	Invested in Property Plant and Equipment	Restricted for General Endowment Fund	Unrestricted <u>Operating</u>	Total	Total
Balance, beginning	\$ 32,173	306,347	130,622	469,142	213,846
Excess of revenue over expenditure	(5,151)	ı	367,858	362,707	255,296
Repayment of long-term debt (Note 15)	2,901	ı	(2,901)	ı	
Transfers to endowment fund: Reinvested investment income Contribution		14,539 20,000	(14,539) (<u>20,000</u>)		
Balance, ending	\$ 29,923	340,886	461,040	831,849	469,142

SOUTH AND CENTRAL HEALTH FOUNDATION

Statement of Operations

Year ended March 31, 2009	2009	2008
Revenue:		
Donations	\$ 456,763	342,399
Staff lottery	68,218	72,050
Grants	15,000	-
Endowment fund investment income	14,539	17,016
Rental income	16,900	5,200
Interest	14,318	17,075
	585,738	<u>453,740</u>
Expenditure:		
Capital equipment and other donations:		
Portable ultrasound	51,704	-
Dental xray	12,887	-
Glidescope	10,722	-
Treadmill	5,649	-
Dynacast splint system	4,553	-
Ice maker	4,408	-
Vital signs monitors	3,359	5,623
Ventilator	-	23,349
Vital signs transport monitor	-	15,380
Stryker stretchers	•	9,293
Furniture	-	7,404
Telescope and light	-	6,022
Beam seating	-	5,066
Other	30,128	28,094
	123,410	100,231
Rental expenses, including amortization of \$5,151 (2008 - \$2,538)	13,989	5,392
Flight of life project	-	8,012
Salaries and benefits - net	81,433	82,791
Other supplies and expenses	4,199	2,018
	223,031	<u>198,444</u>
Excess of revenue over expenditure	<u>\$ 362,707</u>	<u>255,296</u>

SOUTH AND CENTRAL HEALTH FOUNDATION

Statement of Cash Flow

Year ended March 31, 2009	2009	2008
Cash Flows:		
Operations: Excess of revenue over expenditure Amortization	\$ 362,707 <u>5,151</u>	255,296 2,538
	367,858	257,834
Changes in: Prepaids Payables and accruals Deferred capital grant Due to Central Regional Health Authority	(1,300) (15,000) <u>(134,501</u>)	(1,062) 1,300 15,000 (<u>80,309</u>)
	217,057	<u>192,763</u>
Investing: Purchase of property, plant and equipment Increase in general endowment fund investments	<u>(34,539)</u> <u>(34,539</u>)	(152,275) (<u>17,016</u>) (<u>169,291</u>)
Financing: Mortgage proceeds Repayment of long term debt	<u>(2,901</u>) (2,901)	118,399 (<u>835)</u> <u>117,564</u>
Net increase in cash	179,617	141,036
Cash: Beginning	<u>447,505</u>	<u>306,469</u>
Ending .	<u>\$ 627,122</u>	<u>447,505</u>

Notes to the Financial Statements

March 31, 2009

1. Nature of operations:

These financial statements reflect the operating assets, liabilities, revenue and expenditure of the following facilities and clinics operated by the Central Regional Health Authority.

Facilities

A. M. Guy Memorial Health Centre Baie Verte Peninsula Health Centre Bonnews Lodge Apartment Complex Brookfield Bonnews Health Care Centre Carmelite House Senior Citizens Home Central Newfoundland Regional Health Centre Central Northeast Health Foundation Inc. Connaigre Peninsula Community Health Centre Dr. Hugh Twomey Health Care Centre Fogo Island Health Care Green Bay Community Health Centre James Paton Memorial Regional Health Centre Lakeside Homes North Haven Manor Senior Citizens Home North Haven Manor Cottages Notre Dame Bay Memorial Health Care South and Central Health Foundation Valley Vista Senior Citizens Home Valley Vista Cottages

Clinics

Carmanville Centreville Eastport Gambo Gander Bay Glovertown Hare Bay Hermitage LaScie Lewisporte Mose Ambrose Musgrave Harbour New World Island St. Alban's St. Brendan's

The operations of the above entities were primarily funded by the Government of Newfoundland and Labrador (the Government) to provide health care services on the Government's behalf, causing all entities to be effectively under common control. As a result, these financial statements have been prepared using the pooling of interest method of accounting. Under this method, the book values of assets, liabilities and net assets of each of the entities being combined, are added together to form the combined value of assets, liabilities and net assets of the Authority.

2. Summary of significant accounting policies:

These financial statements have been prepared in accordance with generally accepted accounting principles. Outlined below are those policies considered particularly significant by the Authority.

Investments

Investments restricted for general endowment fund are recorded at cost.

Notes to the Financial Statements

March 31, 2009

2. Summary of significant accounting policies (continued):

Inventories

Inventories are valued determined on the first in first out basis, as follows:

General stores, at average cost Drugs, at cost

Property, plant and equipment

The Authority has control over certain lands, buildings and equipment, with the title resting with the Government and consequently these assets are not recorded under property, plant and equipment.

Purchased property, plant and equipment are recorded at cost. Contributed property, plant and equipment are recorded at fair value at the date of contribution. Property, plant and equipment are being amortized on a declining balance basis over their useful lives, at the following rates:

Land improvements	5%
Buildings and service equipment	5%
Information systems equipment	33.3%
Equipment	12.5%
Motor vehicles	20.0%

In addition, the North Haven Manor Cottage Units Phase I, II, III, North Haven Manor Cottage Units Phase IV, Valley Vista Cottages, Bonnews Lodge Apartment Complex buildings and equipment are being amortized at a rate equal to the annual principal reduction of the mortgages related to the properties. This is in accordance with an operating agreement with Newfoundland and Labrador Housing Corporation.

Replacement reserves

Newfoundland and Labrador Housing Corporation (NLHC) requires that Not-for-Profit Housing groups maintain a Replacement Reserve Fund which is to be used to fund major maintenance and the purchase of property, plant and equipment. These funds may only be used as approved by NLHC. Withdrawals are charged to interest first and then principal.

Transactions in the reserves are shown in Note 14.

Revenue recognition

Central Regional Health Authority 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.

Contributions related to property, plant and equipment are deferred and amortized to revenue at the same rates which the related property, plant and equipment are amortized.

Notes to the Financial Statements

March 31, 2009

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3.	Receivables:	<u>2009</u>	2008
	Operating: Provincial plan grants - operating Capital grants Patient, capital donations, rents and other MCP Cancer Foundation HST	\$ 2,423,170 3,983,707 12,014,926 521,635 <u>776,872</u> 19,720,310	2,792,815 1,402,588 3,897,599 3,138,913 666,922 <u>1,173,953</u> 13,072,790
	Allowance for doubtful	<u>622,736</u> 19,097,574	<u>623,561</u> 12,449,229
	North Haven Manor Cottage Units Phase I,II,III: Trade Due from NLHC - operating subsidy	7,368 <u>9,868</u> 17,236	5,125 9,868 14,993
	North Haven Manor Cottage Units Phase IV: Trade, less allowance for doubtful of \$781 (2007 - \$781) Due from NLHC - operating subsidy - replacement reserve	1,839 3,203 <u>31,488</u> <u>36,530</u>	1,910 - <u>6,281</u> 8,191
	Valley Vista Cottages: Trade Due from NLHC - operating subsidy	277 5,384 5,661	20 <u>5,638</u> 5,658
	Bonnews lodge Apartment Complex: Due from NLHC - operating subsidy - replacement reserve		-
	Central Northeast Health Foundation: Endowment fund contribution receivable	4,776	70,000
4.	Inventories:	<u>\$ 19,169,137</u>	<u>12,548,071</u>
	inventories.	<u>2009</u>	<u>2008</u>
	General stores Drugs	\$ 747,294 <u>1,209,560</u>	812,794 <u>1,130,821</u>
		<u>\$ 1,956,854</u>	<u>1,943,615</u>

Notes to the Financial Statements

March 31, 2009

5. Prepaids:

Prepaios.	<u>2009</u>	<u>2008</u>
Operating: Equipment maintenance Malpractice and membership fees General insurance Workplace Health, Safety and Compensation Commission Municipal taxes Other	\$ 738,276 97,425 167,526 2,956,107 390,464 <u>586,649</u> 4,936,447	894,810 103,513 181,117 2,819,626 387,231 <u>320,372</u> 4,706,669
Municipal taxes: North Haven Manor Cottage Units Phase I,II,III North Haven Manor Cottage Units Phase IV Valley Vista Cottages South and Central Health Foundation	37,473 3,756 25,876 <u>1,062</u> <u>\$ 5,004,614</u>	37,252 3,710 25,876 <u>1,062</u> <u>4,774,569</u>

6. Investments restricted for general endowment purposes:

The Central Northeast Health Foundation Inc. and the South and Central Health Foundation maintain a joint investment restricted for general endowment purposes, with their proportionate cost as follows:

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	<u>2009</u>	<u>2008</u>
Central Northeast Health Foundation Inc. South and Central Health Foundation	\$ 89,275 <u>340,886</u>	85,454 <u>306,347</u>
	<u>\$ 430,161</u>	<u>391,801</u>
The quoted market value of these investments at March 31, 2009 was:		
	<u>2009</u>	<u>2008</u>
Central Northeast Health Foundation Inc. South and Central Health Foundation	\$ 87,161 <u>312,467</u>	89,855 <u>322,124</u>
	<u>\$ 399,628</u>	<u>411,979</u>

Notes to the Financial Statements

March 31, 2009

7. Property, plant and equipment:

r toporty, plant and equipment.			2009		2008
			Accumulated	Net Book	Net Book
		Cost	Amortization	Value	Value
Operating:		CUSI	Amoruzation	value	value
· ·	¢	244 524		244 524	044 504
Land	\$	211,521	-	211,521	211,521
Land improvements		1,031,546	649,220	382,326	417,449
Buildings and service equipment		65,540,176	39,714,998	25,825,178	27,230,758
Equipment		87,182,164	64,206,120	22,976,044	24,531,796
Equipment under capital lease		2,469,604	2,051,523	418,081	502,799
Motor vehicles		2,089,033	1,657,813	431,220	383,801
Motor vehicles under capital lease		196,503	144,383	52,120	65,151
	1	58,720,547	<u>108,424,057</u>	<u>50,296,490</u>	<u>53,343,275</u>
North Haven Manor Cottage Units Pha Land Land improvements Buildings Equipment North Haven Manor Cottage Units, Pha Land Buildings		16,900 180,500 3,702,091 <u>122,320</u> 4,021,811	66,490 1,363,727 <u>45,059</u> 1,475,276	16,900 114,010 2,338,364 <u>77,261</u> 2,546,535 24,571 492,728	16,900 121,345 2,488,795 <u>82,232</u> <u>2,709,272</u> 24,571 513,605
Buildings Valley Vista Cottages:		712,187	<u> </u>	<u> </u>	<u>513,605</u> <u>538,176</u>
Land		27,014	-	27,014	27,014
Buildings		3,588,770	1,822,248	1,766,522	1,936,100
Equipment		33,263	25,494	7,769	9,469
		3,649,047	1,847,742	1,801,305	1,972,583
Bonnews Lodge Apartment Complex: Land Buildings		774 870,022	278,741	774 591,281	774 614,651
Equipment	<u> </u>	6,204	1,988	4,216	4,383
	<u> </u>	877,000	280,729	596,271	619,808
South and Central Health Foundation Land Building		33,134 <u>119,141</u> 152,275	7,689 7,689	33,134 <u>111,452</u> 144,586	33,134 <u>116,603</u> <u>149,737</u>
	<u>\$ 1</u>	<u>68,132,867</u>	<u>112,230,381</u>	<u>55,902,486</u>	<u>59,332,851</u>

Notes to the Financial Statements

March 31, 2009

8.

Bank indebtedness:		
	<u>2009</u>	<u>2008</u>
Operating: Cash Due to bank on current account	\$ 16,895 _(996,724)	17,820 (<u>11,494,971</u>)
Cash and bank other:	(979,829)	(11,477,151)
North Haven Manor Cottage Units Phase I,II,III North Haven Manor Cottage Units Phase IV Valley Vista Cottages	102,831 7,268 27,523	10,498 9,584 115,460
Central Northeast Health Foundation South & Central Health Foundation	37,871 627,122	37,211 447,505
	<u>\$(177,214</u>)	(<u>10,856,893</u>)

The Authority has access to a \$15 million line of credit in the form of revolving demand loans at its bankers. These loans have been approved by the Minister of Health and Community Services.

9.	Payables and accruals:	2009	2008
	Operating: Trade Residents comfort fund Accrued - wages - interest - other	\$ 16,337,646 56,460 8,494,659 74,934 <u>82,760</u> 25,046,459	15,443,809 54,015 6,494,859 124,753 <u>60,200</u> 22,177,636
	North Haven Manor Cottage Units Phase I,II,III: Trade Accrued interest	5,478 <u>12,545</u> <u>18,023</u>	1,036 <u>13,235</u> <u>14,271</u>
	North Haven Manor Cottage Units Phase IV: Trade Accrued interest Due to NLHC - operating subsidy	1,535 1,839 <u></u>	1,613 1,910 <u>4,387</u> 7,910
	Valley Vista Cottages: Trade Accrued interest	1,500 <u>6,034</u> 7,534	1,500 7,073 8,573
	Bonnews Lodge Apartment Complex: Trade Accrued interest Due to NLHC - operating subsidy	1,540 1,084 2,624	3,000 5,971 8,971
	South and Central Health Foundation - deferred revenue		<u> </u>
		<u>\$ 25,078,014</u>	<u>22,218,661</u>

Notes to the Financial Statements

March 31, 2009

10.	Deferred grants and donations:	2000	2009
	Operating:	<u>2009</u>	<u>2008</u>
	Deferred operating grants Deferred capital grants	\$ 6,542,340 <u> 12,898,700</u> <u> 19,441,040</u>	2,982,043 <u>2,424,039</u> <u>5,406,082</u>
	Central Northeast Health Foundation Inc.: Deferred capital grants	-	15,000
	South and Central Health Foundation Deferred capital grants		<u> 15,000</u> <u> 30,000</u>
		<u>\$ 19,441,040</u>	<u>5,436,082</u>
11.	Long-term debt:	2009	2008
·	Operating: 4.59% CMHC 1 st mortgage on Bonnews Lodge: repayable in equal monthly installments of \$10,248, interest included; maturing August, 2011	\$ 243,936	353,113
	3.71% CMHC mortgage on Lakeside Homes; repayable in equal monthly installments of \$12,847, interest included; maturing April, 2020, renewable October, 2010	1,401,303	1,501,951
	7.5% CMHC mortgage on Lakeside Homes; repayable in equal monthly installments of \$4,574, interest included; maturing July, 2023	484 <u>,</u> 893	503,296
	Prime plus 1% Bank of Nova Scotia deferred demand loan; repayable in equal monthly installments of \$3,056, plus interest; maturing November, 2018	357,473	394,145
	5.15% Canadian Imperial Bank of Commerce loan for Carmelite House, unsecured; repayable in equal monthly installments of \$64,153, interest included; maturing March, 2027	9,071,478	9,365,858
	7.25% Canadian Imperial Bank of Commerce mortgage on Botwood housing; repayable in equal monthly installments of \$510, interest included; maturing July, 2028, renewable		
	July, 2010	62,174	63,807
		11,621,257	<u>12,182,170</u>

Notes to the Financial Statements

March 31, 2009

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11. Long-term debt (continued):

ong-term debt (continued):	<u>2009</u>	2008
Operating balance forward:	<u>\$ 11,621,257</u>	<u>12,182,170</u>
7.25% Canadian Imperial Bank of Commerce mortgage on Botwood housing; repayable in equal monthly installments of \$462, interest included; maturing July, 2027, renewable July, 2010	56,283	57,737
3.99% Canadian Imperial Bank of Commerce mortgage on Hospital renovations; repayable in equal monthly installments of \$8,095, interest included; maturing February, 2014	433,474	511,636
8.0% Newfoundland and Labrador Housing Corporation mortgage on North Haven Manor; repayable in equal monthly installments of \$8,298, interest included; maturing February, 2026	939,402	964,695
8.0% Newfoundland and Labrador Housing Corporation mortgage on Valley Vista; repayable in equal monthly installments of \$10,124, interest included; maturing August, 2027	1,180,689	1,208,254
7.875% Newfoundland and Labrador Housing Corporation mortgage on Authority offices; repayable in equal monthly installments of \$8,165, interest included; maturing August, 202	4 883,117	911,493
4.33% Newfoundland and Labrador Housing Corporation mortgage on Valley Vista Senior Citizens Home; repayable in equal monthly installments of \$8,553, interest included; maturing July, 2019, renewable September, 2009	854,458	918,981
General Motors Acceptance Corporation; repayable in equal monthly installments of \$1,054, interest free; matured October, 2008	_	7,379
8.35%, Toyota Financial Services, loan repayable in equal monthly instalments of \$987, interest included; maturing June 2010	14,013	24,220
	15,982,693	16,786,565

Notes to the Financial Statements

March 31, 2009

11. Long-term debt (continued):

Long-term debt (continded).	<u>2009</u>	<u>2008</u>
Operating balance forward:	<u>\$ 15,982,693</u>	16,786,565
6.15% Bank of Nova Scotia 1 st mortgage on land and building at 1 Newman's Hill, Twillingate; repayable in equal monthly installments of \$417, interest included; maturing November, 2024, renewable May, 2010	57,808	59,888
6.15% Bank of Nova Scotia 1 st mortgage on land and building at 42 Howlett's Road, Twillingate; repayable in equal monthly installments of \$392, interest included; maturing June, 2020, renewable May, 2010	38,307	40,553
5.6% Bank of Nova Scotia 1 st mortgage on land and building at 30 Smith's Lane, Twillingate; repayable in equal monthly installments of \$395, interest included; maturing July, 2020, renewable June, 2011	<u> </u>	<u>42,307</u> 16,929,313
Less current portion	842,038	810,471
	15,276,644	16,118,842
North Haven Manor Cottage Units Phase I,II,III: 9.5% Newfoundland and Labrador Housing Corporation mortgage on North Haven Manor Cottages; repayable in equal monthly installments of \$7,925, interest included; maturing June, 2029	866,251	880,105
4.5% Industrial Alliance Insurance and Financial Services Inc. mortgage on North Haven Manor Cottages; repayable in equal monthly installments of \$11,699, interest included; maturing January, 2016, renewable February, 2012	684,577	756,930
4.16% Newfoundland and Labrador Housing Corporation mortgage on North Haven Manor Cottages; repayable in equal monthly installments of \$9,292, interest included; maturing November, 2018, renewable December, 2011	<u> </u>	<u>960,720</u> 2,597,755
Less current portion	166,975	158,244
	2,268,044	2,439,511
North Haven Manor Cottage Units Phase IV: 4.31% Newfoundland and Labrador Housing Corporation mortgage on North Haven Manor Cottages; repayable in equal monthly installments of \$3,565, interest included;		
maturing July, 2025, renewable April, 2012	502,299	523,176
Less current portion	21,741	25,385
	480,558	497,791

Notes to the Financial Statements

March 31, 2009

11. Long-term debt (continued):	<u>2009</u>	<u>2008</u>
Valley Vista Cottages: 4.59% Newfoundland and Labrador Housing Corporation mortgage on Valley Vista Cottages; repayable in equal monthly installments of \$5,138, interest included; maturing June, 2016, renewable August, 2011	\$ 380,179	423,506
4.28% Newfoundland and Labrador Housing Corporation mortgage on Valley Vista Cottages; repayable in equal monthly installments of \$10,416 interest included; maturing December, 2017, renewable December, 2012	912,103	996,510
4.24% Newfoundland and Labrador Housing Corporation mortgage on Valley Vista Cottages; repayable in equal monthly installments of \$5,238, interest included; maturing May, 2018, renewable June, 2013	<u>475,799</u>	519,343
	1,768,081	1,939,359
Less current portion	178,226	166,270
	1,589,855	1,773,089
Bonnews Lodge Apartment Complex: 5.5% Newfoundland and Labrador Housing Corporation 1 st mortgage on Bonnews Apartment Complex; repayable in equal monthly installments of \$4,718, interest included;		
maturing November, 2024, renewable April, 2009	596,271	619,808
Less current portion	32,354	23,491
	563,917	596,317
South and Central Health Foundation: 6.5% Newfoundland and Labrador Credit Union mortgage on therapeutic residence; repayable in bi-weekly installments of \$397, interest included, maturing in November 2032,		
renewable November 2012	114,663	117,565
Less: current portion	2,981	2,786
	111,682	114,779
	<u>\$ 20,290,700</u>	21,540,329

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Notes to the Financial Statements

March 31, 2009

11. Long-term debt (continued):

The aggregate amount of principal payments estimated to be required in each of the next five years is as follows:

2010	\$ 1,244,315
2011	1,299,550
2012	1,244,230
2013	1,294,170
2014	1,348,450

Interest subsidy:

The Authority has received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 56.1 of the National Housing Act to reduce operating costs. The amount of assistance received from Newfoundland and Labrador Housing Corporation in 2009 was \$108,928 (2008 - \$107,256) for operating facilities and \$381,859 (2008 - \$360,833) for the Authority's Cottage operations.

12. Obligations under capital lease:

The Authority has entered into a number of agreements whereby it leases certain equipment for a term of five years. These leases are accounted for as capital leases with the Authority treating the equipment as an acquisition of an asset and the assumption of an obligation. The effective interest rates range from 5.37% to 7.534%.

The following is a schedule of future minimum lease payments under the capital leases:

Year ending March 31

2010 2011 2012	\$ 134,371 24,459 <u>8,154</u>
Total minimum lease payments	166,984
Less amount representing interest	19,453
Balance of obligation	147,531
Less current portion	116,598
	<u>\$ 30,933</u>

Notes to the Financial Statements

March 31, 2009

13. Unamortized deferred contribution related to property, plant and equipment:

Deferred contributions related to property, plant and equipment represent restricted contributions with which property, plant and equipment were originally purchased. The changes in the deferred contributions for the year are as follows:

	2009	2008
Balance, beginning	\$ 27,454,418	23,821,781
Less: Disposals	(221,012)	-
Add: Capital equipment grants Donated equipment	2,449,377 225,633	7,223,739 307,451
Deduct:	29,908,416	31,352,971
Amortization	3,557,464	3,898,553
Balance, ending	<u>\$ 26,350,952</u>	<u>27,454,418</u>

Notes to the Financial Statements

March 31, 2009

14	Replacement reserves:		
	·	2009	<u>2008</u>
	North Haven Manor Cottage Units Phase I,II,III: Balance, beginning	\$ 44,003	13,770
	Add: Allocation for year Contributions from Authority	30,220 <u>12,900</u> 87,123	30,220 <u>12,900</u> 56,890
	Less:		
	Approved expenditures	13,090	12,887
	Balance, ending	74,033	44,003
	North Haven Manor Cottage Units Phase IV: Balance, beginning	108,330	108,330
	Less:		
	Approved expenditures	480	
	Balance, ending	107,850	108,330
	Valley Vista Cottages: Balance, beginning	5,132	17,851
	Add: Allocation for year Interest income	28,928	28,928 17 46,796
		34,065	46,796
	Less: Approved expenditures	22,883	_41,664
	Balance, ending	11,182	5,132
	Bonnews Lodge Apartment Complex: Balance, beginning	118,765	126,933
	Less: Approved expenditures	1,002	8,168
	Balance, ending	117,763	<u>118,765</u>
		<u>\$ 310,828</u>	<u>276,230</u>
		<u> </u>	<u> </u>

Notes to the Financial Statements

March 31, 2009

14.	Replacement reserves (continued):	2009	2008
	Funding: Replacement reserve funds		
	Due from Newfoundland and Labrador Housing Corporation	\$ 85,215 	49,135 <u>227,095</u>
		<u>\$ 310,828</u>	<u>276,230</u>
15.	Investment in property, plant and equipment:		
	Operating:	2009	2008
	Repayment of long-term debt Repayment of capital leases	\$ 810,631 <u>126,281</u>	936,330 <u>119,183</u>
		936,912	1,055,513
	Cottages and Foundations repayment of long-term debt: North Haven Manor Cottage Units Phase I,II,III North Haven Manor Cottage Units Phase IV Valley Vista Cottages Bonnews Lodge Apartment Complex South and Central Health Foundation	162,736 20,877 171,279 23,537 2,901 \$ 1,318,242	151,519 19,906 161,239 22,167 <u>835</u> 1,411,179

16. Commitments:

Operating leases

The Authority has a number of agreements whereby it leases property and equipment in addition to those disclosed under Note 12. These agreements range in terms from one to five years. These leases are accounted for as operating leases. Future minimum lease payments under operating leases are as follows:

2010	\$ 706,369
2011	635,268
2012	497,345
2013	229,588
2014	18,217

Notes to the Financial Statements

March 31, 2009

16. Commitments (continued):

Energy performance contract

The Authority entered into Energy Performance Contracts during 2001 and 2000 with Enerplan Consultants Ltd. for the design and implementation of measures to improve energy efficiency, wherein Enerplan guaranteed the energy savings component.

The contracts were crystallized at \$4,450,214 and \$1,247,329 and are being repaid from operating and energy savings over a ten year period having commenced in August, 2002 and January, 2000, respectively.

These contracts were financed through the Canadian Imperial Bank of Commerce for Central West and Associates Capital Limited.

As support for this financing, Enerplan Consultants Ltd., has assigned to the financiers any funds due to them by the Authority for the energy savings component of the contract.

In the opinion of management of the Authority, the guaranteed energy savings component of Enerplan Consultants Ltd. is an offset to the obligations of the Authority to the Canadian Imperial Bank of Commerce and Associates Capital Limited and as a consequence neither the capital expenditures or the financing obligations are reflected in these financial statements of the Authority at March 31, 2009.

17. Contingency

As of March 31, 2009 there were a number of legal claims against the Authority in varying amounts for which no provision has been made. It is not possible to determine the amounts, if any, that may ultimately be assessed against the Authority with respect to these claims, but management and the insurers believe any claims, if successful, will be covered by liability insurance.

18. Financial instruments:

The carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, approximate their fair values due to relatively short periods to maturity of these instruments.

CENTRAL REGIONAL HEALTH AUTHORITY SUPPLEMENTARY FINANCIAL INFORMATION FINANCIAL STATEMENTS - MARCH 31, 2009



AUDITORS' COMMENTS ON SUPPLEMENTARY FINANCIAL INFORMATION

To the Board of Trustees of the Central Regional Health Authority

The audited consolidated financial statements of the Authority and our report thereon are presented in the preceding section of this annual report. The financial information presented hereafter was derived from the accounting records tested by us as a part of the auditing procedures followed in our examination of the overall consolidated financial statements, and, in our opinion, it is fairly presented in all material respects in relation to the consolidated financial statements taken as a whole.

Walters Haffe Chartered Accountants

Gander, Newfoundland July 17, 2009

Expenditure - Operating/Shareable

Year ended March 31, 2009	2009	2008
Administration: General Administration Finance Personnel Services Systems Support Other	\$ 10,595,488 3,269,099 2,814,090 3,682,151 <u>5,440,352</u>	9,860,318 2,584,832 2,098,316 2,944,002 5,230,668
Support Services: Housekeeping Laundry and Linen Plant Services Patient Food Services Other	25,801,180 8,392,216 2,268,804 18,507,604 11,322,344 13,517,461	22,718,136 7,398,089 2,145,419 17,345,956 10,475,258 12,692,624
Nursing Inpatient Services: Acute Care Long-term Care	<u>54,008,429</u> 36,223,467 <u>26,625,906</u>	<u>50,057,346</u> 36,869,868 <u>23,622,121</u>
Ambulatory Care Services: District Medical Clinics Institution Based	<u> 62,849,373</u> 3,132,612 <u> 12,819,134</u> 15,951,746	<u>60,491,989</u> 3,181,883 <u>11,909,189</u> _15,091,072
Diagnostic and Therapeutic Services: Clinical Laboratory Diagnostic Imaging Other	9,748,148 7,088,487 11,866,675	9,018,949 6,557,952 <u>11,915,302</u>
Medical Services	<u>28,703,310</u> <u>15,251,141</u>	<u>27,492,203</u> <u>14,207,669</u>
Education Community and Social Services: Mental Health and Addictions Community Support Health Promotion and Protection Family Support Community Corrections	<u>1,408,164</u> 3,143,323 40,543,983 5,287,457 13,537,702 <u>1,596,100</u> 64,108,565	<u>1.426,792</u> 2,210,054 36,061,194 4,970,150 12,010,111 <u>1.630,344</u> <u>56,881,853</u>
Primary Health Care	<u>805,091</u> <u>\$ 268,886,999</u>	<u>516,894</u> 248,883,954

OPERATING

Revenue and Expenditure for Government Reporting

Year ended March 31, 2009	2009	2008
Revenue:		
Provincial plan	\$ 233,363,809	214,548,349
Primary Health Care	628,924	444,800
MCP physicians salaries	11,281,390	10,403,171
Inpatient	1,642,680	1,500,846
Outpatient	2,415,804	2,006,313
Resident revenue - long-term care	7,882,192	7,892,721
Mortgage interest subsidy	107,256	107,256
Redundancy and other funding	345,288	469,533
Capital project funding	1,923,874	2,614,338
National Child Benefit		
Early Childhood Development	1,412,694	1,192,074
	733,067	767,997
Early Learning and Child Care Initiatives	2,262,822	1,860,963
CCRA Childrens' Special Federal allowance	241,028	230,962
Recoveries - services	2,164,289	909,639
- salaries	1,262,667	1,661,098
- ambulance	327,790	297,435
Other miscellaneous revenue	2,039,856	2,000,982
	270,035,430	248,908,477
Expenditure:		
Salaries	140,983,421	132,047,081
Employee benefits	25,900,826	23,029,605
Supplies - regular	50,309,228	46,592,108
- drugs	4,733,413	4,777,618
- medical and surgical	6,832,689	6,258,540
Direct client costs - Mental Health and Addictions,		
Community Support, Health Promotion and Protection,		
Family Support and Community Corrections	39,211,550	35,188,672
Long-term debt - interest	904,155	971,353
- principal	810,631	936,320
Capital lease - interest	11,717	18,977
- principal	<u> </u>	<u> </u>
	269,823,911	249,939,457
Surplus (deficit) for government reporting	211,519	(1,030,980)
Long-term debt principal	810,631	936,320
Capital lease principal	126,281	119,183
Surplus before non-shareable items	1,148,431	24,523
Non-shareable items:		
Amortization of deferred capital equipment grants	3,557,464	3,898,563
Amortization	(5,429,413)	(6,122,294)
Accrued vacation pay - (increase) decrease	(1,481,270)	(229,649)
Accrued severance pay - (increase) decrease	(617,060)	(<u>641,510</u>)
	(3,970,279)	(<u>3,094,890</u>)
Surplus(deficit)	<u>\$(2,821,848</u>)	(<u>3,070,367</u>)
		······································

Funding and Expenditure for Government Reporting

Capital [*]	Transa	ctions
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Year ended March 31, 2009	2009	2008
Source of funds: Provincial capital equipment grants in current year Capital grant reallocated to operating fund for minor equipment purchased	\$ 10,184,500 (50,586)	5,337,100
Deferred capital grant from prior year Deferred capital grant for current year	499,229 (<u>8,043,763</u>)	1,059,750 (<u>499,229</u>)
Provincial funding used in current year	2,589,380	<u>5,897,621</u>
Other contributions: Health Foundation donations Other donations Loan proceeds - vehicles Other recoveries from outside organizations	220,184 63,028 	217,831 89,620 31,336 <u>1,326,118</u>
Funding from other sources	304,630	<u>1,664,905</u>
Total funding	2,894,010	7,562,526
Expenditure: Equipment purchased Transfer to foundations of matching grants	2,869,010 25,000	7,560,569
Total expenditure	2,894,010	7,560,569
Surplus (deficit) on capital purchases, before deposits on equipment	-	1,957
Deposits on future equipment purchases		2,188,547
Surplus (deficit) on capital purchases	<u>\$</u>	<u>2,190,504</u>

Accumulated Operating Surplus (Deficit) for Government Reporting

Year ended March 31, 2009

	Consolidated	dated	auO	Onerating	Cottage Operations	oerations
Current assets	2009	2008	2009	2008	2009	2008
Cash Receivables Due from Cottage operations and Foundations Inventory Prepaid expenses	\$ 19,169,137 1,956,854 5,004,614	12,548,071 - 1,943,615 - 4,774,569	19,097,574 260,172 1,956,854 4,936,447	12,449,229 477,903 1,943,615 4,706,669	802,615 71,563 - - 68,167	620,258 98,842 - 67,900
Total current assets	26,130,605	19,266,255	26,251,047	19,577,416	942,345	787,000
Current liabilities Bank indebtedness Payables and accruals Due to operating Deferred grants and donations	177,214 25,078,014 19,441,040	10,856,893 22,218,661 -5,436,082	979,829 25,046,459 19,441,040	11,477,151 22,177,636 - 5,406,082	31,555 260,172	41,025 477,903 30,000
Total current liabilities	44,696,268	38,511,636	45,467,328	39,060,869	291,727	548,928
Accumulated surplus (deficit)	<u>\$(18,565,663)</u>	(19,245,381)	(19,216,281)	(19,483,453)	650,618	238,072
Reconciliation of Accumulated Operating Surplus (Deficit):	;;					
Balance, beginning:			\$(19,483,453)	(20,648,308)		
Surplus (deficit)for government reporting			211,519	(1,030,980)		
Surplus (deficit), on capital purchases			·	2,190,504		
Add back write-off of deferred charges Add proceed from sale of property, plant and equipme	equipment, non-shareable	Ð	56,373	4,586		
Increase in J. M. Olds funds			()	746		
Miscellaneous difference			(19,216,278)	(19,483,452)		
Balance, ending			(3) \$(19,216,281)	(<u>19,483,453</u>)		

Deferred Revenue for the National Child Benefit (NCB), Early Childhood Development (ECD) and Early Learning and Childcare (ELC)

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		Eunding					
	Deferred From Prior	Allocated For Current	Total Available	Groce	Excess Excess	Nat	Deferred Kevenue
Initiative NCB:	Year	Year	For Year	Expenses	(Deficit)	Expenses	March 31, 2009
Child Care Subsidy	، ب	193,600	193,600	193,600	ı	193,600	•
Special needs (Autism)	182,087	328,000	510,087	287,188	•	287,188	222,899
Renovations/equipment	2,737	•	2,737		ı	. •	2,737
Equipment	31,720	36,100	67,820	30,253	ŀ	30,253	37,567
Child Care Consultant		50,000	50,000	50,000	•	50,000	•
Residential and Support services	34,464	105,555	140,019	78,068	ı	78,068	61,951
Mental Health	ı	77,427	77,427	77,427	ı	77,427	, †
Family Resource Centre	•	200,000	200,000	200,000	•	200,000	ı
Healthy Baby Clubs	•	54,000	54,000	13,453	ı	13,453	40,547
Non-specific	32,703	498,948	531,651	482,704		482,704	48,947
TOTAL NCB	283,711	1,543,630	1,827,341	1,412,693	•	1,412,693	414,648
ECD:							
Child Care Subsidy	•	,	1	,	ı	•	
Autism enhancement		•	,	•	ı		
Child management specialists		55.000	55.000	55.000	,	55.000	. 3
Child Care Consultants	111.202	212,992	324 194	146 554	,	146 554	177 6AN
Eamily Resource Centre	64 100	565,000	629 100	528 150	•	528 150	100 950
Family Home Child Care Equipment		006.6	14,177	-	•		14,177
Non-specific		10,350	10,350	3,363	•	3,363	6,987
TOTALECD		010 010					
	119,018	003,242	1,032,821	133,007	•	133,001	299,/54
ELC:							
Child Care Subsidy	247,533	1,743,677	1,991,210	1,903,255		1,903,255	87,955
FAO's	5,095	25,000	30,095	30,095	•	30,095	ı
Provincial ELC initiatives	153,736	51,265	205,001	34,970	•	34,970	170,031
Child Care Consultants	173,124	29,000	252,124	75,746	•	75,746	176,378
Community based child care	64,826	12,000	76,826	1,886	ı	1,886	74,940
Non-specific	74,271	157,000	231,271	216,871	•	216,871	14,400
TOTAL ELC	718,585	2,067,942	2,786,527	2,262,823	•	2,262,823	523,704
TOTAL NCB, ECD AND ELC	\$ 1,181,875	4,464,814	5,646,689	4,408,583	•	4,408,583	1,238,106

COLLEGE OF THE NORTH ATLANTIC

AUDITORS' REPORT

FINANCIAL STATEMENTS - MARCH 31, 2009



AUDITORS' REPORT

To the Board of Governors of College of the North Atlantic

We have audited the statement of financial position of **College of the North Atlantic** as at March 31, 2009 and the statements of operations, changes in net assets and cash flow for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2009, and the results of its operations and the changes in net assets and cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

Walters Hoffel Chartered Accountants

Gander, Newfoundland June 29, 2009

College of the North Atlantic Statement of Financial Position

March 31, 2009

	2009	2008
Assets		
Current assets		
Cash	\$ 39,444,037	\$ 32,936,016
Receivables - Note 2	15,542,987	12,253,112
Inventory	1,363,371	1,328,381
Prepaid expenses	1,347,841	850,836
Total current assets	57,698,236	47,368,345
Property, plant & equipment - Note 3	18,523,465	15,377,442
Trust accounts - Note 4	1,091,054	727,799
	<u>\$ 77,312,755</u>	\$ 63,473,586
Liabilities and Equity		
Current liabilities		
Payables and accruals - Note 5	\$ 13,578,732	\$ 12,063,965
Deferred revenue - Note 6	5,176,439	4,912,758
Due to Qatar Campus - Note 10	13,438,490	8,582,087
Vacation entitlement - management	2,040,253	1,695,313
Vacation entitlement - other	4,988,576	4,366,289
Severance - current portion	1,000,000	1,000,000
Total current liabilities	40,222,490	32,620,412
Trust accounts - Note 4	1,091,054	727,799
Deferred capital contributions - Note 7	5,753,909	5,713,948
Severance	11,304,795	11,054,336
Equity	58,372,248	50,116,495
Surplus - net of capital reserve, per accompanying statement	11,055,797	10,337,091
Capital reserve - Note 13	7,884,710	3,020,000
Total Equity	18,940,507	13,357,091
	\$ 77,312,755	<u>\$ 63,473,586</u>

Approved: Board Chair Audit Committee Chair

College of the North Atlantic Statement of Operations Year Ended March 31, 2009

	2009	2008
Revenue - Schedule 1		
Grant-in-aid	\$ 72,040,900	\$ 71,270,800
Facilities	379,433	φ 71,270,800 534,363
Administration	502,213	1,654,626
Instructional	29,547,605	26,885,325
Student services	729,026	671,507
Information technology	385,180	410,744
Resale	4,504,067	4,352,380
Apprenticeship	3,583,107	2,773,794
Continuing education	877,734	656,760
Contracts	7,371,404	6,889,457
International	886,443	
Special projects	-	582,537
	9,712,142	9,252,987
Total revenue	130,519,254	125,935,280
Expenditure - Schedules 2 to 13		
Facilities	6,209,484	5047040
Administration	· · ·	5,947,249
Instructional	14,625,167	13,885,620
Student services	63,433,805	61,840,706
Information technology	9,572,683	9,267,170
Resale	10,411,955	6,584,468
Apprenticeship	5,448,523	5,139,696
Continuing education	2,980,799	2,453,362
Contracts	837,983	618,812
International	7,043,947	5,979,775
Special projects	841,775	523,070
Special projects	2,697,217	2,591,303
Total expenditure before special item	124,103,338	114,831,231
Special item - recovery of rent accrual - Note 11		(2,734,561)
Total expenditure	124,103,338	112,096,670
Surplus before unfunded adjustments	6,415,916	13,838,610
Unfunded adjustments:		
Severance	(210,214)	(327,712)
Vacation pay	(622,288)	616,590
Total unfunded adjustments	(832,502)	288,878
Surplus of revenue over expenditures	\$ 5,583,414	\$ 14,127,488

College of the North Atlantic Statement of Changes in Net Assets Year Ended March 31, 2009

Capital 2009 2008 Reserve Total Total	L3,357,093 \$ (770,397)	3,020,000 0	3,026,000 13,357,093 (770,397)						5,583,414 [4,127,488	4,864,710 0	7,884,710 8 18,940,507 8 13,357,091
Surplus - net of Capital Reserve	13,357,093	(3,020,000)	10,337,093						5,583,414	(4,864,710)	11,055,797 \$
and Annual Leave	(16,327,590)		(16,327,590)						(832,502)		<u>\$ (17,160,092) </u> \$
Property Plant & Equipment	9,663,496		9,663,496	7,550,953	(4,392,594)	(1,865,556)	1,825,595	(12,336)			<u>s 12,769,558</u>
Operating	\$ 20,021,187	(3,020,000)	17,001,187	(7,550,953)	4,392,594	1,865,556	(1,825,595)	12,336	6,415,916	(4,864,710)	\$ 15,446,331
	Balance, beginning As previously stated	Prior years adjustment - Note 12	Balance, as restated	Property, plant & equipment purchases during year	Amortization of property, plant & equipment	Capital grants received during the year	Amortization of deferred capital contributions	Net book value of property, plant & equipment disposed during the year	Surplus of revenue over expenditure per accompanying statement	Capital reserve adjustment - Note 13	Balance, ending

College of the North Atlantic Statement of Cash Flow

Year Ended March 31, 2009

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		2009		2008
Cash flows:				
Surplus of revenue over expenditure	\$	5,583,414	\$	14,127,488
Add items of a non - cash nature:				
Loss (gain) of property, plant & equipment		(970)		(1,287)
Loss (gain) on disposal of property, plant & equipment		(47,180)		(215,901)
Amortization		4,392,594		3,719,903
		9,927,858		17,630,203
Changes in:				
Current assets		(3,821,869)		(3,669,178)
Current liabilities		7,602,080		(14,796,206)
Accrued severance	. <u></u>	250,459	·	138,744
		13,958,528		(696,437)
Financing:				
Change in deferred capital contributions		39,961		711,417
Investing:				
Proceeds from sale of property, plant & equipment		60,485		246,162
Additions to property, plant & equipment		(7,550,953)		(6,601,087)
		(7,490,468)		(6,354,925)
Net increase (decrease) in cash		6,508,021		(6,339,945)
Cash, beginning		32,936,016		39,275,961
Cash, ending	\$	39,444,037	\$	32,936,016

College of the North Atlantic

Revenue

Year Ended March 31, 2009

	2009	2008
Grant-in-aid	\$ 72,040,900	\$ 71,270,800
Facilities		
Amortization of deferred capital contribution	24,827	21,460
Classroom/video rental	15,000	15,000
Parking	6,307	1,411
Other	333,299	496,492
	379,433	534,363
Administration		
Interest	333,852	410,319
Amortization of deferred capital contribution	57,634	10,284
Gain on disposal of capital assets	48,150	217,189
Other	62,577	1,016,834
	502,213	1,654,626
Instructional		
Tuition	9,163,826	9,098,670
Equipment and materials	1,440,946	1,417,333
Subsidy	16,211,189	12,834,322
Amortization of deferred capital contribution	1,559,131	1,549,338
Daycare	337,699	311,773
Other	834,814	1,673,889
	29,547,605	26,885,325
Student services		
Application fee	232,180	225,234
Registration fee	342,453	322,247
Amortization of deferred capital contribution	10,845	10,607
Other	143,548	113,419
	729,026	671,507
Information technology		
Amortization of deferred capital contribution	160,260	185,824
Other	224,920	224,920
	385,180	410,744
Continuing education		
Tuition	877,613	652,860
Other		3,900
	877,734	656,760
Contracts		
Tuition	4,227,342	5,003,633
Apprenticeship/Post Journey	76,820	67,495
Other	3,067,242	1,818,329
	7,371,404	6,889,457

College of the North Atlantic

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Revenue

Year Ended March 31, 2009

Resale		
Bookstore	2,928,279	2,887,369
Food services	1,228,414	1,085,825
Residence	333,958	365,663
Amortization of deferred capital contribution	12,898	10,216
Other	518	3,307
	4,504,067	4,352,380
Apprenticeship		
Apprenticeship	3,583,107	2,773,794
	3,583,107	2,773,794
International		
International	886,443	582,537
	886,443	582,537
Special projects		
Qatar (net) - Note 10	7,260,588	6,312,168
Other projects	2,451,554	2,940,819
	9,712,142	9,252,987
	\$ 130,519,254	\$ - 125,935,280

College of the North Atlantic Summary of Facilities Expenditures Year Ended March 31, 2009

	 2009		2008
Salaries and benefits	\$ 1,407,575	\$	1,386,681
Professional fees	120,398		76,091
Travel	7,460		13,177
Insurance	351,300		337,919
Photocopying/printing	1,231		831
Office related supplies	2,145		909
General advertising	1,707		1,454
Freight and customs	2,354		1,724
Telephone	4,728		2,845
Utilities	1,480,443		1,457,290
Repairs and maintenance	1,256,514		1,243,228
Vehicle operations	177,402		136,426
Equipment rentals	16,237		25,385
Facilities rentals	962,845		825,318
Protective clothing	12,298		11,161
Amortization	120,619		58,967
Computer supplies	1,849		1,396
Minor equipment and tools	86,447		72,122
Minor computer equipment	9,038		1,615
Materials and supplies	 186,894	 	292,710
	\$ 6,209,484	\$	5,947,249

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College of the North Atlantic Summary of Administration Expenditures

Year Ended March 31, 2009

	 2009		2008
Salaries and benefits	\$ 10,305,668	\$	9,358,498
Professional development	236,846		169,785
Employee recognition and wellness	22,321		16,964
Professional fees	240,113		201,603
Travel	404,218		377,907
Recruitment and relocation	69,667		197,123
Insurance	1,652		4,350
Bank charges	174,837		116,341
Photocopying/printing	349,095		328,259
Office related supplies	464,545		388,691
Membership fees	119,426		67,831
General advertising	322,366		283,619
Doubtful receivables	45,001		251,397
Freight and customs	127,198		136,513
Telephone	684,265		761,894
Utilities	5,666		3,253
Repairs and maintenance	82,604		82,579
Vehicle operations	6,124		17,451
Equipment rentals	41,900		20,688
Protective clothing	7,693		5,313
Amortization	83,222		104,117
Laundry and drycleaning	1,147		3,109
Computer supplies	30,996		45,687
Contracted Services	928		7,413
Educational materials	14,743		18,460
Student related	3,663		8,920
Minor equipment and tools	210,665		181,360
Minor computer equipment	112,809		96,826
Materials and supplies	 455,789	····	629,669
	\$ 14,625,167	\$	13,885,620

College of the North Atlantic Summary of Instructional Expenditures

Year Ended March 31, 2009

	200)9	2008
Salaries and benefits	\$ 52,5	518,671 \$	50,774,182
Professional development	3	67,450	352,169
Professional fees	3	20,445	343,113
Travel	5	570,999	583,604
Recruitment and relocation		66,948	90,230
Insurance		1,581	3,527
Photocopying/printing	1	63,355	204,849
Office related supplies		71,750	62,276
Membership fees		23,403	25,332
General advertising	1	17,939	251,818
Freight and customs		85,983	101,527
Telephone	1	66,749	149,103
Utilities		2,088	6,489
Repairs and maintenance	1	53,627	302,501
Vehicle operations	4	37,259	476,317
Equipment rentals	1	05,045	111,858
Facilities rentals	1	07,790	128,780
Protective clothing		20,188	38,497
Amortization	3,64	48,209	3,061,562
Food cost	1	15,333	112,287
Laundry and drycleaning		5,356	4,036
Textbooks and supplies		430	3,392
Computer supplies	25	54,236	181,526
Contracted services	1	78,773	171,169
Educational materials	1	82,979	109,603
Daycare operations	14	46,225	134,291
Student related	3.	35,977	184,078
Minor equipment and tools	79	96,487	1,246,310
Minor computer equipment	28	87,585	506,385
Materials and supplies	2,18	80,945	2,119,895
	<u>\$ 63,4</u>	33,805 \$	61,840,706

College of the North Atlantic Summary of Student Services Expenditures Year Ended March 31, 2009

		2009	 2008
Salaries and benefits	\$	7,713,746	\$ 7,430,797
Professional development		29,000	31,939
Employee recognition and wellness		1,036	470
Professional fees		48,154	21,158
Travel		118,725	134,896
Recruitment and relocation		885	-85
Insurance		6,170	31,578
Photocopying/printing		145,810	132,469
Office related supplies		85,156	75,005
Membership fees		3,745	6,407
General advertising		635,011	362,323
Freight and customs		20,559	19,859
Telephone		21,353	31,416
Repairs and maintenance		2,648	248
Equipment rentals		1,709	
Facilities rentals		2,863	13,171
Protective clothing		178	517
Amortization		30,280	27,190
Computer supplies		43,429	12,132
Contracted services		112,875	113,115
Educational materials		230,672	214,614
Student related		70,589	310,175
Minor equipment and tools		70,938	141,813
Minor computer equipment		42,938	38,444
Materials and supplies		134,214	 117,349
	<u>\$</u>	9,572,683	\$ 9,267,170

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College of the North Atlantic Summary of Information Technology Expenditures Year Ended March 31, 2009

		2009	• ••••• •••••••••	2008
Salaries and benefits	\$	4,394,580	\$	3,284,002
Professional development		541,184		273,311
Professional fees		127,109		51,970
Travel		286,969		76,324
Photocopying/printing		883		1,020
Office related supplies		13,621		6,582
Freight and customs		3,488		3,445
Telephone		16,529		35,026
Repairs and maintenance		6,677		9,523
Facilities Rentals		2,917		0
Amortization		492,511		453,700
Computer supplies		3,715,618		2,190,977
Contracted services		28,098		0
Minor equipment and tools		48,508		22,488
Minor computer equipment		675,995		146,742
Materials and supplies	,-,-,-,-,-,-,-,-,-,-,-,-,-,-,-,-	57,268		29,358
	<u></u>	10,411,955	\$	6,584,468

College of the North Atlantic Summary of Resale Expenditures Year Ended March 31, 2009

	2009	2008	
			2000
Salaries and benefits	\$ 1,811,172	\$	1,631,995
Professional development	320		1,578
Travel	7,427		4,880
Photocopying/printing	9,687		4,699
Office related supplies	20,242		12,811
General advertising	277		2,519
Freight and customs	144,908		139,966
Telephone	3,552		2,332
Utilities	22,097		14,848
Repairs and maintenance	22,254		26,717
Protective clothing	15,488		12,212
Amortization	17,753		14,367
Food cost	921,610		789,289
Laundry and drycleaning	24,822		30,659
Textbooks and supplies	2,319,790		2,369,492
Computer supplies	1,759		456
Minor equipment and tools	14,530		31,085
Minor computer equipment	3,809		6,563
Materials and supplies	87,026	······	43,228
	\$ 5,448,523	\$	5,139,696

College of the North Atlantic Summary of Apprenticeship Expenditures Year Ended March 31, 2009

	 2009		
Salaries and benefits	\$ 2,174,774	\$	1,864,942
Professional fees	392		4,000
Travel	1,379		1,601
Photocopying/printing	2,822		2,484
Office related supplies	340		496
General advertising	3,145		4,836
Freight and customs	4,999		4,264
Repairs and maintenance	9,471		2,609
Vehicle operations	2,670		1,195
Equipment rentals	0		583
Protective clothing	2,945		3,351
Food cost	25,839		23,950
Laundry and drycleaning	3,734		4,311
Computer supplies	11,569		1,181
Contracted services	14,403		13,400
Educational materials	20,263		20,642
Student related	268,678		235,305
Minor equipment and tools	80,457		56,614
Minor computer equipment	3,936		5,470
Materials and supplies	 348,983		202,128
	\$ 2,980,799	\$	2,453,362

College of the North Atlantic Summary of Continuing Education Expenditures Year Ended March 31, 2009

		2009		
Salaries and benefits	\$	623,241	\$	454,402
Professional fees		18,664		19,144
Travel		7,088		3,630
Photocopying/printing		1,813		1,266
General advertising		8,785		7,766
Freight and customs		1,179		1,168
Telephone		0		131
Facilities rentals		5,983		4,563
Computer supplies		0		2,146
Contracted services		66,566		45,536
Educational materials		2,172		1,402
Student related		43,025		31,019
Minor computer equipment		416		-
Materials and supplies		59,051	<u> </u>	46,639
	<u></u>	837,983	\$	618,812

College of the North Atlantic Summary of Contract Expenditures Year Ended March 31, 2009

	2009	 2008
Salaries and benefits	\$ 4,707,321	\$ 4,163,249
Professional development	5,042	5,684
Professional fees	40,526	17,214
Travel	164,865	132,239
Recruitment and relocation	0	714
Photocopying/printing	17,285	16,497
Office related supplies	9,767	7,421
Membership fees	8,844	11,934
General advertising	66,210	52,339
Freight and customs	11,043	9,230
Telephone	14,729	18,935
Repairs and maintenance	21,438	2,712
Vehicle operations	131,406	70,072
Equipment rentals	221,978	162,441
Facilities rentals	131,168	135,198
Protective clothing	5,667	4,311
Food cost	45,952	34,796
Computer supplies	8,105	17,730
Contracted services	717,430	497,777
Educational materials	10,533	21,083
Student related	260,913	262,626
Minor equipment and tools	19,331	47,362
Minor computer equipment	13,962	18,916
Materials and supplies	410,432	 269,295
	\$ 7,043,947	\$ 5,979,775

College of the North Atlantic Summary of International Expenditures Year Ended March 31, 2009

	2009	 2008
Salaries and benefits	\$ 344,146	\$ 249,354
Professional fees	3,297	16,138
Travel	60,666	59,976
Photocopying/printing	777	5,783
Office related supplies	1,069	2,601
Membership fees	13,584	10,387
General advertising	60,851	44,058
Freight and customs	9,487	13,696
Telephone	1,439	701
Computer supplies	368	2,722
Contracted services	307,792	88,267
Educational Materials	1,699	2,228
Student related	16,014	18,245
Minor equipment and tools	2,879	0
Minor computer equipment	2,081	. 0
Materials and supplies	15,626	 8,914
	<u>\$</u> 841,775	\$ 523,070

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College of the North Atlantic Summary of Special Projects Expenditures Year Ended March 31, 2009

		2009	 2008
Salaries and benefits	\$	1,601,535	\$ 1,590,819
Professional development		33,555	21,941
Professional fees		323,879	76,784
Travel		52,631	82,023
Photocopying/printing		8,143	7,322
Office related supplies		7,728	5,511
General advertising		71,460	26,536
Freight and customs		4,297	3,540
Telephone		9,345	11,722
Repairs and maintenance		16,074	11,875
Vehicle operations		360	163
Equipment rentals		7,596	11,719
Facilities rentals		1,707	2,117
Food cost		4,112	8,429
Computer supplies		36,837	9,372
Contracted services		0	137,569
Educational materials		10,703	1,003
Student related		82,176	72,895
Minor equipment and tools		66,253	163,682
Minor computer equipment		42,244	37,280
Materials and supplies		316,582	 309,001
	<u>\$</u>	2,697,217	\$ 2,591,303

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College of the North Atlantic Summary of Expenditures Year Ended March 31, 2009

	2009	2008
Salaries and benefits	\$ 87,602,429	\$ 82,188,921
Professional development	1,213,397	856,407
Employee recognition and wellness	23,357	17,434
Professional fees	1,242,977	827,215
Travel	1,682,427	1,470,257
Recruitment and relocation	137,500	288,152
Insurance	360,703	377,374
Bank charges	174,837	116,341
Photocopying/printing	700,901	705,479
Office related supplies	676,363	562,303
Membership fees	169,002	121,891
General advertising	1,287,751	1,037,268
Doubtful receivables	45,001	251,397
Freight and customs	415,495	434,932
Telephone	922,689	1,014,105
Utilities	1,510,294	1,481,880
Repairs and maintenance	1,571,307	1,681,992
Vehicle operations	755,221	701,624
Equipment rentals	394,465	332,674
Facilities rentals	1,215,273	1,109,147
Protective clothing	64,457	75,362
Amortization	4,392,594	3,719,903
Food cost	1,112,846	968,751
Laundry and drycleaning	35,059	42,115
Textbooks and supplies	2,320,220	2,372,884
Computer supplies	4,104,766	2,465,325
Contracted services	1,426,865	1,074,246
Educational materials	473,764	389,035
Daycare operations	146,225	134,291
Student related	1,081,035	1,123,263
Minor equipment and tools	1,396,495	1,962,836
Minor computer equipment	1,194,813	858,241
Materials and supplies	4,252,810	4,068,186
	<u>\$ 124,103,338</u>	\$ 114,831,231

Authority and Purpose

The College of the North Atlantic (the College) operates under the authority of the College Act, 1996, Province of Newfoundland and Labrador. In accordance with Section 6 of the College Act, 1996, the College is a statutory crown corporation and as such is not subject to either Federal or Provincial income taxes and is exempt from Municipal taxes. The College is Newfoundland and Labrador's public college. The College is committed to providing accessible, responsive, quality learning opportunities which prepare people to become self-sufficient contributors to social and economic development both in a provincial and global context.

1 Significant accounting policies:

The financial statements of the College have been prepared within the framework of Canadian generally accepted accounting principles which requires the use of estimates and assumptions that affect the amounts reported and disclosed in these statements and related notes. Any variations between these estimates and actual amounts are not expected to materially affect reported results. The more significant accounting policies of the College are as follows:

(a) Revenue recognition

The College follows the deferral method of accounting for contributions which includes donations and government grants. Grants for expenditures of future periods are deferred and recognized as revenue in the year in which the related expenditures were incurred. Grants for capital assets are deferred and recognized as revenue on the same basis as the acquired capital assets are amortized.

Revenue from contractual services is recognized as the service is delivered.

(b) Basis of accounting

The College follows the accrual basis of accounting.

(c) Inventory

Inventory which consists mainly of books and food supplies is recorded at the lower of cost or net realizable value.

(d) Property, Plant & Equipment

Property, plant & equipment recorded prior to the April 1, 1997 amalgamation of the former Colleges are recorded at either cost, nominal, or approximate fair value. Property, plant & equipment acquired after April 1, 1997 are recorded at cost. Amortization is recorded on a straight line basis using the following estimated useful lives:

Artwork	No amortization
Capital improvements	10 and 5 years
ERP - Peoplesoft	10 years
Computer and peripherals	3 years
Furnishings	5 years
Instructional equipment	5 years
Other electronic equipment	5 years
Software	3 years
Vehicles	5 years

One half year's amortization is taken in the year of acquisition.

No amortization is recorded for assets under development.

The value of donated artwork has not been recorded in these financial statements. An accurate valuation of donated artwork has not been obtained at March 31, 2009.

On disposal, property, plant & equipment are removed from the accounts at their net book value. Proceeds from disposals are recorded and any resulting gain or loss on disposal is realized.

(e) Severance and vacation pay

The College is liable for severance pay to employees who have nine or more years of continuous public service. An amount has been recorded in the financial statements to reflect this liability. No provision for severance has been made for employees with less than the required years of service.

(f) Foreign Currencies

Transactions in foreign currencies are recorded in Canadian dollars at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the Statement of Financial Position date. Exchange gains or losses arising from the translations are included in the Statement of Operations.

2 Receivables

	2009		2008
Government of Newfoundland	\$ 2,919,692	\$	2,494,254
HRD Subsidy	8,925,953		5,162,436
Students	1,242,394		1,138,887
Other	3,418,066		4,709,598
	16,506,105		13,505,175
Less allowance for doubtful accounts	963,118		1,252,063
	<u>\$ 15,542,987</u>	<u>\$</u>	12,253,112

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3 Property, Plant & Equipment

			2009				2008
		Cost	 Accumulated Amortization		Net Book Value		Net Book Value
Artwork	\$	5,500	\$ 0	\$	5,500	\$	5,500
Capital improvements		11,183,416	5,065,851		6,117,565		3,964,464
Computer and peripherals		7,711,602	6,616,283		1,095,319		1,133,566
Furnishings		606,570	444,038		162,532		126,748
Instructional equipment		33,046,654	27,108,757		5,937,897		5,620,832
Other electronic equipment		403,055	198,077		204,978		131,846
Software		372,040	372,040		0		42,244
ERP - Peoplesoft		3,789,958	1,705,481		2,084,477		2,421,230
Vehicles		7,071,900	 4,156,703	·	2,915,197		1,931,012
	<u>\$</u>	64,190,695	\$ 45,667,230	<u>\$</u>	18,523,465	<u>\$</u>	15,377,442

The land and buildings being used by the College, with the exception of some rental property, are the properties of the Province of Newfoundland and Labrador. Expenditures for repairs and maintenance of these buildings, paid by the Province, are not recorded in the financial statements of the College.

4 Trust accounts

Trust accounts represent donations and related interest restricted for scholarships, awards and other specified purposes. Changes in the trust account balance are as follows:

	 2009		2008
Opening balance Net deposits and payments Interest	\$ 727,799 341,052 22,203	\$	544,257 164,397 19,145
Closing balance	\$ 1,091,054	<u>\$</u>	727,799

College of the North Atlantic Notes to Financial Statements

For the twelve months ending March 31, 2009

5 Payables and accruals

		2009	2008
Trade liabilities	\$	5,927,790	5,832,982
Accrued wages and benefits		2,923,278	5,482,464
End of service compensation		3,928,955	,, -
Other	<u> </u>	798,709	748,519
	\$	13,578,732	\$ 12,063,965

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6 Deferred revenue

	 2009	2008
HRD Subsidy Residence and program fees Qatar contribution to ERP Contract training and special projects	\$ 1,279,332 44,847 224,919 3,627,341	1,425,810 95,249 449,839 2,941,860
	\$ 5,176,439	\$ 4,912,758

7 Deferred capital contributions

Deferred capital contributions represent the unamortized amount of grants and special funding received for the purchase of property, plant & equipment (PPE). Changes in the deferred capital contributions balances are as follows:

	 2009	 2008
Balance, beginning of year Contributions received for PPE purposes	\$ 5,713,948	\$ 5,002,531
- Provincial grants - Special projects Amortization of deferred capital contributions	 1,500,000 365,556 (1,825,595)	 1,500,000 999,144 (1,787,727)
	\$ 5,753,909	\$ 5,713,948

8 Pensions

Under Section 26 of the College Act, 1996, College staff is subject to the Public Service Pension Act, 1996. Employee contributions are matched by the College and then remitted to the Province of Newfoundland and Labrador Pooled Pension Fund from which pensions will be paid to employees when they retire.

9 Commitments

Deloitte Inc. Commitment

The College has entered into a contract with Deloitte Inc. to develop and maintain a PeopleSoft integrated computerized information system. Committed payments over the next two years are as follows:

2009-2010	1,476,310
2010-2011	379,172

Lease Commitment

The College leases some equipment and facilities under long-term operating leases. Lease payments for the next five years, committed under operating leases extending beyond one year, are as follows:

2009-2010	1,554,857
2010-2011	1,204,550
2011-2012	452,662
2012-2013	240,262
2013-2014	169,371

10 Comprehensive Agreement with the State of Qatar

The College has a comprehensive agreement with the State of Qatar to establish, operate and administer a College of Applied Arts and Technology in Doha, Qatar for a period, September 30, 2001 to August 31, 2012. The agreement is funded by the State of Qatar. For its services, the College is paid an annual Management Fee of 10% of base salaries. The College receives quarterly advances to cover cash flow requirements.

Due to Qatar 2009 2008 Cash on Deposit \$ 12,866,939 9,649,883 Payables (accruals) 571,551 (1,067,796)Net Liability 13,438,490 8,582,087 \$ **Results of Operations** 2009 2008 Gross Proceeds \$ 10,374,712 7,526,173 Management Costs (3,114,124)(1,214,005) Net Proceeds \$ 7,260,588 \$ 6,312,168

11 Rental accrual

As a result of a new lease between the Roman Catholic Episcopal Corporation for Labrador and the Government of Newfoundland and Labrador, entered into on September 1, 2007, the College has recovered \$2,734,561 in unpaid lease payments and related interest for the rental of the former Notre Dame Acadamy, the Labrador West campus and this is reflected in the 2008 statements. The new lease provides the College with total relief of its liability owing to the corporation.

12 Prior years adjustment

In the current year, the College has reserved \$3,020,000 for infrastructure initiatives. This amount represents rental savings for its Labrador West Campus up to March 31, 2008. As such, this amount has been transferred to capital reserve as at March 31, 2008.

13 Capital reserve

\$4,864,710 has been reserved, from current year income, to support infrastructure requirements. The Government of Newfoundland and Labrador has directed the funds to be held and considered as support for the College's infrastructure requests.

Capital Reserve balance consists of:

		2009	 2008
Opening balance	\$	3,020,000	\$
Rent Savings Government of Newfoundland and Labrador		4,864,710	 3,020,000
Total Reserve	<u>\$</u>	7,884,710	\$ 3,020,000

14 Financial instruments

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, approximate their fair values due to the relatively short periods to maturity of these instruments.

15 Comparative figures

Certain of the 2008 comparative figures have been reclassified to conform to the financial presentation adopted in 2009.

CONSEIL SCOLAIRE FRANCOPHONE PROVINCIAL DE TERRE-NEUVE-ET-LABRADOR

FINANCIAL STATEMENTS/ AUDITORS' REPORT

JUNE 30, 2008



CHARTERED ACCOUNTANTS

Suite 201, 516 Topsail Rd - St. John's, NL - A1E 2C5 Tel: (709) 364-5600 - Fax: (709) 368-2146 www.noseworthychapman.ca

AUDITORS' REPORT

To Conseil Scolaire Francophone Provincial de Terre-Neuve-et-Labrador

We have audited the statement of financial position of the Conseil scolaire francophone provincial de Terre-Neuve-et-Labrador as at June 30, 2008 and the related statements of current revenues, expenditures and Board equity, statement of cash flows and statement of changes in capital fund position for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at June 30, 2008 and the results of its operations and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles and as explained in Note 1 to the financial statements, and are in compliance with reporting requirements established for School Boards in the Province of Newfoundland and Labrador by the Department of Education.

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Chartered Accountants St. John's, Newfoundland & Labrador August 31, 2008

STATEMENT OF FINANCIAL POSITION June 30, 2007

Assets		2008	<u>2007</u>
Current Assets Cash (Supp. Info. 1) Short Term Investments (Supp. Info. 2) Accounts Receivable (Note 2) HST Receivable Prepaid Expenses (Supp. Info. 3)	\$	225,000 425,977 20,919 11,585	\$ 350,00 366,19 33,09 27,09
Total Current Assets		683,481	776,38
Long Term Investments Capital Assets (Sch. 8)		6,000 7,811,864 8,501,345	2,00 8,000,77 \$ 8,779,15
Liabilities and Board Equity			
Current Liabilities			
Due to bank (Supp. Info.1) Due to the Government of Newfoundland & Labrador Accounts Payable and Accruals (Note 3) Current Maturities	\$	17,760 227,585 50,035	\$ 22,63 156,42 125,42
Total Current Liabilities		295,380	304,48
Long-Term Debt		6,000	2,00
Severance Pay Benefits - Teaching staff (Note 5) Severance Pay Benefits - Non-teaching staff (Note 5) Other Employee Benefits - Vacation pay Summer Pay Liability Deferred Revenue		230,337 28,907 9,067 325,360 11,495 605,166	164,87 28,12 8,35 260,69 111,05 573,11
Contingent Liability (Note 7)			
Board Equity Investment in capital assets (Note 4) Reserve - (Note 6) Board Equity (Deficit)		7,794,745 21,000 (220,946)	7,980,79 13,50 (94,73
Total Board Equity		7,594,799	7,899,56
		8,501,345	\$ 8,779,15
Approved Chairperson	Note	8,501,34	5

Statement of Current Revenues, Expenditures and Board Equity (Deficiency)

Year Ended June 30, 2008

	2008	2007
Current Revenue (Schedule 1)		
Federal Government Grants Provincial Government Grants Donations	\$ 1,269,318 4,978,858	\$ 1,359,007 4,473,536
Ancillary Services Miscellaneous	128,366 54,445	130,019 28,083
	6,430,987	5,990,645
Current Expenditures		
Pupil Services - federal grant (Schedule 10) Administration - (Schedule 2) Community programs - federal grant (Schedule 11) Instruction (Schedule 3) Operations and Maintenance (Schedule 4) Pupil Transportation (Schedule 5) Amortization of capital assets Ancillary Services (Schedule 6) Interest Expense Miscellaneous Expense (Schedule 7)	1,060,754 451,433 180,000 3,092,953 694,598 336,135 391,063 159,615	1,051,452 429,058 191,894 2,552,889 696,142 321,530 380,466 135,087
Excess of Revenue over Expenditure before undernoted item	<u>6,366,551</u> 64,436	232,127
Transfer to Capital Fund	117,687	186,276
Excess of Revenue over Expenditure for the Period	(53,251)	45,851
Teacher severance pay accrual (Note 5)	(65,464)	(57,777)
Adjusted excess of Revenue over Expenditures	(118,715)	(11,926)
Board Deficiency, Beginning of Year	(94,731)	(84,305)
Transfer (to) from reserve	(7,500)	1,500
Fund Deficiency, End of the Year	\$ (220,946)	\$ (94,731)

Statement of Cash Flows Year Ended June 30, 2008

	<u>2008</u>	<u>2007</u>
60 Operating Activities 011 Excess of Revenue over Expenditures (Expenditures over Revenue) 012 Changes in Non-Cash Working Capital	(118,715)	(11,926)
 012 Changes in Non-Cash Working Capital 013 - Short Term Investments 014 - Accounts Receivable 015 - Prepaid Expenses 014 - Accounts Payable & Accrued Expenses 015 - Amortization of capital assets 016 Other non-working capital items 016 - Summer Pay Liability 016 - Severance pay accrual Other employee benefits Deferred revenue 	121,000 (47,605) 15,512 (4,231) 2,853 - 64,661 66,243 711 (99,559)	(2,000) (24,439) (18,848) (29,474) 2,853 26,812 48,661 (20,016) (9,688)
61 Financing Activities 011 Proceeds form Bank Loans 012 Grants - Capital 013 Other Capital Revenue 014 Changes in Long-Term Debt 015 Other - reserve	 202,158 4,000	(38,065) - 186,276 - - 2,000
62 Investing Activities 011 Proceeds in Sale of Capital Assets 012 Additions to Capital Assets 013 Other	206,158	(186,276)
63 Increase (decrease) in Cash	<u>(202,158)</u> 4,871	(186,276) (36,065)
64 Cash, Beginning of the Year	(22,631)	13,434
65 Cash, End of the Year	\$ (17,761)	\$ (22,631)

Statement of Changes in Capital Fund Year Ended June 30, 2008

	<u>2008</u>		2007
70 Capital Receipts			
71 Proceeds from Bank Loans	•		^
011 - School Construction 012 - Equipment	\$	-	\$-
013 - Service Vehicles		-	-
014 - Pupil Transportation	<u>.</u>	-	
		-	
72 Federal Grants 011 School Construction and Equipment			_
012 Other		-	-
		-	
73 Donations			
011 - Cash Receipts		-	-
012 - Non-Cash Receipts 013 - Restricted Use		-	-
		-	
74 Sale of Capital Assets - Proceeds			
011 - Land & 012 Buildings		-	-
013 - Equipment 014 - Service Vehicles		-	-
014 - Service Vehicles 015 - Pupil Transportation Vehicles		-	-
		-	
75 Other Capital Revenues			······································
011 - Interest on Capital Fund Investments		-	-
012 - Premiums on Debentures		-	-
013 - Recoveries of Expenditures 015 - Insurance Proceeds		-	-
016 - Native Peoples Grants		-	-
017 - Miscellaneous			
- Capital Grants - Province of NL	84,4	71	-
 Cost sharing for Info Technology Grants 			
Total Capital Receipts	84,4	71	-
	<u> </u>	<u> </u>	
77 Transfer from Reserve Account		-	
78 Transfer from Current Fund	117,68	87	186,276
Total	\$ 202,1	58	\$ 186,276

Statement of Changes in Capital Fund (Cont'd) Year Ended June 30, 2008

80	Capital Disbursements	<u>2008</u>	<u>2007</u>
81 011 012 013 014 015 016	Additions to Capital Assets - Land and Sites - Buildings - Furniture & Equipment - Schools - Furniture & Equipment - Other - Service Vehicles - Pupil Transportation - Other - Centre des Grands-Vents	\$ 84,471 97,685 20,002 - - 202,158	\$ - 156,620 19,664 - 9,992 186,276
012 013	 Principal Repayment of Long Term Debt School Construction Equipment Service Vehicles Other 	 - - -	 - - - -
83 013	Miscellaneous Disbursements - Other	 	
	Total Capital Disbursements	\$ 202,158	\$ 186,276

Notes to the Financial Statements Year Ended June 30, 2008

1. Significant Accounting Policies:

The accompanying financial statements have been prepared on a fund accounting basis which is generally accepted for School Districts. Fund accounting can be defined as "accounting procedures in which a self balancing group of accounts is provided for each fund". It is customary for School Districts to account separately for the current and capital funds.

A summary of significant accounting policies adopted by the District, relating to their use of fund accounting, is as follows:

- a) Grants received by the District are recorded in either the current or capital funds depending on their source. Grants from the Department of Education are treated as current revenues while those from the province in regard to capital projects are recorded as capital revenues.
- b) Capital asset additions are recorded at full cost in the capital fund and are amortized over their useful lives.
- c) Capital assets are amortized using the straight line method based on the following number of years:

School buildings - 40 years Furniture - 10 years Equipment - 10 years Computers - 4 years

- d) Funding relating to capital assets is deferred and amortized according to the same method used for the assets to which it relates.
- e) The School board has acquired, in certain cases, land for its buildings without cost. In other cases, the board obtained authorization to use the land without ownership, as long as the properties are used for educational purposes. In the case where the land is board property, value determinations were not possible, meaning that the fair market value was not recorded.
- f) The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include providing for amortization of capital assets. Actual results could differ from these estimates.

Notes to the Financial Statements Year Ended June 30, 2008

		<u>2008</u>	2007
2.	Accounts Receivable		
	Current		
11	131 Provincial Government 132 Transportation	\$ 344,028 -	\$ 286,789 -
	133 Federal Government 136 Other School Districts	37,269	30,309
	137 Rent 138 Interest	22,604 441	32,373 2,552
	139 Travel Advances and Misc.	9,207	2,746
	<u>Capital</u>		
11	231 Provincial Government Construction Grants233 Local Contributions234 Other School Districts235 Other	12,428	11,423
		425,977	366,192

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Notes to the Financial Statements Year Ended June 30, 2008

				2008		<u>2007</u>
3.	Accounts Payat	ble and Accruals				
	Current					
11 11 11 11 11 11	-	- Liabilities - Interest - Wages	\$	14,329 35,706 - - -	\$	68,828 56,600 - - -
	<u>Capital</u>					
21 21 21	1 Trade Payable 2 Accrued 3 7 Deferred Grants 8 Other	- Liabilities - Interest		-		
				50,035	14 <u>11-</u> 1-1-1-1	125,428

Notes to the Financial Statements Year Ended June 30, 2008

			<u>2008</u>	2007
4.	Investment in capital assets -			
	beginning of year Add:	\$	7,980,798	\$ 8,172,135
	Transfer of Operating Funds to Capital Fund Grants		117,687	186,275
	- Province - Contribution for Capital Construction - Other -		-	-
	Capital Projects funded by the province but paid directly to other souces on behalf of the District Donations		84,471	-
	Proceeds from the sale of Capital Assets - Land - Buildings - Equipment - Vehicles - Other Interest on Capital Fund Investments Recoveries of Expenditures Insurance Proceeds - Capital Miscellaneous			
	Miscenarieous .		202,158	186,275
	Deduct Adjustments			
	Amortization of Investment in Capital Assets Cost of assets sold - Land - Buildings - Equipment - Vehicles - Other		388,211	377,612
			200 244	277 642
	Other		388,211	377,612
~~		¢	7 704 745	¢ 7 080 708
23	221 Investment in capital assets -end of year	\$	7,794,745	\$ 7,980,798

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Notes to the Financial Statements Year Ended June 30, 2008

5. Accrued Severance Leave

The amount of \$65,464 for teachers' severance costs and the amount of \$779 for non-teaching staff severance costs are included in expenses. The amount of \$230,337 for teachers' severance costs and the amount of \$28,907 for non-teaching staff severance costs for a total of \$259,244 are included in the liabilities.

The adjustment for teachers' severance pay is required by the Department of Education of the Government of Newfoundland and Labrador and has no impact on the operation of the School Board. No account receivable is included in the accounts to offset this liability.

The accrued severance leave for non-teaching personnel is funded out of the board's regular operating grants.

6. <u>Reserve</u>

In accordance with leases with the tenants of the Centre scolaire et communautaire des Grand-Vents in St. John's, this reserve constitutes funds that management has designated as restricted funds to allow for the future purchase of computer equipment and major renovations of the building.

7. Contingent liability

The organization was served a statement of claim for an unspecified dollar amount by an individual for wrongful dismissal from a position within Conseil scolaire francophone provincial de Terre-Neuve-et-Labrador. Subsequently, a defense to the statement of claim has been filed by the organization. To date this issue has yet to be resolved and the amount and likelihood any settlement is not determinable at this time.

8. Comparative figures

Certain comparative figures have been reclassified to conform to current years presentation.

Current Revenues Year Ended June 30, 2008

<u>Cu</u>	rent		<u>2007</u>			
		Federal Government Grants				
		Regular Operating Grants	\$	1,269,318	\$	1,359,007
32	010	Provincial Government Grants				
	011	Regular Operating Grants	\$	1,263,568	\$	1,175,853
	040	Amort. of deferred rev for capital assets		388,211		377,612
	016	Special Grants - Traditionnal Music		- 23,132		
		- Official Language Monitor		23,132 58,543		- 51,076
		- French Language recuperation				
		- Textbook credit allocation		-		481
		- Communication Tech		-		-
		- Other		157,829		182,206
	047	Salaries and Benefits		405 005		200.284
	017 021	· ·		195,925 2,424,371		206,384 2,0 4 3,610
	021	- Substitute Teachers		82,669		2,043,010
	~~~	- Student Assistants		50,843		57,679
	030	Pupil Transportation		-		
	031	- Board Owned		-		-
		- Contracted		333,767		320,016
	033	- Handicapped			<u> </u>	
				4,978,858		4,473,536
33		Donations				
		Cash Receipts		-		-
		Non Cash Receipts		-		-
	014	Restricted Use	·		<u> </u>	-
			. <u></u>	<u> </u>	, <b>.</b>	-
34		Ancillary Services				
		Revenues from Rental of Residences Revenues from Rental of Schools and		-		-
	021	Facilities		- 103,366		- 105,019
	031	Cafeterias				
		Other - ARCO		25,000		25,000
				128,366		130,019
				6,376,542		5,962,562

Current Revenues Year Ended June 30, 2008

		<u>2008</u>		<u>2007</u>
35 010	Miscellaneous			
011	Interest on Investments	\$	2,582	\$ 9,613
012	Bus Charters		-	-
021	Recoveries of Expenditures		-	-
031	Revenues from Other School Boards		-	<del>-</del> ·
051	Insurance Proceeds		-	
061	Bilingual Education Revenue		-	-
071	Operating Rev. from Native Peoples Grant		-	-
081	Miscellaneous Federal Grants		41,085	-
091	Textbooks		-	-
092	Other			
	- Mining Company Grants		10,778	9,964
	- Tutoring for tuition		~	-
	- Sundry		-	 8,506
		<u> </u>	54,445	 28,083
	Total Current Revenues	\$	6,430,987	\$ 5,990,645

# Schedule 2

# Conseil scolaire francophone provincial de Terre-Neuve-et-Labrador

## Administration Expenditures Year Ended June 30, 2008

	<u>2008</u>	2007
51 Salaries and Benefits		
011 - Superintendents and		
Assistant Superintendents	193,695	186,263
012 - Board Office Personnel	86,323	85,768
013 Office Supplies	5,863	5,048
014 Replacement Furniture and Equipment	345	3,973
015 Postage	4,625	6,934
016 Telephone	19,003	14,498
017 Office Equipment Rentals and Repairs	8,512	6,215
018 Bank Charges	2,939	3,281
019 Electricity	-	-
021 Fuel	-	-
022 Insurance	-	518
023 Repairs and Maintenance - Office Building	1,761	2,662
024 Travel	25,721	24,019
025 Board Meeting Expenses	47,216	48,713
026 Election Expenses	-	-
027 Professional Fees	23,029	17,795
028 Advertising - Recrutement	6,404	4,386
029 Membership Dues	17,172	16,105
031 Municipal Service Fees	2,536	800
032 Rental of Office Space	-	-
033 Relocation Expenses	-	800
034 Miscellaneous	515	990
035 Payroll Tax	-	-
Training	\$ 5,774	\$ 290
Total Administration Expenditures	\$ 451,433	\$ 429,058

# Instruction Expenditures Year Ended June 30, 2008

		2008	2007
#	10 Instructional Salaries (Gross)		
	11 Teachers' Salaries - Regular	\$ 2,051,136	\$ 1,722,343
	12 - Substitute	65,211	52,381
	13 - Board Paid	87,766	23,056
	14 Augmentation	-	-
	15 Employee Benefits	359,297	295,972
	16 School Secretaries - Salaries & Benefits	114,680	100,918
	<ol> <li>Payroll Tax</li> <li>Other - Sal. &amp; Ben program coord.</li> </ol>	46,650 107,793	40,005 96,090
	Other - Sal. & Ben student asst	42,080	49,208
	Other - Sal. & Ben Labrador	3,558	3,371
		0,000	
		2,878,171	2,383,344
#	40 Instructional Materials		
	41 General Supplies	25,583	22,660
	42 Library Resource Materials	-	-
	43 Teaching Aids	27,685	24,755
	44 Textbooks	3,956	7,896
		57,224	55,311
#	60 Instructional Furniture and Equipment	<del></del>	······
	61 Replacement	4,082	4,965
	62 Rentals and Repairs	9,733	10,097
		13,815_	15,062
#	80 Instructional Staff Travel		
	81 Program Co-ordinators	15,907	1,460
	82 Teachers' Travel	17,861	23,712
	83 Inservice and Conferences	11,620	18,259
		45,388	43,431
#	90 Other Instructional Costs		
	91 French Monitor Program	63,677	55,539
	92 Miscellaneous	4,110	-
	Traditionnal Music	23,133	-
	Kinderstart	7,435	202
		98,355	55,741
	Total Instruction Expenditures	\$ 3,092,953	\$ 2,552,889
	······································		

## Operations and Maintenance Expenditures - Schools Year Ended June 30, 2008

		2008	<u>2007</u>
53	011 Salaries - Janitorial	\$ 188,608	\$ 168,674
	012 - Maintenance	79,948	78,191
	013 Payroll Tax	-	-
	014 Electricity	129,495	134,792
	015 Fuel	-	-
	016 Municipal Service Fees/Garbage Removal	7,729	8,566
	017 Telephone	27,092	27,037
	018 Vehicle Operating and Travel	22,826	13,604
	019 Janitorial Supplies	17,629	16,764
	021 Janitorial Equipment	1,545	3,838
	022 Repairs and Maintenance - Buildings	120,915	157,358
	023 - Equipment	40,010	20,284
	024 Contracted Services - Janitorial	341	7,261
	025 Snow Clearing	55,209	56,714
	026 Rentals	-	-
	027 Other (Miscellaneous)	 3,251	 3,059
	Total Operations and Maintenance	\$ 694,598	\$ 696,142

## Schedule 5

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# Conseil scolaire francophone provincial de Terre-Neuve-et-Labrador

# Pupil Transportation Expenditure Year Ended June 30, 2008

			2008	<u>2007</u>
54	010 (	Operation and Maintenance of Board Owned Fleet	\$-	\$ -
	011	Salaries and Benefits- Administration	Ŷ	+
	012	- Drivers and	-	-
		Mechanics		-
	013	Payroll Tax	-	-
	014	Debt Repayment- Interest	-	-
	015	- Principal	-	-
	016	Bank Charges	-	-
	017	Gas and Oil	-	-
	018 019	Licenses	-	-
	019	Insurance Repairs and Maintenance - Fleet	-	-
	021	- Building	-	-
	023	Tires and Tubes	-	-
	024	Heat and Light	-	-
	025	Municipal Service	-	-
	026	Snow Clearing	-	-
	027	Office Supplies	-	-
	028	Rent	-	-
	029	Travel	-	-
	031	Professional Fees	-	-
	032	Miscellaneous	-	-
	033	Telephone	-	-
	034	Vehicle Leases	-	-
			-	_
54	040	Contracted Services		
	041	Regular Transportation	336,135	321,530
	042	Handicapped	-	••
			336,135	321,530
		Pupil Transportation Expenditures	\$ 336,135	\$ 321,530

## Ancillary Services and Miscellaneous Expenses Year Ended June 30, 2008

## Schedule 6

## Ancillary Services

The Board owns and operates the following ancillary services:

		2008		<u>2007</u>
55	Ancillary Services			•
011	Operation of Teachers' Residences	\$	-	\$ -
031	Cafeterias		-	-
032	Other - Community Centre operations	159	,615	135,087
032	Other - Environmental Centre		-	 
	Total ancillary services	\$ 159	<u>,615</u>	\$ 135,087

## Schedule 7

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## Miscellaneous Expenses

The Board has incurred the following miscellaneous expenses:

Other

57 011 Total miscellaneous expenses	\$	~	\$	-
-------------------------------------	----	---	----	---

## Details of Capital Assets Year Ended June 30, 2008

	Cost 2007	Additions 2008	Cost 2008	Accumulated Amortization 2008	Net book value 2008	Net book value 2007
12 210 Land and Sites	•	<u>^</u>	<b>^</b>	<b>^</b>	¢	<b>^</b>
211 Land and Sites	<u> </u>	\$	\$		\$ -	<u> </u>
12 220 Buildings 221 Schools 222 Administration 223 Residential 224 Recreational 225 Other	11,051,437 - - -	84,471	11,135,908 - - -	3,810,088 - -	7,325,820	7,502,997 - - - -
	11,051,437	84,471	11,135,908	3,810,088	7,325,820	7,502,997
12 230 Furniture and Equip. 231 Schools 232 Administration 233 Residential 234 Recreation 235 Other - CGV	747,461 278,119 - - 40,630 1,066,210	97,685 20,002  117,687	845,146 298,121 - - 40,630 1,183,897	450,146 236,517 	395,000 61,604 - - 29,440 486,044	393,008 71,261 
12 240 Vehicles 241 Service Vehicles				<u> </u>	<b>-</b>	
<ul> <li>12 250 Pupil Transportation</li> <li>251 Land</li> <li>252 Building</li> <li>253 Vehicles - Buses</li> <li>254 - Service</li> <li>255 Equipment</li> <li>256 Other</li> </ul> 12 260 Misc. Capital Assets <ul> <li>261 Other</li> </ul>				-	-	-
Total Capital Assets	\$ 12,117,647	\$ 202,158	\$ 12,319,805	\$ 4,507,941	\$ 7,811,864	\$ 8,000,770

## Schedule 9

# Conseil scolaire francophone provincial de Terre-Neuve-et-Labrador

## Details of Long Term Debt Year Ended June 30, 2008

	<u>2008</u>	<u>2007</u>
22 210 Loans Other than Pupil Transportation	\$	\$
Ref. #		
211 Bank Loans		
Repayable \$monthly, maturing	-	-
Repayable \$monthly, maturing	-	-
Repayable \$monthly, maturing	-	-
Repayable \$monthly, maturing	-	-
Repayable \$monthly, maturing	-	-
Repayable \$monthly, maturing	-	<u></u>
Total 211	<b>-</b>	
212 Mortgages		
Repayable \$annually, maturing	-	-
Repayable \$monthly, maturing	-	-
Repayable \$monthly, maturing	. –	-
Repayable \$monthly, maturing	-	-
Repayable \$monthly, maturing	-	-
Repayable \$monthly, maturing		<del>_</del>
Total 212		-
213 Debentures		
Repayable \$annually, maturing	-	-
Repayable \$monthly, maturing	-	
Total 213		
Subtotal	_	<del></del>
215 Less Current Maturities	<del></del>	
Total Loans Other Than Pupil Transportation		-

<u>\$ -</u> <u>\$ -</u>

# Conseil scolaire francophone provincial de Terre-Neuve-et-Labrador

**Details of Long Term Debt** Year Ended June 30, 2008

2008 <u>2007</u> 22 ## Loans - Pupil Transportation Ref. # ## Vehicle Bank Loans ____ Repayable \$____ monthly, maturing \$ \$ ____ Repayable \$ monthly, maturing ____ Repayable \$____ _monthly, maturing _____ Repayable \$ _monthly, maturing _____ ____ Repayable \$__ monthly, maturing _____ _monthly, maturing _____ ____ Repayable \$_ Repayable \$ monthly, maturing _____ ____ Repayable \$_ _monthly, maturing _____ monthly, maturing _____ ____ Repayable \$ Repayable \$ _monthly, maturing _____ ____ Repayable \$ monthly, maturing _____ monthly, maturing _____ ___ Repayable \$_ _ Repayable \$ monthly, maturing Total 221 ## Land, Buildings and Equipment Bank Loans ____ Repayable \$ _monthly, maturing _____ ____ Repayable \$_ monthly, maturing ____ Repayable \$ _monthly, maturing _____ monthly, maturing _____ __ Repayable \$_ Repayable \$ _monthly, maturing ___ Total 222 Subtotal ## Less Current Maturities Total Loans - Pupil Transportation

Total Long Term Debt

# Schedule 9A

.

# Conseil scolaire francophone provincial de Terre-Neuve-et-Labrador

# Summary of Long Term Debt Year Ended June 30, 2008

De	scription	Ref#_			g During		Principa Repayn for Perio	nent	Balar End Perio	of
A)	School Construction		\$	-	\$	-	\$	-	\$	-
B)	Equipment			-		-		-		-
C)	Service Vehicles			-		-		-		-
D)	Other Integrated Education									
	Council 8% - 9 3/4%			-		-		-		-
E)	Pupil Transportation			-		-		-		-
То	tal Loans		\$		\$	-	\$		\$	

## Schedule of Current Maturities Year Ended June 30, 2008

Description	Yea	<u>r 1</u>	Year	<u>r 2</u>	<u>Yea</u>	<u>r 3</u>	<u>Yea</u>	<u>ır 4</u>	Yea	<u>r 5</u>
A) School Construction	\$	-	\$	-	\$	-	\$	-	\$	-
B) Equipment		-		-		-		-		-
C) Service Vehicles		-		-		-		-		-
D) Other		-		-		-		-		-
E) Pupil Transportation		-		-		-		-		-
Total	\$	_	\$		\$	_	\$	-	\$	

## Schedule of Interest Expense Year Ended June 30, 2008

56	010		<u>2008</u>		<u>2007</u>	
		Description				
	012	Capital School Construction IEC	\$	-	\$	-
		Equipment		-		-
		Service Vehicles		-		-
		Other Energy Management		-		
		Total Capital		-		-
	013 014	Current - Operating Loans - Supplier Interest - Charges		-		-
		Total Current		-		-
		Total Interest Expense	\$	-	\$	-

# Pupil Services - federal funding Year Ended June 30, 2008

	<u>2008</u>	<u>2007</u>
Pedagogical renewal plan	318,183	361,301
Educational Resource Centre	63,160	145,856
Language recovery	260,804	137,995
Teacher recruitment and retention	85,474	97,702
Distance education	37,138	79,187
Strategic planning	10,518	38,903
Artists in residence / Art & cultural programming	26,098	32,408
Principal & teacher training	44,436	29,719
School sport and music programs	-	28,709
Support for school improvement projects	14,244	19,268
Tutoring	-	16,789
Public speaking program	17,274	13,964
Promotion / Student recruitment	46,879	12,330
French professional services	29,803	11,413
Anti-bullying project	-	8,203
Board training	24,100	6,943
Federal project administration	36,500	5,762
Adult language recovery	1,870	5,000
Development advisor	16,139	-
Student Support Services Post-secondary initiatives	28,134	-
Total - Pupil services - federal funding	\$ 1,060,754	\$ 1,051,452

## Schedule 11

# Conseil scolaire francophone provincial de Terre-Neuve-et-Labrador

# Community programs - federal funding Year Ended June 30, 2008

	<u>2008</u>	<u>2007</u>
Family resource centers	95,760	110,194
After school programs	25,200	27,600
Family literacy - Port-au-Port peninsula	30,240	35,100
Saturday school program	16,800	19,000
Summer Project	12,000	-
Total programmes communautaires	<u>\$ 180,000</u>	<u>\$ 191,894</u>

## Supplementary Information Year Ended June 30, 2008

	<u>2008</u>	<u>2007</u>
1. <u>Cash</u>		
Current11110 Cash on Hand and in Bank111 Cash on Hand112 Bank- Current113- Savings114- Teachers' Payroll115- Non Teachers' Payroll116- Coupon (Debenture)117- Other (Petty Cash)	\$ - (17,760) - - - - - - - - - - - - - - - - - - -	\$ - (22,631) - - - - - - - - - - - - - - - - - - -
Capital11210Cash on Hand and in Bank211Cash on Hand212Bank- Current213- Savings214- OtherTotal Cash on Hand and in Bank	- - - - - - - - - - - - - - - - - - -	- - - - - (22,631)
2. <u>Short Term Investments</u>		
Current 11 121 Term Deposits 122 Canada Savings Bonds 123 Other - Canada Treasury Bills - Mutual Funds - Balance in Broker account - Guaranteed Investment Certificate	225,000 - - - - -	350,000
<u>Capital</u> 11 221 Term Deposits 222 Canada Savings Bonds 223 Other Total Short Term Investments	- - - \$ 225,000	- - - \$ 350,000

Supplementary Information Year Ended June 30, 2008

		<u>2008</u>	<u>2007</u>
3.	Prepaid Expenses		
	Current		
11	<ul><li>141 Insurance</li><li>142 Municipal Service Fees</li><li>143 Supplies</li></ul>	\$- -	\$ - -
	144 Other - Workers' Compensation Commission - Salaries	9,616 -	8,995
	- Teachers in-service - advance - Airplane Tickets	200	15,541
	- Board meetings - advance - Moving expenses - advance	-	-
	- Travel advances - Divers	1,091 678	2,561 -
11	<u>Capital</u> 241 Other		-
	Total prepaid expenses	<u>\$ 11,585</u>	\$ 27,097

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## CONSUMER PROTECTION FUND FOR PREPAID FUNERAL SERVICES

## FINANCIAL STATEMENTS

## 31 MARCH 2009



OFFICE OF THE AUDITOR GENERAL St. John's, Newfoundland and Labrador

## AUDITOR'S REPORT

To the Minister of Government Services St. John's, Newfoundland and Labrador

I have audited the balance sheet of the Consumer Protection Fund for Prepaid Funeral Services as at 31 March 2009 and the statements of revenues, expenses and deficit, and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Consumer Protection Fund for Prepaid Funeral Services as at 31 March 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

JOHN L. NOSEWORTHY, CA Auditor General

St. John's, Newfoundland and Labrador 21 July 2009

CONSUMER PROTECTION FUND FOR PREI BALANCE SHEET	PAID FUNERAL SER	VICES (Restated)
31 March	2009	2008
		······
ASSETS		
Current		
Accounts receivable	\$ 14,801	\$ 11,987
Receivable relating to restitution order (Note 3)	23,662	-
	\$ 38,463	<u> </u>
LIABILITIES AND DEFICIT		
Current		
Bank indebtedness (Note 4)	\$ 97,735	\$ 124,885
Accounts payable and accrued liabilities	7,827	2,320
Deferred revenue	8,611	-
	114,173	127,205
Liability for claims arising from		
prepaid funeral services contracts (Note 5)	125,457	148,072
	239,630	275,277
Deficit	(201,167)	(263,290)

Signed on behalf of the Fund:

w

Minister of Government Services

ner 4°C

38,463

\$

Deputy Minister of Government Services

\$

11,987

#### **CONSUMER PROTECTION FUND FOR PREPAID FUNERAL SERVICES** STATEMENT OF REVENUES, EXPENSES AND DEFICIT (Restated) For the Year Ended 31 March 2009 2008 **REVENUES** Assessments (Note 6) <u>54,395</u> \$ \$ 67,280 **EXPENSES** Interest and bank charges 5,100 8,344 Professional services <u>10,83</u>4 5,169 15,934 13,513 Excess of revenues over expenses from operations 38,461 53,767 Other revenue Recovery relating to restitution order (Note 3) 23,662 -Excess of revenues over expenses 62,123 53,767 Deficit, beginning of year as previously reported (275,277) (317,969) Change in accounting policy for revenue (Note 2) 11,987 <u>912</u>

Deficit, beginning of year as restated	(263,290)	(317,057)
Deficit, end of year	\$ (201,167)	\$ (263,290)

CONSUMER PROTECTION FUND FOR PRE STATEMENT OF CASH FLOWS		(Restated)
For the Year Ended 31 March	2009	2008
Cash flows from operating activities		
Excess of revenues over expenses	\$ 62,123	\$ 53,767
Change in non-cash working capital	(12,358)	(12,224)
	49,765	41,543
Cash flows from financing activities		
Payment of claims arising from prepaid		
funeral services contracts (Note 5)	(22,615)	(45,685)
Net decrease (increase) in bank indebtedness	27,150	(4,142)
Bank indebtedness, beginning of year	(124,885)	(120,743)
Bank indebtedness, end of year	\$ (97,735)	\$ (124,885)

## <u>Authority</u>

The Consumer Protection Fund for Prepaid Funeral Services (the Fund) was established under the *Prepaid* Funeral Services Act for the purpose of paying in whole or in part, claims arising out of a prepaid funeral contract against a person who holds or held a licence under the Act.

## 1. Significant accounting policies

These financial statements have been prepared by the Fund's management in accordance with Canadian generally accepted accounting principles. Significant accounting policies adopted by management are as follows:

(a) Revenue recognition

Assessment revenue is recognized as earned.

## (b) Deferred revenue

Deferred revenue represents revenue related to future operating periods. The revenue will be reported in the applicable future period to which it relates.

## 2. Accounting policy change

Prior to the current year, assessment revenue was recorded as cash was received as this was the point that measurability was reasonably determined. During the year the Fund changed its accounting policy for recognizing assessment revenue to include amounts received in April and May subsequent to the year-end that relate to the current year. This amount is set up as a receivable in the current year.

The Fund has accounted for these changes retrospectively with comparative information presented being restated. As a result, the Fund's previously reported revenues and receivables for the year ended 31 March 2008 increased by \$11,075 and \$11,987 respectively and the previously reported opening deficit decreased by \$912.

## 3. **Restitution Order**

A Restitution Order in the amount of \$500,029 is in place against the former owner of the failed funeral home in Port aux Basques. This Restitution Order has been registered in the province where the owner now resides. During the year the financial institution which held the first mortgage on the property co-owned by this individual foreclosed on the property and put it up for sale. The property was sold subsequent to year-end and the Fund received \$23,662 from the sale. The Restitution Order is still in effect and further action will be taken by the Fund where there is a likelihood of recovery.

## 4. Bank indebtedness

The Fund has a \$200,000 revolving demand credit facility guaranteed by the Government of Newfoundland and Labrador. Interest is charged at the bank's prime rate. As at 31 March 2009, \$97,735 (2008 - \$124,885) had been drawn down on this line of credit.

## 5. Liability for claims arising from prepaid funeral services contracts

The liability for claims arising from prepaid funeral services contracts resulted from the failure of a funeral home in Port aux Basques in November 2000 where 88 customers had purchased prepaid funerals totalling \$492,790. An additional claim has also been recognized for a customer who was not included in the original liability. During the year 3 claims (2008 - 5) relating to these prepaid funeral services contracts were paid by the Fund. On 28 June 2007, it was determined that the Fund should not withhold the HST included on these contracts. The amount of \$21,461 was paid out during the prior year relating to HST on all claim payments made to date by the Fund. Details of the change in the liability are as follows:

	<u>2009</u>	<u>2008</u>
Liability, beginning of year	\$ 148,072	\$ 193,757
Payment of claims during the year HST payment	(22,615)	(24,224) (21,461)
Liability, end of year	\$ 125,457	\$ 148,072

## 6. Assessments

A seller of prepaid funeral services is required to pay to the Fund an amount that is 1% - 5% of the cost of each prepaid funeral contract, based on the percentage of the seller's prepaid obligation held in trust. During the year, \$54,395 (2008 - \$67,280) was paid to the Fund.

## 7. Financial instruments

The Fund's financial instruments recognized on the balance sheet consist of accounts receivables, bank indebtedness, and accounts payable and accrued liabilities. The carrying values of these instruments approximate current fair value due to their nature and the short-term maturity associated with them.

## 8. Related party transactions

The Fund is administered by employees of the Department of Government Services. The costs of administration are paid directly by the Department and are not reflected in these financial statements. The costs of administration are offset by licence fees collected by the Department.

## 9. Income taxes

The Fund is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.

# CREDIT UNION DEPOSIT GUARANTEE CORPORATION Financial Statements Year Ended December 31, 2008

# BRIAN T. SCAMMELL CA CBY ASSURANCE VALUATION & ADVISORY

## **AUDITOR'S REPORT**

To the Directors of Credit Union Deposit Guarantee Corporation

I have audited the balance sheet of Credit Union Deposit Guarantee Corporation as at December 31, 2008 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

St. John's, NL March 3, 2009

Brian Scennell

CHARTERED ACCOUNTANT

· · · · · · · · · · · · · · · · · · ·	<u></u>	2008		2007
ASSETS				
CURRENT				
Cash (Note 6)	\$	324,842	\$	-
Investments (Note 4)	Ŧ	4,902,662	•	5,870,372
Accounts receivable		641		6,248
Interest receivable		70,110		25,022
Harmonized sales tax recoverable		24,671		25,207
Prepaid expenses		4,050		3,496
		5,326,976		5,930,345
CAPITAL ASSETS (Note 5)		23,573		29,246
	\$	5,350,549	\$	5,959,591
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT				
Bank indebtedness	\$	-	\$	8,561
Accounts payable	·	71,299	*	489,131
				407.000
		71,299		497.692
RETAINED EARNINGS		71,299 5,279,250		497,692 5,461,899

ON BEHALF OF THE BOARD O Director Aion ancis Director an

# Credit Union Deposit Guarantee Corporation Statement of Income and Retained Earnings Year Ended December 31, 2008

		2008		2007
FEES				
Assessments	\$	904,402	\$	866,558
Bonding insurance	•	317,924	Ŧ	285,054
Interest		213,081		254,251
Other		700		56,447
		1,436,107		1,462,310
EXPENSES				
Salaries and wages		466,356		394,992
Bonding insurance		268,600		234,385
Training		37,850		36,558
Travel		36,868 ⁻		40,240
Rental		32,606		29,517
Office		20,917		20,009
Meetings and conventions		19,658		31,023
Telephone		10,845		10,273
Professional fees		8,285		34,689
Amortization		9,028		11,868
Advertising and promotion		8,956		9,747
Vehicle		8,882		6,611
Directors fees		7,420		5,385
Memberships		1,456		1,230
		937,727		866,527
		498,380		595,783
DEPOSIT GUARANTEE FUND BALANCE - BEGINNING OF YEAR		5,461,899	••••••••••••••••••••••••••••••••••••••	5,298,655
		5,960,279		5,894,438
Assistance to credit unions		(681,029)		(432,539)
DEPOSIT GUARANTEE FUND BALANCE - END OF YEAR	\$	5,279,250	\$	5,461,899

# Credit Union Deposit Guarantee Corporation Statement of Cash Flows Year Ended December 31, 2008

2008		2007
\$ 498,380	\$	595,783
· · · · · · · · · · · · · · · · · · ·	Ŧ	
9,02		11,868
507,408	, ,	607,651
5,603		10,367
(45,08)		(9,766)
(417,83)		(50,501)
(554	)	701
530		21,779
(457,33	)	(27,420)
50,07	,	580,231
(3,35	)	(1,028)
82,430,784		23,440,861
(81,463,074		24,618,060)
964,35	•	(1,178,227)
(681,02	)	(432,539)
333,403	÷	(1,030,535)
(8,56	)	1,021,974
\$ 324,84		(8,561)
		uffizieren et al.
\$ -	\$	-
		<b>_</b>
\$\$	_	- \$ - \$

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## Notes to Financial Statements

Year Ended December 31, 2008

## 1. DESCRIPTION OF BUSINESS

The Credit Union Deposit Guarantee Corporation (the "Corporation") is established as a corporation without share capital under the provisions of Section 176 of the Credit Union Act.

The Corporation guarantees the deposits of members of credit unions in the Province of Newfoundland and Labrador. This guarantee is supported by investments held by the Corporation.

## 2. CHANGES IN ACCOUNTING POLICIES

## Financial Instruments

The Canadian Institute of Chartered Accountants ("CICA") has issued Handbook Section 3862: Financial Instruments: Disclosures and Handbook Section 3863: Financial Instruments: Presentation, which implemented changes to accounting standards for disclosure for disclosure of financial instruments. The disclosure requires information to be presented on all categories of financial instruments, the nature and extent of risks associated with those financial instruments and how the Corporation manages those risks. These standards are effective for the 2008 fiscal year and are applied prospectively.

## Capital Management

The CICA has also issued Handbook Section 1535: Capital Disclosures, which requires an entity to disclose information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital. This standard is effective for the 2008 fiscal year and is applied prospectively.

## 3. OTHER SIGNIFICANT ACCOUNTING POLICIES

## Cash

Cash consists of balances with banks.

## Financial instruments

## Classification

A financial instrument is a contract that establishes a financial asset for one party and a financial liability or equity instrument for the other party. CICA Handbook Section 3855 establishes a framework for the recognition and measurement of financial assets and financial liabilities. All financial instruments have been classified either based on the type of instrument or the Corporation's intention regarding the instrument, as described below:

## Held for Trading

Fiinancial assets classified as held for trading are typically acquired for resale prior to maturity or designated as held for trading. They are measured at fair value on the balance sheet. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in investment income. Cash and cash equivalents have been classified as held-for-trading.

(continues)

## 3. OTHER SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities designated as held for trading are those non-derivative financial liabilities that the Corporation elects to designate on initial recognition as instruments that it will measure at fair value through other interest expense. These are accounted for in the same manner as held for trading assets. The Corporation has not designated any non-derivative financial liabilities as held for trading.

## Held to Maturity

Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments and a fixed maturity, other than loans and receivables, that an entiity has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. The Corporation has classified its investments as held to maturity.

### Available for Sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale, or that are not classified as loans and receivables, held for trading, or held to maturity. Except as mentioned below, available for sale financial assets are carried at fair value with unrealized gains and losses included in accumulated other comprehensive income until realized when the cumulative gain or loss is transferred to other income. Available for sale financial assets that do not have quoted market prices in an active market are recorded at cost. Interest on interest bearing available for sale financial assets is calculated using the effective interest method. No financial assets have been classified as available for sale.

### Loans and Receivables

Loans and receivables are recorded at amortized cost using the effective interest method. Amortized cost is a reasonable estimate of the fair value of these instruments.

### Other Liabilities

Other liabilities, such as bank indebtedness and accounts payable and accrued liabilities, are recorded at amortized cost using the effective interest method and include all financial liabilities other than derivative instruments. Amortized cost is a reasonable estimate of the fair value of these instruments

### Transaction Costs

Transaction costs are expensed as incurred.

### Fair Values

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgable willing parties who are under no compulsion to act. Fair values are determined by reference to quoted bid or asking prices in an active market. In the absence of an open market, the Corporation determines fair values based on internal or external valuation models such as discounted cash flow analysis or using observable market-based inputs.

## Effective Interest Method

The Corporation uses the effective interest method to recognize interest income or expense, premiums or discounts earned or incurred for financial instruments.

(continues)

## 3. OTHER SIGNIFICANT ACCOUNTING POLICIES (continued)

### Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Motor vehicles	30%	declining balance method
Computer equipment	30%	declining balance method
Furniture and fixtures	20%	declining balance method

The company regularly reviews its capital assets to eliminate obsolete items.

### Severance pay

Severance pay, which is included with accounts payable and accrued liabilities, is accrued for all employees for whom the right to such compensation is vested.

### Revenue recognition

The Corporation recognizes assessment revenue based on a percentage of insured deposits of individual credit unions operating within the Province of Newfoundland & Labrador. Interest revenue is recognized based on the investment interest collected and accrued during the year, and bonding revenue is recognized based on a percentage of individual credit unions' assets plus a \$60,000 fee that is allocated to the Newfoundland and Labrador credit unions based on a pre-determined formula.

### Assistance to credit unions

Assistance to credit unions is recorded only when it can be reasonably determined by the Corporation that such a payment will be required and when the Board of Directors has assessed the reasonableness of such a charge and authorized the assistance as a commitment of the Fund. The determination of the assistance requires the exercise of judgement because the precise amount, method and timing of such assistance is dependent on future events. The amount of actual assistance paid and possible future assistance is disclosed in the financial statements.

### Pension costs

Employees of the Corporation other than the Executive Director are included in the Public Service Pension Plan of the Government of Newfoundland and Labrador. Contributions to the plans are required from both the employees and the Corporation. The annual contributions for pension are recognized in the accounts on a current basis. Contributions to this plan totalled \$21,751 (2007-\$18,942).

The Corporation also contributed to a private registered retirement savings plan for the Executive Director based on a percentage of his annual salary. Contributions to this plan totalled \$5,923 (2007-\$5,613.)

### Future income taxes

The liability method of tax allocation is used in accounting for income taxes. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities, and measured using the substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse.

(continues)

## 3. OTHER SIGNIFICANT ACCOUNTING POLICIES (continued)

## Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

## 4. INVESTMENTS

	 2008	 2007
Credit Union Central of Nova Scotia shares	\$ 1,000	\$ 1,000
Newfoundland & Labrador Credit Union share	100 .	100
Concentra Financial, 1.25%	101,552	1,004,272
Concentra Financial, 4.85%	-	1,065,000
Concentra Financial, 5.00%	-	3,800,000
Concentra Financial, 3.75%	4,800,000	_
Concentra shares	 10	 
	\$ 4,902,662	\$ 5,870,372

## 5. CAPITAL ASSETS

	 Cost	cumulated	 2008 Net book value	2007 Net book value
Motor vehicles	\$ 28,733	\$ 16,238	\$ 12,495	\$ 17,850
Computer equipment	70,902	61,818	9,084	8,903
Furniture and fixtures	 24,643	 22,649	1,994	2,493
· · · · · · · · · · · · · · · · · · ·	\$ 124,278	\$ 100,705	\$ 23,573	\$ 29,246

## 6. CASH (BANK INDEBTEDNESS)

	 2008	 2007
Cash Bank indebtedness	\$ 324,842	\$ - (8,561)
	\$ 324,842	\$ (8,561)

## 7. CAPITAL MANAGEMENT

The Corporation's objectives with respect to capital management are to safeguard the entity's ability to continue as a going concern so that it can continue to operate as a deposit insurance provider for the Newfoundland & Labrador credit unions, including the provision of stabilization funds as needed.

The Corporation defines its capital as the balance in the Deposit Guarantee Fund Balance; the changes in this balance for 2008 are presented in the Statement of Income and Fund Balance.

## Year Ended December 31, 2008

## 8. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Corporation's financial instruments are comprised of cash, investments, receivables and accounts payable.

Cash is reported at fair value on the balance sheet. Receivables and accounts payable are reported at amortized cost which approximates fair value due to their short term nature. Investments are reported at amortized cost using the effective interest method which approximates their fair value.

## 9. NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS

The Corporation is exposed to the following risks as a result of holding financial instruments: credit risk, market risk and liquidity risk. The following is a description of those risks and how the Corporation manages the exposure to them.

### Credit Risk

Credit risk is the risk that a financial loss will occur due to the failure of a counterparty to discharge its contractual commitment or obligation to the Corporation. Credit risk may arise principally through its investments included in the Corporation's asset portfolio.

The Corporation manages this risk by making investments in accordance with the investment policy established by the Board of Directors which permits the Corporation to invest in high quality, liquid short-term investments. Equity investments are not permitted.

### Market Risk

Market risk arises from changes in interest rates on investments in its portfolio that affect the Corporation's net interest income. The Corporation's goal is to maximize its return on these portfolios, without taking unreasonable risk and retaining a high degree of liquidity.

The Corporation manages this risk by investing in securities that are not susceptible to significant changes in rates of return to the Corporation caused by changes in market values of the investments.

## Liquidity Risk

Liquidity risk is the risk of having insufficient financial resources to meet the Corporation's funding requirements.

The Corporation's liquidity policies and practices include the measurement and forecast of cash flows and maintenance of a pool of high quality liquid assets.

## **10. CONTINGENT LIABILITY**

The Corporation has provided a deficiency guarantee to Eagle River Credit Union Limited in respect to certain loans outstanding in its accounts which arose from the acquisition of the net assets of Labrador Savings Credit Union Limited. There are 3 remaining loans guaranteed by the Corporation to Eagle River Credit Union Limited as a result of the amalgamation with Labrador Savings Credit Union Limited. At December 31, 2008, the balance of the guarantee is \$150,616 (2007 - \$702,670). Net payouts paid or payable by the Corporation under the guarantee for the year ended December 31, 2008 totalled \$281,029 (2007-\$152,539).

## 11. COMMITMENTS

The Corporation has entered into a lease agreement for office space which expires June 30, 2011. The amount of the annual rent payable is \$30,895.

### **12. INCOME TAXES**

The Corporation has the following non-capital losses available which can be used to reduce future years' taxable income.

Year of Expiry	Amount				
2009	\$	319,521			
2010		463,065			
2014		438,667			
2015		362,558			
2026		350,333			
2027		255,907			
2028		387,654			
	\$	2,577,705			

The undepreciated capital cost for income tax purposes of the Corporation's depreciable assets exceeds the net book value by \$101,105.

The potential income tax benefits associated with these items have not been recognized in the financial statements

Credit union assessments and assistance are excluded from the calculation of taxable income.

- 166 -

## DIRECTOR OF SUPPORT ENFORCEMENT

#### FINANCIAL STATEMENTS

## 31 MARCH 2009



OFFICE OF THE AUDITOR GENERAL St. John's, Newfoundland and Labrador

### **AUDITOR'S REPORT**

To the Director of Support Enforcement Corner Brook, Newfoundland and Labrador

I have audited the balance sheet of the Director of Support Enforcement as at 31 March 2009 and the statement of receipts and disbursements for the year then ended. These financial statements have been prepared to meet the information needs of the Director of Support Enforcement and the Government of Newfoundland and Labrador under Section 9 of the Support Orders Enforcement Act. These financial statements are the responsibility of the Director. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Director of Support Enforcement as at 31 March 2009 and the receipts and disbursements for the year then ended in accordance with the basis of accounting described in Note 1 to the financial statements.

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information of the Director of Support Enforcement and the Government of Newfoundland and Labrador to meet their information needs under Section 9 of the *Support Orders Enforcement Act*. The financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

JOHN L. NOSEWORTHY, CA Auditor General

St. John's, Newfoundland and Labrador 12 June 2009

# DIRECTOR OF SUPPORT ENFORCEMENT

BALANCE SHEET

31 March		2009		2008
ASSETS				
Cash	· \$	701,056	\$	635,254
Accounts receivable (Note 2)		19,428,737		19,920,996
Other receivables (Note 3)	·····	15,417	, <b></b> .	3,915
	\$	20,145,210	\$	20,560,165
LIABILITIES				
Accounts payable (Note 4)	\$	20,119,637	\$	20,539,021
Other payables (Note 5)		25,573		21,144
	\$	20,145,210	\$	20,560,165

See accompanying notes

ĈĨ Signed: ) Director

# DIRECTOR OF SUPPORT ENFORCEMENT STATEMENT OF RECEIPTS AND DISBURSEMENTS

For the Year Ended 31 March	2009	2008
RECEIPTS		
Regular support	\$ 28,931,271	\$ 26,650,301
Out-of-system support	953,729	575,498
	29,885,000	27,225,799
DISBURSEMENTS		
Regular support	28,432,747	26,213,951
Out-of-system support	953,729	575,498
Other payments	432,722	369,008
	29,819,198	27,158,457
Excess of receipts over disbursements	65,802	67,342
Cash, beginning of year	635,254	567,912
Cash, end of year	\$ 701,056	\$ 635,254

See accompanying notes

### **Authority**

The Director of Support Enforcement operates under the authority of the Support Orders Enforcement Act. Under this Act, the Director is responsible for enforcing court ordered support payments and for acting on behalf of the Attorney General in matters arising pursuant to the Reciprocal Enforcement of Support Orders Act.

### 1. Basis of accounting

These financial statements have been prepared by the Director in accordance with the significant accounting policies set out below to meet the information needs of the Director of Support Enforcement and the Government of Newfoundland and Labrador under Section 9 of the *Support Orders Enforcement Act*. The basis of accounting used in these financial statements materially differs from Canadian generally accepted accounting principles because all receipts and disbursements are being recognized on a cash basis and not all expenditures related to the operations of the Director are reflected in these statements.

### Significant accounting policies

These financial statements are prepared on the cash basis of accounting. Outlined below are the significant accounting policies followed.

(a) Administrative expenditures

The Director of Support Enforcement, for administrative purposes, operates as a division of the Department of Justice. Therefore, expenditures related to salaries, accommodations and administration are absorbed by the Department of Justice and no provision has been made in these financial statements for the cost of these items.

(b) Assets and liabilities

Assets are comprised of amounts received or receivable from debtors while liabilities represent the corresponding amount due to creditors.

(c) Receipts and disbursements

Receipts are recorded when amounts are received from debtors and disbursements are recorded when amounts are paid to creditors. Amounts paid directly to creditors by debtors are recorded as out-of-system support while amounts received by the Director of Support Enforcement are recorded as regular support. Amounts refunded to debtors or remitted to the Province are recorded as other payments.

### **DIRECTOR OF SUPPORT ENFORCEMENT** NOTES TO FINANCIAL STATEMENTS 31 March 2009

### 2. Accounts receivable

Accounts receivable is comprised of amounts owing from debtors on registered support orders. The receivables are classified as follows:

	 2009		2008
Unenforceable support orders			
Debtor out of Province – reciprocal enforcement			
support orders	\$ 8,688,938	\$	9,038,582
Debtor in receipt of social assistance	1,805,702	•	2,020,578
Stay of enforcement in place	 2,047,136		1,780,823
	12,541,776		12,839,983
Enforceable support orders	 6,886,961		7,081,013
	\$ 19,428,737	\$	<u>19,920,996</u>

### 3. Other receivables

Other receivables \$15,417 (2008 - \$3,915) represent payments made to creditors when the corresponding debtor cheque was not negotiable or the payment was made in error.

### 4. Accounts payable

Accounts payable is comprised of amounts owing to creditors in accordance with registered support orders. The payables are classified as follows:

······	 2009		2008
Unenforceable support orders			
Debtor out of Province reciprocal enforcement			
support orders	\$ 8,688,938	\$	9,038,582
Debtor in receipt of social assistance	1,805,702		2,020,578
Stay of enforcement in place	2,047,136		1,780,823
	12,541,776		12,839,983
Enforceable support orders	7,577,861		7,699,038
	\$ 20,119,637	<u>\$</u>	20,539,021

#### 5. Other payables

Other payables of \$25,573 (2008 - \$21,144) represent funds which have not been assigned to any debtor account. These amounts may eventually be paid to the Newfoundland Exchequer Account.

### 6. **Related party transactions**

The Director of Support Enforcement operates as a division of the Department of Justice. Expenses of approximately \$870,250 (2008 - \$736,750) related to salaries, accommodations and administration are paid directly by the Department and no provision is made in these financial statements to reflect these expenditures.

During the year the Director paid approximately \$2.4 million (2008 - \$2.4 million) to the Department of Human Resources, Labour and Employment related to support payments collected on behalf of individuals receiving social assistance.

### 7. Financial instruments

The Director's financial instruments recognized on the balance sheet consist of cash, accounts receivable, other receivables, accounts payable and other payables. The carrying values of these instruments approximate current fair value due to their nature and the short-term maturity associated with them.

### 8. Income taxes

The Director of Support Enforcement operates as a division of the Department of Justice and as such is not subject to Provincial or Federal income taxes.

- 174 -

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## **AUDITORS' REPORT**

FINANCIAL STATEMENTS – MARCH 31, 2007



To the Board of Directors of the Discovery Health Care Foundation Inc.

WALTERS HOFFE CHARTERED ACCOUNTANTS

We have audited the balance sheet of the **Discovery Health Care Foundation Inc.** as at March 31, 2007 and the statements of operations and changes in net assets and cash flow for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Foundation derives certain of its revenue from the general public in the form of donations and other fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amount recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditure, assets and net assets.

In our opinion, except for the effect of adjustments, if any, we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the previous paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2007 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Walters Hoffe Chartered Accountants

Gander, Newfoundland June 21, 2007

**Balance Sheet** 

March 31, 2007	2007	2006
Assets		
Current assets		
Cash	\$ 298,780.00	152,652.00
Receivables	956.00	919.00
Total current assets	299,736.00	153,571.00
Property, plant and equipment (Note 8)	135.00	840.00
	299,871.00	154,411.00
Liabilities		
Current liabilities		
Payables and accruals	35,103.00	27,944.00
Accrued severance pay	9,761.00	
	44,864.00	27,944.00
Net assets		
Net assets, per accompanying statement	255,007.00	126,467.00
	\$ 299,871.00	154,411.00

See accompanying notes

Approved:

Chairperson Dunne J min liencey Secretary-Treasurer Flana

Subject to the accompanying Auditors' Report

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# Statement of Operations and Changes in Net Assets

Year ended March 31, 2007	2007	2006
· · · ·		
Revenue:		,
Donations	\$ 292,195	227,615
50/50 lotto	3,463	6,572
Interest	1,634	1,998
	297,292	236,185
Expenditure:		
Amortization	705	371
Donations (Note 4)	44,175	29,679
Fundraising projects	18,669	13,834
Miscellaneous	2,506	1,982
Office	364	503
Travel, conferences and meetings	3,986	2,778
Wages and benefits	88,586	77,727
	158,991	126,874
Excess of revenue over expenditure, before		
accrued severance pay	138,301	109,311
Accrued severance pay - net	9,761	-
Excess of revenue over expenditure	128,540	109,311
Net assets, beginning	126,467	17,156
Net assets, ending	<u>\$ 255,007</u>	<u>126,467</u>

### Statement of Cash Flow

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Year ended March 31, 2007	2007	2006
Cash flows: Operations:	· ·	
Excess of revenue over expenditure	\$ 128,540	109,311
Amortization	<u> </u>	371
	129,245	109,682
Changes in:		•
Receivables	( 37)	1,691
Payables and accruals	7,159	4,593
Payable to Eastern Regional Integrated Health Authority re capital donations	-	( 80,074)
Accrued severance pay	9,761	
Net cash provided	146,128	35,892
Cash:	450 650	140 700
Beginning		<u>116,760</u>
Ending	<u>\$ 298,780</u>	152,652

#### Notes to the Financial Statements

#### March 31, 2007

#### 1. Nature of operations:

The Foundation is a not-for-profit organization which raises funds to help support the Eastern Regional Integrated Health Authority and is incorporated under the Corporations Act of Newfoundland and Labrador.

#### 2. Significant accounting policies:

#### Pledges

Revenue from pledges is recognized in the year received since donations are recorded on the cash basis,

#### Amortization

4.

Amortization of computer software and equipment is recorded on the straight line method over five years.

#### 3. Property, plant and equipment:

Property, plant and equipment.		2007		2006
• • • • • • • • • • • • • • • • • • •		Accumulated	Net Book	Net Book
	Cost	<b>Amortization</b>	Value	Value
Computer software	\$ 3,527	3,392	135	840
Computer equipment	655	655	<u> </u>	
	<u>\$ 4,182</u>	<u>4,047</u>	<u>135</u>	<u>840</u>
Donations:	•			
			2007	2006
Infant warmer			\$ 37,939	
Lift scale			-	. 12,496
OBS - Heart monitor				4,899
- Pulse otimeter			*	4,259
- Lockers			-	3,556
- Other			•	524
Palliative care - 2 recliners				3,795
- cushions			1,792	-
Sunshine Manor - mattresses			1,730	-
- chair			597	
Digital piano			1,712	
Other			405	150
		·	<u>\$ 44,175</u>	<u>29,679</u>

### Notes to the Financial Statements

### March 31, 2007

#### 5. Income tax status:

The Foundation is a charitable organization as defined in the Income Tax Act (Canada) and issues charitable receipts for donations received.

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- 182 -

# **Deloitte.**

Financial Statements of

# DISCOVERY HEALTH CARE FOUNDATION INC.

March 31, 2009

# Deloitte.

Deloitte & Touche LLP 10 Factory Lane Fort William Building St. John's NL A1C 6H5 Canada

Tel: (709) 576-8480 Fax: (709) 576-8460 www.deloitte.ca

# Auditors' Report

To the Board of Directors of Discovery Health Care Foundation Inc.

We have audited the statement of financial position of Discovery Health Care Foundation Inc. (the "Foundation") as at March 31, 2009 and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Foundation derives certain of its revenue from the general public in the form of donations and other fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures were audited by another firm of chartered accountants who issued their report dated June 5, 2008.

Debitte & Touche 440

Chartered Accountants July 26, 2009

# Statement of Operations and Changes in Net Assets Year ended March 31, 2009

	2009	2008
	\$	\$
Revenue		
Fundraising programs		
Donations	269,191	297,149
50/50 lotto	4,828	3,882
	274,019	301,031
Interest	10,637	6,496
	284,656	307,527
Expenditures		
Salaries and benefits	94,337	91,756
Fundraising programs	20,042	14,209
Donations (Note 4)	10,564	400,537
Travel, conferences and meeting	4,717	5,564
Administration	3,231	2,997
Miscellaneous	644	1,085
Amortization	-	135
	133,535	516,283
Excess of revenue over expenditures (expenditures		
over revenue) before undernoted item	151,121	(208,756)
Increase in severance pay accrual	2,122	6,822
Excess of revenue over expenditures		
(expenditures over revenue)	148,999	(215,578)
Net assets, beginning of year	39,429	255,007
Net assets, end of year	188,428	39,429

# DISCOVERY HEALTH CARE FOUNDATION INC. Statement of Financial Position

March 31, 2009

	2009	2008
	\$	\$
Assets		
Current assets		
Cash	147,919	99,046
Guaranteed investment certificates - cashable	169,252	168,585
Accounts receivable	1,784	÷
	318,955	267,631
Liabilities		
Current liabilities		
Due to Eastern Regional Health Authority	102,068	202,281
Accounts payable and accrued liabilities	9,754	9,338
	111,822	211,619
Accrued severance pay	18,705	16,583
	130,527	228,202
Net assets		
Net assets	188,428	39,429
	318,955	267,631

Approved on behalf of the Board:

Director

Director

# Statement of Cash Flows

Year ended March 31, 2009

	2009	2008
	\$	\$
Operating activities		
Excess of revenue over expenditures		
(expenditures over revenue)	148,999	(215,578)
Adjustments for:		
Amortization		- 135
Accrued severance pay	2,122	6,822
	151,121	(208,621)
Changes in non-cash operating working capital		
Accounts receivable	(1,784)	956
Due to Eastern Regional Health Authority	(100,213)	<b>202,28</b> 1
Accounts payable and accrued liabilities	416	(25,765)
	49,540	(31,149)
Investing activity		
Change in guaranteed investment certificates - cashable	(667)	56,415
Net change in cash	48,873	25,266
Cash, beginning of year	99,046	73,780
Cash, end of year	147,919	99,046

# DISCOVERY HEALTH CARE FOUNDATION INC. Notes to the Financial Statements

#### March 31, 2009

#### 1. NATURE OF OPERATIONS

Discovery Health Care Foundation Inc. (the "Foundation") is a not-for-profit organization which raises funds for the Eastern Regional Health Authority and is incorporated under the Corporations Act of Newfoundland and Labrador.

As a not-for-profit organization, the Foundation is exempt from tax.

#### 2. CHANGE IN ACCOUNTING POLICIES

Effective April 1, 2008 the Foundation adopted the Canadian Institute of Chartered Accountants' ("CICA") new accounting standards related to "Capital Disclosures" (Section 1535), and "General Standards of Financial Statement Presentation" (Section 1400).

#### Capital Disclosures

CICA Section 1535 "Capital Disclosures" establishes standards for disclosure of information about the Foundation's capital and capital management, including the Foundation's objectives and processes of managing capital, quantitative data about what the Foundation regards as capital, whether the Foundation has complied with any externally imposed capital requirements, and if it has not complied, the consequences of such non-compliance. The adoption of this standard had no effect on the Foundation's financial position, operations or cash flows and these disclosures have been included in Note 6.

#### General Standards of Financial Statement Presentation

CICA Section 1400 "General Standards of Financial Statement Presentation" provides additional guidance related to management's assessment of the Foundation's ability to continue as a going concern. The Foundation's current disclosures meet the reporting requirements of this section.

#### 3. SIGNIFICANT ACCOUNTING POLICIES

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

#### Cash

Cash includes cash on hand and balances with banks.

#### Capital assets

Capital assets are recorded at cost and amortized on a declining balance basis over ten years to write off the cost of capital assets over their useful lives.

#### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

#### Accrued severance pay

Severance pay is accounted for on an accrual basis and is calculated based upon years of service and current salary levels. Severance pay is only recorded in the accounts for employees who have a vested right to receive such a payment. No provision for the ultimate severance pay liability is made in the accounts for any employee who does not have a vested right to the payment. The amount is payable when the employee ceases employment with the Foundation.

#### Revenue recognition

Revenue from donations is recognized in the accounts of the Foundation in the year in which it is received.

#### Pension costs

Employees of the Foundation are included in the Public Service Pension Plan and the Government Money Purchase Plan administered by the Government of Newfoundland and Labrador. Contributions to the plans are required from both the employees and the Foundation. The annual contributions for pensions are recognized as an expenditure in the accounts on a current basis.

#### Financial instruments

Financial assets and liabilities are generally classified and measured as follows:

Asset/Liability	<u>Classification</u>	<u>Measurement</u>
Cash	Held for trading	Fair value
Guaranteed investment certificates - cashable	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Due to Eastern Regional Health Authority	Other liabilities	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost

Other balance sheet accounts do not meet the criteria to be considered financial instruments.

The Foundation has determined that it does not have derivatives or embedded derivatives.

# DISCOVERY HEALTH CARE FOUNDATION INC. Notes to the Financial Statements March 31, 2009

# 4. DONATIONS

	• •	· .	
	2009	2008	
	\$	\$	
Bonavista - shelter and BBQ	6,486	· –	
Sunshine Manor - chair	1,325	1,209	
Sunshine Manor - pictures	1,299	•	
Chair - OBS	1,236	· 🗕	
DVD player - OBS	218		
Newborn hearing screener	-	19,728	
Bonavista - chairs	-	29,142	
Clarenville - stretchers	-	7,980	
Toys for emergency	-	486	
Blanket warmer	-	2,986	
Furniture for pediatric room	-	5,208	
Vital signs monitor	. –	1,300	
Camera	· –	513	
Ultrasound unit	· •	330,331	
Oxygen unit		1,369	
Other	-	285	
	10,564	400,537	

#### 5. RELATED PARTY TRANSACTIONS

The Foundation operates for the purpose of accumulating funds to assist Eastern Regional Health Authority with the purchase of medical equipment used in the provision of patient care. Transactions between these related parties are measured at their exchange value.

#### 6. CAPITAL MANAGEMENT

The capital structure of the Foundation consists of net assets. The Foundation's objective when managing capital is to ensure it maintains adequate capital to support its continued operations.

The Foundation is not subject to externally imposed capital requirements.

### DISCOVERY HEALTH CARE FOUNDATION INC. Notes to the Financial Statements March 31, 2009

#### 7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

#### Financial risk factors

The Foundation has exposure to credit risk and liquidity risk. The Foundation's Board of Directors has overall responsibility for the oversight of these risks and reviews the Foundation's policies on an ongoing basis to ensure that these risks are appropriately managed. The sources of risk exposure and how each is managed are outlined below,

#### Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligation. The Foundation's credit risk is primarily attributable to accounts receivable. Management believes that the credit risk with respect to accounts receivable is not significant.

#### Liquidity risk

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they become due. As at March 31, 2009 the Foundation had cash of \$147,919.

To the extent that the Foundation does not believe that it has sufficient liquidity to meet current obligations, consideration will be given to obtaining additional funds through third party financing or other fundraising methods, assuming these can be obtained.

#### Fair value

The fair value of the Foundation's short-term financial instruments approximate the carrying value due to the short-term maturity and normal credit terms of those instruments.

- 192 -

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# **Deloitte**.

Combined Financial Statements of

# EASTERN REGIONAL HEALTH AUTHORITY – OPERATING FUND

March 31, 2009

# **Deloitte**.

Deloitte & Touche LLP 10 Factory Lane Fort William Bullding St. John's NL A1C 6H5 Canada

Tel: (709) 576-8480 Fax: (709) 576-8460 www.deloitte.ca

### **Auditors' Report**

To the Board of Trustees of Eastern Regional Health Authority

We have audited the combined statement of financial position of Eastern Regional Health Authority – Operating Fund as at March 31, 2009 and the combined statements of operations, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures for the year ended March 31, 2008 were audited by another firm of chartered accountants who issued their opinion without reservation dated June 6, 2008.

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Chartered Accountants June 8, 2009

# EASTERN REGIONAL HEALTH AUTHORITY Combined Statement of Operations

Year Ended March 31, 2009

(in thousands of dollars)

	2009	2008
	\$	\$
Revenue		
Provincial plan	961,294	870,052
MCP	51,998	45,913
Inpatient	9,358	10,461
Resident	16,132	16,183
Outpatient	7,876	6,577
Other	35,659	31,294
	1,082,317	980,480
Expenditures		
Administration	96,361	86,473
Support	133,491	119,889
Patient and resident services	292,638	273,107
Ambulatory care	98,019	95,289
Diagnostic and therapeutic	139,305	126,040
Client services	208,033	176,753
Medical services	73,107	64,124
Research and education	14,923	13,285
Interest on long-term debt	10,005	10,048
Other	12,902	11,079
	1,078,784	976,087
Surplus on operations	3,533	4,393
Adjustments for non-shareable items:		
Amortization of deferred capital contributions	14,886	18,324
Amortization of capital assets	(24,961)	(25,228
Interest on sinking fund	493	462
Accrued vacation	(3,790)	(4,670
Accrued severance	(6,804)	(3,848
Excess of expenditures over revenue	(16,643)	(10,567

# EASTERN REGIONAL HEALTH AUTHORITY Combined Statement of Changes in Fund Balances

Year Ended March 31, 2009

(in thousands of dollars) 2009 2008 Net Investment in Capital Operating Assets Fund Total Total \$ \$ \$ \$ (201, 255)(140,852)(130, 285)60,403 Balance, beginning of year Excess of expenditures over revenue (16, 643)(16, 643)(10,567)..... 524 (524) Principal portion of capital leases . -2,261 (2,261) Repayment of long-term debt _ _ 1,241 (1,241) Increase in sinking fund Amortization of deferred capital 14,886 (14,886) contributions 24,961 (24,961) Amortization of capital assets (157, 495)(140, 852)54,354 (211,849) Balance, end of year

#### Year Ended March 31, 2009 (in thousands of dollars) 2008 2009 \$ \$ Assets Current assets 4,602 16,503 Cash and temporary investments 78,303 46,150 Accounts receivable (Note 5) 7,836 7,413 Supplies inventory 3,720 4,180 Prepaid expenses 62,345 106,362 188 291 Deferred charges 295,316 293,730 Capital assets (Note 6) 1,736 1,852 General Hospital Hostel Association loan (Note 7) 2,759 2,417 Trust funds (Note 8) 406,019 360,977 Liabilities Current liabilities 94,036 108,127 Accounts payable and accrued liabilities 33,623 37,413 Accrued vacation pay 2,265 2,462 Current portion of long-term debt (Note 10) 524 Current portion of obligation under capital leases 6,019 5,500 Current portion of accrued severance pay 38,151 27,551 Deferred revenue - operating 33,944 14,837 Deferred revenue - capital 178,336 226,116 137,740 140,248 Long-term debt (Note 10) 96,481 90,196 Accrued severance pay 100,760 90,290 Deferred capital contributions (Note 11) 2,417 2,759 Trust funds (Note 8) 563,514 501,829 Contingencies (Note 13) Commitments (Note 14) Net deficiency (211, 849)(201, 255)Operating fund 60,403 54,354 Net investment in capital assets (157,495) (140,852)406,019 360,977

# EASTERN REGIONAL HEALTH AUTHORITY Combined Statement of Financial Position

- 197 -

# EASTERN REGIONAL HEALTH AUTHORITY Combined Statement of Cash Flows

Year Ended March 31, 2009

(in thousands of dollars)

	2009	2008
	\$	\$
Operating activities		
Excess of expenditures over revenue	(16,643)	(10,567)
Adjustments for:		
Amortization of capital assets	24,961	25,228
Amortization of deferred capital contributions	(14,886)	(18,324)
Increase in severance pay accrual	6,804	3,848
Decrease in deferred charges	103 .	104
Changes in non-cash operating working capital (Note 12)	15,472	6,530
	15,811	6,819
Investing activities Construction and purchase of capital assets Repayment of advance to General Hospital Hostel Association	(26,547) 116	(31,762)
	(26,431)	(31,648)
Financing activities		
Proceeds from long-term debt	1,191	1,809
Repayment of long-term debt	(2,261)	(1,823)
Sinking fund payments	(1,241)	(1,209)
Repayment of obligations under capital leases	(524)	(704)
Capital asset contributions	25,356	29,953
	22,521	28,026
Net increase in cash resources	11,901	3,197
Cash, beginning of year	4,602	1,405
Cash, end of year	16,503	4,602

#### March 31, 2009

(tabular amounts expressed in thousands of dollars)

#### 1. NATURE OF OPERATIONS

The Eastern Regional Health Authority ("Eastern Health" or "the Authority") was created on April 1, 2005 to assume the responsibility of governance for health services in the Eastern Region of Newfoundland and Labrador.

The mandate of Eastern Health spans the full health continuum including primary and secondary level health and community services for the Eastern Region (Avalon, Bonavista and Burin Peninsulas, west to Port Blandford) as well as tertiary and other provincial programs/services for the whole Province. The organization also has a mandate to work to improve the overall health of the population through its focus on public health as well as on health promotion and prevention initiatives. Services are both community and institutional based. In addition to the provision of comprehensive health care services, Eastern Health also provides education and research in partnership with all stakeholders.

Eastern Health is a registered charity and, while registered, is exempt from tax.

#### 2. CHANGE IN ACCOUNTING POLICIES

Effective April 1, 2008 the Authority adopted the Canadian Institute of Chartered Accountants' ("CICA") new accounting standards related to "Capital Disclosures" (Section 1535), "Inventories" (Section 3031) and "General Standards of Financial Statement Presentation" (Section 1400).

#### Capital Disclosures

CICA Section 1535 "Capital Disclosure" establishes standards for disclosure of information about the Authority's capital and capital management, including the Authority's objectives and processes of managing capital, quantitative data about what the Authority regards as capital, whether the Authority has complied with any externally imposed capital requirements, and if it has not complied, the consequences of such non-compliance. The adoption of this standard had no effect on the Authority's financial position, operations or cash flows and these disclosures have been included in Note 16.

#### General Standards of Financial Statement Presentation

CICA Section 1400 "General Standards of Financial Statement Presentation" provides additional guidance related to management's assessment of the Authority's ability to continue as a going concern. The Authority's current disclosures meet the reporting requirements of this section.

#### Inventories

The Authority adopted the recommendations of CICA Handbook Section 3031 on inventories which provides guidance on determination of cost of inventories and its subsequent recognition as an expense, and includes additional disclosure requirements. The new Section also requires to account for the reversal of write-downs previously recognized when there is a subsequent increase in the value of inventories. This accounting policy, which was adopted as of April 1, 2008, as applied retroactively and resulted in no restatement to comparative figures.

#### March 31, 2009

(tabular amounts expressed in thousands of dollars)

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Authority have been prepared in accordance with Canadian generally accepted accounting principles. The more significant accounting policies of the Authority are as follows:

#### Basis of presentation

These financial statements include the assets, liabilities, revenues, and expenditures of the operating fund.

#### Fund accounting

The Authority applies fund accounting principles in recording its financial transactions in the Operating Fund or net investment in capital assets.

The Operating Fund contains all the operating assets, liabilities, revenue and expenditures of the Authority related to the provision of health care services. The assets of the Operating Fund are available for the satisfaction of debts, contingent liabilities and commitments of the Authority.

The net investment in capital assets represents assets purchased for the use of the operating fund.

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of any overdrafts. Bank borrowings are considered to be financing activities.

#### Inventory

Inventory is valued at average cost, determined on a first-in first-out basis.

#### Capital assets

Capital assets are recorded at cost, although title to certain of these assets rests with the Government of Newfoundland and Labrador (the "Government"). Contributed capital assets are recorded at their estimated fair market value at the date of contribution. Minor equipment purchases are charged to operations in the year of acquisition.

Amortization is calculated on a straight-line basis and declining balance basis at the rates set out below. It is expected that these rates will charge operations with the total cost of the assets less estimated salvage value over the useful life of the assets.

Buildings and renovations	2% - 5%
Equipment	15% - 20%
Equipment under capital leases	14.3% - 25%
Land improvements	10% - 20%
Leasehold improvements	10% - 20%

Gains and losses on disposal of individual assets are recognized in income in the year of disposal.

#### March 31, 2009

(tabular amounts expressed in thousands of dollars)

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Capital assets (continued)

Construction in progress is not amortized until the project is substantially complete at which time the project costs are transferred to buildings and renovations and amortized accordingly.

#### Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

#### Capital and operating leases

A lease that transfers substantially all of the benefits and risks associated with ownership of property is accounted for as a capital lease. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value. Assets acquired under capital leases are amortized on the same basis as other similar capital assets. All other leases are accounted for as operating leases and the payments are expensed as incurred.

#### Capital contributions

Capital contributions are recorded as deferred capital contributions and amortized to income on the same basis and using the same rates as the amortization expense related to the capital assets purchased. Capital contributions for capital assets that are not amortized are recorded as direct increases in net assets.

#### Accrued vacation pay

Vacation pay is accrued for all employees as entitlement to these payments is earned.

#### Accrued severance pay

Severance pay is accounted for on an accrual basis and is calculated based upon years of service and current salary levels. The right to be paid severance pay vests with employees with nine years of continual service with the Board or another public sector employer, and accordingly no provision has been made in the accounts for employees with less than nine years of continual service. The amount is payable when the employee ceases employment with the Board.

#### Revenue recognition

Provincial plan revenues are recognized in the period in which entitlement arises. MCP, inpatient, outpatient and residential revenues are recognized in the period services are provided. Revenue received for a future period is deferred until that future period and is reflected as deferred revenue.

### March 31, 2009

(tabular amounts expressed in thousands of dollars)

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue recognition (continued)

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 in reasonably assured.

The Authority is reimbursed by the Department for the total of its operating costs, after deduction of specified revenue and expenditures, to the extent of the approved budget.

#### Pension costs

Employees of the Authority are included in the Public Service Pension Plan and the Government Money Purchase Plan (the "Plans") administered by the Government of Newfoundland and Labrador. Contributions to the Plans are required from both the employees and the Authority. The annual contributions for pensions are recognized as an expense in the accounts on a current basis.

#### Debenture discount and commission

The debenture discount and financing fees are amortized on a straight-line basis over the term of the debenture.

#### Sinking funds

Sinking funds established for the retirement of debentures are held and administered in trust by the Government of Newfoundland and Labrador.

#### Deferred charges

Deferred charges include costs incurred relating to an energy performance contract as disclosed in Note 14. The deferred charges are being amortized over the 9.75 year life of the energy performance contract.

#### Contributed services

A substantial number of volunteers contribute a significant amount of their time each year to assist Eastern Health in carrying out its service delivery activities. Because of the difficulty in determining fair value, contributed services are not recognized in the financial statements.

#### Financial instruments

Financial assets and liabilities are classified according to their characteristics and management's choices and intentions related thereto for the purposes of ongoing measurements. The fair value of a financial instrument is the estimated amount that would be received or would be paid to terminate the instruments agreement at the reporting date. Various market value data and other valuation techniques are used as appropriate to estimate the fair value of each type of financial instrument. The carrying value of cash is considered its fair value.

### March 31, 2009 (tabular amounts expressed in thousands of dollars)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (continued)

Financial assets and liabilities are generally classified and measured as follows:

Asset/Liability	<u>Classification</u>	Measurement
Cash and cash equivalents	Held for trading	Fair value
Accounts receivables	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Long-term debt	Other liabilities	Amortized cost

Other balance sheet accounts do not meet the criteria to be considered financial instruments.

### Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenditures during the year. Actual results could differ from these estimates.

### Future accounting standards

In December 2006, CICA issued new Section 3862, "Financial Instruments – Disclosures" and Section 3863, "Financial Instruments – Presentation", which established standards for the presentation and disclosure of financial instruments and non-financial derivatives.

Following a decision by CICA that permits the application of Section 3861, "Financial Instruments -- Disclosure and Presentation", in place of Section 3862 and 3863, the Authority has decided to continue to apply Section 3861.

### Not-for-profit organizations

In September 2008, the CICA amended the introduction to accounting standards that apply only to not-for-profit organizations as outlined in the Section 4400 series of CICA Handbook (the "Handbook") as well as consequently changes to other sections of the Handbook.

These new standards are effective for the Authority on April 1, 2009. The Authority's management does not expect the application of these standards will have a material impact on its financial statements.

## EASTERN REGIONAL HEALTH AUTHORITY Notes to the Financial Statements

### March 31, 2009

(tabular amounts expressed in thousands of dollars)

### 4. CONTROL OF NOT-FOR-PROFIT ENTITIES

The Authority controls the Health Care Foundation of St. John's Inc., Janeway Children's Hospital Foundation, Ever Green Environmental Corporation, Trinity-Conception-Placentia Health Foundation Inc., Burin Peninsula Health Care Foundation Inc., Discovery Health Foundation Inc. and the Dr. H. Bliss Murphy Cancer Care Foundation. These Foundations raise funds from the community for the capital equipment needs of the Authority. The Foundations are incorporated under the Corporations Act of Newfoundland and Labrador and are registered charities under the Income Tax Act.

The Authority also controls the General Hospital Hostel Association, Northwest Rotary-Janeway Hostel Corporation, Lions Manor Inc., TCRHB Housing Complex Inc., Blue Crest Cottages and Golden Heights Manor Cottages. These entities were established to provide accommodations for family members of patients and housing to senior citizens.

Eastern Health has memoranda of understanding/governance agreements with the following nursing home owner/operators ("homes") in the region:

- Masonic Park Nursing Home
- Saint Luke's Homes (A Division of Anglican Home Inc.)
- St. Patrick's Mercy Home
- The Agnes Pratt Home
- The Salvation Army Glenbrook Lodge
- The Pentecostal Assemblies Benevolent Association of Newfoundland and Labrador
- · Clarke's Beach Senior Citizen's Home

Eastern Health is responsible for policy direction, distribution of operating funds and capital grants, and providing certain services to homes, which are individually controlled entities. Ultimate ownership of assets and liabilities rests with the individual homes or the respective governing bodies.

### March 31, 2009

(tabular amounts expressed in thousands of dollars)

## 4. CONTROL OF NOT-FOR-PROFIT ENTITIES (Continued)

The above not-for-profit entities have not been consolidated in the Authority's financial statements, however separate financial statements are available on request. Financial summaries of these non-consolidated entities as at March 31, 2009 and 2008 and for the years then ended are as follows (in thousands of dollars):

	Foundations		Hostels and Cottages		Nursing Homes	
	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$
Financial position					*	
Total assets	13,907	11,003	11,968	12,569	24,436	21,992
Total liabilities	4,231	3,033	12,172	12,728	39,715	36,857
Total net assets	9,677	7,970	(204)	(159)	(15,279)	(14,865)
	13,908	11,003	11,968	12,569	24,436	21,992
<b>Results of Operations</b> Total revenues Total expenditures	9,883 8,120	8,454 7,760	2,191 2,237	2,227 2,237	54,955 55,685	49 <b>,9</b> 81 50,197
Excess of revenues over expenditures (expenditures over revenue)	1,763	694	(46)	(10)	(730)	(216)
Cash Flows Cash from operations	2,003	1,313	440	861	408	645
Cash used in financing and investing activities	(1,333)	(1,021)		(479)	(865)	(824)
Increase (decrease) in cash	670	292	(66)	382	(457)	(179)

### 5. ACCOUNTS RECEIVABLE

	2009	2008
	\$	\$
Government of Newfoundland and Labrador	42,840	19,985
Services to patients, residents and clients	14,304	15,839
Other	21,159	10,326
	78,303	46,150

# EASTERN REGIONAL HEALTH AUTHORITY Notes to the Financial Statements

### March 31, 2009

(tabular amounts expressed in thousands of dollars)

### 6. CAPITAL ASSETS

		2009		2008
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Land and land improvements	2,810	455	2,355	2,374
Buildings and renovations	345,489	129,746	215,743	216,299
Equipment	336,801	276,766	60,035	60,263
Equipment under capital leases	15,032	14,450	582	1,062
Construction in progress	16,601	-	16,601	13,732
<u> </u>	716,733	421,417	295,316	293,730

### 7. GENERAL HOSPITAL HOSTEL ASSOCIATION LOAN

The loan is repayable to the Authority in monthly instalments of principal and interest of \$12,647 at an interest rate of prime minus 1.75%. The loan matures April 2023. The loan is net of the current portion of \$115,943.

### 8. TRUST FUNDS

Funds belonging to residents, patients and clients of the Authority are being held in trust for the benefit of the residents, patients and clients.

### 9. BANK INDEBTEDNESS

The Authority has access to lines of credit totaling \$64,000,000 in the form of revolving demand loans and/or bank overdrafts at its financial institution. The authority to borrow has been approved by the Minister of Health and Community Services.

# EASTERN REGIONAL HEALTH AUTHORITY Notes to the Financial Statements

March 31, 2009

(tabular amounts expressed in thousands of dollars)

### 10. LONG-TERM DEBT

	2009	2008
	\$	\$
Sinking Fund Debenture, Series HCCI, 6.9%, to mature		
fune 15, 2040, interest payable semi-annually on June 15		
and December 15	130,000	130,000
Royal Bank of Canada (Central Kitchen), 6.06% loan for		
15 year term maturing May 2014, payable in monthly	•	
instalments of principal and interest of \$101,670 and is unsecured	5,403	6,264
Royal Bank of Canada (Veterans Pavilion), 4.18% term loan for		
5 year term maturing April 2013, payable in monthly	a coa	1.00/
instalments of principal and interest of \$55,670 and is unsecured	2,503	1,809
Bank of Montreal, 3.82% loan for 5 year term maturing		
June, 2010, payable in monthly instalments of principal		
and interest of \$23,699	347	61
	547	01.
Canadian Imperial Bank of Commerce's prime lending rate less		
0.625 basis points borrowing to finance the construction of a new		
facility at Old Perlican. Loan is repayable in monthly instalments of		
\$21,200 plus interest, matures in 2016 and is unsecured	1,884	2,13
	-,	_,
4.12% Newfoundland and Labrador Housing Corporation mortgage,		
payable in blended monthly instalments of \$19,403. The mortgage		
matures in December 2020 and is secured by land and building	2,169	2,31
10% Newfoundland and Labrador Housing Corporation mortgage,		
payable in blended monthly instalments of \$8,955. The mortgage		
matures in December 2028 and is secured by land and building	940	95
4.000 Deale and for the I Berlinter last amountined to December'		
4.96% Bank of Montreal Bank term loan, amortized to December		
2014, repayable in blended monthly instalments of principal and	364	
interest of \$7,070	504	-
3.71% Newfoundland and Labrador Housing Corporation mortgage,		
amortized to July 1, 2020, repayable in blended monthly instalments		
of principal and interest of \$1,086, secured by the property to which		
it relates	121	12
11 1014100		. 2

## Notes to the Financial Statements

March 31, 2009

(tabular amounts expressed in thousands of dollars)

### 10. LONG-TERM DEBT (Continued)

	2009	2008
	\$	\$
CMHC mortgages on land and buildings -		
8%, on Blue Crest Home; repayable in blended monthly instalments		
of principal and interest of \$7,777, maturing November 2025	866	890
10.5% on Golden Heights Manor, repayable in blended monthly		
instalments of principal and interest of \$7,549, maturing August 2027	749-	762
3.88% on Golden Heights Manor, repayable in blended monthly		
instalments of principal and interest of \$22,085, maturing June 2023	2,904	3,053
5.25% Toronto Dominion Bank term loan, repaid during the year	-	397
	148,250	149,320
Less: Current portion	2,462	2,265
	145,788	147,055
Less: Sinking Funds available	8,048	6,807
	137,740	140,248

A sinking fund was established for the retirement of the debenture and is to be held in trust by the Government. The annual principal payment to the sinking fund is \$747,500.

The interest and mandatory sinking fund payments of the debenture are guaranteed by the Government.

\$

Annual principal repayments of long-term debt are as follows:

2010	2,462
2011	2,356
2012	2,394
2013	2,563
2014	1,938

### 11. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized portion of restricted contributions related to capital assets, which will be reported in revenue in future accounting periods. Deferred capital contributions are amortized on a basis and at a rate consistent with the amortization for the related capital asset purchased.

### (tabular amounts expressed in thousands of dollars)

### 11. DEFERRED CAPITAL CONTRIBUTIONS (Continued)

The changes in deferred capital contributions balance for the year are as follows:

2009	2008
\$	\$
90,290	78,661
25,356	29,953
(14,886)	(18,324)
100,760	90,290
	\$ 90,290 25,356 (14,886)

### 12. SUPPLEMENTAL CASH FLOW INFORMATION

	2009	2008
	\$	\$
Change in non-cash operating working capital		
Accounts receivable	(32,153)	(15,582)
Supplies inventory	(423)	184
Prepaid expenses	460	(1,388)
Accounts payable and accrued liabilities	14,091	11,612
Accrued vacation pay	3,790	4,670
Deferred revenue - operating	10,694	5,798
Deferred revenue - capital	19,013	1,236
	15,472	6,530
Interest paid	10,005	10,510

### 13. CONTINGENCIES

### Guarantees

The Authority has guaranteed a first mortgage of the General Hospital Hostel Association ("the Association") held by the Newfoundland and Labrador Housing Corporation. The balance of the mortgage outstanding at March 31, 2009 was \$1,321,199 (2008 - \$1,423,931).

The Authority has guaranteed an additional term loan of the Association held by the Royal Bank of Canada. The balance of the loan outstanding at March 31, 2009 was \$815,134 (2008 - \$862,566).

Management believes the Authority will not be called upon to honour these guarantees.

## (tabular amounts expressed in thousands of dollars)

### 13. CONTINGENCIES (Continued)

### Legal claims

Over the years a number of claims have been filed against the Authority, including a class action suit that was certified by the courts against the Authority in 2007. An estimate of loss, if any, relative to these matters, is not determinable at this time and no provision has been recorded in the accounts for these matters. In the view of management, the Authority's insurance program adequately addresses the issue of risk of loss in these matters.

### 14. COMMITMENTS

### **Operating Leases**

Under the terms of several long-term operating leases related to hospital and office equipment, the Authority is committed to make approximate annual lease payments to March 31, 2014 as follows:

	\$
2010	10,809
2011	8,662
2012	7,152
2013	5,513
2014	4,504
	36,640

### Energy Performance Contract

The Authority entered into an Energy Performance contract on August 11, 1998 with The Enerplan/Rose Group for the design, implementation and monitoring of energy efficiency improvements. The cost of the contract was \$5,605,094. Lump sum amounts aggregating \$1,008,555 have been paid and recorded as deferred charges with the remaining balance of \$4,596,439 being financed by the Enerplan/Rose Group through CitiCapital Technology Finance Limited. The deferred charge amount is being amortized at \$103,442 annually for 9.75 years while the payments to the Enerplan/Rose Group are \$56,833 per month over a period of 9.75 years.

The Enerplan/Rose Group has assigned its payments under the contract to CitiCapital Technology Finance Limited. As at March 31, 2009 the outstanding balance of the financing through the Enerplan/Rose Group was \$1,406,261. The Authority's obligation for payment is limited to actual cost savings as the Enerplan/Rose Group has guaranteed the reduction in operating costs would equal or exceed the costs incurred under the contract.

Funding for the contract is from operating savings and has been approved in this manner by the Province of Newfoundland and Labrador. As a result, the monthly payments and the amortization of the deferred charges relating to lump sum amounts under the contract are being reported in the Authority's operating statements as a normal operating cost.

# EASTERN REGIONAL HEALTH AUTHORITY Notes to the Financial Statements

March 31, 2009

(tabular amounts expressed in thousands of dollars)

### 15. RELATED PARTY TRANSACTIONS

Contributions to the Authority during the year are as follows:

	2009	2008
	\$	\$
Janeway Children's Hospital Foundation	1,007	1,723
Dr. H. Bliss Murphy Cancer Care Foundation	620	456
General Hospital Hostel Association	570	575
Health Care Foundation of St. John's Inc.	861	216
Burin Peninsula Health Care Foundation	35	423
Trinity-Conception-Placentia Health Foundation	194	44
Discovery Health Care Foundation	11	400
Lions Manor Inc.	3	-
Janeway Auxiliary	30	-
Carbonear Ladies Auxiliary	15	-
TCRHB Housing Complex Inc.	1	-
Golden Heights Manor Cottages	24	12
Blue Crest Cottages	13	13
	3,384	3,862

## EASTERN REGIONAL HEALTH AUTHORITY Notes to the Financial Statements March 31, 2009

(tabular amounts expressed in thousands of dollars)

## 15. RELATED PARTY TRANSACTIONS (Continued)

At year end, the amounts receivable from related parties are as follows:

	2009	2008
	\$	\$
Northwest Rotary - Janeway Hostel Corporation	1,226	1,107
Burin Peninsula Health Care Foundation	95	-
Dr. H. Bliss Murphy Cancer Care Foundation	396	260
Health Care Foundation of St. John's Inc.	673	770
Janeway Children's Hospital Foundation	854	.491
Golden Heights Manor Cottages	248	185
Ever Green Environmental Corporation	494	460
Blue Crest Cottages	163	88
General Hospital Hostel Association	(105)	420
Masonic Park Apartments	-	-
Salvation Army Headquarters	-	-
Residential Housing - A Division of Anglican Homes Inc.	-	-
Bishop Meaden Manor - A Division of Anglican Homes Inc.	-	-
Discovery Health Care Foundation	103	179
Trinity-Conception-Placentia Health Foundation	216	115
Lions Manor Inc.	8	16
	4,371	3.976

At year end, the amounts due to nursing homes:

	2009	2008
	\$	\$
Saint Luke's Homes	279	6
Masonic Park - Nursing Home	69	102
The Salvation Army Glenbrook Lodge	714	536
St. Patrick's Mercy Home	1,295	406
The Agnes Pratt Home	130	28
The Pentecostal Assemblies Benevolent Association of		
Newfoundland and Labrador - Clarke's Beach Senior		
Citizen's Home	638	544
	3,125	1,622

# EASTERN REGIONAL HEALTH AUTHORITY Notes to the Financial Statements

### March 31, 2009 (tabular amounts expressed in thousands of dollars)

### 15. RELATED PARTY TRANSACTIONS (Continued)

### Other

Various volunteer and auxiliary associations/organizations solicit donations, operate gift shops and hostels and undertake fund raising activities to provide operating and capital donations to further the objectives of the Authority.

Transactions between these related parties are measured at their exchange value.

### 16. CAPITAL MANAGEMENT

The capital structure of the Authority consists of net assets. The Authority's objective when managing capital is to ensure it maintains adequate capital to support its continued operations.

The Authority is not subject to externally imposed capital requirements.

### 17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### Financial risk factors

The Authority has exposure to credit risk and liquidity risk. The Authority's Board of Directors has overall responsibility for the oversight of these risks and reviews the Authority's policies on an ongoing basis to ensure that these risks are appropriately managed. The source of risk exposure and how each is managed is outlined below:

### Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligation. The Authority's credit risk is primarily attributable to receivables. Management believes that the credit risk with respect to accounts receivable is not significant.

### Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they become due. As at March 31, 2009 the Authority had cash and temporary investments of \$16,502,691. To the extent that the Authority does not believe it has sufficient liquidity to meet current obligations, consideration will be given to obtaining additional funds through third party funding or the Provincial Government, assuming these could be obtained.

### Fair value

The fair value of the Authority's short-term financial instruments approximate the carrying value due to the short-term maturity and normal credit terms of those instruments.

### 18. COMPARATIVE FIGURES

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

# Combined Schedule of Expenditures for Government Reporting

## Year Ended March 31, 2009

(in thousands of dollars)

	2009	2008
	\$	\$
Administration		
Executive offices	12 092	12.001
	12,983	13,061
Finance and budgeting	8,617	7,880
Human resources	12,119	9,626
Systems support	14,171	12,192
Materials management	16,273	15,138
Other administrative	32,198	28,576
	96,361	86,473
Support		
Housekeeping	26,064	23,007
Laundry and linen	8,239	7,969
Facilities management	50,597	44,309
Food services	27,440	25,277
Other support	21,151	19,327
<u></u>	133,491	119,889
Patient and resident services		
Acute care	159,768	153,095
Long-term care	116,161	107,092
Other patient and resident services	16,709	12,920
	292,638	273,107
Ambulatory care		
Emergency	21,579	20,991
Outpatient clinics	60,355	59,048
Dialysis	11,643	11,033
Other ambulatory	4,442	4,217
	98,019	95,289

# Combined Schedule of Expenditures for Government Reporting

Year Ended March 31, 2009 (in thousands of dollars)

(	2009	2008
	\$	\$
Diagnostic and therapeutic		
Clinical laboratory	38,935	32,898
Diagnostic imaging	37,539	36,890
Other diagnostic and therapeutic	62,831	56,252
	139,305	. 126,040
Client services		
Mental health and addictions	9,939	8,634
Community support programs	110,624	95,581
Family support programs	69,136	55,750
Community youth corrections	4,049	3,658
Health promotion and protection	14,285	13,130
	208,033	176,753
Medical services		
Physician services	58,689	49,031
Interns and residents	14,418	15,093
	73,107	64,124
Research and education		
Research	2,414	2,161
Education	12,509	. 11,124
	14,923	13,285
Interest on long-term debt		
Interest on long-term debt	10,005	10,048
THOUGH ON TOND TONN GOOD		
Other		
Undistributed	12,902	11,079
Total shareable expenditures	1,078,784	976,087

# Combined Schedule of Revenue and Expenditures for

## **Government Reporting**

Year Ended March 31, 2009

(in thousands of dollars)

,

· · · ·	2009	2008
	\$	\$
Revenue		
Provincial plan	961,294	870,052
MCP	51,998	45,913
Inpatient	9,358	10,461
Resident	16,132	16,183
Outpatient	7,876	6,577
Other	35,659	31,294
	1,082,317	980,480
Expenditures		
Compensation		
Salaries	563,038	511,435
Employee benefits	93,648	84,141
	656,686	595,576
Supplies		
Plant operations and maintance	18,897	17,207
Drugs	36,287	35,993
Medical and surgical	48,746	44,999
Other	194,883	176,246
	298,813	274,445
Direct client costs		
Mental health and additions	60	52
Community support	77,328	68,072
Family support	35,843	27,856
Community youth corrections	49	38
	113,280	96,018

## Combined Schedule of Revenue and Expenditures for

## **Government Reporting**

Year Ended March 31, 2009

 $(in\ thousands\ of\ dollars)$ 

	2009	2008
	\$	\$
Lease and long term debt		
Lease - interest	8	30
Lease - principal	524	703
Long-term debt - interest	9,997	10,018
Long-term debt - principal	3,009	2,571
	13,538	13,322
	1,082,317	979,361
Surplus for government reporting		1,119
Lease - principal	524	703
Long-term debt - principal	3,009	2,571
Surplus before non-shareable items	3,533	4,393
Adjustments for non-shareable items:		
Amortization of deferred capital contributions	14,886	18,324
Amortization of capital assets	(24,961)	(25,228)
Interest on sinking fund	493	462
Accrued vacation	(3,790)	(4,670)
Accrued severance	(6,804)	(3,848)
	(20,176)	. (14,960)
Excess of expenditures over revenue	(16,643)	(10,567)

## Combined Schedule of Capital Transactions Funding and Expenditure for Government Reporting

Year Ended March 31, 2009

(in thousands of dollars)

	2009	2008
	\$	\$
Revenue		
Provincial plan	36,803	23,522
Deferred grants previous year	14,837	13,601
Foundations and auxiliaries	2,275 .	2,843
Infoway	1,840	1,300
Transfer from operations	222	3,121
Proceeds from long-term debt	1,191	1,809
Other	3,323	403
Deferred grant current year	(33,944)	(14,837)
	26,547	31,762
Expenditures		
Buildings	6,672	1,246
Equipment	16,723	22,956
Vehicles	282	138
Construction in progress	2,870	7,422
	26,547	31,762
Surplus on capital transactions		-

# EASTERN REGIONAL HEALTH AUTHORITY Combined Schedule of Accumulated Operating Deficit for Government Reporting

Year Ended March 31, 2009

(in thousands of dollars)

	2009	2008
	\$	\$
Assets		
Current assets		
Cash and temporary investments	16,503	4,602
Accounts receivable	78,303	46,150
Supplies inventory	7,836	7,413
Prepaid expenses	3,720	4,180
	106,362	62,345
Deferred charges	188	291
General Hospital Hostel Association loan	1,736	1,852
	108,286	64,488
Liabilities		
Current liabilties		
Accounts payable and accrued liabilities	108,127	94,036
Deferred revenue - operating	38,151	27,551
Deferred revenue - capital	33,944	14,837
~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	180,222	136,424
Accumulated deficit for government reporting	(71,936)	(71,936)

Deloitte.

Combined Financial Statements of

EASTERN REGIONAL HEALTH AUTHORITY – COTTAGES AND HOSTELS

March 31, 2009

Deloitte.

Deloitte & Touche LLP 10 Factory Lane Fort William Building St, John's NL A1C 6H5 Canada

Tel: (709) 576-8480 Fax: (709) 576-8460 www.deloitte.ca

Auditors' Report

To the Board of Trustees of Eastern Regional Health Authority

We have audited the combined statement of financial position of Eastern Regional Health Authority – Cottages and Hostels as at March 31, 2009 and the combined statements of operations, changes in fund balances and cash flows and supplementary schedules for the year then ended. These financial statements have been prepared to comply with the mortgage agreements with Newfoundland and Labrador Housing Corporation. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Eastern Regional Health Authority – Hostels and Cottages as at March 31, 2009 and the results of its operations and its cash flows for year then ended in accordance with the basis of accounting disclosed in Note 3 to the financial statements.

These financial statements, which have not been and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the Board of Trustees of Eastern Regional Health Authority – Cottages and Hostels and Newfoundland and Labrador Housing Corporation to comply with the mortgage agreements with Newfoundland and Labrador Housing Corporation. The financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

The comparative figures for the year ended March 31, 2008 were audited by another firm of chartered accountants who issued their report dated May 30, 2008.

Deloille : Touche UP

Chartered Accountants June 4, 2009

EASTERN REGIONAL HEALTH AUTHORITY -COTTAGES AND HOSTELS Combined Statement of Operations

Year Ended March 31, 2009	2009	2008
	\$	\$
Revenue		
Rentals	1,838,210	1,866,067
Rental assistance subsidy	203,834	173,355
Amortization of deferred capital contributions	90,000	90,000
Interest	29,014	51,510
Laundry charge	20,309	22,308
Domestic electricity charge	11,940	11,892
Other	5,349	6,553
HST rebate		5,629
	2,198,656	2,227,314
Expenditures		
Amortization	596,077	570,306
Salaries and benefits	384,010	346,968
Interest on long-term debt	307,971	335,764
Utilities	280,939	265,391
Housekeeping services	225,227	225,227
Maintenance	179,518	172,872
Laundry and linen	162,303	166,278
Municipal taxes	38,365	32,759
Administration fees	26,403	24,343
Other supplies	25,889	26,354
Snow clearing	24,199	24,424
Insurance	9,615	8,915
Security	5,949	16,424
Computer services	2,454	2,454
Professional fees	1,730	10,948
	2,270,649	2,229,427
Excess of expenditures over revenue		
before undernoted items	(71,993)	(2,113
Transfer from subsidy surplus fund	31,565	6,088
Transfer from (to) replacement reserve fund	1,567	(13,490
Excess of expenditures over revenue	(38,861)	(9,515

EASTERN REGIONAL HEALTH AUTHORITY -COTTAGES AND HOSTELS

Combined Statement of Changes in Fund Balances

		2009		2008
	Unrestricted net assets	Investment in capital assets	Total	Total
	\$		\$	\$
Balance, beginning of year Excess of revenue over expenditures	(967,334)	808,711	(158,623)	(149,108)
(expenditures over revenue)	(38,861)	-	(38,861)	(9,515)
Balance, end of year	(1,006,195)	808,711	(197,484)	(158,623)

EASTERN REGIONAL HEALTH AUTHORITY -COTTAGES AND HOSTELS

Combined Statement of Financial Position

	2009	2008
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	814,947	880,835
Accounts receivable	34,242	46,711
Due from Eastern Regional Health Authority	105,420	-
Prepaid expenses	34,833	23,395
Due from Newfoundland & Labrador Housing Corporation	808	3,590
	990,250	954,531
Capital assets (Note 4)	10,046,545	10,642,622
Replacement reserve fund (Note 5)	936,674	938,241
Subsidy surplus fund	2,020	33,585
	11,975,489	12,568,979
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	118,948	117,657
Due to Eastern Regional Health Authority	1,787,253	1,696,445
Due to Newfoundland & Labrador Housing Corporation (Note 6)	13,262	38,143
Current portion of long-term debt (Note 7)	525,730	500,543
· · · · · · · · · · · · · · · · · · ·	2,445,193	2,352,788
Long-term debt (Note 7)	7,497,107	8,028,370
Deferred capital contributions	1,215,000	1,305,000
Accrued severance pay	76,979	69,618
Replacement reserve fund (Note 5)	936,674	938,241
Subsidy surplus fund	2,020	33,585
	12,172,973	12,727,602
Net assets (deficiency)		
Unrestricted	(1,006,195)	(967,334)
Investment in capital assets	808,711	808,711
	(197,484)	(158,623)
	11,975,489	12,568,979

Approved by the Board Director Chatter Director

EASTERN REGIONAL HEALTH AUTHORITY -COTTAGES AND HOSTELS Combined Statement of Cash Flows

	2009	2008
· · · · · · · · · · · · · · · · · · ·	\$	\$
Operating activities		
Excess of expenditures over revenue	(38,861)	(9,515)
Adjustments for:		
Amortization	596,077	570,306
Amortization of deferred capital contributions	(90,000)	(90,000)
Increase in severance pay accrual	7,361	7,459
Changes in non-cash working capital (Note 8)	(34,389)	382,651
	440,188	860,901
Financing activity		
Repayment of long-term debt	(506,076)	(479,332)
Net (decrease) increase in cash resources	(65,888)	381,569
Cash, beginning of year	880,835	499,266
Cash, end of year	814,947	880,835

EASTERN REGIONAL HEALTH AUTHORITY -COTTAGES AND HOSTELS

Notes to Combined Financial Statements

March 31, 2009

1. NATURE OF OPERATIONS

• The cottage and hostel operation of Eastern Regional Health Authority (the "Authority") consists of two hostels and four cottage operations as follows.

- General Hospital Hostel Association Agnes Cowan Hostel
- Northwest Rotary Janeway Hostel Corporation
- Lions Manor Inc.
- TCRHB Housing Complex Inc.
- Golden Heights Manor Cottages
- Blue Crest Cottages

Hostels

The General Hospital Hostel Association was established to provide affordable, on-site accommodations to outpatients undergoing treatment and family members of inpatients in St. John's and the surrounding area. On June 28, 2002 the Hostel assumed the services of the Northwest Rotary - Janeway Hostel Corporation.

The Hostels are incorporated under the Corporations Act of Newfoundland and are registered charities under the Income Tax Act.

Cottages

Lions Manor Inc.

Lions Manor Inc. was established to provide housing accommodations to senior citizens in Placentia and the surrounding area.

TCRHB Housing Complex Inc.

TCRHB Housing Complex Inc. was established to provide housing accommodations for senior citizens in Old Perlican and the surrounding area.

Golden Heights Manor Cottages

Golden Heights Manor Cottages was established to provide housing accommodations for senior citizens in Bonavista and the surrounding area.

Blue Crest Cottages

The Blue Crest Cottages was established to provide housing accommodations for senior citizens in Grand Bank and the surrounding area.

Each of the above noted housing corporations is exempt from federal and provincial income tax in accordance with the Income Tax Act.

EASTERN REGIONAL HEALTH AUTHORITY -COTTAGES AND HOSTELS

Notes to Combined Financial Statements

March 31, 2009

2. CHANGE IN ACCOUNTING POLICIES

Effective April 1, 2008 the Cottages and Hostels adopted the Canadian Institute of Chartered Accountants' ("CICA") new accounting standards related to "Capital Disclosures" (Section 1535) and "General Standards of Financial Statement Presentation" (Section 1400).

Capital Disclosures

CICA Section 1535 "Capital Disclosures" establishes standards for disclosure of information about the Cottages and Hostels' capital and capital management, including the Cottages and Hostels' objectives and processes of managing capital, quantitative data about what the Cottages and Hostels regards as capital, whether the Cottages and Hostels has complied with any externally imposed capital requirements, and if it has not complied, the consequences of such non-compliance. The adoption of this standard had no effect on the Cottages and Hostels' financial position, operations' or cash flows and these disclosures have been included in Note 10.

General Standards of Financial Statement Presentation

CICA Section 1400 "General Standards of Financial Statement Presentation" provides additional guidance related to management's assessment of the Cottages and Hostels' ability to continue as a going concern. The Cottages and Hostels' current disclosures meet the reporting requirements of this section.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with significant accounting policies set out below to comply with the mortgage agreements with Newfoundland and Labrador Housing Corporation (NLHC). The basis of accounting used in these financial statements materially differs from Canadian generally accepted accounting principles because amortization is not provided on the buildings over the estimated useful life of the assets, but rather at a rate equal to the annual principal reduction of the mortgage.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks.

Capital assets

Capital assets are recorded at cost. Amortization on the buildings is recorded in an amount equal to the reduction in the related mortgage principal in the fiscal year. Amortization is recorded on equipment on a declining balance basis using a rate of 20%.

March 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

Capital contributions

Capital contributions are recorded as deferred capital contributions and amortized to income on the same basis as the related capital assets are amortized. Capital contributions on non-depreciable capital assets are recorded as direct increases in net assets.

Revenue recognition.

Revenues are recognized as earned and when collection is reasonably assured.

Accrued severance pay

Severance pay is accounted for on an accrual basis and is calculated based upon years of service and current salary levels. Severance pay is only recorded in the accounts for employees who have a vested right to receive such a payment. No provision for severance pay is recorded in the accounts for any employee who has less than nine years of service. Severance is payable when the employee ceases employment with the Cottages and Hostels.

Revenue recognition

Revenue is recognized as earned and when collection is reasonably assured.

Pension costs

Employees of the Cottages and Hostels are covered by the Public Service Pension Plan and the Government Money Purchase Plan administered by the Government of Newfoundland and Labrador (the "Government"). Contributions to the plans are required from both the employees and the Cottages and Hostels. The annual contributions for pensions are recognized in the accounts on a current basis.

Notes to Combined Financial Statements

March 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

In accordance with this standard, the Cottages and Hostels' financial assets and liabilities are generally classified and measured as follows:

<u>Asset/Liability</u>	Classification	Measurement
Cash and cash equivalents	Held for trading	Fair value
Accounts receivable, due from Eastern		
Regional Health Authority, due		
from NLHC	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities,		
due to Eastern Regional Health		
Authority, due to NLHC	Other liabilities	Amortized cost
Long-term debt	Other liabilities	Amortized cost

Other balance sheet accounts, such as prepaids, capital assets, and deferred capital contributions are not within the scope of the new accounting standards as they are not financial instruments.

Use of estimates

In preparing the Cottages' and Hostels' financial statements in conformity with Canadian generally accepted accounting principles management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

Future accounting standards

In December 2006, CICA issued new Section 3862, "Financial Instruments – Disclosures" and Section 3863, "Financial Instruments – Presentation", which established standards for the presentation and disclosure of financial instruments and non-financial derivatives.

Following a decision by CICA that permits the application of Section 3861, "Financial Instruments – Disclosure and Presentation", in place of Section 3862 and 3863, the Cottages and Hostels' have decided to continue to apply Section 3861.

Not-for-profit organizations

In September 2008, the CICA amended the introduction to accounting standards that apply only to not-for-profit organizations as outlined in the Section 4400 series of CICA Handbook (the "Handbook") as well as consequently changes to other sections of the Handbook.

These new standards are effective for the Cottages and Hostels on April 1, 2009. The Cottages and Hostels' management does not expect the application of these standards will have a material impact on its financial statements.

EASTERN REGIONAL HEALTH AUTHORITY -COTTAGES AND HOSTELS Notes to Combined Financial Statements

March 31, 2009

4. CAPITAL ASSETS

		2009		2008
	Cost	Accumulated Amortization	Net Book Value	Net Book • Value
	\$	\$	\$	\$
Land	262,365	-	262,365	262,365
Land improvements	131,300	48,833	82,467	88,201
Buildings and renovations	14,537,042	5,056,967	9,480,075	10,068,619
Furniture and equipment	719,266	503,840	215,426	217,225
Fencing	6,212	-	6,212	6,212
	15,656,185	5,609,640	10,046,545	10,642,622

5. REPLACEMENT RESERVE FUND

These funds have been set aside to fund the balance of reserves required under agreements with the Newfoundland & Labrador Housing Corporation. The use of these funds is restricted to the purchase of items approved by the Newfoundland & Labrador Housing Corporation.

2009	2008
\$	\$
938,241	924,752
14,850	14,850
6,533	11,851
(22,950)	(13,212)
936,674	938,241
	\$ 938,241 14,850 6,533 (22,950)

6, DUE (TO) FROM NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

	2009	2008
	\$	\$
Balance, beginning of year	(38,143)	(5,821)
Net subsidy for the year	64,973	49,033
Payments received for the year	(143,036)	(175,676)
Repayments issued during the year	102,944	94,321
Balance, end of year	(13,262)	(38,143)

EASTERN REGIONAL HEALTH AUTHORITY -COTTAGES AND HOSTELS Notes to Combined Financial Statements March 31, 2009

7. LONG-TERM DEBT

	2009	2008
General Hospital Hostel Association	\$	\$
Newfoundland and Labrador Housing Corporation (NLHC) 4.31% first mortgage on land, building and equipment, renewable March 1, 2012, amortized to 2019, payable in blended monthly principal and interest instalments of \$13,455.	1,321,199	1,423,931
Royal Bank of Canada 5.02% first mortgage on land, building and equipment, maturing May 24, 2011, amortized to May 24, 2021, payable in blended monthly principal and interest instalments of \$7,447.	815,134	862,566
Eastern Regional Health Authority, prime minus 1.75% loan, naturing April 1, 2023, amortized to April 1, 2023, payable in blended monthly principal and interest instalments of \$12,647.	1,851,505	1,965,163
Northwest Rotary - Janeway Hostel Corporation		
NLHC 3.16% first mortgage on land, building, with an assignment of rents and leases, renewable June 1, 2013, amortized to April 1, 2018, payable in blended monthly instalments of principal and interest of \$7,743.	733,361	801,175
Lion's Manor Inc.		
NLHC 4.31% first mortgage on land and building, renewable April 2012, amortized to December 2026, repayable in blended monthly instalments of principal and interest of \$7,011.	911,971	956,199
NLHC 4.31% first mortgage on land and building, renewable April 2012, amortized to December 2026, repayable in blended monthly instalments of principal and interest of \$3,517.	524,389	543,781
TCRHB Housing Complex Inc.		
NLHC 4.31% first mortgage on land and building, renewable April 2012, amortized to December 2027, repayable in blended monthly instalments of principal and interest \$2,428.	375,479	388,314

EASTERN REGIONAL HEALTH AUTHORITY -COTTAGES AND HOSTELS Notes to Combined Financial Statements

March 31, 2009

7. LONG -TERM DEBT (Continued)

	2009	2008
	\$	\$
Golden Heights Manor Cottages		
NLHC 4.33% first mortgage on land and building, chattel		
mortgage on equipment and an assignment rents, renewable		
September 1, 2009, maturing July 1, 2019, repayable in		
blended monthly instalments of principal and interest of \$5,951.	594,541	639,434
Blue Crest Cottages		
NLHC 4.16% first mortgage on land and building, renewable		
December 1, 2011, maturing December 1, 2021, repayable in		
blended monthly instalments of principal and interest of \$4,218.	501,079	530,405
NLHC 4.59% first mortgage, renewable on August 1, 2011		
maturing May 1, 2021, repayable in blended monthly		
instalments of principal and interest of \$3,521.	394,179	417,945
INDUMANUU OF FILLE T	8,022,837	8,528,913
Less: Current portion	525,730	500,543
	7,497,107	8,028,37

Annual principal repayments of long-term debt are as follows:

	\$
2010	525,730
2011	545,477
2012	566,026
2013	587,409
2014	609,660
Thereafter	5,188,535

EASTERN REGIONAL HEALTH AUTHORITY -COTTAGES AND HOSTELS Notes to Combined Financial Statements

March 31, 2009

8. SUPPLEMENTAL CASH FLOW INFORMATION

	2009	2008
	\$	\$
Change in non-cash operating working capital		
Accounts receivable	12,469	(5,531)
Due to Eastern Regional Health Authority	(14,612)	347,867
Due (to) from Newfoundland & Labrador Housing Corporation	(22,099)	28,732
Prepaid expenses	(11,438)	5,381
Accounts payable and accrued liabilities	1,291	6,202
	(34,389)	382,651
Interest paid	307,971	335,764

9. RELATED PARTY TRANSACTIONS

The Cottages and Hostels' received \$113,880 (2008 - \$113,880) in rental revenue from Eastern Regional Health Authority.

Expenditures included \$611,657 (2008 - \$601,477) paid to Eastern Health for loan interest, administration fees, computer services, laundry services, maintenance and security services, insurance and miscellaneous expenses.

10. CAPITAL MANAGEMENT

The capital structure of the Cottages and Hostels' consists of net assets. The Cottages and Hostels' objective when managing capital is to ensure it maintains adequate capital to support its continued operations.

The Home is not subject to externally imposed capital requirements.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk factors

The Cottages and Hostels have exposure to credit risk, interest rate risk, and liquidity risk. The Cottages and Hostels' Board of Directors has overall responsibility for the oversight of these risks and reviews the Cottages and Hostels' policies on an ongoing basis to ensure that these risks are appropriately managed. The source of risk exposure and how each is managed is outlined below:

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligation. The Cottages and Hostels' credit risk is primarily attributable to receivables. Management believes that the credit risk with respect to accounts receivable is not significant.

Interest rate risk

The long-term debt bears interest at fixed rates. Consequently, the cash flow exposure is not significant.

Liquidity risk

Liquidity risk is the risk that the Cottages and Hostels' will not be able to meet its financial obligations as they become due. As at March 31, 2009, the Cottages and Hostels had cash of \$814,947.

To the extent that the Cottages and Hostels do not believe it has sufficient liquidity to meet current obligations consideration will be given to obtaining additional funds through third party funding or the Provincial Government, assuming these could be obtained.

Fair value

The fair value of the Cottages and Hostels' short-term financial instruments approximate the carrying value due to the short-term maturity and normal credit terms of those instruments.

Long-term debt reflects fair value based on current borrowing rates available to the Cottages and Hostels.

Schedule 1

EASTERN REGIONAL HEALTH AUTHORITY - COTTAGES AND HOSTELS Combined Schedule of Revenue and Expenditures for Newfoundland and Labrador Housing Corporation

Year Ended March 31, 2009	4	Narthwest					()	
	Agnes	Rotary			Golden	Blue		
	Cowan	Janeway	Lions	TCRHB	Heights	Crest	Total	Total
	Hostel	Hostel	Manor	Cottages	Cottages	Cottages	2009	2008
	643	S	\$	69	9 9	63	\$	Ś
Revenue								**
Rentals	1,413,741	ı	168,795	27,485	102,944	125,245	1,838,210	1,866,067
Rental assistance subsidy	38,988	20,209	64,974	22,324	27,964	29,375	203,834	173,355
Amortization of deferred capital contributions	90,000	ı	ı	ı	£	ı	90,000	90,000
Interest	19,487	4,294	1,166	300	2,205	1,562	29,014	51,510
Other	5,349	۱	ı	,	ı	,	5,349	6,553
Domestic electrícity charge	,	1	10,000	1,940	,	ı	11,940	11,892
HST rebate	ſ	r	ŧ	•	t		t	5,629
Laundry charge	14,669	•	4,730	910	4	ŀ	20,309	22,308
	1,582,234	24,503	249,665	52,959	133,113	156,182	2,198,656	2,227,314
Expenditures								
Amortization	353,824	67,814	63,620	12,836	44,892	53,091	596,077	570,306
Interest on long-term debt	138,000	25,387	62,497	16,262	26,315	39,510	307,971	335,764
Salaries and benefits	374,498	i	I	ı	9,512	t	384,010	346,968
Utilities	97,505	40,358	61,222	12,409	31,612	37,833	280,939	265,391
Housekeeping services	115,217	1	۱	1	ı	,	225,227	225,227
Maintenance	123,227	1	40,764	3,878	5,672	5,977	179,518	172,872
Laundry and linen	162,303	١	ı	ı	1	۱	162,303	166,278
Municipal taxes	J	ı	18,993	3,359	7,200	8,813	38,365	32,759
Security	ı	5,949	ı	ł	ı	•	5,949	16,424
Administration fees	14,823	·	10,020	1,560	ı	ł	26,403	24,343
Snow clearing	,	ı	926	،	12,401	10,872	24,199	24,424
Other supplies	22,476	117	228	1,817	218	1,033	25,889	26,354
Insurance	1,715	ı	1,700	1,200	2,500	2,500	9,615	8,915
Professional fees	(5,545)	1,455	1,455	1,455	1,455	1,455	1,730	10,948
Computer services	2,454	1	J	1	•	1	2,454	2,454
	1,510,507	141,080	261,425	54,776	141,777	161,084	2,270,649	2,229,427
Excess of revenue over expenditures					•			,
undernoted items	LCL 11	(116 \$77)	(11,760)	A1 817	(B 664)	(4 903)	(71 903)	(511 6)
Transfer from subsidy surplus fund	31.565	,	-	(-	-	1222 1E	(4112) 6 088
Transfer from (to) replacement reserve fund	(5,402)	،	11,760	1,817	(2,919)	(3,689)	1,567	(13,490)
Excess of revenue over expenditures (exnenditures over revenue)	97,890	(116 577)	1		(11 583)	(8 501)	(138 86)	
		/			10005441	(1)/260)	(TAD'OC)	$\left(c_{1} c_{2}^{*} c_{1} \right)$

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EASTERN REGIONAL HEALTH AUTHORITY - COTTAGES AND HOSTELS Combined Schedule of Financial Position for Newfoundland and Labrador Housing Corporation

COMPANIED SCHEDULE OF FINANCIAL POSITION AND INCAMPANIANA AND TANTAROL TRANSING ON POLATION	mor ways to				ie vorpor	auvu			
Year Ended March 31, 2009		Northmost							
	Agnes	Rotary			Golden	Blue			
	Сотап	Janeway	Lions	TCRHB	Heights	Crest	Total	Total	
	Hostel	Hostel	Manor	Cottages	Cottages	Cottages	2009	2008	
	69	67)	S	S	59	S	\$	64	
Assets									
Current assets									:.
Cash and cash equivalents	508,563	9,144	21,021	8,070	134,274	133,875	814,947	880,835	
Accounts receivable	29,244	1	4,198	800	,	t	34,242	46,711	
Due from Eastern Regional Health Authority	105,420	,	ı	1	ŧ	•	105,420	ı	
Prepaid expenses	ı	ţ	14,245	,	5,400	15,188	34,833	23,395	
Due from Newfoundland & Labrador Housing Corporation	•	3	625	183	1		808	3,590	
	643,227	9,144	40,089	9,053	139,674	149,063	990,250	954,531	
Capital assets	5,595,201	1,130,682	1,455,383	375,479	594,541	895,259	10,046,545	10,642,622	
Replacement reserve fund	264,703	160,507	352,005	50,682	80,514	28,263	936,674	938,241	
Subsidy surplus fund	2,020	t	۱	ı	ł	ı	2,020	33,585	
	6,505,151	1,300,333	1,847,477	435,214	814,729	1,072,585	11,975,489	12,568,979	
Liabilities									
Current liabilities									
Due to Eastern Regional Health Authority	,	1,230,394	7,778	123	311,576	237,382	1,787,253	1,696,445	
Due to Newfoundland & Labrador Housing Corporation	ı	ì	13,262	ı	1	ı	13,262	38,143	
Accounts payable and accrued liabilities	76,361	3,117	19,048	8,931	3,324	8,167	118,948	117,657	
Current portion of long-term debt	273,038	70,902	66,265	13,360	46,811	55,354	525,730	500,543	
	349,399	1,304,413	106,353	22,414	361,711	300,903	2,445,193	2,352,788	
Long-term debt	3,714,799	662,459	1,370,096	362,118	547,730	839,905	7,497,107	8,028,370	
Deferred capital contributions	1,215,000	۲	ı	1	ſ	ł	1,215,000	1,305,000	
Accrued severance pay	76,979	١	ł	ı	ł	•	76,979	69,618	
Replacement reserve fund	264,703	160,507	352,005	50,682	80,514	28,263	936,674	938,241	
Subsidy surplus fund	2,020		•	T	1	T	2,020	33,585	
	5,622,900	2,127,379	1,828,454	435,214	989,955	1,169,071	12,172,973	12,727,602	
Net assets (deficiency)									
Unrestricted	489,884	(1,224,367)	1	ı	.(175,226)	(96,486)	(1,006,195)	(967,334)	
Investment in capital assets	392,367	397,321	19,023	,	,	ſ	808,711	808,711	
	882,251	(827,046)	19,023	,	(175,226)	(96,486)	(197,484)	(158,623)	
	6,505,151	1,300,333	1,847,477	435,214	814,729	1,072,585	11,975,489	12,568,979	

EASTERN REGIONAL HEALTH AUTHORITY - COTTAGES AND HOSTELS	UTHORU	Y-COT	FAGES	AND HO	STELS			
Combined Schedule of Cash Flows for	ws for Newfoundland and Labrador Housing Corporation	dland and	l Labrad	or Housi	ng Corpc	ration		
Year Ended March 31, 2009								
		Northwest						
	Agnes	Rotary			Golden	Blue		
	Соwan	Janeway	Lions	TCRHB	Heights	Crest	Total	Total
	Hostel	Hostel	Manor	Cottages	Cottages	Cottages	2009	2008
	S	\$	69	S	s	জ	69	جع
Operating activities								
Excess of revenue over expenditures								
(expenditures over revenue)	97,890	(116,577)	,	ı	(11,583)	(8, 591)	(38,861)	(9,515)
Adjustments for:								
Amortization	353,824	67,814	63,620	12,836	44,892	53,091	596,077	570,306
Amortization of deferred capital contributions	(000'06)	ı	1	ì	ł	3	(00,00)	(000,06)
Increase in severance pay accrual	7,361	ı	1	ı	ı	,	7,361	7,459
Changes in non-cash working capital	(401, 362)	116,819	(13,485)	(661)	126,093	138,207	(34, 389)	382,651
	(32,287)	68,056	50,135	12,175	159,402	182,707	440,188	860,901
Financing activity							·	
Repayment of long-term debt	(263,823)	(67,814)	(63,619)	(12,836)	(44,893)	(53,091)	(506,076)	(479,332)
Net increase (decrease) in cash resources	(296,110)	242	(13,484)	([99])	114,509	129,616	(65,888)	381,569
Cash, beginning of year	804,673	8,902	34,505	8,731	19,765	4,259	880,835	499,266
Cash, end of year	508,563	9,144	21,021	8,070	134,274	133,875	814,947	880,835

Schedule 3

- 238 -

EASTERN SCHOOL DISTRICT

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

June 30, 2008





MANAGEMENT CONSULTANT

JYRON D. SMITH, B. Comm., C.F.E., C.A.

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AUDITOR'S REPORT

To the Board Members of: Eastern School District

I have audited the balance sheet of the current and capital funds of the Eastern School District as at June 30, 2008 and the related statements of current revenues, expenditures and District deficiency, cash flows and changes in capital fund for the year then ended. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The accounting policy with respect to Teachers' Severance Pay is described in Note 2. Canadian generally accepted accounting principles require that all accounts receivable should be recorded and disclosed on the financial statements. The liability for Teachers' Severance Pay has been recorded but no offsetting receivable has been recorded. In this respect, these financial statements are not in accordance with Canadian generally accepted accounting principles. If the accounts receivable were recorded in accordance with Canadian generally accepted accounting principles, changes to the amounts reported for accounts receivable, revenue, and excess of expenditures over revenue would be necessary.

In my opinion, except for the effects of the failure to record accounts receivable as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Board as at June 30, 2008 and the results of its operations and changes in its capital financial position for the year then ended in accordance with Canadian generally accepted accounting principles and as explained in note 1 to the financial statements and are in compliance with reporting requirements established for School Boards in the Province of Newfoundland and Labrador by the Department of Education.

August 31, 2008

CHARTERED ACCOUNTANT

As At June 30, 2008	<u>2008</u>	<u>2007</u>
Assets		
Current		
Cash (supp. Info. 1) Short-term investments (supp. Info. 2) Accounts receivable (Note 4) Teachers' vacation pay (Note 5) Prepaid expenses (supp. Info. 3)	\$ 13,171,075 888,864 4,505,901 30,332,299 529,476	\$ 12,329,83 908,375 2,702,06 28,809,763 554,81
	49,427,615	45,304,841
Capital assets (Schedule 7, Note 1) Deferred costs (Note 11)	166,349,563	157,938,849 342,603
	\$ <u>215,777,178</u>	\$ <u>203,586,29</u> 3
Liabilities		
Current Accounts payable and accrued liabilities (Note 7) Teachers' vacation pay (Note 5) Current maturities (Schedule 8) Current portion of obligation under capital lease (Note 10)	\$ 11,731,231 30,332,299 752,824 813,283	\$ 11,257,196 28,809,763 827,270 761,480
	43,629,637	41,655,709
Long-term debt (Schedule 8) Obligation under capital lease (Note 10) Feachers' severance pay benefits (Note 2) Other employee severance pay accrual (Note 1) Other employee benefits (Note 8)	3,402,634 2,959,562 51,912,995 4,639,546 470,208 107,014,582	4,060,793 3,417,861 50,037,967 4,652,236 459,608 104,284,174
District Equity		
nvestment in capital assets (Notes 9) District deficiency	163,018,456 (54,255,860)	153,281,193 (53,979,074
	108,762,596	99,302,119
Contingent Liabilities (Note 16)	\$ <u>215,777,178</u>	\$ <u>203,586,29</u> 3
On Behalf of the Board:	1	

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Chairperson Chair Treasurer



Eastern School District Statement of Current Revenue, Expenditures and District Deficiency

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For the Year Ended June 30, 2008	2008	2007
Current Revenue (Schedule 1)		
Provincial Government grants Ancillary services Miscellaneous	\$330,021,266 105,876 1,111,243	\$311,999,105 63,221 <u>1,694,731</u>
Current Expenditures	<u>331,238,385</u>	<u>313,757,057</u>
Current Experiances		
Administration (Schedule 2) Instruction (Schedule 3) Operations and maintenance (Schedule 4) Pupil transportation (Schedule 5) Ancillary services (Schedule 6) Interest (Schedule 8C) Amortization of deferred costs (Note 11) Miscellaneous (Schedule 6)	5,378,817 267,393,425 31,795,790 21,478,091 71,766 259,643 342,603 135,272	4,418,682 256,685,791 29,395,938 20,496,770 70,000 300,913 373,747 <u>88,367</u>
Excess of revenue over expenditures before undernoted items	<u>326,855,407</u> 4,382,978	<u>311,830,208</u> 1,926,849
Amortization of capital assets (Schedule 7) Transfer to capital	(10,954,075) <u>8,169,339</u>	(9,701,718) 8,045,610
Excess of revenue over expenditures before teachers' severance	1,598,242	270,741
Net change in teachers' severance liability (Note 2)	(1,875,028)	(937,583)
Excess of (expenditures over revenue) revenue over expenditures	<u>\$ (276,786</u>)	<u>\$ (666,842)</u>
District deficiency, beginning of the year	\$ (53,979,074)	\$ (53,531,769)
Excess of (expenditures over revenue) revenue over expenditures	(276,786)	(666,842)
Unrealized gain on investments (Note 15)		219,537
District deficiency, end of the year	<u>\$(54,255,860)</u>	<u>\$(53,979,074)</u>



Eastern School District Statement of Cash Flows

For the Year Ended June 30, 2008	2008	2007
OPERATING ACTIVITIES		
Excess of (expenditures over revenue)		• (and a
revenue over expenditures	\$ (276,786)	\$ (666,842)
Items not affecting cash: Amortization of deferred costs		
Amortization of capital assets	342,603 10,954,075	373,747 9,701,718
Amortization of energy retrofit	182,338	558,279
Adjustment to carrying value of certain capital assets	102,000	148,440,416
Severance pay accrual	(12,690)	(48,235)
Teachers severance liability	1,875,028	937,583
Other employee benefits liability	10,600	(18,130)
Short term investments	19,511	(752,486)
Accounts receivable	(1,803,839)	1,664,412
Prepaid expenses	25,335	(82,032)
Accounts payable and accrued liabilities	474,033	3,287,150
	11,790,208	<u>163,395,580</u>
NVESTING ACTIVITIES		
Capital expenditures - net	(19,547,126)	(10,211,965)
Change in investment in capital assets (Note 9)	9,737,263	(146,750,224)
Change in long-term receivable		1,171,871
Change in unrealized gain on investment		219,537
	(9,809,863)	(155,570,781)
FINANCING ACTIVITIES		
Proceeds from obligation under capital lease	418,472	509,058
Repayment of obligation under capital lease	(824,968)	(799,996)
Proceeds from long-term borrowings	185,972	465,800
Repayment of long-term debt	(918,577)	<u>(889,009</u>)
	(1,139,101)	(714,147)
Change in cash resources	841,244	7,110,652
Cash, beginning of the year	12,329,831	5,219,179
Cash , end of the year	<u>\$ 13,171,075</u>	<u>\$ 12,329,831</u>
Supplementary cash flow information:		
Interest paid	\$ 259,643	\$ 300,913
Interest paid - bussing loans	153,702	171,992
	\$413,345	\$ <u>472,905</u>
		· · · · · · · · · · · · · · · · · · ·



Eastern School District Statement of Changes in Capital Fund

For the Year Ended June 30, 2008	2008	2007
70 Capital receipts		
71 Proceeds from bank loans		
011 School construction 012 Equipment 013 Service vehicles 014 Pupil transportation 015 Other and capital lease	\$ 185,972 <u>418,472</u>	\$ 465,800 509,058
2 EIC grants	604,444	974,858
011 School construction and equipment 012 Other - special grants for debt repayment	17,550,730	10,401,626
3 Donations	17,550,730	10,401,626
011 Cash receipts 012 Non-cash receipts 013 Restricted use 4 Sale of capital assets - proceeds		<u> </u>
011 Land and 012 buildings 013 Equipment 014 Service vehicles 015 Pupil transportation vehicles 016 Other		
5 Other capital revenues		······································
 011 Interest on capital fund investments 012 Premiums on debentures 013 Recoveries of expenditures 015 Insurance proceeds 016 Native peoples grants 017 Miscellaneous Gain on sale of capital assets Department of Education technology grants Cost sharing for technology grants 	355,872	361,253
	355,872	361,253
Transfer from (to) current fund Add: Amortization of capital assets - non cash items	(8,169,339) 10,954,075	(8,045,610) <u>9,701,718</u>
	2,784,736	1,656,108
	<u>\$_21,295,782</u>	<u>\$ 13,429,327</u>



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Statement of Changes in Capital Fund (Cont'd)		
For the Year Ended June 30, 2008	2008	<u>2007</u>
80 Capital disbursements		
81 Additions to capital assets		
011 Land and sites 012 Buildings 013 Furniture and equipment - School 014 Furniture and equipment - other 015 Service vehicles 016 Pupil transportation	\$ 109,536 17,212,731 2,038,885 185,974	\$91,430 10,305,942 837,414 39,735
32 Principal repayment of long-term debt	_19,547,126	11,274,521
011 School construction		
012 Equipment 013 Service vehicles	1,256,224	848,792
014 Energy Performance Contract	492,432	840,214
	1,748,656	1,689,006
3 Miscellaneous disbursements		
013 Other (decrease in capital payables)		465,800
	<u>\$ 21,295,782</u>	<u>\$ 13,429,327</u>



For the Year Ended June 30, 2008

Nature of Operations

The Eastern School District is responsible for the operations and maintenance of all schools in the Eastern portion of the Province of Newfoundland and Labrador. The District was formed August 31, 2004 after the Government of Newfoundland and Labrador dissolved four previous boards known as Vista School District, Burin School District, Avalon West School District, and Avalon East School District.

These financial statements do not include school based financial activities which would consist of revenues, expenses and net assets controlled directly by school administration.

1. Significant Accounting Policies

These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of accounting policies summarized below:

Fund Accounting

The accompanying financial statements have been prepared on a fund accounting basis which is generally accepted for School Boards. Fund accounting can be defined as "accounting procedures in which a self balancing group of accounts is provided for each fund." It is customary for School Boards to account separately for the current and capital funds. These financial statements include both the current and capital funds on a combined basis.

Common Controlled Entities

The District currently excersises control over corporations known as the Eastern Education Foundation Inc. and Newfoundland International Student Exchange Program Inc.

The net assets of the Eastern Education Foundation Inc. as at March 31, 2008 were \$ 202,383 in accordance with the financial statments compiled by the corporation. These amounts have not been consolidated with the Districts financial statements as at June 30, 2008.

The net assets of the Newfoundland Student Exchange Program Inc. as at June 30, 2008 are recorded in note 7 (accounts payable) of these financial statements. Net funds generated from this Corporation are used for specific purposes and will be recognized as revenue in the District's financial statements when approved by the Management Committee of the Newfoundland Student Exchange Program Inc.

Revenue

The District's main source of funding is derived from the Government of Newfoundland and Labrador, Department of Education ("the Department"). The Department provides funding for operations, transportation, capital expenditures and teacher salaries and severance pay. Funding designated for specific purposes is deferred and included in revenue when the related expenditures have been incurred.



For the Year Ended June 30, 2008

1. Significant Accounting Policies (Cont'd)

Capital Assets

Capital assets assumed by the District on August 31, 2004, as a result of legislation passed pursuant to the *Schools Act, 1997* and the *Education Act,* are recorded based on the Net Book Values shown on the audited financial statements of the predecessor entities. Deferred costs for the energy retrofit project are amortized on the straight-line basis over a period of seven years.

Beginning July 1, 2006 tangible capital assets will be amortized using the straightline basis over their estimated useful lives, using the following rates:

Buildings	50 years
Furniture and equipment	10 years
Service vehicles	5 years
Buses	12 years
Miscellaneous	5 years

Teachers' and Student Assistants' Payroll

The Government of Newfoundland and Labrador processes the payrolls and remits the source deductions directly to the appropriate agencies. The amounts recorded in the financial statements represent gross salaries for the year.

Pension Costs

All permanent employees of the District are covered by pension plans administered by the Government of Newfoundland and Labrador. Contributions to these plans are required from both the employee and the District. Post retirement obligations to employees are the responsibility of the Government of Newfoundland and Labrador and, as such, the employer contributions for pensions and other retirement benefits are recognized in the accounts on a current basis.

Other Employee Severance Pay Accrual

The District records severance pay liability for employees other than teachers. Employees are entitled to one week of severance pay for each year of service to a maximum of twenty weeks once they reach 9 years of service with the District.

Use of Accounting Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting periods. Actual results could differ from those estimates.

2. Teachers' Severance Pay Benefits

Pursuant to a directive issued by the Department during fiscal 1998, the District recorded severance pay for teachers in the District. The *Schools Act, 1997* specifies that salaries and other compensation for teachers are the responsibility of the Department. The District received written approval from the Minister of Education for the deficit arising from the Department's requirement for the teachers' severance.



Eastern School District Notes to Financial Statements

For the Year Ended June 30, 2008

The net change in the liability for the year ended is as follows:		
	<u>2008</u>	2007
Balance, beginning of the year Net increase, (decrease) for the period	\$ 50,037,967 <u>1,875,028</u>	\$ 49,100,384 937,583
Balance, end of the year	<u>\$ 51,912,995</u>	<u>\$ 50,037,967</u>

3. Bond Coverage

At balance sheet date, the Insurance Division of Treasury Board carried fidelity bond coverage covering District employees as follows:

Assistant Director of Finance and Administration and District employees Principals, Vice Principals and Staff			\$ \$	100,000 100,000
4. Accounts Receivable				
Current		2008		2007
 11 131 Provincial Government 132 Transportation 133 Federal Government 134 Insurance 	\$	3,337,530 212,137	\$	966,113 257,121
138 Interest 139 Miscellaneous and travel advances 140 Goods and Service Tax Rebate 141 Other		38,401 590,024 327,809		831,756 641,975
Capital				
11 231 Provincial Gov't -construction grants 235 Other	_			5,096
	<u>\$</u>	4,505,901	\$	2,702,061

5. Teachers' Vacation Pay

Pursuant to a directive issued by the Department during the fiscal year 2006, the District recorded the vacation pay liability for teachers in the District. The liability relates to teachers' salaries earned during the school year but not fully paid to teachers until subsequent to June 30. Accordingly, the District has recorded teachers' vacation pay receivable of \$ 30,332,299 at June 30, 2008, (2007 - \$ 28,809,763).

6. Bank Indebtedness

The District had an authorized operating demand loan of \$4,000,000, bearing interest at Royal Bank prime less 0.65% which was unused as at June 30, 2008 and June 30, 2007. In accordance with the *Schools Act, 1997*, the operating demand loan was supported by a letter of approval to borrow provided by the Minister of Education.



Eastern School District Notes to Financial Statements

For the Year Ended June 30, 2008

7. Accounts Payable and Accrued Liabilities

Current		<u>2008</u>		2007
21 111 Trade payables	\$	3,050,264	\$	4,093,703
112 Accrued liabilities		97,960		846,523
114 Wages		904,156		154,875
115 Payroll deductions				777,366
117 Deferred grants		4,197,996		2,236,022
118 Other - Specify				
Vacation pay accrual		1,714,688		1,497,883
Eastern School District Trust Fund		551,691		533,100
Scholarship fund		115,016		123,190
N.I.S.E.P, due to a related corporation		692,604		587,678
Capital				
213 Accrued interest				100.050
217 Deferred Grants	-	406,856	-	406,856
	<u>\$</u>	11,731,231	<u>\$</u>	<u>11,257,196</u>

8. Other Employee Benefits

	2008	2007		
Unused pre-1985 sick leave	\$ <u>470,208</u>	\$459,608		

The District has recorded the obligation to pay certain employees at the termination of their employment for unused sick leave accumulated prior to January 1, 1985.



Eastern School District Notes to Financial Statements

For the Year Ended June 30, 2008

9. Investment in Capital Assets

	2008	2007
Investment in capital assets, beginning of the year Add:	\$153,281,193	\$300,031,417
Grants - contributions for capital construction Proceeds from sale of capital assets Gain on sale of capital assets Recoveries of expenditures Insurance proceeds - capital	17,550,730	10,401,626
Capital purchases out of revenue Miscellaneous - E.I.T.F. School contributions Principal repayment paid with operating	1,391,951	328,346 35,481
grants	1,748,657	1.689,005
	173,972,531	312,485,875
Deduct adjustments: Cost of assets disposed Building Pupil transportation vehicles Other		1,062,548
Amortization of capital assets Adjustment to carrying value of certain capital assets Doubtful Accounts	10,954,075	9,701,718 148,440,416
	10,954,075	159,204,682
23 221 Investment in capital assets, end of the year	<u>\$163,018,456</u>	<u>\$153,281,193</u>



For the Year Ended June 30, 2008

10. Obligation Under Capital Leases

The District had entered into a capital lease with Royal Bank of Canada to finance its Energy Performance capital expenditures (EPC). The lease was for \$ 5,000,000 for 5 years including a purchase option of \$2,750,000 which expired May 2008. During June 2008, the purchase option was refinanced for a period of 5 years with a purchase option of \$1.

The District also entered into capital leases with the Royal Bank of Canada for various equipment purchases. The leases total \$ 1,176,917 as at June 30, 2008 with a purchase option of \$1.

Future minimum payments under these capital leases is as follows for the year ending in:

	_Ris	ographs		EPC	 Copiers & <u>Laptops</u>		
2009	\$	92,937	\$	618,564	\$ 267,830	\$	979.331
2010		92,937		618,564	231,645		943,146
2011		54,214		618,564	179,545		852,323
2012				618,564	179,545		798,109
2013	·		-	567,017	 78,264	_	645,281
		240,088		3,041,273	936,829		4,218,190
Less: amount representing interest		14,555		342,841	 87,949	-	445,345
		225,533		2,698,432	848,880		3,772,845
Less: current portion		84,055		497,670	 231,558		813,283
	\$	<u>.141,478</u>	\$	2,200,762	\$ 617,322	\$	2,959,562

Interest has been imputed at a rate of 4.89% for the EPC.

Interest has been imputed at a various rates for the other leases.

11.Deferred Costs

A predecessor School Board entered into a sale lease contract with the Royal Bank of Canada for their Energy Performance contract. A gain of \$1,868,737 was recorded upon sale of these assets. This gain was amortized over sixty months. During the year \$ 342,603 (2007 - \$373,747) was recorded as amortization expense in the financial statements.

12.Lease Commitments

The District is committed under the terms of various operating leases to make payments in the next two years approximately as follows:

2009	\$ 566,274
2010	\$ 557,475

13. Financial Instruments

The carrying value of the Districts financial instruments, with the exception of long-term receivables, approximate fair values due to the short-term maturity and normal credit terms of those instruments. The long-term receivables balance does not approximate fair value as it is non-interest bearing.



For the Year Ended June 30, 2008

14. Insurance Subsidy

The cost of insuring school properties is borne by the Provincial Government and no amount has been recorded in these accounts to reflect this cost.

15. Unrealized Gain on Sale of Investments

This represents an unrecognized gain on investments held by a predecessor District. This amount was recognized as an asset in 2007.

16.Contingent Liabilities

Site restoration and remediation costs associated with school properties under the District are charged to operations as incurred. Estimated future site restoration and remediation costs have not been accrued in these financial statements since the obligation, if any, is presently not determinable. Such costs are normally funded by the Province.

The Board has a potential liability for accumulated sick leave to its employees in the amount of \$12,395,000. This amount has not been included in the financial statements. The amount is calculated based on Board policy and on an interpretation of the agreement with unionized employees. Any payments to employees for sick leave is expensed in the period such payments are incurred.

17.Comparative Figures

Certain of the 2007 amounts have been reclassified to conform with the financial statement presentation adopted for 2008.



For the Year Ended June 30, 2008	2008	<u>2007</u>
Current Revenues		
32 010 Provincial Government Grants 011 Regular operating grants 016 Special grants French immersion Official language monitor French language recuperation Textbook credit allocation Communication technology Other Salaries and benefits	\$ 50,870,918	\$ 45,829,580
017 Directors and assistant directors 021 Regular teachers Teachers' severance 022 Substitute teachers	1,672,849 249,001,050	1,485,458 238,049,823
Student assistants 030 Pupil transportation	7,025,375	6,172,932
031 Board owned 032 Contracted 033 Special needs transportation	3,231,582 15,964,953 2254, <u>539</u>	3,109,816 15,176,730
33 010 Donations 012 Cash receipts 013 Non cash receipts 014 Restricted use	<u>330,021,266</u>	<u>311,999,105</u>
34 010 Ancillary Services 011 Revenues from rental of residences 021 Revenues from rental of Schools and		
facilities (Net) 031 Cafeterias 032 Other	105,876	63,221
	105,876	63,221



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For the Year Ended June 30, 2008	<u>2008</u>	2007
35 010 Miscellaneous		
011 Interest on investments and bank 012 Bus charters 021 Recoveries of expenditures 031 Revenues from other School Districts 051 Insurance proceeds 061 Bilingual education revenue	\$ 622,441	\$ 483,654
071 Operating revenue from native peoples grant 081 Miscellaneous grants and Special Projects 091 Textbooks - net 092 Other	118,583	(53,531) 778,095
Summer and night school fees Gain on sale of capital assets Technology support initiative		48,922
Sundry 093 Grant - MUN	370,219	437,591
	1,111,243	1,694,731
Total Current Revenues	<u>\$331,238,385</u>	<u>\$313,757,057</u>



For the Year Ended June 30, 2008	<u>2008</u>	<u>2007</u>
51 Salaries and benefits		
011 Directors, Assistant Directors and Senior Education Officers	A 1050 117	• • • • • • • • •
	\$ 1,659,117	\$ 1,481,012
012 Board office personnel	2,131,476	1,655,151
013 Office supplies	92,154	67,939
014 Replacement furniture and equipment	19,746	15,589
015 Postage	27,027	21,694
016 Telephone	162,535	145,639
017 Office equipment rentals and repairs	7,092	39,057
018 Bank charges	3,167	736
019 Electricity	72,294	73,727
021 Fuel	5,108	4,879
023 Repairs and maintenance	17,612	6,717
024 Travel	61,266	115,528
025 Board meeting expenses	129,924	119,953
027 Professional fees	124.633	156,822
028 Advertising and public relations	117,588	103,273
029 Membership dues	95,172	84,516
031 Municipal service fees	9,052	5,253
032 Rental of office space	621,853	313,259
034 Professional development and meetings		
or a rolessional development and meetings	22,001	7,938
Total Administration expenditures	<u>\$ 5,378,817</u>	<u>\$ 4,418,682</u>



For the Year Ended June 30, 2008	2008	<u>2007</u>
52 010 Instructional Salaries		
Teachers' salaries		
011 Regular	\$202,657,056	\$191,627,511
012 Substitute	8,883,904	8,685,467
013 Board paid 014 Augmentation 015 Employee benefits - teachers 016 School secretaries - salaries and benefits 017 Payroll tax 018 Other	33,266,826 4,929,955 4,365,780	33,729,464 4,609,922 4,190,215
Co-operative education Salaries and benefits - IT Salaries and benefits - program assistants Salaries and benefits - student assistants	792,014 64,334 <u>6,903,168</u>	707,720 57,232 <u>6,065,455</u>
52 040 Instructional Materials	261,863,037	249,672,986
041 General supplies 042 Library resource materials 043 Teaching aids 044 Textbooks 045 Other - Special and regional services	3,683,922 1,446 1,004,265	4,081,762 117,806 1,383,089 812,521
52 060 Instructional Furniture and Equipment	4,689,633	6,395,178
061 Replacement 062 Rentals and repairs 063 Salary and benefits - computer technicians	80,735	21,944
50 080 Instructional Staff Travel		21,944
080 IT Travel 081 Program co-ordinators 082 Teachers' travel 083 Inservice and conferences	81,653 371,518 138,164 <u>143,685</u>	43,807 316,668 79,399 <u>130,809</u>
52 090 Other Instructional Costs 091 Postage and stationary	<u> </u>	<u> </u>
Total instruction expenditures	<u>\$267,393,425</u>	<u>\$256,685,791</u>



For the Year Ended June 30, 2008	2008	2007
53		
Salaries		
011 Janitorial 012 Maintenance	\$ 12,288,989 1,395,867	\$ 11,928,870
013 Payroll tax	214,285	1,067,049 212,136
014 Electricity 015 Fuel	6,208,859 2,431,452	6,576,127 1,548,762
016 Municipal service fee 017 Telephone	749,081 1,357,035	646,512 1,342,084
018 Vehicle operating and travel	223,417	191,316
019 Janitorial supplies 021 Janitorial equipment	775,723 62,581	685,019 41,425
022 Repairs and maintenance - buildings	4,741,739	3,814,023
023 Equipment maintenance 025 Snow clearing	23,959 <u>1,322,803</u>	20,472 <u>1,322,143</u>
Total operations and maintenance	<u>\$ 31,795,790</u>	<u>\$_29,395,938</u>



For the Year Ended June 30, 2008	2008	<u>2007</u>
54 010 Operation and Maintenance of Board Owned Fleet		
Salaries and Benefits		
011 Administration	\$ 132,602	\$ 105,990
012 Drivers and Mechanics	1,579,923	1,540,240
013 Payroll Tax	27,540	26,622
014 Debt Repayment- Interest	153,702	171,993
015 Principal	355,872	361,25
017 Gas and oil	468,208	409,07
018 Licenses	31,957	31,66
019 Insurance	49,151	50,50
021 Repairs and Maintenance - Fleet	235,891	302,29
022 Building	36,464	20,35
023 Tires and Tubes	46,940	28,61
024 Heat and Light	9,193	10,01
025 Municipal Service	1,261	59
026 Snow Clearing	9,532	3,45
027 Office Supplies	7,455	14,15
029 Travel	5,540	3,12
031 Professional Fees	964	8,34
032 Miscellaneous	39,565	7,01
033 Telephone	40,869	33,40
	3,232,629	3,128,71
4 040 Contracted Services		
041 Regular transportation	15,874,450	
042 Handicapped	2,254,539	
047 Salaries	116,473	111,11
Pupil transportation expenditures	<u>\$_21,478,091</u>	<u>\$ 20,496,77</u>



Eastern School District Schedule 6 Ancillary Services and Miscellaneous Expenses	Mine ann an Air an Ann an A	
For the Year Ended June 30, 2008	<u>2008</u>	2007
Ancillary Services		
The Board operates the following ancillary services:		
55 Ancillary services		
011 Operation of teachers' residences 031 Cafeterias		
032 Other - environmental education	\$ <u>71,766</u>	\$70,000
	<u>\$ 71,766</u>	<u>\$ 70,000</u>

Miscellaneous Expenses

The Board has incurred the following miscellaneous expenses:		
57 011 Bad debt expense	\$ 111,692	\$ 75,356
Special incentive program		
Other miscellaneous expenditures	23,580	13,011
012 Provision for severance pay	 	 ,
	\$ 135,272	\$



Eastern School District Schedule 7 Details of Capital Assets For the Year Ended June 30, 2008

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	Cost June 30, 2007	Additions - net	Cost June 30, 2008	Accumulated Amortization June 30, 2007	Amortization	Accumulated Amortization June 30, 2008	Net Book Value June 30, 2008
12 210 Land and Sites	\$ 5,114,659	s <u>109,536</u>	\$ 5,224,195				\$ <u>5,224,195</u>
12 220 Buil dings 221 Schools 222 Administration 223 Residential 224 Recreational	265,238,881 5.590,942 10,000	17,212,731	282,451,612 5,590,942 10,000	\$ 133,877,222 1,351,049 400	<pre>\$ 6,108,445 57,865 200</pre>	\$ 139,985,667 1,418,914 600	142,465,945 4,172,028 9,400
225 Other	452,854 271 292,677	17,212,731	452,854 288,505,408	393,968 135,622,639	9,057 6.185,567	403,025 141,808,206	49,829 146,697,202
12 230 Furniture and Equip. 231 Schools 232 Administration 233 Residential 234 Recreation	uip. 28,952,374 3.173,731 850	2,038,885	30,991,259 3,173,731 850	17,079,939 1,904,239 510	3,675,448 380,847 102	20,755,387 2,285,086 612	10,235,872 888,645 238
235 Other	27.648	0 000 00E	27,648	16,589	3,318	19,907	7,741
12 240 Vehicles 241 Service vehicles	271,239	485,974	4,193,400 457,213	63.553	<u>c17, 6c0.4</u>	23,050,992	301 638 301 638
12 250 Pupil Transportation	ion				Name of Frank Providence		200
251 Land 252 Building Vehicles	152,886		152,886	23,270	1,057	24,327	128,559
253 Buses 254 Service	5,774,961 59,383		5,774,961 59,383	3,049,556 14,846	444,794 7 423	3,494,350	2,280,611
255 Equipment 256 Other			-	• • •			
	5,987,230		5,987,230	3,087,672	453,274	3,540,946	2,445,284
12 200 MISC. Capital Assets Computers	aus 894,464		894,464	357,786	178,892	536.678	357,786
Tools Water lines	18,163 29,151		18,163 29,151	7,264	3,633 972	10,897	7,266
Resource lines	941,778		941,778	366,993	183,497	550,490	391.288
Subtotal	315,762,186	19,547,126	335,309,312	158,142,134	10,954,075	169,096,209	166,213,103
Energy retrofit	5,834,303 5,334,303	9 40 E 47 47 6	5,834,303	<u>5,515,506</u>	182,338	5,697,843	136,460



1

For the Year Ended June 30, 2008	2008	<u>2007</u>
Ref. #211 Bank LoansRepayable \$16,814 monthly, maturing2011Repayable \$9,443 monthly, maturing2014Repayable \$7,833 monthly, maturing2009Repayable \$883 monthly, maturing2009Repayable \$833 monthly, maturing2013	\$ 506,044 698,795 60,889 6,719 161,199	\$ 682,267 812,113 150,415 15,886
Total 211	1,695,162	2,071,892
212 Mortgages		
Totai 212		
213 Debentures repayable \$ monthly, maturing repayable \$ monthly, maturing Total 213		
Subtotal	1,695,162	2,071,892
215 Less current maturities	386,904	460,356
Total loans other than pupil transportation	<u>\$ 1,308,258</u>	<u>\$ 1,611,536</u>



For the Year Ended June 30, 2008	<u>2008</u>	2007
22 220 Loans - pupil transportation Ref. # 221 Vehicle bank loans Repayable \$430 monthly, maturing 2011 Repayable \$4,169 monthly, maturing 2012	\$	\$ 20,658 245,958
Repayable \$2,019 monthly, maturing2011Repayable \$5,744 monthly, maturing2013Repayable \$4,320 monthly, maturing2017Repayable \$3,910 monthly, maturing2016Repayable \$4,336 monthly, maturing2016Repayable \$1,095 monthly, maturing2014Repayable \$1,679 monthly, maturing2014Repayable \$521 monthly, maturing2012Repayable \$521 monthly, maturing2012	86,798 411,913 416,639 328,475 350,944 78,850 127,622 20,717 30,229	111,021 463,944 446,629 375,400 419,871 91,991 147,773 26,448 35,962
Repayable \$4,393 monthly, maturing2015 Total 221	<u> </u>	<u>430,516</u> <u>2,816,171</u>
222 Land, buildings and equipment bank loans		
repayable \$ monthly, maturing		
Total 222		•••
223 Less current maturities	365,920	366,914
Total loans - pupil transportation	2,094,376	2,449,257
Total long-term debt	<u>\$ 3,402,634</u>	<u>\$ 4,060,793</u>



For the Year Ended June 30, 2008

Description	Rate	Balance Beginning of Year	Loans Obtained During Year	Principal Repayment for Year	Balance End of Year
A) School construction					
B) Equipment	7.5%	\$ 2,071,892 \$	5 185,972 \$	\$ 562,702 \$	1,695,162
C) Service vehicles					
D) Other					
E) Pupil					
Transportation		2,816,171		355,875	2,460,296
Total Loans		<u>\$ 4,888,063</u> §	<u>185,972</u>	<u>\$ 918,577 </u>	4,155,458



Eastern School District Schedule 8B Schedule of Current Maturities

For the Year Ended June 30, 2008

Description		Year 1	Year 2	Year 3	Year 4	Year 5
A) School constructi	on					
B) Equipment	\$	386,904 \$	321,534 \$	173,633 \$	70,882 \$	99,696
C) Service vehicles						
D) Other						
E) Pupil		365,920	363,307	366,742	346,118	287,906
Transportation						
Total loans	<u>\$</u>	752,824 \$	<u>684,841</u> \$	<u>540,375</u> \$	417,000 \$	387,602



Eastern School District Schedule 8C Schedule of Interest Expense

concurre of interest Expense		
Year Ended June 30, 2008	2008	2007
56 010 Description		
Description		
· 012 Capital		
School construction		
Equipment	\$ 53,106	\$ 121,594
Service vehicles	7,168	
Other Debt restructuring Energy management - capital lease Total Capital	35,691 <u>163,678</u> 259,643	34,493 <u>144,826</u> <u>300,913</u>
Current	200,040	0001010
Current		
013 Operating loans 014 Supplier interest charges		
Total Current		
Total Interest Expense	<u>\$259,643</u>	<u>\$300,913</u>



Eastern School District Supplementary Information

Supplementary information		
For the Year Ended June 30, 2008	2008	<u>2007</u>
1. Cash		
Current 11 110 Cash on Hand and in Bank Bank		
112 Current	\$ 13,131,295	\$ 11 ,787,187
113 Savings 114 Teachers' payroll 115 Non teachers' payroll 116 Executive payroll	37,280	540,144
117 Other - Funds	2,500	2,500
Capital	13,171,075	12,329,831
11 210 Cash on hand and in bank 211 Cash on hand Bank 212 Current 213 Savings 214 Other		
Total cash on hand and in bank	<u>\$ 13,171,075</u>	<u>\$ 12,329,831</u>
2. Short Term Investments Current 11 121 Term deposits - restricted 122 Marketable securities	\$ 707,430 181,434	\$ 688,838 219,537
123 Other - Canada treasury bills - Mutual funds - Balance in broker account - Guaranteed Investment Certificates		
Capital		
11 221 Term deposits 222 Canada savings bonds 223 Other		
Total Short-term investments	<u>\$888,864</u>	<u>\$ 908_375</u>

Term deposits relate to funds specifically allocated for educational purposes within the Province of Newfoundland and Labrador. These amounts are not intended for general operations of the District.



Eastern School District Supplementary Information

For the Year Ended June 30, 2008	<u>2008</u>	<u>2007</u>
3. Prepaid Expenses Current		
11 141 Insurance 142 Municipal service fees 143 Supplies 144 Other	\$ 16,55 162,42	
Equipment lease Workers' compensation Garbage collection Vehicle insurance Other	350,48	39 348,566 13,831
Capital		
11 241 Other		
	<u>\$ 529,4</u>	<u>76 \$ 554,811</u>



- 268 -

Embalmers and Funeral Directors Board of Newfoundland and Labrador

Financial Statements

December 31, 2008

Maxwell C. Porter CERTIFIED GENERAL ACCOUNTANT -

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Maxwell C. Porter CERTIFIED GENERAL ACCOUNTANT

ACCOUNTING AND FINANCIAL CONSULTING

265 Grenfell Heights Grand Falls - Windsor, NL A2A 2J2

Telephone: (709) 489-1892 Fax: (709) 489-1884

Auditor's Report

To the Board of Directors of:

The Embalmers and Funeral Directors Board of Newfoundland and Labrador

I have audited the balance sheet of The Embalmers and Funeral Directors Board of Newfoundland and Labrador as at December 31, 2008 and the statements of revenue, expenses and surplus, and cash flows for the year then ended. These financial statements are the responsibility of the Board of Managers. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2008 and the results of its operations, and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

May 13, 2009

Maxwell C. PORTER, FCGA

Grand Falls-Windsor, NL

As at December 31,				
·		2008		2007
ASSETS				
Current assets				
Cash and cash equivalents (Note 2)	\$	209,469	\$	179,504
Accounts receivable (Note 3)		24,375	-	29,525
Prepaid expenses		1,120		1,416
		234,964		210,445
	\$	234,964	\$	210,445
LIABILITIES AND MEMBERS' SURPLUS Current liabilities Accrued liabilities Deferred revenue (Note 5)	\$ \$	2,091 54,070	\$ \$	210,445 2,091 51,595
Current liabilities Accrued liabilities		2,091		2,091
Current liabilities Accrued liabilities Deferred revenue (Note 5)		2,091 54,070		2,091 51,595
Current liabilities Accrued liabilities		2,091 54,070		2,091 51,595

ON BEHALF OF THE BOARD:

Trank - Law

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<u>Lpp</u>, Board Member

- Ju lan, Board Member

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

Maxwell C. Porter CERTIFIED GENERAL ACCOUNTANT

	······································	2008		2007
REVENUE				-
Fees	\$	51,970	\$	51,204
Interest		2,838	Ψ	3,975
	\$	54,808	\$	55,179
EXPENSES				
Administrator fees		7,000		7,000
Bank charges		55		68
Board meetings		9,817		14,833
Conference - National		1,175		1 5055
Honorariums		1,200		2,400
Inspections		1,966		823
Insurance		1,862		2,015
Miscellaneous		208		,010
Office		5,311		4,581
Professional fees		2,091		2,091
Seminars		1,540		_,·>.
Telephone		539		288
		32,764		34,099
Excess (deficiency) of revenue over expenses	\$	22,044	\$	21,080
Surplus, beginning of year	\$	156,759	\$	135,679
Excess (deciciency) of revenue over expenses		22,044		21,080
Surplus, end of year	\$	178,803	\$	156,759

Embalmers and Funeral Directors Board of Newfoundland and Labrador STATEMENT OF REVENUE, EXPENSES AND SURPLUS For the year ended December 31.

STATEMENT 2

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

Maxwell C. Porter – CERTIFIED GENERAL ACCOUNTANT

for the year ended December 31,				STATEM
		2008		2007
Operating activities:				
Excess of revenues over expenditures	\$	22,044	\$	21,080
Changes in non-cash working capital				
Accounts receivable		5,150		6,395
Prepaid expenses		296		28
Accrued liabilities				20 39
Deferred revenue		2,475		(775
		29,965		26,767
Cash and cash equivalents, beginning of year		179,504		152,737
Cash and cash equivalents, end of year	\$	209,469	\$	179,504
Cash and cash equivalents consists of:				
Cash	\$	00 521	ď	73 (03
Term deposits	Φ	99,531 109,938	\$	73,603
	\$	209,469	•	105,901
	.	409,409	\$	179,504

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

December 31, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared within the framework of Canadian generally accepted accounting principles, the more significant of which are as follows:

Use of estimates

In preparing the Board's financial statements in conformity with Canadian generally accepterd accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenditures during the year. Actual results could differ from these estimates.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, balance with bank and short term deposits with original maturities of one year or less. Bank borrowings are considered to be financing activities.

	2	008	2007
Cash	\$	99,531	\$ 73,603
Investments	·	109,938	105,901
	\$ 2	209,469	\$ 179,504

Investments activity for the year;

Money master for business, Bank of Nova Scotia, interest	
at prime;	
Opening balance:	\$ 2,185
Deposits	 1,200
Interest earned	60
Ending balance:	\$ 3,445

Guaranteed Investment Certificates, Bank of Nova Scotia, interest at 2.50% maturing February 9, 2009.

Opening balance:	\$ 103,71
Deposits	
Interest earned	2,77
Ending balance:	\$ 106,493

3. ACCOUNTS RECEIVABLE

Accounts receivable consists of membership fees and licenses for the subsequent year that were invoiced from October to December of the current year.

4. FINANCIAL INSTRUMENTS

Fair values of financial instruments are disclosed in the notes to the financial statements when they differ from the carrying amounts. Where amounts receivable and payable are subject to normal credit terms, their carrying amount is used as an approximation of their fair values.

5. **DEFERRED REVENUE**

Deferred revenue is calculated as the revenue recorded in October-December of the current year which relates to fees that are collected in and are for the following year.

- 276 -

GRENFELL FOUNDATION INCORPORATED

AUDITORS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2009



53 Bond Street, Suite 200 P.O. Box 8505 St. John's, NL A1B 3N9 T 709 579-2161 F 709 579-2120 www.acgca.ca

AUDITORS' REPORT

To the Board of Directors of Grenfell Foundation Incorporated

We have audited the balance sheet of Grenfell Foundation Incorporated as at March 31, 2009 and the statements of changes in net assets, operations and cash flow for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Foundation derives certain of its revenue from the general public in the form of donations and other fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amount recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to revenue, operations, assets and net assets.

In our opinion, except for the effect of any adjustments, if any, we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the previous paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2009 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Belanger flarke fellett & 1

St. John's, Newfoundland and Labrador July 7, 2009

GRENFELL FOUNDATION INCORPORATED BALANCE SHEET AS AT MARCH 31, 2009

	<u>2009</u> \$	<u>2008</u> \$			
ASSETS					
Current Cash					
Regular	368,186	258,294			
Restricted for endowment purposes	778,231	778,231			
Receivables	18,631	17,268			
	1,165,048	1,053,793			
LIABILITIES					
Current					
Due to Labrador - Grenfell Regional Health Authority	185,242	170,032			
Deferred contributions	4,000	4,000			
	189,242	174,032			
NET ASSETS, PER ACCOMPANYING STATEMENT					
Net assets restricted for endowment purposes	778,231	778,231			
Unrestricted net assets	197,575	101,530			
	975,806	879,761			

Signed on behålf of the Board:

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Trustee

Mary abbass Trustee

1,165,048

1,053,793

GRENFELL FOUNDATION INCORPORATED STATEMENT OF CHANGES IN NET ASSETS YEAR ENDED MARCH 31, 2009

	20	09		
	Endowment Purposes \$	Unrestricted Operating \$	Total <u>2009</u> \$	Total <u>2008</u> \$
Balance, beginning	778,231	101,530	879,761	897,866
Excess (deficiency) of revenues over expenditures	_	96,045	96,045	(18,105)
Balance, ending	778,231	197,575	975,806	879,761

GRENFELL FOUNDATION INCORPORATED STATEMENT OF OPERATIONS YEAR ENDED MARCH 31, 2009

	<u>2009</u> \$	<u>2008</u> \$
Revenues		
Donations	269,014	178,893
Fundraising	25,691	26,265
Interest	39,804	33,800
Miscellaneous	4,946	1,333
	339,455	240,291
Expenditures		
Advertising and promotion	328	92
Donations to Labrador - Grenfell Regional		
Health Authority (Note 3)	170,702	206,854
Heritage night	-	6,172
Fundraising	12,858	8,714
Office	-	1,704
Professional fees	-	60
Salaries and wages	21,271	29,066
Supplies	32,218	5,547
Travel	6,033	187
	243,410	258,396
Excess (deficiency) of revenues over expenditures	96,045	(18,105)

GRENFELL FOUNDATION INCORPORATED STATEMENT OF CASH FLOW YEAR ENDED MARCH 31, 2009

	<u>2009</u>	2008
Cash Flows	\$	\$
Operations:		
Excess (deficiency) of revenues over expenditures	96,045	(18,105)
Changes in:		
Receivables	(1,363)	1,155
Due to (from) operating fund	15,210	168,302
	109,892	151,352
Net change in cash and cash equivalents for year	109,892	151,352
Cash and cash equivalents, beginning of year	1,036,525	885,173
Cash and cash equivalents, end of year	1,146,417	1,036,525
Cash and cash equivalents consists of:		
	2009	<u>2008</u>
	\$	\$
Cash - regular	368,186	258,294
Cash - restricted form endowment purposes	778,231	778,231
	<u></u>	
	1,146,417	1,036,525

GRENFELL FOUNDATION INCORPORATED NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2009

1. NATURE OF OPERATIONS

The Foundation is incorporated under the laws of the Province of Newfoundland and Labrador and is a not-for-profit organization which raises funds to help the Labrador - Grenfell Regional Health Authority purchase capital equipment.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Outlined below are those policies considered particularly significant by the Authority.

Pledges

Revenue from pledges is recognized in the year received since donations are recorded on a cash basis.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount 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 expenditures during the reporting period. Actual results could differ from these estimates.

3. DONATIONS TO LABRADOR - GRENFELL REGIONAL HEALTH AUTHORITY FOR THE PURCHASE OF CAPITAL EQUIPMENT

,	<u>2009</u> \$	<u>2008</u> \$
Ventilators Microscope EKG Machine Fetal Monitor Double IV Pump Defibrillators Palliative Care Bed Centrifuge Vacuum Mattress Film Processor Haag-Streit Site Lamp Anesthesia System Infant Flow Driver Nidex Digital Fundus Camera Tono-Pen Tonometer Lift and Slings Acute Care Bed	38,090 - - - - - - - - - - - - - - - - - -	58,252 40,000 18,747 28,871 4,265 35,490 8,837 3,691 684 2,353 - - - - 5,664
	170,702	206,854

GRENFELL FOUNDATION INCORPORATED NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2009

4. INCOME TAXES

The foundation is a charitable organization as defined in the Income Tax Act (Canada) and issues charitable receipts for donations received.



Non-Consolidated Financial Statements

Health Care Foundation of St. John's Inc.

March 31, 2009



Auditors' report

Grant Thornton LLP 187 Kenniount Road St. John's, NL A1B 3P9 T (709) 722-5960 F (709) 722-7892 www.GrantThornton.ca

To the Board of Directors of Health Care Foundation of St. John's Inc.

We have audited the non-consolidated statement of financial position of the Health Care Foundation of St. John's Inc. at March 31, 2009 and the non-consolidated statements of operations, changes in net assets and cash flows for the year then ended. These non-consolidated financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit.

Except as explained in the following paragraph we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the non-consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the non-consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Foundation derives its revenues from donations and other fundraising activities, the completeness of which is not susceptible to conclusive audit verification. Accordingly, our verification of these revenues was limited to the amount recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, assets and net assets.

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenues referred to in the proceeding paragraph, these non-consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2009, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepting accounting principles.

St. John's, Newfoundland and Labrador

June 10, 2009

Grant Thornton LLP

Chartered Accountants

Health Care Foundation of St. John's Inc. Non-Consolidated Statement of Operations

Year Ended March 31	T		2009	2008
	Operating Fund	Restricted Fund	Total	Total
Revenue				
Annual giving	\$ 385,371	S 51,807	\$ 437,178	\$ 450,652
Major gifts	187,271	671,373	858,644	512,719
Planned giving	176,222	95,368	271,590	109,312
Special events	477,461	-	477,461	437,006
Hospital Home Lottery	378,902	-	378,902	-
Interest	62,802		62,802	78,946
	1.668,029	818,548	2,486,577	1,588,635
Expenditures				
Salaries and benefits	436,481	-	436,481	413,310
Annual giving	113,952	-	113,952	116,689
Major gifts	8,664	-	8,664	11,488
Planned giving	3,250	-	3,250	3,932
Special events	148,900	-	148,900	141,884
Administration	63,623	-	63,623	96,766
Communications	93,439	-	93,439	8,660
Amortization	<u> </u>		4,784	4,783
	873,093		873,093	797,512
Excess of revenue over expenditures				
before undernoted contributions	794,936	<u>818,548</u>	<u> 1,613,484</u>	791,123
Grants				
Grants to Eastern Health	60,084	968,705	1,028,789	-
Scholarships and grants	112,000	n. 	112,000	215,758
	172,084	968,705	1,140,789	215,758
Excess of revenue over expenditures (expenditures over revenue)	<u>\$ 622,852</u>	<u>\$ (150,157)</u>	\$ 472,695	<u>\$ </u>

Health Care Foundation of St. John's Inc. Non-Consolidated Statement of Changes in Net Assets Year Ended March 31 2009

Year Ended March 31			2009	2008
	Operating Fund	Restricted Fund	Total	Total
Net assets, beginning of year	\$ 103,937	\$ 1,263,802	\$ 1,367,739	\$ 792,374
Excess of revenue over expenditures (expenditures over revenue)	622,853	2 (150,157)	472,695	575,365
Transfer from restricted fund to operating fund	200,579	(200,579)		
Net assets, end of year	\$ 927,368	<u>s 913,066</u>	\$ 1,840,434	\$ 1,367,739

Health Care Foundation of St. John's Inc. Non-Consolidated Statement of Financial Position

March 31			2009	2008
	Operating Fund	Restricted Fund	<u> </u>	Total
Assets				
Current				
Cash and cash equivalents (Note 6) Receivables Receivable from Hospital	\$ 1,461,676 10,377	\$ 1,041,816 140	\$ 2,503,492 10,517	\$ 2,206,450 2,883
Home Lottery trust fund	60,479	-	60,479	_
Due from operating fund	-	-	-	2,055
Prepaids	9,078		<u> </u>	9,378
	1,541,610	1,041,956	2,583,566	2,220,766
Capital assets (Note 5)	5,412		5,412	10,196
	<u>\$ 1,547,022</u>	<u>S 1,041,956</u>	\$ 2,588,978	<u>\$ 2,230,962</u>
Liabilities	- -			
Current Payables and accruals	\$ 82.292	0 0.00		
Hospital Home Lottery	\$ 82,292	S 3,869	\$ 86,161	\$ 18,410
trust fund payable	38,166	-	38,166	-
Deferred revenue	800	-	800	3,800
Due to Eastern Regional Health Authority	419,455	125,021	544,476	770.261
Due to restricted fund	-		544,470	770,261 2,055
Accrued vacation pay	61,874	<u> </u>	<u> </u>	52,849
	602,587	128,890	731,477	847,375
Deterred compensation	17,067	_	17,067	15,848
	619,654	128,890	748,544	863,223
Net Assets				
Restricted net assets	-	913,066	913,066	1,263,802
Unrestricted net assets	<u> </u>		<u>927,368</u>	103,937
	927,368	913,066	1,840,434	<u> </u>
	\$ 1,547,022	\$ 1,041,956	\$ 2,588,978	\$ 2,230,962

On behalf of the Board

bud for _Director _/ _Director

Health Care Foundation of St. John's Inc. Non-Consolidated Statement of Cash Flows Year Ended March 31

Year Ended March 31					2009		2008
	Oper: Fur	0	Re	stricted Fund	 Total		Total
Increase in cash and cash equivalents							
Operating							
Excess of revenue over expenditures (expenditures over revenue) Transfer from restricted fund to	\$ 62	2,852	\$	(150,157)	\$ 472,695	S	575,365
operating fund		0,579		(200,579)	· •		-
Amortization		4,784		+	4,784		4,783
Increase in deferred compensation		1,219		-	 1,219		2,891
	82	9,434		(350,736)	478,698		583,039
Changes in non-cash operating							
working capital (Note 6)	(9	97 <u>,581)</u>		(84,075)	 (181,656)		114,423
	73	<u>81.853</u>		(434,811)	 297,042		697,462
Net increase in cash and cash equivalents	73	31,853		(434,811)	297,042		697,462
Cash and cash equivalents							
Beginning of year	71	29,823		1.476.627	 <u>2,206,450</u>		1,508,988
End of year	\$ 1,40	51,676	\$	1,041,816	\$ 2,503,492	S	2,206,450

1. Nature of operations

The Health Care Foundation of St. John's Inc. (the "Foundation") raises funds to meet the financial needs of the Eastern Regional Health Authority for capital projects, equipment, programs and research directly related to the health and welfare of the people of Newfoundland and Labrador, while promoting public awareness of these needs.

The Foundation is a registered charity and, while registered, is exempt from income tax and may issue tax-deductible receipts.

2. Summary of significant accounting policies

Basis of presentation

These non-consolidated financial statements include all assets, liabilities, revenue and expenditures of the Foundation.

Fund accounting

The Foundation employs fund accounting, classifying financial statement items in either the operating or restricted fund.

The operating fund raises funds to help support the St. Clare's Mercy Hospital, General Hospital - Health Sciences Centre, Dr. L.A. Miller Centre, Waterford Hospital and the Dr. Walter Templeman Center.

The restricted fund consists of donations which are restricted by the donors to specific purposes and which are recorded to reflect their designation.

Use of estimates

In preparing the Foundation's non-consolidated financial statements in conformity with Canadian generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the non-consolidated financial statements, and reported amounts of revenue and expenditures during the year. Actual results could differ from these estimates.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks.

Capital assets

Capital assets are recorded at cost and amortized on a straight line basis over five years.

2. Summary of significant accounting policies (cont'd.)

Impairment of long-lived assets

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances indicating that the value of the assets may not be recoverable, as measured by comparing their net book value to the estimated undiscounted cash flows generated by their use. Impaired assets are recorded at fair value, determined principally using discounted future cash flows expected from their use and eventual disposition.

Accrued vacation pay

Vacation pay is accrued for all employees as entitlement to these payments is earned.

Deferred compensation

Deferred compensation pay is accounted for on an accrual basis and is calculated based upon years of service and current salary levels. Deferred compensation is only recorded in the accounts for employees who have a vested right to receive such a payment. No provision for deferred compensation is recorded in the accounts for any employee who has less than nine years of service. Deferred compensation is payable when the employee ceases employment with the Foundation.

Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions whereby restricted contributions are recognized as revenue when received or receivable and when collectibility is reasonably assured.

Unrestricted contributions, excluding donations, are recognized as revenue when received or receivable when collectibility is reasonably assured.

Revenue from donations, including pledges, is recognized in the accounts of the Foundation in the year in which it is received.

Donated materials and services

Donated material and services are recorded in the financial statements when the fair value of these items can be reasonably estimated. The Foundation has recognized \$13,043 (2008 - \$29,685) as donated materials and services during the year. These included prizes for various events.

2. Summary of significant accounting policies (cont'd.)

Pension costs

Employees of the Foundation are included in the Public Service Pension Plan and the Government Money Purchase Plan administered by the Government of Newfoundland and Labrador. Contributions to the plans are required from both the employees and the Foundation. The annual contributions for pensions are recognized as an expenditure in the accounts on a current basis. The total pension expense for the Foundation for the year was \$24,209 (2008 -\$22,905).

Financial instruments

The CICA Handbook Section 3855, "Financial Instruments - Recognition and Measurement", requires the Foundation to revalue all of its financial assets and liabilities, including any derivatives and embedded derivatives in certain contracts, at fair value on the initial date of implementation and at each subsequent financial reporting date.

This standard also requires the Foundation to classify financial assets and liabilities according to their characteristics and management's choices and intentions related thereto for the purposes of ongoing measurements. Classification choices for financial assets include: a) held for trading - measured at fair value with changes in fair value recorded in net earnings; b) held to maturity - recorded at amortized cost with gains and losses recognized in net earnings in the period that the asset is no longer recognized or impaired; c) available-for-sale -measured at fair value with changes in fair value recognized in net assets for the current period until realized through disposal or impairment; and d) loans and receivables - recorded at amortized cost with gains and losses recognized in net earnings in the period that the asset is no longer recognized in net earnings in the period that disposal or impairment; and d) loans and receivables - recorded at amortized cost with gains and losses recognized in net earnings in the period that the asset is no longer recognized or impaired.

Classification choices for financial liabilities include: a) held for trading - measured at fair value with changes in fair value recorded in net earnings and b) other - measured at amortized cost with gains and losses recognized in net earnings in the period that the liability is no longer recognized.

Subsequent measurement for these assets and liabilities are based on either fair value or amortized cost using the effective interest method, depending upon their classification. Any financial asset or liability can be classified as held for trading as long as its fair value is reliably determinable.

2. Summary of significant accounting policies (cont'd.)

In accordance with this standard, the Foundation's financial assets and liabilities are generally classified and measured as follows:

Asset/Liability	Classification	<u>Measurement</u>
Cash and cash equivalents	Held for trading	Fair value
Receivables	Loans and receivables	Amortized cost
Payables and accruals	Other liabilities	Amortized cost

Other balance sheet accounts, such as prepaids, capital assets and deferred revenue are not within the scope of these accounting standards as they are not financial instruments.

The fair value of a financial instrument is the estimated amount that the Foundation would receive or pay to terminate the instrument agreement at the reporting date. To estimate the fair value of each type of financial instrument, various market value data was used as appropriate. The fair value of cash approximated its carrying value.

Accounting standard adopted during the year

(i) Financial instruments – disclosure and financial instruments - presentation

Section 3862 "Financial Instruments – Disclosure" and Section 3863 "Financial Instruments -Presentation" replaces Section 3861, "Financial Instruments – Disclosure and Presentation". Section 3862 requires increased disclosures regarding the risk associated with financial instruments such as credit risk and market risks, liquidity risks and the techniques used to identify, monitor and manage these risks. CICA Section 3863 carries forward standards for presentation of financial instruments and non-financial derivatives and provides additional guidance for the classification of financial instruments, from the perspective of the issuer, between liabilities and equity. These standards are effective for financial statements relating to fiscal years beginning on or after October 1, 2007.

3. Risk management

The Foundation's policy for managing significant risks includes a comprehensive infrastructure of policies, procedures and oversight designed to reduce the risks identified to an appropriate threshold. The Board of Directors is provided with timely and relevant reports on the management of significant risks. Significant risks managed by the Foundation include liquidity and credit risks.

Liquidity risk.

Liquidity risk is the risk that the Foundation will be unable to meet its contractual obligations and financial liabilities. The Foundation manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient cash available to meet its obligations and liabilities.

Credit risk.

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Foundation's credit risk is attributable to receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote.

4. Control of not-for-profit entity

The Foundation controls the Ever Green Environmental Corporation (formerly the Waterford Foundation Inc.). The Ever Green Environmental Corporation is a registered charitable organization incorporated to raise funds for public awareness and provide programs and services for mental health clients in Newfoundland and Labrador.

On November 1, 2002, the Health Care Foundation of St. John's Inc. assumed the operations of the General Hospital Health Foundation, the St. Clare's Mercy Hospital Foundation, and the Capital Campaign Fund. The Ever Green Environmental Corporation continues to operate as a separate entity, but reports to the Board of Directors of the Health Care Foundation of St. John's Inc.

The Ever Green Environmental Corporation has not been consolidated in the Foundations' financial statements. A financial summary of this non-consolidated entity as at March 31, 2009 and for the year then ended is as follows:

4. Control of not-for-profit entity (cont'd.)	<u>2009</u>	2008
Financial position Total assets	<u>\$_3,157,366</u>	\$_2,319,286
Total liabilities	1,818,368	862,761
Total net assets	1,338,998	1,456,525
Results of operations	<u>\$_3,157,366</u>	\$ 2,319,286
Total revenue Total expenditure	\$ 1,659,096 <u>1,776,622</u>	\$ 1,509,517 <u>1,713,612</u>
Excess of expenditures over revenue	<u>\$ (117,526)</u>	\$ (204,095)
Cash flows		
Cash and cash equivalents from operations Cash and cash equivalents used in financing and	\$ (6,944)	\$ (187,102)
investing activities	127,948	136,666
Increase (decrease) in cash and cash equivalents	<u>\$ 121,004</u>	<u>\$ (50,436</u>)

The financial information presented for the current year is derived from internally prepared financial statements of the Evergreen Environmental Corporation and is unaudited, as the current year audit has not been finalized at the Foundation's audit report date. The comparative figures have been restated to conform to the most recent financial information provided by Evergreen Environmental Corporation.

5. Capital assets			<u>2009</u>	<u>2008</u>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 23,914	\$ 18,502	\$ 5,412	<u>S 10,196</u>

6. Supplemental cash f		<u>2009</u>	2008					
	Operating Fund		Restricted Fund		Total		Total	
Changes in non-cash operating working capital								
Receivables	\$	(7,499)	S	(135)	Ş	(7,634)	\$	220
Receivable from Hospital								1
Home Lottery trust fund		(60,479)				(60,479)		-
Prepaids		300		-		300		(366)
Payables and accruals		69,363		(1,612)		67,751		9,926
Trust Fund Payable		38,166		-		38,166		-
Deferred revenue		(3,000)	-		(3,000) (2,055)			3,800
Due to restricted fund		(2,055)						2,055
Due to operating fund		-		-	-			420,227
Due from restricted fund		-		-		-		(420,227)
Due from operating fund		-		2,055		2,055		(2,055)
Due to Eastern Regional		(1.11.102)		(0.1.202)		(225 705)		86,726
Health Authority		(141,402) 9,025		(84,383)		(225,785) 9,025		,
Accrued vacation pay		2,023				9,025		14,117
	S	(97,581)	S	(84,075)	\$	(181,656)	Ş	114,423
Cash and cash equivalents						<u>2009</u>		<u>2008</u>
Balance with bank (in trust)					S	38,166		
Balance with the bank and cash on hand						1,423,510	S	729,823
Balance with bank (restricted)						1,041,816	Ŷ	1,476,627
						<u></u>		
					S	2,503,492	s	2,206,450
					-			

Balance held in trust relates to funds from the Hospital Home Lottery initiative. This lottery is administered by and conducted by an independent third party on behalf of the Foundation, who received 50% of the net proceeds from the Lottery in the current year.

7. Related party transactions

The Foundation operates for the purpose of accumulating funds to help support the various sites of the Eastern Regional Health Authority. Transactions between these related parties are measured at their exchange rate.

- 298 -

HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR FINANCIAL STATEMENTS 31 MARCH 2009

HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR **BALANCE SHEET** 31 March 2009 2008 ASSETS Current Cash \$ 23,728 \$ 34,211 Investments (Note 2) 1,012,140 607,956 Accounts receivable (Note 3) 21,915 198,224 Investment income receivable 12,407 13,893 Prepaid expenses 8,522 365 1,078,712 854,649 Capital assets (Note 4) --\$ 1,078,712 \$ 854.649 LIABILITIES AND FUND BALANCE Current Accounts payable and accrued liabilities \$ 51,176 \$ 44,013 **Deferred revenue (Note 5)** 750,176 595,471 Accrued severance pay 57,399 40,847 858,751 680,331 Fund balance (Note 6) 219,961 174,318 **\$ 1,078,712** \$ 854,649

Grant commitments (Note 9)

See accompanying notes

Signed on behalf of the Foundation:

Chaird

Hotansearch Member



OFFICE OF THE AUDITOR GENERAL St. John's, Newfoundland and Labrador

AUDITOR'S REPORT

To the Chairperson and Members Heritage Foundation of Newfoundland and Labrador St. John's, Newfoundland and Labrador

I have audited the balance sheet of the Heritage Foundation of Newfoundland and Labrador as at 31 March 2009 and the statements of revenues, expenses and fund balance, and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at 31 March 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

LOHN L. NOSEWORTHY, CA Auditor General

St. John's, Newfoundland and Labrador 23 June 2009

HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR STATEMENT OF REVENUES, EXPENSES AND FUND BALANCE

For the Year Ended 31 March		2008	
	Actual	<u>Budget</u>	Actual
REVENUES			
Government of Canada (Note 7)	\$ 249,733	\$ 356,560	\$ 246,583
Province of Newfoundland and Labrador (Note 5)	493,753	475,000	328,640
Investment income	27,399	10,000	18,523
Miscellaneous	2,471	150	11,208
	773,356	841,710	604,954
EXPENSES			
Board travel and meetings	7,054	15,000	7,964
Church conference	31,168	45,000	-
Easement registration	404	-	807
Fisheries Heritage Preservation Initiative	40,941	75,000	55,262
Heritage districts	1,394	3,000	6,450
Heritage grants	97,346	200,000	65,439
Historic Places Initiative (Note 7)	249,733	356,560	246,583
Intangible Cultural Heritage Strategy (Note 8)	101,537	125,000	991
Miscellaneous	5,357	3,500	2,222
Office supplies	4,843	3,000	3,330
Plaquing	5,084	6,000	6,316
Professional fees	6,420	3,000	2,500
Public relations	1,335	750	_
Salaries and benefits	169,885	181,500	221,526
Special projects	500	1,000	662
Telephone	1,469	1,200	1,170
Travel	3,243	1,200	1,400
	727,713	1,020,710	622,622
Excess of revenues over expenses			
(expenses over revenues)	45,643	(179,000)	(17,668)
Fund balance, beginning of year	174,318	174,318	191,986
Fund balance, end of year	\$ 219,961	\$ (4,682)	\$ 174,318

See accompanying notes

HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR

STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS For the Year Ended 31 March	2009	2008
Cash flows from operating activities		
Excess of revenues over expenses (expenses over revenues)	\$ 45,643	\$ (17,668)
Changes in non-cash working capital		
Accounts receivable	176,309	76,440
Investment income receivable	1,486	(8,154
Prepaid expenses	(8,157)	11
Accounts payable and accrued liabilities	7,163	19,431
	222,444	70,066
Increase in deferred revenue (Note 5)	154,705	245,494
Increase in accrued severance pay	16,552	4,767
	393,701	320,327
Cash flows from investing activities		
Purchase of capital assets from capital contributions	(17,109)	(30,533)
Cash flows from financing activities		
Contribution from Government of Canada		
to purchase capital assets (Note 7)	17,109	30,533
	17,109	30,533
Net increase in cash and cash equivalents	393,701	320,327
Cash and cash equivalents, beginning of year	642,167	321,840
Cash and cash equivalents, end of year	\$ 1,035,868	\$ 642,167
Cash and cash equivalents include:		
Cash	\$ 23,728	\$ 34,211
Investments	1,012,140	607,956
	\$ 1,035,868	\$ 642,167

See accompanying notes

<u>Authority</u>

The Heritage Foundation of Newfoundland and Labrador (the Foundation) operates under the authority of the *Historic Resources Act*. Its affairs are managed by members of the Foundation appointed by the Lieutenant-Governor in Council.

The objectives of the Foundation are:

- (a) to stimulate an understanding of and appreciation for the architectural heritage of the Province;
- (b) to support and contribute to the preservation, maintenance and restoration of buildings and other structures of architectural or historical significance in the Province; and
- (c) to contribute to the increase and diffusion of knowledge about the architectural heritage of the Province.

1. Significant accounting policies

These financial statements have been prepared by the Foundation's management in accordance with Canadian generally accepted accounting principles. The budget disclosed in these financial statements is presented on a cash basis. Outlined below are the significant accounting policies followed.

(a) Capital assets

Capital assets consist of systems development and office and computer equipment which were capitalized at cost at the time of acquisition and now have a net book value of \$0. Contributions toward the acquisition of capital assets are deducted from the related capital asset cost with any amortization calculated on the net amount over a period of five years from the date of acquisition.

Minor capital asset purchases are charged to operations in the year of acquisition.

(b) Investments

Investments are recorded at cost, which because of their short-term nature approximates market value.

(c) Severance pay

Severance pay is calculated based on years of service and current salary levels. Entitlement to severance pay vests with employees after nine years of continuous service. Accordingly no provision has been made for employees with less than nine years of continuous service. The amount is payable when the employee ceases employment with the Foundation unless the employee transfers to another entity in the public service, in which case the liability is transferred with the employee to the other entity.

(d) Investment income

Investment income is recorded as earned.

HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR NOTES TO FINANCIAL STATEMENTS 31 March 2009

2. Investments

	200	2008	
		Market	
	Cost	Value	Cost
Short-term investments	\$ 1,012,140	\$ 1,012,140	<u>\$ 607,956</u>

Investments consist of guaranteed investment certificates, with maturity dates ranging from 3 October 2009 to 16 March 2010 and interest rates ranging from 0.9% to 3.15%

3. Accounts receivable

	2009	2008
Province of Newfoundland and Labrador	\$ -	\$ 163,815
Harmonized sales tax	21,915	34,409
	\$ 21,915	\$ 198,224

4. Capital assets

	31	Cost March 2008	A	dditions	31	Cost <u>March 2009</u>	-	Capital ontributions March 2009	Va	Book alue rch 2009	V	et Book Value rch 2008
Systems development Office and com		254,871	\$	10,820	\$	265,691	\$	265,691	\$	-	\$	-
equipment	puter	57,676		6,289		63,965		63,965		-		
	\$	312,547	\$	17,109		329,656	\$	329,656	\$		\$	

5. Deferred revenue

Deferred revenue as at 31 March 2009 consists of contributions received from the Province of Newfoundland and Labrador and the Government of Canada to be used for the payment of heritage grants and other heritage initiatives as directed by the Province.

HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR NOTES TO FINANCIAL STATEMENTS 31 March 2009

5. Deferred revenue (cont.)

	2009	2008
Balance, beginning of year	\$ 595,471	<u>\$ 349,977</u>
Contribution from Province of Newfoundland and Labrador:		
Operating expenses and payment of heritage grants	457,000	400,000
Fisheries Heritage Preservation Initiative	75,000	75,000
Intangible Cultural Heritage Strategy	75,000	50,000
Downtown Revitalization Initiative	-	46,880
Contribution from Government of Canada:		
Historic Places Initiative	291,191	248,837
	898,191	820,717
Less: Contributions recognized in income during year:		
Province of Newfoundland and Labrador:		
Operating expenses and payment of heritage grants	(334,346)	(255,439)
Fisheries Heritage Preservation Initiative	(57,870)	(72,210)
Intangible Cultural Heritage Strategy	(101,537)	(991)
	(493,753)	(328,640)
Government of Canada:		
Historic Places Initiative	(249,733)	(246,583)
	(743,486)	(575,223)
Increase during the year	154,705	245,494
Balance, end of year	\$ 750,176	<u>\$ 595,471</u>

6. Fund balance

Section 25 of the *Historic Resources Act* requires the Foundation to maintain a Fund of monies voted to it by the Legislature and of other monies received by way of gift, bequest, donation or otherwise. Disbursements from the Fund may be made by the Foundation for the purposes set out in the Legislation.

7. Government of Canada

On 4 April 2003, the Province entered into a Contribution Agreement with the Government of Canada to fund the Historic Places Initiative. The objectives of the Contribution Agreement are to develop an online Provincial Registry of Historic Places and to develop and implement programs related to promoting and integrating the Historic Places Initiative at the Provincial level in Newfoundland and Labrador.

The Province has appointed the Foundation to administer this Initiative on its behalf. During the year the Foundation recognized revenue relating to this Initiative in the amount of \$249,733 (2008 - \$246,583). In addition, the Foundation received capital contributions in the amount of \$17,109 (2008 - \$30,533) relating to this Initiative. This amount was applied towards the acquisition costs of systems development and office and computer equipment.

8. Intangible Cultural Heritage Strategy

In 2008, the Province appointed the Foundation to lead and implement the Province's Intangible Cultural Heritage Strategy. The mission of the Strategy is to safeguard and sustain the Intangible Cultural Heritage of Newfoundland and Labrador for present and future generations everywhere, as a vital part of the identities of Newfoundlanders and Labradorians, and as a valuable collection of unique knowledge and customs. During the year the Foundation received a contribution of \$75,000 (2008 - \$50,000) from the Province in support of this Strategy and recognized \$101,537 (2008 - \$991) in income in accordance with expenses incurred related to the Strategy.

9. Grant commitments

As at 31 March 2009, the Foundation had committed \$235,661 (2008 - \$256,224) in the form of heritage grants approved but not yet disbursed or rescinded. Future disbursements related to these heritage grants will be recorded as reductions to deferred revenue. The Foundation adopted a policy with respect to heritage grant commitments requiring that all grants approved will be available for a period of two years from the date of grant approval. Clients not utilizing the heritage grants within this timeframe will forfeit their right to these heritage grants, unless an extension is granted.

As at 31 March 2009, the Foundation had also committed \$28,750 (2008 - \$17,536) in the form of Fisheries Heritage Preservation Initiative grants approved but not yet disbursed or rescinded. Future disbursements related to these Fisheries Heritage Preservation Initiative grants will be recorded as reductions to deferred revenue. The Foundation's policy with respect to Fisheries Heritage Preservation Initiative grant commitments requires that all grants approved will be available for a period of one year from the date of grant approval. Clients not utilizing the Fisheries Heritage Preservation Initiative grants will forfeit their right to these grants, unless an extension is granted.

10. Operating lease obligation

Office equipment has been leased by the Foundation. Minimum lease payments for the next two years are as follows:

2010	\$	4,197
2011	\$	2,099

11. Related party transactions

The Foundation leases office space from the Province of Newfoundland and Labrador at an annual rate of \$1.

12. Financial instruments

The Foundation's financial instruments recognized on the balance sheet consist of cash, investments, accounts receivable, investment income receivable and accounts payable and accrued liabilities. The carrying values of these instruments approximate current fair value due to their nature and the short-term maturity associated with them. Accounts receivable is due from the Government of Canada and therefore there is no credit risk associated with this amount.

13. Economic dependence

As a result of its reliance on future transfers from the Province of Newfoundland and Labrador to fund its operations, the Foundation's ability to continue operations is dependent upon the decisions of Government.

14. Income taxes

The Foundation is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.

Deloitte.

Financial Statements

JANEWAY CHILDREN'S HOSPITAL FOUNDATION

March 31, 2009

Deloitte.

Deloitte & Touche LLP 10 Factory Lane Fort William Building St. John's NL A1C 6H5 Canada

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Auditors' Report

To the Directors of Janeway Children's Hospital Foundation

We have audited the statement of financial position of the Janeway Children's Hospital Foundation as at March 31, 2009 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Foundation derives certain of its revenue from the general public in the form of donations and other fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amount recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditure, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures for the year ended March 31, 2008 were audited by another firm of chartered accountants who issued their report dated June 6, 2008.

Deloitte & Touche LLP

Chartered Accountants July 22, 2009

Year ended March 31, 2009					
	General	In-Memoriam Endowment	Endowment		
	pung	Fund	Fund	2009	2008
	\$	673	()	69	64
Revenue				•	÷
Miracle Network Telethon projects and donations	2,176,495	·	,	2.176.495	2 1 7 3 4 7 3
Bequests and in-memoriam donations	2.285	28.613	89.655	120 553	C17(C11(-4)
Golf	110 996		nont-n	110.000	100,401
Constructions Amond Acoustican	CCA OUT	•	r	044011	130,24/
Ciristinas Appear donations	108,532	J		108,532	119,395
Kadiothon	68,959	ŀ	ł	68,959	48,099
Donations restricted	55,000	1	8	55,000	60,963
Interest and other investment income	103,776	ł	(66.156)	37,620	100,007
Jeans Day	25,818	ı		25.818	74 577
Atlantic Fundraising Association	4,700	ı	ı	4.700	10.800
Other funding	5,934	r	I	5,934	17,715
	2,662,495	28,613	23,499	2,714,607	2,939,653
Expenditure					
Miracle Network Telethon (Schedule 1)	550,600	ı	1	550.600	473,740
Salaries and benefits	144,791	1	ı	144.791	138 534
Professional fees	55,586	1	ı	55.586	4 811
Christmas Appeal (Schedule 2)	41,895	r	ı	41.895	58 000
Planned giving	20,254	15,656	I	35,910	48.941
Golf Colf	35,532	ł	ŧ	35,532	42,947
Radiothon	19,409	J	Ŧ	19,409	20.427
General administration	15,694	•	22	15,716	16,110
Maintenance contract	11,350	I	ı	11,350	11,096
I ravel and conferences	9,123	I	ł	9,123	4,321
Jeans Day	7,232	1	ı	7,232	8,402
Public relations and advertising	4,698	ł	ı	4,698	4,639
Amortization	1,049	•	1	1,049	6,630
	917,213	15,656	· 22	932,891	839,597
Excess of revenue over expenditure before undernoted items	1,745,282	12,957	23,477	1,781,716	2,100,056
Donations (Note 6) Eastern Regional Health Authority	1,275,864	9	ł	1.275.864	1 535 705
Other	153,046	ı	ı	153,046	187.372
	1,428,910	Ł	1	1,428,910	1.723.077
Excess of revenue over expenditure	316,372	12,957	23,477	352,806	376.979

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JANEWAY CHILDREN'S HOSPITAL FOUNDATION **Statement of Changes in Net Assets**

Year ended March 31, 2009

	General	In-Memoriam	Endowment		
	Fund	Fund		2009	2008
	69	\$	\$	\$	\$
Net assets, beginning of year	2,205,319	101,270	951,318	3,257,907	2,880,928
Excess of revenue over expenditure	316,372	12,957	23,477	352,806	376,979
Net assets, end of year	2,521,691	114,227	974,795	3,610,713	3,257,907

JANEWAY CHILDREN'S HOSPITAL FOUNDATION Statement of Financial Position
March 31 2009

31 2009

March 31, 2009	General	In-Memoriam	Endowment	1000	2008
	Lullu	J	S and	5	2007
		•	•	•	≯ ·
Assets					
Current assets				101 255	030 076
Cash and cash conivalents	25,966	114,221	41,402	CC0'T0T	000,002
Receivables	7,734	F	12,968	20,702	17,751
Drenaid expenses	152,637	ı	. 1	152,637	83,584
4.10 putter of partoau	186,337	114,227	54,430	354,994	362,193
Investments (Note 4) Canital accerts (Note 5)	2,935,180	1 1	920,365 _	3,855,545 -	3,493,679 1,049
حطابط معمده أدرمد م	3,121,517	114,227	974,795	4,210,539	3,856,921
Liabilities					
Developments Developments	32,479	ı	ł	32,479	47,154
I ayawa ana waxama Die to Pastern Regional Health Authority	511,654	1	r	511,654	491,009
Due to Lanvar avenue avenue a control of the providence of the pro	32,047	1	1	32,047	32,047
	576,180			576,180	570,210
Accrited severance pay	23,646	T	ı	23,646	28,804
Cond a sum of a second s	599,826			599,826	599,014
Net assets		·			
Net assets invested in capital assets	J	•	•	•	1,049
Unrestricted net assets	2,502,070	114,227	ł	2,616,297	2,285,919
Restricted net assets	19,621	1	974,795	994,416	970,939
	2,521,691	114,227	974,795	3,610,713	3,257,907
	3,121,517	114,227	974,795	4,210,539	3,856,921
Commitments (Note 10)					.

Commitments (Note 10)

Approved on behalf of the Board

Director

Director

AY CHILDREN'S HOSPITAL FOUNDATION	nt of Cash Flows
JANEWAY CH	Statement of C

2009
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Year

I CAL CHUCU IMALUI JI 2007	General	In-Memoriam	Findowment		
	Fund	Fund	Fund	2009	2008
	93	s	\$	S	÷
Operating activities					
Excess of revenue over expenditure	316,372	12,957	23,477	352,806	376,979
Amortization	1,049	ı	I .	1,049	. 6,630
(Decrease) increase in severance pay accrual	(5,158)	1	ı	(5,158)	3,039
Changes in non-cash operating			í		
working capital (Note 7)	(59,829)	1	(6,205)	(66,034)	196,886
	252,434	12,957	17,272	282,663	583,534
Investing activity					
Increase (decrease) in investments	(370,269)	1	8,403	(361,866)	(775,969)
Net increase (decrease) in cash	(117,835)	12,957	25,675	(19,203)	(192,435)
Cash and cash equivalents, beginning of year	143,801	101,270	15,787	260,858	453,293
Cash and cash equivalents, end of year	25,966	114,227	41,462	181,655	260,858

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1. NATURE OF OPERATIONS

The Janeway Children's Hospital Foundation (the "Foundation") is a registered charitable organization created to raise funds to meet the financial needs of the Janeway Children's Health and Rehabilitation Centre for capital projects, equipment, programs and research directly related to the health and welfare of Newfoundland and Labrador children, while promoting public awareness of these needs.

2. CHANGE IN ACCOUNTING POLICIES

Effective April 1, 2008, the Foundation adopted the Canadian Institute of Chartered Accountants' ("CICA") new accounting standards related to "Capital Disclosures" (Section 1535) and "General Standards of Financial Statement Presentation" (Section 1400).

Capital Disclosures

CICA Section 1535 "Capital Disclosure" establishes standards for disclosure of information about the Foundation's capital and capital management, including the Foundation's objectives and processes of managing capital, quantitative data about what the Foundation regards as capital, whether the Foundation has complied with any externally imposed capital requirements, and if it has not complied, the consequences of such non-compliance. The adoption of this standard had no effect on the Foundation's financial position, operations or cash flows and these disclosures have been included in Note 11.

General Standards of Financial Statement Presentation

CICA Section 1400 "General Standards of Financial Statement Presentation" provides additional guidance related to management's assessment of the Foundation's ability to continue as a going concern. The Foundation's current disclosures meet the reporting requirements of this section.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles

Fund accounting

The Foundation applies the restricted fund methodof accounting for contributions.

The General Fund contains all of the operating assets, liabilities, revenue and expenditures of the Foundation related to the organization's mandate to raise funds to meet the financial needs of the Janeway Children's Health and Rehabilitation Centre for capital projects, equipment, programs and research.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund accounting (continued)

The In-Memoriam Fund represents donations received from donors for a designated purpose. These donations are held in bank accounts until disbursed for specific projects.

The Endowment Fund represents donations received from donors specifically for the Little Red Wagon Endowment Fund along with any bequests and in-memoriam donations that have not been designated for a specific purpose. These donations will be disbursed based on recommendations from the Board.

Revenue recognition

Revenue from donations is recognized in the accounts of the Foundation in the year in which it is received. Contributions received for expenditures of a future period are deferred and recognized as revenue when the expenditure is incurred. All other revenues are recognized as earned and when collectability is reasonably assured.

In-kind contributions are recorded when fair value is determinable.

Capital contributions

Capital contributions are recorded as deferred contributions and amortized to income on the same basis and using the same rates as the amortization expense related to the capital assets purchased. Capital contributions for capital assets that are not amortized are recorded as direct increases in net assets.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, and short-term investments with maturities of three months or less.

Capital assets

Capital assets are recorded at cost and anortized on a straight-line basis over five years.

Vacation pay and other benefits

Vacation pay and other benefits are recorded in the accounts of the Foundation on the accrual basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Severance pay

Severance pay is accounted for on an accrual basis and is calculated based upon years of service and current salary levels. Severance pay is only recorded in the accounts for employees who have a vested right to receive such a payment. No provision for the ultimate severance pay liability is made in the accounts for any employee who does not have a vested right to the payment. The amount is payable when the employee ceases employment with the Foundation.

Pension costs

Employees of the Foundation are included in the Public Service Pension Plan and the Government Money Purchase Plan (the "Plans") administered by the Government of Newfoundland and Labrador. Contributions to the Plans are required from both the employees and the Foundation. The annual contributions for pensions are recognized in the accounts on a current basis.

Financial instruments

The Foundation's financial assets and liabilities are generally classified and measured as follows:

Asset/Liability	Classification	<u>Measurement</u>
Cash and cash equivalents Receivables Investments	Held for trading Receivables Held for trading	Fair value Amortized cost Fair value
Payables and accruals, due to Eastern Regional Health Authority	Other liabilities	Amortized cost

The Foundation has determined that it does not have derivatives or embedded derivatives.

Use of estimates

In preparing the Foundation's financial statements in conformity with Canadian generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenditure during the year. Actual results could differ from these estimates.

Future accounting standards

In December 2006, CICA issued new Section 3862, "Financial Instruments – Disclosures" and Section 3863, "Financial Instruments – Presentation", which established standards for the presentation and disclosure of financial instruments and nonfinancial derivatives.

Following a decision by CICA that permits the application of Section 3861, "Financial Instruments – Disclosure and Presentation", in place of Section 3862 and 3863, the Foundation has decided to continue to apply Section 3861.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future accounting standards (continued)

Not-for-profit organizations

In September 2008, the CICA amended the introduction to accounting standards that apply only to not-for-profit organizations as outlined in the Section 4400 series of CICA Handbook (the "Handbook") as well as consequently changes to other sections of the Handbook.

These new standards are effective for the Foundation on April 1, 2009. The Foundation's management does not expect the application of these standards will have a material impact on its financial statements.

4. INVESTMENTS

	2009	2008
	\$	\$
Guaranteed investment certificates, due November 27,		
2009, bearing interest between 2.33% and 4.90%	1,340,216	-
Guaranteed investment certificate, due May 9,		
2010, bearing interest at 4.0%	258,959	-
Guaranteed investment certificate, due November 27,		
2010, bearing interest at 3.9%	506,678	-
Guaranteed investment certificate, due November 27,		
2011, bearing interest at 4.32%	608,877	-
Shares	40,815	-
Guaranteed investment certificate, due November 27,		
2008, bearing interest at 4.25%	-	2,364,789
Managed money portfolio	1,100,000	1,128,890
	3,855,545	3,493,679

JANEWAY CHILDREN'S HOSPITAL FOUNDATION Notes to the Financial Statements

March 31, 2009

6.

5. CAPITAL ASSETS

		2009		20	08
		Accumulated	Net Book		Net Book
	Cost	Amortization	Value	Cost	Value
	S	\$	\$	\$	\$
Equipment	138,849	138,849	_	138,849	1,049
DONATIONS					
· .				2009	2008
				\$	\$
Eastern Regional H	Jealth Authority				
-		ehabilitation Centr	e	1,006,395	1,454,849
Janeway Resear			•	269,469	80,856
				1,275,864	1,535,705
Other					
RBC Reach Ou	t Program			50,000	50,000
	urphy Cancer Care	Foundation		50,000	-
Other Hospital				28,992	-
Bursaries/fello	-			15,000	5,600
Rainbow Rider	s program			7,500	7,500
Asthma program	• •			700	3,335
Pastoral Care				500	500
Environmental	Grant - receipt in	kind		354	19
Maple Leaf Ga	rden			-	23:
Memorial Univ	versity			-	100,00
Child and You	th Research			-	20,00
······································		······································		153,046	187,372
				1,428,910	1,723,07

7. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in non-cash operating working capital

	2009	2008
	\$	\$
Receivables	(2,951)	(2,126)
Prepaid expenses	(69,053)	503
Payables and accruals	(14,675)	17,570
Due to other funds	20,645	198,435
Deferred contributions		(17,496)
	(66,034)	196,886

8. INCOME TAX STATUS

As a registered charity, the Foundation is exempt from income tax and may issue charitable donation receipts.

9. RELATED PARTY TRANSACTIONS

The Foundation operates for the purpose of accumulating funds to assist the Janeway Children's Health and Rehabilitation Centre (Eastern Regional Health Authority) with the purchase of medical equipment used in the provision of patient care for children. Transactions between these related parties are measured at their exchange value.

10. COMMITMENTS

During the year, the Foundation committed to disburse \$1,175,000 (2008 - \$1,400,000) to the Eastern Regional Health Authority to benefit the Janeway Children's Health and Rehabilitation Centre, depending on the financial results of the Foundation for the year. During the year, \$1,345,621 (2008 - \$1,585,705) of current and previously committed funds were disbursed. The outstanding commitments from the current and prior years of approximately \$1,789,363 relating to capital equipment and research will be disbursed in future fiscal years of the Foundation.

11. CAPTIAL MANAGEMENT

The capital structure of the Foundation consists of net assets. The Foundation's objective when managing capital is to ensure it maintains adequate capital to support its continued operations.

The Foundation is not subject to externally imposed capital requirements.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk factors

The Foundation has exposure to credit risk and liquidity risk. The Foundation's Board of Directors has overall responsibility for the oversight of these risks and reviews the Foundation's policies on an ongoing basis to ensure that these risks are appropriately managed. The source of risk exposure and how each is managed is outlined below.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligation. The Foundation's credit risk is primarily attributable to receivables. Management believes that the credit risk with respect to receivable is not significant.

Liquidity risk

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they become due. As at March 31, 2009 the Foundation had cash of \$181,655.

To the extent that the Foundation does not believe that it has sufficient liquidity to meet current obligations, consideration will be given to obtaining additional funds through third party financing or the Provincial Government, assuming these can be obtained.

Fair value

The fair value of the Foundation's financial instruments approximate the carrying value due to the short-term maturity and normal credit terms of those instruments.

JANEWAY CHILDREN'S HOSPITAL FOUNDATION Schedule 1 - Miracle Network Telethon Expenses

Year ended March 31, 2009

	2009	2008
	\$	\$
Advertising	8,601	12,504
Affiliation fees	36,366	22,027
Broadcasting costs	135,555	129,944
General administration	43,516	17,136
Merchandise	33,794	62,409
Office and miscellaneous	2,010	1,583
Postage	17,194	15,967
Printing	13,061	15,767
Professional fees	27,110	5,069
Salary and benefits	217,281	175,421
Telephone	2,098	7,575
Travel	14,014	8,338
	550,600	473,740

JANEWAY CHILDREN'S HOSPITAL FOUNDATION Schedule 2 - Christmas Appeal Expenses Year ended March 31, 2009

	2009	2008
	\$	\$
Contractual services	8,197	9,290
Office and miscellaneous	1,880	3,341
Postage	12,512	13,868
Printing	9,721	7,141
Promotional costs	1,386	882
Salaries and benefits	8,199	24,477
	41,895	58,999

- 324 -

LABRADOR-GRENFELL REGIONAL HEALTH AUTHORITY

AUDITORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2009

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53 Bond Street, Suite 200 P.O. Box 8505 St. John's, NL A1B 3N9 T 709 579-2161 F 709 579-2120 www.acgca.ca

AUDITORS' REPORT

To the Trustees of Labrador – Grenfell Regional Health Authority

We have audited the consolidated balance sheet of Labrador – Grenfell Regional Health Authority as at March 31, 2009 and the consolidated statements of changes in net assets, operations and cash flow for the year then ended. These consolidated financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In common with many charitable organizations, the Grenfell Foundation Incorporated derives certain of its revenue from the general public in the form of donations and other fundraising activities, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amount recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to revenue, operations, assets and net assets.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2009 and the results of its operations and the changes in its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

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CHARTERED ACCOUNTANTS

St. John's, Newfoundland and Labrador July 7, 2009

LABRADOR GRENFELL REGIONAL HEALTH AUTHORITY CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	<u>2009</u>	<u>2008</u>
ASSETS	\$	\$
Current		
Cash	419,809	299,735
Restricted cash (Note 3)	1,554,744	1,608,650
Receivables (Note 4)	12,115,472	14,356,977
Inventories (Note 2)	1,532,711	1,745,945
Prepaid expenses	2,347,477	1,746,129
	17,970,213	19,757,436
Residents' Trust Funds held on deposit	165,903	147,286
Replacement reserve (Note 2 and 7)	78,992	71,495
Capital assets (Notes 2 and 5)	23,133,284	22,484,133
	41,348,392	42,460,350
LIABILITIES		
Current	5 A50 370	A
Bank indebtedness (Note 6)	5,050,379	21,054,799
Payables and accruals	12,131,111	8,569,161
Accrued vacation pay	5,730,926	5,253,347
Other accrual benefits	2,261,680	2,001,024
Deferred contributions	0.005.000	0.005.005
Operating	3,095,383	2,825,065
National Child Benefit (NCB) initiatives	2,388,454	2,136,947
Capital	13,152,701	3,645,793
Special purpose funds	564,428	618,334
Current portion of accrued severance pay (estimated)	928,115	897,820
Current portion of long-term debt (Note 8)	<u> </u>	94,271 47,096,561
Residents' Trust Funds payable	165,903	147,286
		<u></u>
Accrued severance pay, less estimated current portion	8,353,038	8,366,837
Replacement reserve (Note 2 and 7)	78,992	71,495
Long-term debt (Note 8)	2,486,345	2,596,080
Deferred contributions related to capital assets (Note 9)	19,552,457	18,721,796
NET ASSETS, PER ACCOMPANYING STATEMENT	76,043,643	77,000,055
Net assets invested in capital assets	1,094,152	1,088,332
Net assets restricted for endowment purposes	994,317	994,317
Unrestricted net assets	(36,783,720)	(36,622,354
	(34,695,251)	(34,539,705
Signed on behalf of the Board:	41,348,392	42,460,350
the design of the board.	$\cap I \cap$	
A Mu	ry bbbass	
Trustee Trustee	1	· · · · · · · · · · · · · · · · · · ·
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LABRADOR GRENFELL REGIONAL HEALTH AUTHORITY CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS YEAR ENDED MARCH 31, 2009

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		2009			
	Invested in Capital Assets	Endowment Purposes	Unrestricted Operating	Total <u>2009</u>	Total <u>2008</u>
	\$	\$	\$	\$	\$
Balance, beginning	1,088,332	994,317	(36,622,354)	(34,539,705)	(32,135,720)
Excess (deficiency) of revenues over					
expenditures	(94,455)	-	(61,091)	(155,546)	(2,403,985)
Investment in capital					
assets (Note 10)	100,275	-	(100,275)	a.	-
Balance, ending	1,094,152	994,317	(36,783,720)	(34,695,251)	(34,539,705)

LABRADOR GRENFELL REGIONAL HEALTH AUTHORITY CONSOLIDATED STATEMENT OF OPERATIONS YEAR ENDED MARCH 31, 2009

	<u>2009</u> \$	<u>2008</u>
Revenues	φ	\$
Provincial plan	112,139,819	99,299,216
National Child Benefit	2,955,109	2,743,041
Transportation and Works	2,867,600	2,867,600
MCP physicians	13,047,348	12,122,467
Child Youth and Family Services Agreement	8,047,696	9,818,797
Inpatient	1,987,311	2,314,737
Outpatient	1,004,442	724,805
Long-term care	1,331,487	1,366,840
Other (Note 11)	7,415,179	7,307,660
	150,795,991	138,565,163
Expenditures		
Administration	16,690,949	14,668,643
Support services	28,759,520	24,944,023
Nursing inpatient services	21,102,075	19,789,365
Ambulatory care services	15,723,202	14,271,303
Diagnostic and therapeutic services	12,915,824	11,917,682
Community and social services	39,059,169	38,439,133
Medical services	14,784,928	13,581,702
Research	76,448	67,124
Education	594,578	676,603
Undistributed	731,262	1,318,841
	150,437,955	139,674,419
Surplus (deficit) before other operations	358,036	(1,109,256)
12 Unit Cottage Project (net)	(3,315)	-
20 Unit Cottage Project (net)	(18,054)	(28,987)
Grenfell Foundation Inc. (net)	96,045	(18,105)
	74,676	(47,092)
Surplus (deficit) before non-shareable items	432,712	(1,156,348)
Non-shareable items		
Amortization	2 225 400	2 000 407
Increase in accrued vacation pay	3,335,400	3,299,497
Increase in accrued severance pay	480,099	473,790
Amortization of deferred contributions	13,976	640,570 (2,466,220)
A MORIZATION OF GENERA CONTIDUTIONS	(3,241,217)	(3,166,220)
	588,258	1,247,637
Deficiency of revenues over expenditures	(155,546)	(2,403,985)

LABRADOR GRENFELL REGIONAL HEALTH AUTHORITY CONSOLIDATED STATEMENT OF CASH FLOW

YEAR ENDED MARCH 31, 2009

	2009	2008
Cash Flows	\$	\$
Operations:		
Excess (deficiency) of revenues over expenditures	(155,546)	(2,403,984)
Amortization	3,335,400	3,378,620
Loss on disposal of assets	-	14,045
Amortization of deferred contributions	(3,241,217)	(3,166,220)
Unamortized contributions on assets disposed		(45,986)
	(61,363)	(2,223,525)
Changes in:	(01,000)	(1,110,010)
Receivables	2,749,398	(2,044,300)
Inventories	(213,234)	(23,479)
Prepaid expenses	(601,348)	(270,277)
Payables and accruals	3,828,412	597,336
Accrued vacation pay	480,099	473,790
Deferred contributions relating to operating	,	,
and NCB program	521,825	1,025,502
Accrued severance pay	13,976	540,570
	6,717,765	(1,924,383)
		<u>, , , , , , , , , , , , , , , , , </u>
Investing Activities		
Proceeds from the sale of capital assets	5,124	31,940
Additions to capital assets	(4,072,996)	(4,934,431)
	(4,067,872)	(4,902,491)
	·····	
Financing Activities		
Deferred contributions		4 9 49 955
Capital	9,506,908	1,646,655
Special purpose funds	(53,906)	(638,187)
Repayment of long-term debt	(100,275)	(94,583)
Deferred contributions related to capital assets	4,067,878	4,942,693
Donations for endowment purposes	42.400.005	60
	13,420,605	5,856,638
Net change in cash and cash equivalents for year	16,070,498	(970,236)
Cash and cash equivalents, beginning of year	(19,146,324)	(18,176,088)
	(3,075,826)	(19,146,324)
Cash and cash equivalents consists of:		
	2009	2008
	\$	\$
Cash and short-term investments	419,809	299,735
Restricted cash	1,554,744	1,608,650
Bank indebtedness (Note 5)	(5,050,379)	(21,054,709)
	(0,000,000)	<u></u>
	(3,075,826)	(19,146,324)

1. NATURE OF OPERATIONS

The Authority manages and operates all health facilities, services and programs in Northern Newfoundland and all of Labrador.

The Authority manages and controls the operations of the following facilities:

Labrador Health Centre, Happy Valley-Goose Bay Harry L. Paddon Memorial Home, Happy Valley - Goose Bay Captain William Jackman Memorial Hospital, Labrador City Charles S. Curtis Memorial Hospital, St. Anthony John M. Gray Centre, St. Anthony St. Anthony Interfaith Home Apartment Complexes, St. Anthony

and all medical clinics, nursing stations, community health centres, facilities programs and services in the geographic area.

The operations of the Authority are primarily funded by the Government of Newfoundland and Labrador (the Government).

The Authority is incorporated under the Hospitals Act of Newfoundland and Labrador.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Outlined below are those policies considered particularly significant by the Authority.

Fund Accounting

The combined funds are reported in the consolidated financial statements.

Assets, liabilities, revenues and expenditures related to the delivery and administration of health services are reported in the operating financial statements.

Assets, liabilities, revenues and expenditures related to other operations are reported in the financial statements of the 12 Unit Cottage Project, 20 Unit Cottage Project and the Grenfell Foundation Inc.

Revenue Recognition

The Authority follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenditures 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.

Contributions related to capital assets are deferred and amortized to revenue at the same rates by which the related capital assets are amortized.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories consist of medical, surgical, general supplies, fuel oil, aircraft parts and pharmaceuticals.

Medical, surgical and general supplies are valued at the lower of cost, determined on an average cost basis and net realizable value.

Fuel oil, aircraft parts and drugs are valued at the lower of cost, determined on a first-in, first-out basis and net realizable value.

Capital Assets

The Authority has control over certain land, buildings and equipment, with the title resting with the Government and consequently these assets are not recorded under 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 being amortized on a declining balance basis over their estimated useful lives at the following rates:

Land improvements	20%
Buildings	5%
Leasehold improvements	5%
Equipment and vehicles	20%
Artwork	0%

In addition, the Harry L. Paddon Memorial Home and capital assets are amortized at a rate equal to the annual principal reduction of the mortgage related to these properties. This is in accordance with an operating agreement with Newfoundland and Labrador Housing Corporation.

Replacement Reserve

Newfoundland and Labrador Housing Corporation (NLHC) requires that not-for-profit housing groups maintain a Replacement Reserve Fund which is to be used to fund major maintenance and the purchase of capital assets. These funds may be used as approved by NLHC. Withdrawals are charged to interest first and then principal.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Severance Pay

The liability for severance pay is recorded in the accounts for all employees who have a vested right to receive such a payment. No provision for the ultimate severance pay liability is made in the accounts for any employees who has less than nine years of continual service.

Pension and Other Post Employment Benefits

Employees of the Authority are included in the Public Service Pension Plan and the Government Money Purchase Plan administered by the Government. The Government also provides for the continuation of certain dental and medical benefits for retirees. Contributions to the plans are required from both the employees and the Authority. The annual contributions for pensions and other post employment benefits are recognized in the accounts on a current basis.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount 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 expenditures during the reporting period. Actual results could differ from these estimates.

3. RESTRICTED CASH

	<u>2009</u> \$	<u>2008</u> \$
Cash is currently restricted to fund the following items:		
Deferred contributions - special purpose funds Endowment Fund	560,427 994,317	614,333 994,317
	1,554,744	1,608,650

4. RECEIVABLES		
	2009	2008
	\$	\$
Government of Newfoundland and Labrador	7,313,270	6,946,239
Government of Canada	1,148,785	3,456,970
Patient	2,115,198	2,784,934
Other	1,538,219	1,168,834
		44050077
	12,115,472	14,356,977
5. CAPITAL ASSETS	•	
D. CAPITAL ASSETS	<u>2009</u>	<u>2008</u>
	\$	\$
Cost		
	11,203	11,203
Land	187,061	187,061
Land improvements	25,167,721	24,051,147
Buildings Leasehold improvements	223,678	223,678
Equipment and vehicles	48,220,643	45,399,276
Artwork	195,714	195,714
	74,006,020	70,068,079
Accumulated Amortization		
Land	-	-
Land improvements	153,237	150,995
Buildings	13,947,628	13,429,986
Leasehold improvements	73,473	82,211
Equipment and vehicles	36,698,398	33,920,754
Artwork		
r -	50,872,736	47,583,946
Net Book Value		
Land	11,203	11,203
Land improvements	33,824	36,066
Buildings	11,220,093 150,205	10,651,161 141,467
Leasehold improvements	11,522,245	11,448,522
Equipment and vehicles	195,714	195,714
Artwork		
	23,133,284	22,484,133

6. BANK INDEBTEDNESS

The Authority has access to a \$24.0 million line of credit in the form of a revolving demand loan bearing interest at prime with the Royal Bank of Canada. The line of credit has been approved by the Minister of Health and Community Services. In addition, this line of credit carries a Province of Newfoundland and Labrador guarantee for \$9 million up to \$19 million with the first \$10 million being unsecured.

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7. REPLACEMENT RESERVE

	<u>2009</u>	<u>2008</u>
	\$	\$
Balance, beginning	71,495	67,300
Add:		
Allocation for year	10,350	10,350
Interest earned	127	219
	81,972	77,869
Less:		
Approved expenditures	2,980	6,374
Balance, ending	78,992	71,495
	<u></u>	
Funding		
Replacement reserve funds	11,692	4,195
Due from Newfoundland and Labrador Housing		
Corporation for replacement reserve	67,300	67,300
	78,992	71,495

8. LONG-TERM DEBT

	<u>2009</u> \$	<u>2008</u> \$
Canada Mortgage Housing Corporation		
10%, first mortgage on land and building of Harry L. Paddon Memorial Home, repayable \$11,245 monthly, interest included, and maturing November 2029.	1,194,786	1,211,736
Newfoundland and Labrador Housing Corporation		
2.860% first mortgage on land and building of 20 unit apartment complex, repayable \$6,357 monthly, interest included, and maturing January 2019.	672,336	726,842
4.31% first mortgage on land and building of 12 unit apartment complex, repayable \$5,073 monthly, interest included, and maturing October 2025.	722,954_	751,773
Long-term debt	2,590,076	2,690,351
Less: Current Portion	103,731	94,271
Total long-term debt, net of current portion	2,486,345	2,596,080

The aggregate amount of principal payments estimated to be required in each of the next five years is as follows:

	\$
2010	103,731
2011	108,331
2012	112,842
2013	118,081
2014	124,219

Interest Subsidy

The Authority has received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 56.1 of the National Housing Act. The purpose of the assistance is to reduce operating costs in order to enable the Authority to provide housing to low and moderate income individuals. The amount of assistance received in 2009 was \$72,684 (2008 - \$73,592)

9. UNAMORTIZED DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets represent restricted contributions with which capital assets were originally purchased. The changes in the deferred contributions for the year are as follows:

	<u>2009</u>	2008
	\$	\$
Balance, beginning	18,721,796	16,991,309
Add:	;	
Equipment grants	3,410,366	4,109,894
Donations for equipment	661,512	832,799
	22,793,674	21,934,002
Less:		
Amortization	3,241,217	3,166,220
Unamortized contributions on assets disposed	÷	45,986
Balance, ending	19,552,457	18,721,796
10. INVESTMENT IN CAPITAL ASSETS		
	2009	2008
	\$	\$
Repayment of long-term debt	100,275	94,586
11. OTHER REVENUE		
II. OTHER REVENUE	2009	2008
	\$	\$
Drug recoveries	3,316,700	3,198,261
Dental	1,208,391	1,051,233
Rentals	813,532	783,296
Mortgage interest subsidy	25,205	25,205
Interest	47,532	68,930
Unamortized contribution on assets disposed	-	45,986
Miscellaneous	2,003,819	2,134,749
	7,415,179	7,307,660

12. COMMITMENTS

Energy Performance Contract

The Authority entered into an Energy Performance Contract on February 15, 2000 with Johnson Controls Ltd. for the design and implementation of measures of improve energy efficiency, wherein Johnson Controls Ltd. guaranteed the energy savings component.

The cost of the contract was \$1,660,616 and is to be repaid from energy and operating savings at \$15,250 per month over a period of 8 years and 2 months plus lump sum amounts aggregating an additional \$166,116.

As of March 31, 2009 the balance of the expenditures financed through the Bank of Nova Scotia amount to \$106,748 (March 31, 2008 - \$282,235). As support for the financing, Johnson Controls Ltd. has assigned to the bank any funds due to them by the authority for the energy savings component of the contract.

In the opinion of management of the Authority the guaranteed energy savings component by Johnson Controls Ltd. is an offset to any obligation of the authority under the assignment to the bank, and as a consequence nether the capital expenditures nor the bank loan obligation is reflected in the financial statements of the Authority at March 31, 2009.

Funding for the contract is from operating savings and has been approved in this manner by the Province of Newfoundland and Labrador. As a result, the monthly payments under the contract are being reported in the Authority's operating statements as a normal operating cost.

13. CONTINGENCIES

As of March 31, 2009, there were a number of legal claims against the Authority in carrying amounts for which no provision has been made. It is not possible to determine the amounts, if any, that may ultimately be assessed against the Authority with respect to these claims, but management believes any claims, if successful, will be covered by liability insurance.

14. COMPARATIVE FIGURES

Certain of the comparative figures has been reclassified to conform to the current presentation.

LABRADOR - GRENFELL REGIONAL HEALTH AUTHORITY ST. ANTHONY INTERFAITH HOME 12 UNIT APARTMENT COMPLEX

AUDITORS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2009



53 Bond Street, Suite 200 P.O. Box 8505 St. John's, NL A1B 3N9 T 709 579-2161 F 709 579-2120

www.acgca.ca

AUDITORS' REPORT

To the Trustee of Labrador – Grenfell Regional Health Authority - St. Anthony Interfaith Home 12 Unit Apartment Complex

We have audited the balance sheet of Labrador – Grenfell Regional Health Authority – St. Anthony Interfaith Home 12 Unit Apartment Complex as at March 31, 2009 and the statement of changes in net assets, operations and cash flow for the year then ended. These financial statements are the responsibility of the St. Anthony Interfaith Home 12 Unit Apartment Complex's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the St. Anthony Interfaith Home 12 Unit Apartment complex as at March 31, 2009 and the results of its operations and the changes in its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

CHARTERED ACCOUNTANTS

St. John's, Newfoundland and Labrador July 7, 2009

LABRADOR - GRENFELL REGIONAL HEALTH AUTHORITY ST. ANTHONY INTERFAITH HOME 12 UNIT APARTMENT COMPLEX BALANCE SHEET

AS AT MARCH 31, 2009

Current	<u>2009</u> \$	<u>2008</u> \$
Cash Prepaid expenses	18,513 <u>3,240</u> 21,753	21,002 3,240 24,242
Capital assets (Notes 2 and 3)	738,953	
Due from Newfoundland and Labrador Housing Corporation (Note 4)	3,184	-
Due from Newfoundland and Labrador Housing Corporation for replacement reserve (Note 6)	67,300	67,300
	831,190	859,315
LIABILITIES		
Current Payables and accruals Due to Labrador - Grenfell Regional Health Authority Due to Newfoundland and Labrador Housing Corporation (Note 4) Current portion of long-term debt (Note 5)	44 24,892 - 32,000 56,936	2,885 21,225 131
Long-term debt, net of current portion (Note 5)	690,954	726,574
Replacement reserve fund (Note 6)	67,300	67,300
	815,190	843,315
NET ASSETS, PER ACCOMPANYING STATEMENT		

Unrestricted net assets

Signed on behalf of the Board:

ustee

Maybbass Trustee

16,000

831,190

16,000

859,315

LABRADOR - GRENFELL REGIONAL HEALTH AUTHORITY ST. ANTHONY INTERFAITH HOME 12 UNIT APARTMENT COMPLEX STATEMENT OF CHANGES IN NET ASSETS YEAR ENDED MARCH 31, 2009

	2009			
	Invested in Capital Assets \$	Unrestricted \$	Total <u>2009</u> \$	Total <u>2008</u> \$
Balance, beginning	-	16,000	16,000	16,000
Excess (deficiency) of revenues over expenditures	(28,820)	28,820	-	-
Repayment of long-term debt	28,820	(28,820)	<u>-</u>	<u>م</u>
Balance, ending	-	16,000	16,000	16,000

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LABRADOR - GRENFELL REGIONAL HEALTH AUTHORITY ST. ANTHONY INTERFAITH HOME 12 UNIT APARTMENT COMPLEX STATEMENT OF OPERATIONS YEAR ENDED MARCH 31, 2009

	<u>Budget</u>	2009 <u>Actual</u> \$	2008 <u>Actual</u> \$
Revenues			
Rental	59,424	51,645	59,424
NLHC subsidy	48,245	52,191	48,245
Hydro recoveries	3,180	3,160	3,180
Laundry recoveries	1,440	1,430	1,440
HST recoveries	2,400	790	-
Interest	-,	647	1,155
	114,689	109,863	113,444
Expenditures			
Amortization	28,820	28,820	28,027
Heat and light	26,858	25,818	28,302
Insurance	1,776	2,046	2,046
Interest and bank charges	-	111	159
Interest on long-term debt	32,056	32,056	32,849
Management fees	5,340	5,000	5,000
Miscellaneous	-	- ,	995
Professional fees	2,800	2,500	2,500
Repairs, maintenance and janitorial			,
expense (Note 7)	10,800	8,555	8,639
Snow clearing	810	637	607
Water and sewer	4,320	4,320	4,320
	113,580	109,863	113,444
Excess (deficiency) of revenues over expenditures	1,109	-	-

LABRADOR - GRENFELL REGIONAL HEALTH AUTHORITY ST. ANTHONY INTERFAITH HOME 12 UNIT APARTMENT COMPLEX STATEMENT OF CASH FLOW YEAR ENDED MARCH 31, 2009

2009 <u>2008</u> \$ \$ Cash Flows **Operations:** Excess (deficiency) of revenues over expenditures (3,315)Amortization 28,820 28,027 25,505 28,027 Changes in: Receivables 2,789 Payables and accruals 2,841 (1,634)Due to Labrador - Grenfell Regional Health Authority (3,667)(4,402) Due to Newfoundland and Labrador Housing Corporation (2,088)24,679 22,692 **Financing Activities** Principal repayments (27,168) (28,027) Net change in cash and cash equivalents for year (2, 489)(5,335)Cash and cash equivalents, beginning of year 21,002 26,337 Cash and cash equivalents, end of year 18,513 21,002

LABRADOR - GRENFELL REGIONAL HEALTH AUTHORITY ST. ANTHONY INTERFAITH HOME 12 UNIT APARTMENT COMPLEX NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2009

1. NATURE OF OPERATIONS

The St. Anthony Interfaith Home 12 Unit Apartment Complex is sponsored by the Labrador Grenfell Regional Health Authority to provide housing to low and moderate income seniors.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the St. Anthony Interfaith Home 20 Unit Apartment Complex are in accordance with generally accepted accounting principles and guidelines set out by the Newfoundland and Labrador Housing Corporation (NLHC) in their operating agreements for not-for-profit housing projects. The following describes the more significant policies:

Capital Assets

Amortization is provided on land improvements and buildings at a rate equal to the annual principal reduction of the mortgages related to these properties. This is in accordance with the operating agreement with NLHC.

Replacement Reserve

NLHC maintains a consolidated Replacement Reserve Fund to maintain and account for replacement reserve funds for not-for-profit housing groups. NLHC provides the organization with an annual statement as of March 31, 2009 indicating its reserve balance.

The funds in the replacement reserve account may only be used as approved by NLHC.

Transactions in the reserve are shown in Note 6.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount 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 expenditures during the reporting period. Actual results could differ from these estimates.

3. CAPITAL ASSETS

		Accumulated		
	<u>Cost</u>	Amortization	<u>2009</u>	2008
	\$	\$	\$	\$
Land	1	-	1	1
Land improvements	20,000	-	20,000	20,000
Buildings	955,047	249,657	705,390	733,871
Equipment	17,754	4,192	13,562	13,901
	992,802	253,849	738,953	767,773

LABRADOR - GRENFELL REGIONAL HEALTH AUTHORITY ST. ANTHONY INTERFAITH HOME 12 UNIT APARTMENT COMPLEX NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2009

TEAR ENDED MARCH 31, 2009

4. DUE FROM (TO) NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

	<u>2009</u> \$
Due from (to) NLHC, beginning of the Year Net Subsidy for the Year Payments Received during the Year Repayments Issued during the Year	(131) 52,191 (48,876)
Due from (to) NLHC, end of year	3,184

Details on comparative figures for this receivable were not available at the time of the audit.

5. LONG-TERM DEBT

4.31% Newfoundland and Labrador Housing Corporation first mortgage on land and building; repayable in equal monthly installments of \$5,073, interest included, maturing October 2025.

The aggregate amount of principal payments estimated to be required in each of the next five years is as follows:

	\$
2010	32,000
2011	32,500
2012	33,000
2013	34,000
2014	36,000

Interest Subsidy

The Authority has received federal assistance through Central Mortgage and Housing Corporation pursuant to Section 56.1 of the National Housing Act to reduce operating costs, enabling the Authority to provide housing to low and moderate income seniors. The amount of the assistance received from Newfoundland and Labrador Housing in 2009 was \$48,876 (2008-\$48,245).

LABRADOR - GRENFELL REGIONAL HEALTH AUTHORITY ST. ANTHONY INTERFAITH HOME 12 UNIT APARTMENT COMPLEX NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2009

6. REPLACEMENT RESERVE

	<u>2009</u> \$	<u>2008</u> \$
Balance, beginning	67,300	67,300
Less: Approved expenditures		_
Balance, ending	67,300	67,300
7. REPAIRS AND MAINTENANCE	<u>2009</u> \$	<u>2008</u> \$
Maintenance supplies Salary	1,010 7,545	4,893 3,746



LABRADOR - GRENFELL REGIONAL HEALTH AUTHORITY ST. ANTHONY INTERFAITH HOME 20 UNIT APARTMENT COMPLEX

AUDITORS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2009



53 Bond Street, Suite 200 P.O. Box 8505 St. John's, NL A1B 3N9 T 709 579-2161 F 709 579-2120

www.acgca.ca

AUDITORS' REPORT

To the Trustee of Labrador – Grenfell Regional Health Authority - St. Anthony Interfaith Home 20 Unit Apartment Complex

We have audited the balance sheet of Labrador – Grenfell Regional Health Authority – St. Anthony Interfaith Home 20 Unit Apartment Complex as at March 31, 2009 and the statement of changes in net assets, operations and cash flow for the year then ended. These financial statements are the responsibility of the St. Anthony Interfaith Home 20 Unit Apartment Complex's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation:

In our opinion, these financial statements present fairly, in all material respects, the financial position of the St. Anthony Interfaith Home 20 Unit Apartment complex as at March 31, 2009 and the results of its operations and the changes in its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Belanger Flarke Follett c

CHARTERED ACCOUNTANTS

St. John's, Newfoundland and Labrador July 7, 2009

LABRADOR - GRENFELL REGIONAL HEALTH AUTHORITY ST. ANTHONY INTERFAITH HOME 20 UNIT APARTMENT COMPLEX **BALANCE SHEET** AS AT MARCH 31, 2009

2009 2008 \$ \$ ASSETS Current Cash 33,110 20,439 Receivables 951 Prepaid expenses 5,400 5,400 38,510 26,790 Replacement reserve cash (Note 4) 11,692 4,195 Capital assets (Notes 2 and 3) 676,059 730,565 726,261 761,550 LIABILITIES Current Payables and accruals 787 2,734 Due to Labrador - Grenfell Regional Health Authority 233,620 201,889 Current portion of long-term debt (Note 5) 53,325 52,122 287,732 256,745 Long-term debt, net of current portion (Note 5) 619,011 674,730 Replacement reserve fund (Note 4) 11,692 4,195 918,435 935,670

NET ASSETS, PER ACCOMPANYING STATEMENT

Unrestricted net assets	(192,174)	(174,120)
<i></i>	726,261	761,550

Signed on behalf of the Board:

Maylebass Trustee

LABRADOR - GRENFELL REGIONAL HEALTH AUTHORITY ST. ANTHONY INTERFAITH HOME 20 UNIT APARTMENT COMPLEX STATEMENT OF CHANGES IN NET ASSETS YEAR ENDED MARCH 31, 2009

	2009			
	Invested in Capital Assets \$	Unrestricted \$	Total <u>2009</u> \$	Total <u>2008</u> \$
Balance, beginning	-	(174,120)	(174,120)	(145,134)
Excess (deficiency) of revenues over expenditures	(54,506)	36,452	(18,054)	(28,986)
Repayment of long-term debt	54,506	(54,506)	-	
Balance, ending		(192,174)	(192,174)	(174,120)

LABRADOR - GRENFELL REGIONAL HEALTH AUTHORITY ST. ANTHONY INTERFAITH HOME 20 UNIT APARTMENT COMPLEX STATEMENT OF OPERATIONS YEAR ENDED MARCH 31, 2009

	<u>2009</u> \$	<u>2008</u> \$
Revenues		
Rental	112,400	108,976
CMHC subsidy	23,808	25,348
Hydro recoveries	14,796	14,061
Cable television recoveries	4,616	4,843
Interest	802	. 634
	156,422	153,862
Expenditures		
Allocation to replacement reserve	7,369	10,350
Amortization	54,506	51,096
Cable television	-	4,287
Heat and light	50,902	48,989
Insurance	2,500	2,500
Interest and bank charges	172	198
Interest on long-term debt	28,764	33,317
Management fees	5,000	5,000
Professional fees	2,497	2,725
Property taxes	7,200	7,200
Repairs and maintenance (Note 6)	15,566	17,186
	174,476	182,848
Deficiency of revenues over expenditures	(18,054)	(28,986)

LABRADOR - GRENFELL REGIONAL HEALTH AUTHORITY ST. ANTHONY INTERFAITH HOME 20 UNIT APARTMENT COMPLEX STATEMENT OF CASH FLOW YEAR ENDED MARCH 31, 2009

2009 <u>2008</u> \$ \$ **Cash Flows** Operations: Deficiency of revenues over expenditures (18,054)(28, 986)Amortization 54,506 51,096 36,452 22,110 Changes in: Receivables 951 900 Payables and accruais (1,947)(3, 161)Due to Labrador - Grenfell Regional Health Authority 31,721 32,755 Replacement reserve 7,497 4,195 74,674 56,799 **Financing Activities** Principal repayments (54,506) (51,097) Net change in cash and cash equivalents for year 20,168 5,702 Cash and cash equivalents, beginning of year 24,634 18,932 Cash and cash equivalents, end of year 44,802 24,634 Cash and cash equivalents consists of: <u>2008</u> 2009 \$ \$ Cash 33,110 20,439 Replacement reserve cash 11,692 4,195 44,802 24,634

LABRADOR - GRENFELL REGIONAL HEALTH AUTHORITY ST. ANTHONY INTERFAITH HOME 20 UNIT APARTMENT COMPLEX NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2009

1. NATURE OF OPERATIONS

The St. Anthony Interfaith Home 20 Unit Apartment Complex is sponsored by the Labrador Grenfell Regional Health Authority to provide housing to low and moderate income seniors.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the St. Anthony Interfaith Home 20 Unit Apartment Complex are in accordance with generally accepted accounting principles and guidelines set out by the Newfoundland and Labrador Housing Corporation (NLHC) in their operating agreements for not-for-profit housing projects. The following describes the more significant policies:

Capital Assets

Amortization is provided on land improvements and buildings at a rate equal to the annual principal reduction of the mortgages related to these properties. This is in accordance with the operating agreement with NLHC.

Replacement Reserve

In accordance with the operating agreements with NLHC the Authority is required to fund a replacement reserve annually in the amount of \$10,350. This allocation of funds is expensed annually and transferred to a separate bank account and added to the liability "Replacement Reserve".

The funds in the replacement reserve account may only be used as approved by NLHC.

Transactions in the reserve are shown in Note 4.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities an disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

3. CAPITAL ASSETS

	<u>Cost</u> \$	Accumulated <u>Amortization</u> \$	<u>2009</u> \$	<u>2008</u> \$
Land Land improvements Buildings	1 4,853 <u>1,271,266</u>	545,555	1 4,853 671,205	1 4,853 725,711
	1,276,120	545,555	676,059	730,565

LABRADOR - GRENFELL REGIONAL HEALTH AUTHORITY ST. ANTHONY INTERFAITH HOME 20 UNIT APARTMENT COMPLEX NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2009

4. REPLACEMENT RESERVE

	<u>2009</u> \$	<u>2008</u> \$
Balance, beginning	4,195	-
Add: Allocation for year Interest earned	10,350 <u>127</u> 14,672	10,350 219 10,569
Less: Approved expenditures	2,980	6,374
Balance, ending	11,692	4,195

5. LONG-TERM DEBT

4.4% Newfoundland and Labrador Housing Corporation first mortgage on land and building; repayable in equal monthly installments of \$7,051, interest included, maturing January 2019 and renewable on December 1, 2008.

December 1, 2008, 2.086%, repayable in equal monthly installments of \$6,537.

The aggregate amount of principal payments estimated to be required in each of the next five years is as follows:

φ
53,325
55,967
58,521
61,191
63,983

Interest Subsidy

The Authority has received federal assistance through Central Mortgage and Housing Corporation pursuant to Section 56.1 of the National Housing Act to reduce operating costs, enabling the Authority to provide housing to low and moderate income seniors. The amount of the assistance received from Newfoundland and Labrador Housing in 2009 was \$25,348 (2008-\$25,348)

LABRADOR - GRENFELL REGIONAL HEALTH AUTHORITY ST. ANTHONY INTERFAITH HOME 20 UNIT APARTMENT COMPLEX NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2009

6. REPAIRS AND MAINTENANCE

	<u>2009</u> \$	<u>2008</u> \$
Maintenance and supplies	409	11,355
Salary	13,564	4,313
Snow Clearing	1,593	1,518
	15,566	17,186

- 358 -

AUDITORS' REPORT

FINANCIAL STATEMENTS - JUNE 30, 2008



AUDITORS' REPORT

To the directors of the Labrador School Board

We have audited the balance sheet of the current and capital funds of the Labrador School Board as at June 30, 2008 and the statements of current revenues, expenditures and Board deficit, changes in financial position and changes in capital fund for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Labrador School Board as at June 30, 2008 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles and are in compliance with reporting requirements established for School Districts in the Province of Newfoundland and Labrador by the Department of Education.

Walters Hoffe Chartered Accountants

Happy Valley-Goose Bay, NL August 15, 2008

Balance Sheet

<u>June 30, 2008</u>	2008	2007
Assets		
Current assets: Cash (Supp. Info. 1) Short term investments (Supp. Info. 2) Accounts receivable (Note 2) Prepaid expenses (Supp. Info 3)	\$ 151,388 3,225,000 4,970,853 <u>60,187</u>	100,408 1,680,000 5,363,244 <u>66,733</u>
Total current assets	8,407,428	7,210,385
Property, plant and equipment (Schedule 8)	43,331,756	<u>43,031,692</u>
	<u>\$ 51,739,184</u>	<u>50,242,077</u>
Liabilities and Board Equity		
Current liabilities: Bank indebtedness (Note 3) Accounts payable and accruals (Note 4) Current maturities (Schedules 9B)	\$ 119,687 6,406,041 202,944	169,303 5,170,751 202,943
Total current liabilities	6,728,672	5,542,997
Long-term debt (Schedule 9) Accrued support staff severance Accrued teacher severance	892,193 821,189 5,505,851	1,095,138 805,844 5,347,266
Board equity: Investment in property, plant and equipment (Note 6) Board deficiency (Note 7) Restricted fund - Labrador West School Committee (Note 5)	43,341,077 (5,705,493) <u>155,695</u>	43,041,013 (5,869,585) <u>279,404</u>
Total board equity	37,791,279	<u>37,450,832</u>
Commitments (Note 8)		
Contingent liabilities (Note 10)		

Approved _Director ONIC K Director ء

<u>\$ 51,739,184</u>

50,242,077

Statement of Current Revenues, Expenditures and Board Deficiency

Year ended June 30, 2008	2008	2007
Current revenues (Schedule 1): Local taxation Provincial Government and other grants	\$ 39,024,372	36,920,545
Donations Ancillary services Miscellaneous		- 192,817 _4,613,866
	44,657,411	41,727,228
Current expenditures: Administration (Schedule 2) Instruction (Schedule 3) Operations and maintenance (Schedule 4) Pupil transportation (Schedule 5) Ancillary services (Schedule 6) Interest expenses (Schedule 9C) Miscellaneous expenses (Schedule 7)	1,521,841 34,881,489 5,217,174 2,418,753 179,194 52	1,369,938 33,070,876 4,527,775 2,146,378 180,533 6,910 -
·	44,218,503	<u>41,302,410</u>
23 111 Excess (deficiency) of revenue over expenditure before teacher severance, summer pay and transfer to capital	438,908	424,818
Teacher severance Teacher summer pay	(138,064) (158,585)	55,007 28,042
Transfer to Capital Fund	(29,002)	(<u>9,388</u>)
Net increase (decrease) in board equity	113,257	498,479
Board deficit, beginning of period	(5,869,585)	(6,458,862)
Adjustments (Note 7)	50,835	90,798
Board deficit, ending	<u>\$(5,705,493</u>)	(<u>5,869,585</u>)

Statement of Changes in Capital Fund

Year ended June 30, 2008 2008 2007 70 **Capital Receipt** 71 Proceeds from bank loans 011 School construction \$ 012 Equipment 013 Service vehicles 014 Pupil transportation 015 Other - energy performance contracting -72 **EIC Grants** 011 School construction and equipment 013 Other 73 Donations 011 Cash receipts 012 Non-cash receipts 013 Restricted use ---74 Sale of Capital Assets Proceeds 011 Land 012 Buildings 21,553 013 Equipment 014 Service vehicles 015 Pupil transportation vehicles 016 Other -21,553 -75 Other Capital Revenues 011 Interest on capital fund investments 012 Premiums on debentures 013 Recoveries of expenditures 271,062 015 Insurance proceeds 017 Miscellaneous -271,062 - . **Total Capital Receipts** Transfer from reserve account 77 78 Transfer to/from current fund 29,002 9,389 Total \$ 300,064 30,942

Statement of Changes in Capital Fund (Continued)

Year ended June 30, 2008		2008	2007
80	Capital Disbursements		
81 011 012 013 014 015 016 017	Furniture and equipment - school Furniture and equipment - other Services vehicles	\$ 271,062 29,002 	
82 011 012 013 014	Services vehicles	<u>300,064</u> - - - -	 <u>30,942</u> <u>30,942</u>
83 013	Miscellaneous Disbursements Other		<u></u>
Total Ca	pital Disbursements	<u>\$ 300,064</u>	<u>30,942</u>

Current Revenues

<u>Year e</u>	nded June 30, 2008	2008	2007
Current	Revenues		
31 010 011		^	
011	School taxes	\$ -	· -
32 010	Provincial Government and other Grants		
011	Regular operating grants	6,741,201	6,200,715
012	Special grants (details on bottom of Schedule 1)	4,981,138	4,354,992
013	Payroll tax Salaries and benefits	-	-
017	Directors and assistant directors	443,036	443,971
017	Regular teachers	28,189,945	26,955,732
021	Student assistants	618,342	505,589
022	Substitute teachers	950,501	930,814
030		,	
031	Board owned	2,081,347	1,883,724
032	Contracted	-	-
033	Special needs	-	-
034	Other	336,660	191,804
33 010	Donations		
012	Cash receipts	-	-
013	Non cash receipts	-	
014	Restricted use	• •	-
34 010	Ancillary Services		
011	Revenue from rental of residences	213,480	192,817
015	Interest	101,761	67,070
021		-	-
022	, .	-	-
031 032	Cafeterias	-	-
032	Other		
		<u>\$ 44,657,411</u>	<u>41,727,228</u>

Schedule 1

Schedule 1 (cont'd)

Current Revenues

Year ended June 30, 2008	2008	2007

Special Grants

Native Peoples	\$ 2,322,388	2,217,539
Innu Nation	1,824,063	1,190,546
Mining company	525,000	525,000
Francophone	49,425	49,239
Grenfell	67,182	126,455
Aboriginal education and initiatives	193,080	246,213
Aboriginal education and initiatives	<u> </u>	<u>246,213</u> <u>4,354,992</u>

Administration Expenditures

Ye	ar er	nded June 30, 2008	2008	2007
51	011	Salaries and benefits - director and assistant directors	\$ 443,036	443,971
	012	Salaries and benefits - board office personnel	685,231	620,208 1,653
	013	Office supplies	14,629	15,159
	014	Replacement furniture and equipment	22,957	4,577
	015	Postage	4,768 48,914	(1,174)
	016	Telephone	48,914 10,617	1,340
	017	Office equipment rentals and repairs	10,017	1,040
	018	Bank charges	5,783	4,890
	019	Electricity		-
	021	Fuel	2,414	4,327
	022	Insurance	*j-1	-
	023	Repairs and maintenance (office building)	110,167	97,750
	024	Travel	39,217	76,628
	025 026	Board meeting expenses Election expenses		-
	026	Professional fees	45,347	27,062
	027	Advertising	54,980	39,929
	028	Membership dues	21,057	20,714
	029	Municipal taxes	1,050	1,340
	034	Miscellaneous	(128)	924
	034	Payroll tax	<u>11,802</u>	10,640
	000			•
Tof	al adr	ninistration expenditures	<u>\$ 1,521,841</u>	<u>1,369,938</u>

Schedule 2

.

Instruction Expenditures

Year ended June 30, 2008

Ye	ar e	nded June 30, 2008	2008	2007
	010 011 012 013 013 014 015 016 017 018	Instructional salaries (gross) Teachers' salaries - regular - substitute - board paid - student assistants Augmentation Employee benefits School secretaries - salaries and benefits Payroll tax Other instructional salaries and benefits	\$ 24,112,073 809,911 81,132 530,822 285,000 4,176,311 607,302 26,680 1,171,710	23,190,403 724,222 100,636 434,804 284,999 4,014,326 567,760 25,164 1,119,957
			<u>31,800,941</u>	30,462,271
	040 041 042 043 044	Instructional materials General supplies Library resource materials Teaching aids Textbooks Other (Note 9)	439,207 20,648 136,239 (4,033) <u>1,588,781</u> 2,180,842	476,175 15,300 120,232 59,714 <u>1,186,735</u> <u>1,858,156</u>
52	060	Instructional furniture and equipment		
	061 062	Replacement Rentals and repairs	93,518 <u>106,347</u> 1 <u>99,865</u>	75,198 <u>139,315</u> <u>214,513</u>
52	080	Instructional staff travel:	<u> </u>	<u>_</u>
	080 081 082 083	Program co-ordinators Teachers' travel Inservice and conferences Students travel	143,456 37,741 471,948 653,145	104,101 43,588 370,511 <u>3,268</u> 521,468
52	090 091 092	Other instructional costs Postage and stationery Other - Francophone Board funds - Health and Community living	3,117 10,778 <u>32,801</u>	4,504 9,964
			46,696	14,468
			<u>\$ 34,881,489</u>	<u>33,070,876</u>

Operations and Maintenance Expenditures

<u>Year e</u>	nded June 30, 2008	2008	2007
53 011	Salaries and benefits - janitorial	\$ 1,146,378	1,142,828
012	Salaries and benefits - maintenance	974,604	837,702
013	Payroll tax	36,985	33,358
014	Electricity	405,182	379,194
015	Fuel	478,000	374,576
016	Municipal service fees	64,727	60,188
017	Telephone	119,514	103,002
018	Vehicle operating and travel	49,902	50,225
019	Janitorial supplies	185,367	130,007
021	Janitorial equipment	58,847	74,750
022	Repairs and maintenance - buildings	1,017,060	709,960
023	- equipment	2,674	3,198
024	Contracted services - janitorial	114,850	152,620
025	Snowclearing	137,457	120,790
027	Other - mechanical, water and sewer	156,130	115,342
	- salaries and benefits - computer technologies	267,451	237,878
	- maintenance occupational health and safety	2,046	2,157
	maintenance eccupational health and salety	2,040	2,157
Total Op	erations and maintenance expenditures	<u>\$ 5,217,174</u>	<u>4,527,775</u>

Schedule 4

Pupil Transportation Expenditures

Year	ended	June 30	D, 2008

Operation and Maintenance of Board Owned Fleet		
Salaries and benefits - administration	\$ 163,155	153,506
Salaries and benefits - drivers and mechanics	1,331,215	1,257,432
Payroll tax	22,869	21,876
Debt repayment - interest	66,825	75,068
- principal	36,899	-
Gas and oil	310,057	252,599
Licences	26,231	22,414
Insurance	31,293	35,714
Repairs and maintenance - fleet	189,844	163,304
- building	17,822	6,957
Tires and tubes	27,531	33,375
Heat and light	14,484	5,416
Municipal services	1,094	1,096
Snowclearing	18,448	19,502
Office supplies	2,438	4,183
Travel	23,398	12,396
Professional fees	3,691	1,319
Miscellaneous	1,931	4,466
Telephone	27,047	21,939
Rent	78,975	48,310
Occupational health and safety training	1,418	
	2,396,665	2,140,872
Contracted Services		
Regular transportation	15,982	-
Handicapped	<u> </u>	5,506
il Transportation Expenditures	<u>\$ 2,418,753</u>	2,146,378
	Salaries and benefits - drivers and mechanics Payroll tax Debt repayment - interest - principal Gas and oil Licences Insurance Repairs and maintenance - fleet - building Tires and tubes Heat and light Municipal services Snowclearing Office supplies Travel Professional fees Miscellaneous Telephone Rent Occupational health and safety training	Salaries and benefits - administration\$ 163,155Salaries and benefits - drivers and mechanics1,331,215Payroll tax22,869Debt repayment - interest66,825- principal36,899Gas and oil310,057Licences26,231Insurance31,293Repairs and maintenance - fleet189,844- building17,822Tires and tubes27,531Heat and light14,484Municipal services1,094Snowclearing24,338Travel23,398Professional fees3,691Miscellaneous1,931Telephone27,047Rent78,975Occupational health and safety training1,4182,396,6652,396,665Contracted Services15,982Regular transportation15,982Handicapped6,106

Schedule 5

2007

2008

Ancillary Services

Year e	nded June 30, 2008	2008	2007
55	Ancillary Services	· · · ·	
011	Operation of teachers' residence	\$ 179,194	180,533
013	Janitorial	-	*
031	Cafeterias	-	-
032	Other		
		<u>\$ 179,194</u>	<u>180,533</u>

Schedule 6

Schedule 7

Miscellaneous Expenses

Year ended June 30, 2008	2008	2007
i edi enucu June Ju, 2000	2000	2007

The Board has incurred the following miscellaneous expenses:

57 001 Miscellaneous

<u>\$</u>____

Details of Property and Equipment

Year ended June 30, 2008

			Balance June 30, 2007	Additions	<u>Disposals</u>	Balance June 30, 2008
	id and	sites				
12	210	Land and Sites				
	211	Land and sites	<u>\$ 173,221</u>	<u> </u>		173,221
12	220	Buildings				
12.	221	Schools	35,181,620	271,062	-	35,452,682
	222	Administration	283,947		-	283,947
	223	Residential	2,361,738	-	-	2,361,738
	224	Recreation	-	-	-	-
	225	Other - maintenance	263,899			<u> 263,899</u>
			38,091,204	271,062		38,362,266
12	230	Furniture and equipment	2,852,466			2,852,466
12	240	Vehicles				
	241	Service vehicles				
12	250	Pupil Transportation				
12	251	Land	-	-	-	-
	252	Building	-	<u>-</u>	-	-
	253	Vehicles - buses	1,797,169	-	-	1,797,169
	254	- service	117,632	29,002	-	146,634
	255	Equipment	-	-	-	-
	256	Other				
			1,914,801	29,002		1,943,803
12	260	Miscellaneous Capital				
	261	Other				
Tota	al Prop	perty and Equipment	<u>\$ 43,031,692</u>	<u>300,064</u>		<u>43,331,756</u>

Details of Long-term debt

Year ended June 30, 2008 2008 2007

Bank loans, mortgages and debentures, approved by the Board and the Government of Newfoundland and Labrador

22 210 Loans Other Than Pupil Transportation

<u>Ref.#</u>

211 Bank Loans Prime minus .25%, repayable \$196 monthly, repaid during year	<u>\$</u>	
212 Mortgages , repayable \$ monthly, maturing , repayable \$ monthly, maturing , repayable \$ monthly, maturing	-	- -
Total 212		
213 Vehicles , repayable \$ monthly, maturing , repayable \$ monthly, maturing	-	-
Total 213		
214 Other, repayable \$ monthly, maturing		
Subtotal	-	-
215 Less: Current Maturities		<u> </u>
Total Loans Other Than Pupil Transportation		

Schedule 9

Details of Long-term debt

Year ended June 30, 2008	2008	2007
22 220 Loans - Pupil Transportation		
<u>Ref.#</u>		
221 Vehicle Bank Loans Prime minus .25%, repayable \$3,287 monthly; maturing 2011 Prime minus .25%, repayable \$2,172 monthly; maturing 2013 Prime minus .25%, repayable \$2,517 monthly; maturing 2012 Prime minus .25%, repayable \$1,696 monthly; maturing 2015 Prime minus .25%, repayable \$581 monthly; maturing 2014 Prime minus .25%, repayable \$581 monthly; maturing 2011 Prime minus .25%, repayable \$598 monthly; maturing 2018 Prime minus .25%, repayable \$598 monthly; maturing 2018	\$ 108,468 128,144 120,653 147,543 41,824 116,470 75,363 <u>356,672</u>	147,911 154,207 150,860 167,894 48,794 154,115 82,540 <u>391,760</u>
Subtotal	1,095,137	1,298,081
223 Less: Current Maturities	202,944	202,943
Total Loans - Pupil Transportation	892,193	<u>1,095,138</u>
Total Long-Term Debt	<u>\$ 892,193</u>	<u>1,095,138</u>

Summary of Long-term debt

Year ended June 30, 2008

Description	Rate	Balance June 30, 2007	Loans Obtained <u>During Year</u>	Principal Repayment For Year	Balance June 30, 2008
(A) School construction		\$-	-	-	-
(B) Equipment		-	-	-	-
(C) Service vehicles		-	-	-	-
(D) Other	Prime - 1.25%	-	-	-	-
(E) Bus acquisition	Prime - 0.25%	1,298,081	<u> </u>	202,944	1,095,137
Total Loans		<u>\$ 1,298,081</u>		<u>202,944</u>	1,095,137
Less: Current Maturities				202,944	
Total Loans					<u>\$ 892,193</u>

Schedule of Current Maturities

Year ended June 30, 2008

,

Description		<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
(A)	School construction	-	-	-	-	-
(B)	Equipment	-	-	-	•	-
(C)	Service vehicles	-	• -	-	-	-
(D)	Other	-	-	~	-	-
(E)	Pupil transportation	202,944	202,944	<u>193,080</u>	<u>129,223</u>	<u>93,478</u>
Tota	al	<u>202,944</u>	<u>202,944</u>	<u>193,080</u>	<u>129,223</u>	<u>93,478</u>

Schedule of Interest Expenses

Year ended June 30, 2008	2008	2007	
Description			
012 Capital			
School construction	\$ -	-	
Equipment	-		
Service vehicles	-	-	
Other - teachers' residences	-	755	
Pupil transportation			
Total Capital		755	
013 Current - operating loans - supplier interest charges	102 (<u>50</u>)	146 <u>6,009</u>	
Total current	<u> </u>	<u>6,155</u>	
Total Interest Expense	<u>\$ 52</u>	<u>6,910</u>	

Supplementary Information

June	30, 2008	2008	2007
1.	<u>Cash</u>		
	Current		
11 1 1 1 1 1 1 1 1 1	 Cash on hand Bank - current - savings - Labrador West School Committee Funds in trust - teachers' payroll - non teachers' payroll 	\$ 1,165 48,299 101,924 - -	1,165 - 99,243 - - -
x	Capital		
11 2 [°] 2 [°] 2 [°] 2 [°]	1 Cash on hand 2 Bank - current 3 - savings	- - -	
Total (Cash on Hand and in Bank	<u>\$ 151,388</u>	100,408
2.	Short Term Investments		
	Current		
11 12 12 12	2 Canada Savings Bonds	\$ 3,225,000 - -	1,680,000 - -
	Capital		
11 22 22 22	2 Canada Savings Bonds	-	-
Total Short Term Investments		<u>\$ 3,225,000</u>	<u>1,680,000</u>

Supplementary Information (Continued)

June 30, 2008		0, 2008	2008	2007
3.		Prepaid Expenses		
0.		<u>Current</u>		
	141 142 143 144	Insurance Municipal service fees Supplies Other - WHSCC - travel - miscellaneous	\$ - 16,113 - 7,490 36,584	- 17,240 2,242 - 147 47,104
		Capital		
11	241	Other	•	
			<u>\$ 60,187</u>	<u>66,733</u>

Notes to the Financial Statements

June 30, 2008

1. Summary of significant accounting policies:

The accompanying financial statements have been prepared on a fund accounting basis which is generally accepted for School Boards. Fund accounting can be defined as "accounting procedures in which a self-balancing group of accounts is provided for each fund". It is customary for School Boards to account separately for the current and capital funds.

A summary of significant accounting policies adopted by the Board, relating to their use of fund accounting, is as follows:

- (a) Grants received by the Board are recorded in either the current or capital funds, depending on their source. Grants from the Department of Education are treated as current revenue while those from the Newfoundland and Labrador Education Investment Corporation are mostly recorded as capital revenues.
- (b) Land, buildings and equipment are recorded in the accounts based on the carrying values on the balance sheets of the former school Boards upon amalgamation at January 31, 1997.
- (c) The Board does not calculate or record amortization on any of its fixed assets.
- (d) As a result of the amalgamation of former school boards to form the Labrador School Board, described below, historical cost information related to property, plant and equipment is not always available.

In instances where the historical cost of a capital asset is unknown, only the proceeds received on the disposition of the property, plant and equipment are credited to the property, plant and equipment account.

If the historical cost of a property, plant and equipment is known, the disposition of the capital asset is recorded by removing the full cost of the asset from the property, plant and equipment account.

- (e) All capital expenditures financed out of current revenue funds are recorded as an expenditure in the current account.
- (f) Principal repayment of Pupil Transportation Loans are recorded as current expenditures. All other principal repayment of bank loans are recorded as capital expenditures.

Severance Pay

The Board has in effect severance pay policies whereby employees are entitled to a severance payment upon leaving employment with the Board. Under these policies, a permanent employee who has nine (9) or more years of continuous service in the employ of the School Board is entitled to be paid on resignation, retirement, termination by reasons of disability, expiry of recall rights, or in the event of death, to the employee's estate, severance pay equal to the amount obtained by multiplying the number of completed years of continuous employment by his weekly salary to a maximum of twenty (20) weeks pay. This liability for severance pay has been accrued in the accounts for all employees who have a vested right to receive such payments.

Severance pay for teachers is paid through the Department of Education.

Notes to the Financial Statements

June 30, 2008

1. Summary of significant accounting policies (continued):

Other

Effective January 1, 1997, the Labrador School Board was formed through the amalgamation of the Labrador West Integrated School Board, the Labrador East Integrated School Board and the Roman Catholic School Board for Labrador. The amalgamation was accounted for using the pooling of interests method whereby the assets and liabilities of each School Board were combined to become the assets of the new Labrador School Board.

2. Accounts Receivable:

2.	Acco	bunts Receivable:	2008	2007
		Current	<u></u>	
11	131	Provincial Government Grant	\$ 4,704,775	5,124,019
	132	Transportation	-	-
	133	Federal Government	108,556	105,479
		School taxes	-	-
	136	Other School Boards	-	-
	137	Rent	-	-
	138	Interest	-	122 746
	139	Travel advances and miscellaneous	157,522	133,746
		Capital		
11	231	EIC - construction grants	-	-
	233	Local contributions	-	-
	234	Other School Boards	-	-
	235	Other - Department of Education		
			4,970,853	5,363,244
		Less allowance for uncollectible Government grants	. •	
			<u>\$ 4,970,853</u>	<u>5,363,244</u>
~	Dam	k Indebtednese - Currenti		
3.	вап	k Indebtedness - Current:	<u>2008</u>	2007
21	131	On operating credit	\$ -	-
	132	On current account	119,687	<u>169,303</u>
			<u>\$ 119,687</u>	<u>169,303</u>

Notes to the Financial Statements

June 30, 2008

4. Payables and accruals:

	-		2008	2007
		Current		
21	111 112 113 114 115 116 117 119 122	Trade payables Accrued - liabilities - interest - wages Payroll deductions Retail sales tax Deferred grants Summer pay - teachers Department of Education	\$ 542,232 10,700 75,136 126,054 2,158,333 3,493,586	464,996 10,700 - 131,968 45,535 - 1,162,030 3,355,522
21	211 212 213 217 218	<u>Capital</u> Trade payables Accrued - liabilities - interest Deferred grants Other	- - - - <u>-</u> - <u>-</u> - - - - - - - -	- - - - - - - - - - - - - - - - - - -
5.	Rest	ricted fund:	<u>2008</u>	<u>2007</u>
		Labrador West School Committee	<u>\$ 155,695</u>	<u>279,404</u>

The restricted surplus represents unexpended funding set aside for the benefit of the Labrador West School Committee. The available funds must be spent in Labrador West.

Notes to the Financial Statements

June 30, 2008

6. Investment in Property, plant and equipment:	<u>2008</u>	<u>2007</u>
Balance, beginning: As previously reported	\$ 43,041,013	42,514,146
Transfer of operating funds to capital fund	-	9,388
Principal repayment of housing loan	-	30,942
Proceeds from bussing loans - net	-	505,290
Addition to schools	271,062	-
Purchase of service vehicle	29,002	28,247
	43,341,077	43,088,013
Deduct adjustments:		
Cost of assets sold - land - buildings - buses - service vehicles	- - -	47,000
23 221 Balance, ending	<u>\$ 43,341,077</u>	<u>43,041,013</u>

Notes to the Financial Statements

June 30, 2008

7. Board Deficit:

	2008	<u>2007</u>
Balance, beginning: As previously reported	\$(5,869,585)	(6,458,862)
Adjustments in current year: Correction re prior year Transfer from deferred revenue - NL Hydro Transfer of deficit to North Coast Housing Program Accrued severance related to Innu agreement Transfer of funds related to fuel tank replacements Other adjustments - receivables Excess (deficiency) of revenue over expenditures	- 15,000 8,520 18,929 <u>8,386</u> (5,818,750) <u>113,257</u>	(152) 14,189 65,000 - - - (6,368,064) <u>498,479</u>
Balance, ending	<u>\$(5,705,493</u>)	(<u>5,869,585</u>)
The Board deficit is comprised as follows:		
Deficit upon amalgamation at January 1, 1997	\$(504,281)	(504,281)
Deficit related to teachers' severance (responsibility of Provincial Government)	(5,505,851)	(5,347,266)
Surplus (deficit) attributable to Board operations since amalgamation	304,639	(<u>18,038</u>)
Board deficit, end of year	<u>\$(5,705,493</u>)	(<u>5,869,585</u>)

8. Commitments:

At balance sheet date, the Board had the following commitments:

The Board has entered into lease agreements with estimated future payments to the next three years as follows:

2009	\$ 32,460
2010	15,660
2011	2,610

Notes to the Financial Statements

June 30, 2008

9. Other Instructional Materials:

	2008	2001
Native Peoples	\$ 54,746	23,403
Labrador Studies	37,450	17,303
Modern Technology	126,258	120,258
Teacher Orientation - North Coast	5,160	3,756
Creative Arts Festival	30,890	30,612
Lifeskills Program	20,633	13,965
Special Projects - Housing	471,956	348,724
Innu - Sheshatshiu	158,556	6,305
Labrador North Sports Meet	38,099	30,082
Mushuau Innu Natuashish	413,842	412,334
Grenfell Library Program	67,144	62,510
Labrador West Funds	66,463	49,509
Music Supplies	75,686	57,514
Stepping Into the Future	<u> </u>	10,460
	<u>\$ 1,588,781</u>	<u>1,186,735</u>

2008

2007

10. Contingent liabilities

The Lavers Inquiry is currently investigating allegations of abuse at schools formerly run by various churches in certain parts of Labrador. The possibility or magnitude of any resulting liability arising to the Board is not known.

A former Board employee has grieved termination of employment as wrongful dismissal and the union is seeking reinstatement with full restitution. This case has not yet proceeded to arbitration.

There is a potential claim by an engineering firm related to consulting fees for supervision of a general contract to replace oil tanks. It is unknown if this claim will be further pursued by this firm. The amount of the claim cited by the firm is \$7,267. There has been no recognition of this amount in these financial statements.

A human rights complaint has been filed against the Board. A response to this complaint has been filed on behalf of the Board. The Board is awaiting a determination by the Human Rights Commission as to whether the complaint will be referred to a Board of Enquiry.

Notes to the Financial Statements

June 30, 2008

11. Other:

At balance sheet date the Board was in the process of compiling information related to its capital assets which will allow it to change its accounting policy related to the reporting of capital assets.

When the change in the accounting policy is implemented, the Board will record amortization of its tangible capital assets in accordance with Public Sector Accounting Board standards.

Complete information to implement this change in policy for the year ended June 30, 2008 was not available at the date of these financial statements. It is anticipated that this change in accounting policy will be implemented for the year ending June 30, 2009.

AUDITORS' REPORT

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FINANCIAL STATEMENTS - DECEMBER 31, 2008

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AUDITORS' REPORT

To the Board of Directors of

Labrador School Board Trust Fund

We have audited the statement of financial position of Labrador School Board Trust Fund as at December 31, 2008 and the statement of operations for the year then ended. These financial statements are the responsibility of the Trust Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects; the financial position of the Trust fund as at December 31, 2008 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Happy Valley-Goose Bay, NL May 8, 2008

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Chartered Accountants

Statement of Financial Position

December 31, 2008

		2008	2007
Assets			
Current assets:			
Cash	\$	14,746	10,221
Receivables - HST	-		1,350
	\$_	14,746	11,571
Liabilities and Net Assets			
Current liabilities;			
Accrued professional fees	\$	600	1,000
Frust equity:			
Balance, opening		10,571	23,341
Excess (deficiency) of revenue over expenditures,			
per accompanying statement	-	3,575	(12,770)
Balance, ending	-	14,146	10,571
	\$	14,746	11,571

See accompanying note Approved: Director د__ lu Director

Statement of Operations

Year ended December 31, 2008

		2008	2007
Revenue:			
Donations	\$	5,300	35,000
Interest	-	299	1,822
	-	5,599	36,822
Expenditures:			
Library resources		90	45,564
Scholarships		1,750	3,000
Professional fees		170	500
Donations		-	500
Bank service charges	-	14	28
	-	2,024	49,592
Excess (deficiency) of revenue over expenditures	\$_	3,575	(

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Note to the Financial Statements

December 31, 2008

1. Nature of the operations:

The Labrador School Board Trust Fund was established to encourage donations from the business community and individuals to assist with the provision of scholarships, the purchase of additional classroom resources, the broadening of the educational curriculum and to assist students to avail of greater academic opportunities.

- 394 -

LIVESTOCK OWNERS COMPENSATION BOARD

LIVESTOCK OWNERS COMPENSATION FUND

FINANCIAL STATEMENTS

MARCH 31, 2009



OFFICE OF THE AUDITOR GENERAL St. John's, Newfoundland and Labrador

AUDITOR'S REPORT

To the Board of Directors Livestock Owners Compensation Board Corner Brook, Newfoundland and Labrador

I have audited the balance sheet of the Livestock Owners Compensation Board, Livestock Owners Compensation Fund as at 31 March 2009 and the statement of revenues, expenses and deficit for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are tree of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Livestock Owners Compensation Board, Livestock Owners Compensation Fund as at 31 March 2009 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

JOHN L. NOSEWORTHY, CA Auditor General

St. John's, Newfoundland and Labrador 1 June 2009

LIVESTOCK OWNERS COMPENSATION BOARD LIVESTOCK OWNERS COMPENSATION FUND **BALANCE SHEET**

31 March		2009		2008
ASSETS				
Current				
Cash Accounts receivable	\$	11,732 1,200	\$	15.140 900
	<u>\$</u>	12,932	S	16,040
LIABILITIES AND EQUITY				
Current				
Accounts payable and accrued liabilities	\$	1,203	<u> </u>	1,048
Equity				
Contributions – Province of Newfoundland and Labrador Deficit		78,895 (67,166)		78,895 (63.903)
		11,729		14,992
	\$	12.932	<u>\$</u>	16,040

See accompanying notes

Signed on behalf of the Board:

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Chairperson

Hendelle Member

LIVESTOCK OWNERS COMPENSATION BOARD LIVESTOCK OWNERS COMPENSATION FUND

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STATEMENT OF REVENUES, EXPENSES AND For the Year Ended 31 March	D DEFICIT 2009	2008
REVENUES		
Province of Newfoundland and Labrador		
Payments on behalf of the Board		
for administration (Note 2)	\$ 8,145	\$ 6,922
Premiums from livestock owners	909	995
	9,054	7,918
EXPENSES		
Bad debt expense		23
Bank charges	31	30
Indemnity claims	4,141	3,178
Professional services (Note 2)	1,500	1,200
Salaries (Note 2)	6,645	5.722
	12.317	10.153
Excess of expenses over revenues	(3,263)	(2,235)
Deficit, beginning of year	(63,903)	(61.668)
Deficit. end of year	\$ (67,166)	<u>\$ (63.903)</u>

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LIVESTOCK OWNERS COMPENSATION BOARD LIVESTOCK OWNERS COMPENSATION FUND NOTES TO FINANCIAL STATEMENTS 31 March 2009

Authority

The Livestock Owners Compensation Board (the Board) operates under the authority of the *Livestock Insurance Act*. The purpose of the Board is to operate the Livestock Owners Compensation Fund to provide insurance to farmers of the Province to restrict the amount of livestock loss. Its affairs are managed by a Board of Directors appointed by the Lieutenant-Governor in Council. These statements are a representation of the activities of the Livestock Owners Compensation Fund.

1. Significant accounting policies

These financial statements have been prepared by the Board's management in accordance with Canadian generally accepted accounting principles. The Board does not prepare a statement of cash flows since the changes in cash flows are readily apparent from the other statements.

2. Payments on behalf of the Board for administration

The Board is administered by employees of the Department of Natural Resources. Salary costs of \$6,645 (2008 - \$5,722) and other costs of \$1,500 (2008 - \$1,200) applicable to the operation of the Board have been paid by the Department and are reflected in these financial statements as expenses of the Board and as revenue from the Province.

3. Economic dependence

As a result of the Board's reliance on Provincial funding to meet its administrative costs, the Board's ability to continue viable operations is dependent upon continued funding from the Province.

4. Financial instruments

The Board's financial instruments recognized on the balance sheet consist of cash, accounts receivable, and accounts payable and accrued liabilities. The carrying values of these instruments approximate current fair value due to their nature and the short-term maturity associated with them.

5. Income taxes

The Board is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.

- 400 -

FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 2009



50 Main Street P.O. Box 4 Corner Brook, NL A2H 6C3 709 634 1590 709 634 1599 fax

AUDITORS' REPORT

To the Shareholders of Marble Mountain Development Corporation

We have audited the balance sheet of Marble Mountain Development Corporation as at April 30, 2009 and the statements of operations, deficit and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at April 30, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Corner Brook, Newfoundland and Labrador June 10, 2009

Belonger Clarke Follet & Malrette an

CHARTERED ACCOUNTANTS

MARBLE MOUNTAIN DEVELOPMENT CORPORATION Balance Sheet As at April 30, 2009

		2009	2008	
Assets	a.			
Current				
Cash	\$	7 100	•	• • (-
Accounts receivable	4	7,139	\$	2,040
Inventory (Note 2)		92,217 48,220		83,596
Prepaid expenses		79,779		34,976
		13,113		81,754
		227,355		202,366
Capital assets (Notes 2, 3)	1	7,466,031		17,787,836
Deferred charges (Note 2)		24,497		24,408
	<u>\$ 1</u>]	7,717,883	\$	18,014,610
Liabilities				
Current				
Bank indebtedness (Note 4)			_	
Accounts payable and accrued liabilities (Note 5)	\$ 1	1,890,789	\$	1,778,571
Current portion of obligations under capital lease (Note 6)		354,589		335,076
Deferred revenue		143,300		120,705
Current portion of long term debt (Note 15)		13,000		13,630
	-	13,967		32,330
ong term debt (Note 15)	2	415,645		2,280,312
		286,033		267,670
Obligations under capital lease (Note 6)		273,426		116,265
Deferred government assistance (Notes 2, 7)	5	,791,833		6,085,611
	8	,766,937		8,749,858
hareholders' equity				
Contributed surplus	22	730.703		0 990 700
Deficit		,779,757)		22,330,703
		950,946		<u>13,065,951)</u>
				9,264,752
	<u>s 17,</u>	717,883	<u>Ş</u> 1	8,014,610

Lease committments (Note 10)

On behalf of the Board n Director Director

MARBLE MOUNTAIN DEVELOPMENT CORPORATION Statement of Deficit

	2009	2008
Deficit - beginning of year		
As previously reported	\$ (13,065,951)	\$ (906,668)
Prior period adjustment (Note 14)	(10,763)	(11,508,429)
As restated	(13,076,714)	(12,415,097)
Excess of revenue over expenditure	199,507	273,413
	(12,877,207)	(12,141,684)
Amortization	902,550	924,267
Deficit - end of year	\$ (13,779,757)	\$ (13,065,951)

Statement of Operations

		2009		2008
Income(loss) from operations				
Lift Operations (Schedule 1)	S	(311,954)	\$	(332,188)
Rental and Repair Shop (Schedule 2)	•	165,161	Ψ	255,170
Cafeteria (Schedule 3)		49,586		86,277
Bar (Schedule 4)		73,583		70,841
Ski School (Schedule 5)		28,679		74,458
Events (Schedule 6)		41,735		19,842
Marketing (Schedule 7)		(127,408)		(90.693)
Marble Villa (Schedule 8)		192,253		149,331
Operating grant (Note 8)		400,000		400,000
Interest income		712		1,515
		/ 16	<u></u>	1,515
		512,347		634,553
Expenses				
Bad debts		2,732		-
Directors fees (Note 12)		3,940		11,055
Advertising		578		801
Labour services		184,306		188,914
Management fees (Note 12)		-		790
Administration		12,809		14,846
Communications		7,288		5,913
Travel and conference		7,855		5,673
Interest on capital leases		25,979		22,324
Interest and bank charges		54,387		96,151
Professional fees		7,981		11,236
Board and committee meetings		3,627		1,777
Miscellaneous		1,358		1,660
		312,840		361,140
Excess of revenue over expenditure	\$	199,507	\$	273,413

Statement of Cash Flows

	2009	2	008
Cash flows from operating activities			
Cash receipts from customers	\$ 2,634,849	. ,	796,807
Cash paid to suppliers and employees	(2,733,683)	• *	750,618)
Interest paid	(123,468)	(158,784)
Prior period adjustment	(10,763)		-
Interest received	712		1,515
Cash flow used by operating activities	(232,353)	(111,080)
Cash flows from investing activities			
Purchase of capital assets	(552,400)		(79,852)
Proceeds on disposal of capital assets	21,841		4,994
Cash flow used by investing activities	(530,559)		(74,858)
Cash flows from financing activities			
Bank indebtedness	112,218	(108,852)
Repayment of obligations under capital lease	(144,207)	(111,769)
Operating grant	400,000		400,000
Capital grant	400,000		-
Cash flow from financing activities	768,011		179,379
Increase (decrease) in cash flow	5,099		(6,559)
Cash - beginning of year	2,040		8,599
Cash - end of year	\$ 7,139	\$	2,040
-			
Cash consists of:			
Cash	<u>\$ </u>	\$	2,040

MARBLE MOUNTAIN DEVELOPMENT CORPORATION Notes to Financial Statements Year Ended April 30, 2009

1. General

The Corporation is a "Non-Profit Development Corporation" incorporated under the Corporations Act of Newfoundland and Labrador. Its affairs are managed by a Board of Directors appointed by the Lieutenant Governor in Council. The Province of Newfoundland and Labrador holds 100% of the issued common shares.

2. Summary of significant accounting policies

Revenue Recognition

We recognize revenues when they are earned, specifically when all the following conditions are met:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- our ability to collect is reasonably assured.

Inventory

Inventory is valued at the lower of cost and net realizable value.

Capital assets

Capital assets purchased by the Corporation are accounted for at cost. Donated assets are recorded at the estimated fair market value. Amortization is provided for on a straight-line basis over the estimated life of the assets as follows:

Buildings	15-40 years
Vehicles	3-20 years
Computer equipment	3 years
Furniture & fixtures	5 years
Rental equipment	3 years
Signs	5 years
Lifts	30 years
Area improvements	30 years
Equipment under capital	10 years
lease	

Deferred charges

Deferred charges represent the unamortized cost of purchasing uniforms for snow school instructors. Amortization of the deferred charge is provided on the straight-line basis over 3 years and is recorded as ski patrol expense in lift operations.

(continues)

2. Summary of significant accounting policies (continued)

Government assistance and other contributions

Provincial government grants and other contributions related to the acquisition of capital assets are accounted for as contributed surplus. Federal government grants and other contributions related to the acquisition of capital assets are recorded as deferred government grants and amortized to income in relationship to the amortization of the asset involved. Government assistance and other contributions related to capital assets retired from service are credited against the related capital asset in the year of retirement.

Government grants related to operations are accounted for as revenue or as a reduction of the expense to which the grant relates.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include providing for amortization of capital assets and goodwill. Actual results could differ from these estimates.

3. Capital assets

	 Cost	Accumulated amortization	 2009 Net book value	 2008 Net book value
Buildings Vehicles Computer equipment Furniture and fixtures Rental equipment Signs Lifts Area improvements Equipment under capital lease	\$ 10,607,249 5,535,464 19,658 797,623 253,578 106,541 4,932,665 12,259,258 850,525	\$ 3,740,896 3,993,787 7,026 740,822 175,532 106,541 2,581,457 6,377,758 172,711	\$ 6,866,353 1,541,677 12,632 56,801 78,046 - 2,351,208 5,881,500 677,814	\$ 7,092,973 1,737,592 2,812 53,578 65,315 2,331,500 6,078,144 425,922
	\$ 35,362,561	\$ 17,896,530	\$ 17,466,031	\$ 17,787,836

4. Bank indebtedness

	2009	2008	
Outstanding cheques in excess of funds on deposit Line of credit	\$	\$	
	<u>\$ 1,890,789</u>	\$ 1,778,571	

The line of credit is authorized in the amount of \$2,100,000 and bears interest at the rate of bank prime less .5%. It is secured by a Provincial Government guarantee and letter of indemnity and overdraft agreement signed by the Board of Directors.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION Notes to Financial Statements Year Ended April 30, 2009

5. Accounts payable and accrued liabilities

			2009	 2008
·	Trade Harmonized Sales Tax payable Payroll deductions payable Wages payable	\$	333,487 996 14,747 5,359	\$ 289,027 3,648 37,312 5,089
		<u>\$</u>	354,589	\$ 335,076
6.	Obligations under capital lease			
			2009	 2008
	Leascor Equipment Financing Inc. lease bearing interest at 8.6% per annum, repayable in monthly blended payments of \$5,671. The lease matures on July 31, 2009 and is secured by a charge over specific equipment.	\$	22,298	\$ 85,449
	Alter Moneta Leasing lease bearing interest at 6.76% per annum, repayable in monthly blended payments of \$5,504. The lease matures on November 30, 2010 and is secured by a charge over specific equipment.		93,960	151,521
	National Leasing lease bearing interest at 8.45% per annum, repayable in monthly blended payments of \$6,166. The lease matures on November 30, 2013 and is secured by a charge over specific equipment.		280,376	
	National Leasing lease bearing interest at 10.835% per annum, repayable in monthly blended payments of \$753. The lease matures on December 1, 2012 and is secured by a charge over specific equipment.		20,092	
			416,726	236,970
	Amounts payable within one year		(143,300)	 (120,705)
		<u>\$</u>	273,426	\$ 116,265
	Future minimum capital lease payments are approximately:			
	2010	\$.	143,300	
	2011	* ·	97,211	
	2012		66,917	
	2013 2014		67,326 41,973	
	Total minimum lease payments	5	416.726	

MARBLE MOUNTAIN DEVELOPMENT CORPORATION Notes to Financial Statements Year Ended April 30, 2009

7. Deferred government assistance - capital assets

	2009	2008
Balance, at beginning of year Less: amount transferred to income by reduction of	\$ 6,085,611	\$ 6,362,146
amortization expense for the year	(293,778)	(276,535)
Balance, at end of year	<u>\$ </u>	\$ 6,085,611

8. Government assistance and other contributions - operations

Province of Newfoundland and Labrador - Operating grant

For the year ended April 30, 2009, an administrative operating grant of \$400,000 (2008 - \$400,000) was approved and received. For the year ended April 30, 2009, a capital grant of \$400,000 (2008 - Nil) was received and recorded as contributed surplus.

The above administrative operating grant is subject to the terms and conditions as outlined in the contribution agreement

9. Income taxes

The Corporation is a not-for-profit corporation wholly owned by the Province of Newfoundland and Labrador and as such is not subject to Federal and Provincial income taxes under the Canadian Income Tax Act.

10. Lease committments

The Corporation leases equipment under long-term operating leases which expire at various times between 2009 and 2010. The future minimum lease payments required under these long-term leases are approximately as follows:

2010	\$ 6,462
2011	2,398
	<u>\$ 8.860</u>

11. Contingent liability

As at April 30, 2009, a supplier had claimed that the Corporation owed it approximately \$70,005 for services rendered. The Corporation's management feels the claim is unfounded and the likelihood of any loss resulting therefrom is undeterminable. Therefore, the Corporation has not recorded a provision for losses that may result from the claim.

12. Related party transactions

During the year ended April 30, 2009, a management fee was paid to the Chairperson of the Board of Directors in the amount of \$Nil (2008 - \$790). In addition, director's fees of \$3,940 (2008 - \$11,055) were paid in aggregate to the Board of Directors of the Corporation.

13. Financial instruments

The Corporation's financial instruments consist of cash, accounts receivable, bank indebtedness, accounts payable and accrued liabilities, deferred revenue, obligations under capital leases, and long-term debt. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

14. Prior period adjustments

Prior period adjustments are the result of additional transactions recorded in the general ledger after the 2008 audited financial statements were completed.

15. Long term debt

	·	2009	 2008
Department of Innovation, Trade and Rural Development loan, non-interest bearing and repayable in annual installments based on 20% of available cash flow. Due 2015.	\$	300,000	\$ 300,000
Amounts payable within one year		(13,967)	 (32,330)
	<u>s</u>	286,033	\$ 267,670
Principal repayment terms are approximately:			
2010	\$	13,967	

The above long term debt is secured by a chattel mortgage on specific equipment. Long term debt repayments required to meet retirement provisions are based on available cash flow which is defined as net profit plus amortization less principal payments on long-term debt and capital leases. The Corporation has until 2015 to repay the loan in full.

16. Changes in non-cash working capital

	477 March 100	2009	-	2008
Accounts receivable Inventory Accounts payable Prepaid expenses Deferred revenue	\$	(8,621) (13,244) 19,513 1,975 (630)	\$	18,315 1,384 25,347 (2,594) (2,539)
	\$	(1,007)	\$	39,913

17. Comparative figures

The prior year comparative figures were audited by another firm of chartered accountants.

Lift Operations

Year Ended April 30, 2009

(Schedule 1)

	2009		2008
Revenue			
Lift tickets	\$ 570,30	0\$	703,024
Season passes	581,61		525,500
Tenant-revenue	31,39		14,912
Children's centre	9,51		14,899
Facilities rental	64		440
Miscellaneous - Lifts	1,28		2,361
	1,194,75	6	1,261,136
Expenditures			
Management contract Snowmaking	92,40	0	103,575
Electricity	118,35	3	123,340
Labour services	37,72		28,173
Equipment maintenance	35,87		45,814
Vehicle operating			
Repairs	52,66	8	57,609
Fuel	53,35	5	79,793
Lift repairs	97,39	1	177,850
Maintenance			
Equipment	70	1	451
Building	62,41	2	46,210
Slopes	54,15		33,703
Labour services	395,49	Ð	420,610
Heating and electricity	123,12	3	119,998
Insurance	117,33	3	118,879
Ski patrol	85,38	3	77,946
Supplies	30,63	1	24,001
Municipal fees	13,38	5	22,006
Interest and bank charges	40,17		34,971
Security	38		1,479
Children's centre	18,29)	22,831
Miscellaneous	19,064	ŧ	17,699
Snowclearing	15,72		8,801
Communications	15,16	1	7,147
Equipment rental	22,56		19,887
Uniforms	4,954	<u> </u>	55 1
	1,506,710)	1,593,324
Loss from operations	<u>\$ (311,954</u>) \$	(332,188)

Rental and Repair Shop

(Schedule 2)

	2009		2008	
Revenue	<u>\$ 231,829</u>	\$	327,791	
Expenditures				
Labour services	64,865		66,980	
Supplies	411		4,101	
Miscellaneous	(73)		249	
Communications	590		416	
Equipment rental	875	-	875	
	66,668		72,621	
Income from operations	<u>\$ 165,161</u>	\$	255,170	

Cafeteria

Year Ended April 30, 2009

(Schedule 3)

	2009	2008
Revenue	\$ 290,936	\$ 341,732
Cost of sales	123,744	137,932
Gross profit	167,192	203,800
Expenditures Repairs and maintenance Miscellaneous Supplies Communications Labour services	2,891 519 13,700 383 100,113	408 446 14,052 240 102,377
Income from operations	<u> </u>	<u>117,523</u> \$ 86,277

Bar

(Schedule 4)

·	2009	2008
Revenue	\$ 159,762	\$ 172,626
Cost of sales	45,809	56,677
Gross profit	113,953	115,949
Expenditures Entertainment Repairs and maintenance Labour services Communications Security Special events Supplies Licenses and fees	8,798 459 26,857 157 594 2,407 878 220	8,300 696 31,959 191 727 2,399 420 416
	40,370	45,108
Income from operations	\$ 73,583	\$ 70,841

Ski School

(Schedule 5)

	2009	2008
Revenue	<u>\$ 139,223</u>	\$ 198,745
Expenditures		
Labour services	95,904	109,821
Training	3,564	2,848
Supplies	3,942	700
Computer lease	366	366
Miscellaneous	576	1,592
Krunchers Club	5,685	8,476
Communications	507	484
	110,544	124,287
Income from operations	<u>\$ 28,679</u>	\$ 74,458

Events

(Schedule 6)

	2009	 2008
Revenue	\$ 223,050	\$ 130,410
Cost of sales	 62,006	 34,444
Gross profit	 161,044	 95,966
Expenditures Labour services Maintenance Supplies Miscellaneous Interest and bank charges Communications	 102,711 1,550 6,611 3,255 4,415 767	 63,091 704 3,977 2,125 5,337 890
Income from operations	\$ <u>119,309</u> 41,735	\$ <u>76,124</u> 19,842

Marketing

(Schedule 7)

	2009	2008
Revenue		
Sponsorships	\$ 40,211	\$ 39,726
Advertising	19,950	22,400
	60,161	62,126
Expenditures	•	
Advertising Television	22,100	11 561
Print	33,129 6.841	11,561 9,285
Radio	35,595	9,200 38,631
Internet	2,250	2,567
Website	29,745	17,775
Marketing campaign	1,020	5,307
UK/International marketing	34	-
Labour services	43,522	42,384
Communications	4,050	4,242
Complimentary Marble Villa rooms	8,908	5,335
Membership fees	2,322	2,394
Travel and meetings	60	413
Ski shows and familiarization tours	7,358	5,455
Office and postage	43	108
Supplies	12,692	7,362
	187,569	152,819
Loss from operations	\$ (127,408)	\$ (90,693

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Marble Villa

(Schedule 8)

Year Ended April 30, 2009

	2009	2008
Revenue	\$ 367,11	5 \$ 286,465
Expenditures		
Housekeeping	20.05	e 01.001
Heat and light	30,05	
Repairs and maintenance	33,41	
Labour services	43,11	
Security wages	16,68	
Common area expenses	9,39	
Insurance	7,87	,
Communications	6,80	-,
Cable television	5,49	
Supplies	5,63	·
Miscellaneous	6,83	
Marketing	1,84	N= - /
Laundry	1,50	· · · -
an on an i suit y	6,01	<u>6</u> 10,691
	174,86	2 <u>137,134</u>
Income from operations	<u>\$ 192,25</u>	3 \$ _149,331



Consolidated Financial Statements with Supplementary Schedules

Year Ended March 31, 2009

AUDITORS' REPORT

To the Board of Regents of Memorial University of Newfoundland

We have audited the consolidated statement of financial position of **Memorial University of Newfoundland** (the "University") as at March 31, 2009 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the University as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

St. John's, Canada, June 4, 2009.

Ernst * young UP

Chartered Accountants

Statement 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31 (thousands of dollars)

	2009	2008
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	18,633	50,626
Short-term investments	60,799	15,058
Accounts receivable	45,939	41,965
Accrued interest receivable	3,964	2,134
Inventory and prepaid expenses	5,963	6,191
Total current assets	135,298	115,974
Long-term receivable	2,991	3,074
Investments [note 6]	61,783	64,419
Capital assets, net [note 4]	167,611	168,989
	367,683	352,456

LIABILITIES, DEFERRED CONTRIBUTIONS AND NET ASSETS

Current		
Bank indebtedness [note 8]	19,028	5,075
Accounts payable and accrued liabilities	19,322	20,280
Deferred revenue	21,782	19,566
Current portion of employee future benefits [note 11]	12,396	10,371
Current portion of long-term debt [note 7]	826	763
Total current liabilities	73,354	56,055
Long-term debt [note 7]	744	1,036
Derivative liability [note 8]	3,460	-
Employee future benefits [note 11]	82,750	99,564
Total liabilities	160,308	156,655
Deferred contributions [note 5]	200,692	202,323
Net assets		
Net assets restricted for endowment purposes	60,399	60,002
Unrestricted net assets	(53,716)	(66,524)
Net total surplus (deficiency)	6,683	(6,522)
	367,683	352,456

See accompanying notes to consolidated financial statements Contingencies [note 10]

On behalf of the Board: Kebert E S lous 0

Chair of the Board of Regents

Chair of the Finance Committee

CONSOLIDATED STATEMENT OF OPERATIONS

Year ended March 31 (thousands of dollars)

	2009	2008
_	\$	\$
REVENUE		
Government grants	315,105	284,792
Student fees	54,788	54,190
Other revenue	36,598	32,039
Amortization of deferred capital contributions	24,477	20,801
Sales and services	16,958	16,361
Investment (loss) income [note 6]	(4,329)	2,899
	443,597	411,082
EXPENSES		
Salaries	242,012	217,802
Employee benefits	42,087	37,765
Materials and supplies	32,207	30,386
Utilities	23,586	22,162
Amortization of capital assets	23,528	20,926
Scholarships, bursaries and awards	21,942	19,813
Repairs and maintenance	19,552	17,434
Travel and hosting	16,282	14,188
Other operating expenses	13,789	16,983
Externally contracted service	12,527	13,367
Professional fees	12,443	12,801
Interest expense	3,815	362
Equipment rentals	2,675	2,249
Employee future benefits	(14,789)	10,393
External cost recoveries	(18,441)	(17,516)
	433,215	419,115
Excess of revenue over expenses (expenses over revenue)	10,382	(8,033)

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

As at March 31 (thousands of dollars)

	Restricted for Endowment Purposes \$	Unrestricted \$	2009 \$	2008 \$
Balance, beginning of year	60,002	(66,524)	(6,522)	(2,907)
Excess of (expense over revenue) revenue over expense	(2,426)	12,808	10,382	(8,033)
Endowment contributions	2,823	-	2,823	4,418
Balance, end of year	60,399	(53,716)	6,683	(6,522)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended March 31 (thousands of dollars)

	2009	2008
-	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenses (expenses over revenue)	10,382	(8,033)
Add (deduct) items not involving cash:		
Amortization of capital assets	23,528	20,926
Net increase (decrease) in deferred contributions		
related to expenses of future periods	4,299	(796)
(Decrease) increase in long-term portion of employee		
future benefits	(16,814)	9,727
Increase in current portion of employee future benefits	2,025	470
Amortization of deferred capital contributions	(24,477)	(20,801)
Loss on disposal of capital assets	1,905	208
Increase in derivative liability	3,460	-
Reduction in long-term receivable	83	-
Unrealized loss on investments	8,534	3,605
Change in non-cash working capital	(4,318)	20,799
Cash provided by operating activities	8,607	26,105
INVESTING ACTIVITIES		
Capital assets acquired	(24,055)	(29,843)
Increase in short-term investments	(45,741)	(210)
Increase in investments	(5,898)	(3,622)
Cash used in investing activities	(75,694)	(33,675)
FINANCING ACTIVITIES		
Increase (decrease) in bank indebtedness	13,953	(466)
Endowment contributions	2,823	4,418
Addition to deferred capital contributions	18,547	19,387
(Decrease) increase in long-term debt	(229)	345
Cash provided by financing activities	35,094	23,684
Net (decrease) increase in cash and cash equivalents		
during the year	(31,993)	16,114
Cash and cash equivalents, beginning of year	50,626	34,512
Cash and cash equivalents, end of year	18,633	50,626

March 31, 2009 (tabular amounts in thousands of dollars)

1. AUTHORITY AND PURPOSE

Memorial University of Newfoundland (the "University") is a corporation operating under the authority of the Memorial University Act. It is a comprehensive research university offering a full range of undergraduate, graduate and continuing studies programs. The academic governance of the University is vested in the Senate. The University is a not-for-profit entity, governed by a Board of Regents, the majority of whom are appointed by the Province of Newfoundland and Labrador. The University is a registered charity under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

2. SIGNIFICANT ACCOUNTING POLICIES

General

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The significant accounting principles are summarized as follows:

Use of estimates

The preparation of financial statements in conformity with Canadian GAAP 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 consolidated financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. Estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

March 31, 2009 (tabular amounts in thousands of dollars)

Consolidated statements

These financial statements have been prepared on a consolidated basis, reporting the operations and financial position of the University and the following related not-for-profit organizations:

C-CORE

The Canadian Centre for Fisheries Innovation (CCFI) Genesis Group Inc. The Memorial University of Newfoundland Botanical Garden Incorporated Memorial University Recreation Complex (MURC) Western Sports and Entertainment Inc. Campus Childcare Inc. Newfoundland Quarterly Foundation Edutech Services Inc.

Effective April 1, 2008 all assets and liabilities of the Canadian Center for Marine Communications (CCMC) were transferred to the Marine Institute School of Ocean Technology of the University.

Cash equivalents

Cash equivalents consist primarily of cash, treasury bills and bankers' acceptances. Investments with original maturities of three months or less are classified as cash equivalents.

Revenue recognition

The University follows the deferral method of accounting for contributions, which include donations and government grants. 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. Contributions externally restricted for purposes other than endowment are deferred and recognized as revenue in the year in which related expenses are recognized. Contributions of capital assets are recorded at fair market value at the date of the contribution and deferred and amortized to operations on the same basis as the related asset. Endowment contributions are recognized as direct increases in the net assets in the year in which they are received. Revenues from contracts, sales and student fees are recognized when the goods or services are provided and collection is reasonably assured.

March 31, 2009 (tabular amounts in thousands of dollars)

Contributed services

Volunteers, including volunteer efforts from the staff of the University, contribute an indeterminable number of hours per year to assist the University in carrying out its service delivery activities. The costs that would otherwise be associated with these contributed services are not recognized in these consolidated financial statements.

Capital assets

Purchased capital assets are recorded at cost. Donated capital assets are recorded at fair value at the date of acquisition. Repairs and maintenance expenditures are charged to expense. Betterments which extend the estimated life of an asset are capitalized.

The University's permanent art collection is expensed as incurred and the value of donated art is not recognized in these consolidated financial statements.

Capital assets are amortized using the following rates. One-half year's amortization is taken in the year of acquisition and no amortization in the year of disposal.

Buildings	8% declining balance
Furniture and equipment	20% declining balance
Computers	30% declining balance
Banner finance	20% declining balance
Vehicles	30% declining balance
Library collection	10 years straight-line

Employee future benefits

Pension costs and obligations

The employees of the University participate in a defined benefit pension plan administered under the Memorial University Pensions Act with any deficiencies being funded by the Province of Newfoundland and Labrador. Payments to the pension plan consist of contributions from employees and contributions from the University as prescribed in the Pension Benefits Act (1997) (PBA). In addition, where the plan experiences a solvency deficiency, the employer is required to contribute an amount sufficient to liquidate the deficiency within five years of the solvency valuation date. The University's contributions to the Pension Plan are recorded as an expenditure in the consolidated statement of operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009 (tabular amounts in thousands of dollars)

The most recent actuarial valuation prepared by Eckler Partners Ltd. disclosed a solvency deficiency of \$237.3 million and a going concern deficiency of \$271.0 million at March 31, 2009. Under the PBA, a going concern deficiency must be funded over a period of not more than 15 years while a solvency deficiency is to be funded over a maximum five year period.

The going concern deficiency of \$271.0 million includes \$68.0 million in respect of past service costs related to the introduction of indexing in 2004. This indexing liability is being financed under a special PBA provision through both employee and employer contributions over a remaining period of 35.25 years. In accordance with the PBA, the balance of the going concern, namely \$203.0 million, must be liquidated over a period of not more than 15 years. The first annual payment in respect of this balance is \$16.2 million and is required to be made during the 2009/10 fiscal year.

At present, the University has an exemption under the PBA from making payments relating to the solvency deficiency. This exemption expires December 31, 2010.

Other post-employment benefits

The University accrues its obligations for employee benefit plans. The employee future benefits earned by employees are actuarially determined using the projected benefit method pro-rated on service and administration's best estimate of salary escalation, retirement ages of employees and escalation in covered benefit expense outlays.

The University recognizes the cost of the Supplemental Retirement Income Plan (SRIP), the Voluntary Early Retirement Income Plan (VERIP) and the cost of future employee benefits which include severance, accrued vacation, group life insurance and health care benefits. Additional disclosure related to these plans is provided in note 11.

Agency obligations

The University acts as an agent which holds resources and makes disbursements on behalf of various unrelated groups. The University has no discretion over such agency transactions. Resources received in connection with such agency transactions are reported as liabilities and subsequent distributions are recorded as decreases to these liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009 (tabular amounts in thousands of dollars)

Derivative financial instruments

Derivative financial instruments are utilized by the University in the management of interest rate exposure related to its bank indebtedness. The University does not utilize derivative financial instruments for trading or speculative purposes.

The University enters into interest rate swaps in order to reduce the impact of fluctuating interest rates on its floating rate bank indebtedness. The fair value of these derivatives is recorded on the consolidated statement of financial position and any "mark-to-market" adjustment is recorded in interest expense. These swap agreements require the periodic exchange of payments without the exchange of the notional principal amount on which the payments are based.

Derivative financial instruments are classified as held for trading and carried at fair value with the change in fair value being recorded in interest expense.

Financial instruments

The University has chosen to continue to apply the Canadian Institute of Chartered Accountants (CICA) Section 3861, *Financial Instruments – Disclosure and Presentation*, in place of CICA Section 3862, *Financial Instruments – Disclosures*, and CICA Section 3863, *Financial Instruments – Presentation*. The disclosures required by Section 3861 are provided in note 12.

3. CHANGES IN ACCOUNTING POLICY

Impact of adopting new accounting policies

Inventories

Effective April 1, 2008, the University adopted the recommendations of CICA Section 3031, *Inventories.* These recommendations provide guidance on the measurement and disclosure requirements for inventories. The adoption of these new recommendations had no impact on the University's consolidated financial statements.

The amount of inventories recognized as expense during the year was \$12.9 million (2008 - \$11.7 million).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009 (tabular amounts in thousands of dollars)

Capital disclosures

Effective April 1, 2008, the University adopted the recommendations of CICA Section 1535, *Capital Disclosures*, which require the disclosure of qualitative and quantitative information that enables users of the consolidated financial statements to evaluate the University's objectives, policies and processes for managing capital. The additional disclosures related to the adoption of these recommendations are provided in note 13.

General standards of financial statement presentation

The amendments to Section 1400, *General Standards of Financial Statement Presentation*, provides revised guidance on management's responsibility to assess and disclose the University's ability to continue as a going concern. There was no significant impact on these consolidated financial statements as a result of revisions to Section 1400.

Financial statement presentation

Effective April 1, 2008, the University adopted retroactively the changes to the recommendations in CICA Section 4400 *Financial Statement Presentation for Non-For-Profit Organizations*, which eliminate the requirement to separately disclose the amount of net assets in capital assets. The University therefore eliminated from the consolidated financial statements details regarding the amount of net assets invested in capital assets and the calculation of this amount. As a result, the University reclassified the prior year consolidated financial statements to include the amount of net assets invested in capital assets as at April 1, 2007 of (\$1.4 million) and as at April 1, 2008 of \$8.6 million in unrestricted net assets.

Impact of adopting future accounting policies

Recent accounting pronouncements that have been issued but are not yet effective and have a potential implication for the University, are as follows:

Financial statement presentation

The CICA has issued revisions to the Section 4400 series and certain other sections to amend or improve certain parts of the CICA Handbook that relate to not-for-profit organizations. With respect to presentation, these changes include requiring CICA Section 1540, *Cash Flow Statements*, to be applicable for not-for-profit organizations, and requiring the reporting of revenues and expenses on a gross basis in the consolidated statement of operations when a notfor-profit organization is acting as a principal in a transaction. A new section, CICA Section 4470, *Disclosure of Allocated Expenses by Not-for-Profit Organizations*, was included in the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009 (tabular amounts in thousands of dollars)

revisions which require certain disclosures when fundraising and general support expenses are allocated to other functions. These changes in accounting policies are effective for the University's reporting period beginning April 1, 2009. No significant impact is expected upon the implementation of these amended standards.

Financial statement concepts

Section 1000, *Financial Statement Concepts* has been amended to focus on the capitalization of costs that truly meet the definition of an asset and de-emphasize the matching principle. The amendments are effective for the University's reporting period beginning April 1, 2009. The University is currently evaluating the impact of the adoption of this change on the disclosure within its consolidated financial statements. No significant impact is expected upon the implementation of these amendments.

Goodwill and intangible assets

The CICA issued a new accounting standard, CICA Section 3064, *Goodwill and Intangible Assets* replacing CICA Section 3062, *Goodwill and Other Intangible Assets* and CICA Section 3450, *Research and Development Costs*. CICA Section 3064 establishes standards for the recognition, measurement and disclosure of development costs. Management is currently assessing the impact of adopting this section for the University's reporting period beginning April 1, 2009.

March 31, 2009 (tabular amounts in thousands of dollars)

4. CAPITAL ASSETS

		2009		2008
	Cost \$	Accumulated amortization \$	Net book value \$	Net book value \$
Buildings	220,294	121,570	98,724	91,728
Furniture and equipment	75,957	45,926	30,031	37,821
Computers	22,407	15,274	7,133	7,100
Banner finance	1,722	1,315	407	508
Vehicles	3,101	2,015	1,086	1,301
Library collection	124,626	94,396	30,230	30,531
	448,107	280,496	167,611	168,989

Capital assets include certain assets under capital lease with a net book value of 2.4 million (2008 - 2.9 million).

5. DEFERRED CONTRIBUTIONS

Expenses of future periods

Deferred contributions related to expenses of future periods represent unspent externally restricted grants and donations for research and programs.

	2009 \$	2008 \$
Balance, beginning of year	49,038	49,834
Grants and donations received during the year	48,444	45,229
Expenses incurred during the year	(44,145)	(46,025)
	53,337	49,038

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009 (tabular amounts in thousands of dollars)

Capital assets

Capital assets

Deferred capital contributions related to capital assets represent the unamortized amount and unspent amount of donations and grants received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the consolidated statement of operations.

	2009 \$	2008 \$
Balance, beginning of year	153,285	154,699
Additional contributions received	18,547	19,387
Less amounts amortized to revenue	(24,477)	(20,801)
	147,355	153,285
Total deferred contributions	•	
	2009 \$	2008 \$
Expenses of future periods	53,337	49,038

147,355

200,692

153,285

202,323

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009 (tabular amounts in thousands of dollars)

6. INVESTMENTS

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	2009 \$			2008 \$	
	Cost	Fair Value	Cost	Fair Value	
Fixed income	39,720	40,521	32,496	33,264	
Equities	27,255	21,262	28,577	31,155	
	66,975	61,783	61,073	64,419	
			2009 \$	2008 \$	
Investment income Unrealized loss on investments Related expenses			5,129 (8,534) (924)	7,613 (3,605) (1,109)	
_			(4,329)	2,899	

7. LONG-TERM DEBT

	2009 \$	2008 \$
RBC Royal Bank, fixed term demand loan, related to Harlow campus, 5.19% interest, repayable in 9 equal annual, blended payments of \$121, maturing in April 2012,		
unsecured CMHC mortgage on Queen's College, 5.875% interest, repayable in 50 equal, blended payments of \$29 semi-annually, maturing in June 2019,	428	524
secured Capital leases negotiated through the RBC Royal Bank, interest rates vary, payable in equal annual instalments,	419	451
secured by assets under lease	723	824
	1,570	1,799
Less current portion	826	763
	744	1,036

March 31, 2009 (tabular amounts in thousands of dollars)

Annual repayments of long-term debt over the next five years are as follows:

2010	826
2011	387
2012	44
2013 2014	43
2014	43

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8. BANK INDEBTEDNESS

Pursuant to Section 41 of the Memorial University Act, the University has received approval from the Lieutenant-Governor in Council to borrow to finance two capital projects. The projects involved the construction of a new residence complex for Sir Wilfred Grenfell College (Project 1) and the implementation of an energy performance program in five buildings on the University's main campus in St. John's (Project 2). Currently the debt has been negotiated using bankers' acceptances (BA's) which mature during the 2009/10 fiscal year. Management expects to refinance these loans through BA's for the balance of the term of the loan. Disclosure related to interest rate risk is provided in note 12.

Derivative liability

Project 1 interest rate swap transaction involves the exchange of the underlying Canadian BA rate for a fixed interest rate of 4.76% and expired on April 2, 2009. The notional amount of this swap transaction is \$3.2 million and the fair value is a liability of \$0.5 million.

Project 2 interest rate swap transaction involves the exchange of the underlying Canadian BA rate for a fixed interest rate of 5.12% and expired April 1, 2009. The notional amount of this swap transaction is \$14.6 million and the fair value is a liability of \$2.9 million.

9. MEMORIAL UNIVERSITY ACT

In accordance with the Memorial University Act, the University is normally prohibited from recording a deficit on their consolidated financial statements. During 1996, pursuant to Section 36 of the Memorial University Act, the University received approval from the Lieutenant-Governor in Council to record a deficit of up to \$5.0 million in 1996 and an additional \$10.0 million in 1997 as a result of the recognition of the liabilities related to VERIP for faculty and staff. During 2001, the University received approval from the Lieutenant-Governor in Council to exclude from the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009 (tabular amounts in thousands of dollars)

definition of a deficit, pursuant to Section 36 of the Memorial University Act, any amounts resulting from the recognition of the liabilities related to recording vacation pay entitlements, severance and any other post-employment benefits.

10. CONTINGENCIES

(a) Reciprocal exchange of insurance risks

The University, in association with 58 Canadian universities, participates in a reciprocal exchange (CURIE) of insurance risks. The self-insurance cooperative involves a contractual agreement to share the insurance property and liability risks of member universities for a term of not less than five years.

The projected cost of claims will be funded through members' premiums based on actuarial projections. As at December 31, 2008, CURIE has a surplus of \$4.2 million, of which the University's pro-rata share is approximately 3% on an ongoing basis. In addition, the reciprocal has obtained \$995.0 million on re-insurance with commercial insurers to cover major property claims in excess of \$5.0 million per occurrence.

In respect of general liability, the limit is \$5.0 million per occurrence. Re-insurance for liability coverage in the amount of \$25.0 million in excess of a \$5.0 million per occurrence retention is in place.

In respect of errors and omissions liability policy, the limit is \$5.0 million per occurrence. Reinsurance for errors and omissions was purchased through a combined excess program with general liability in the amount of \$25.0 million.

As the originating insurers, CURIE has a contingent liability in the event that a re-insurer is unable to meet its obligations. In this respect, all re-insurance is placed with insurers registered in Canada and subject to supervision by the Office of the Superintendent of Financial Institutions Canada.

In the event that premiums are not sufficient to cover claims settlements, the member universities would be subject to an assessment in proportion to their participation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009 (tabular amounts in thousands of dollars)

(b) Class action lawsuit

In 2007, a class action lawsuit was filed on behalf of all former employees of the University who retired or terminated employment on or before December 31, 1992 and were entitled to receive post-retirement life, health and dental group insurance benefits. The lawsuit alleges that this group of retirees were entitled to receive these insurance benefits for life, at no cost to the group of retirees. Presently, a decision is pending from the court as to whether this matter should be certified as a class action suit. The University continues to defend its position and the potential exposure to this claim is indeterminable at the present time.

11. EMPLOYEE FUTURE BENEFITS

The University has a number of defined benefit and defined contribution plans providing group life insurance and health care benefits on a cost shared basis to retired employees, and in certain cases, their surviving spouses. In addition, the University pays a severance payment, to certain employee groups, upon termination, retirement or death, provided they meet certain eligibility criteria.

In May 1996, the Board of Regents approved a SRIP to provide benefits to employees of the University whose salaries exceed the Canada Revenue Agency maximum pensionable salary and whose defined benefit pension, therefore, exceeds the maximum benefit payable from the Plan.

In February and May 1996, the University offered faculty and staff, who reached the age 55 and attained a minimum of 10 years pensionable service, an opportunity to take an early retirement under the provisions of the VERIP.

Subject to eligibility criteria, the Plan provided an incentive of enhanced pension benefits of up to five years pensionable service and waiver of actuarial reduction, if applicable, or a lump sum early retirement payment. The early retirement incentive is being funded from operations.

The significant actuarial assumptions used in measuring the University's accrued benefit obligation under each plan are as follows:

March 31, 2009 (tabular amounts in thousands of dollars)

Employee future benefits

Include a discount rate of 7.5% (2008 5.6%) and an average rate of compensation increase of 4.5% (2008 - 4.5%).

Supplemental retirement income plan (SRIP)

Include a discount rate of 7.5% (2008 5.6%) and an average compensation increase of 4.5% (2008 - 4.5%).

Voluntary early retirement income plan (VERIP)

Include a discount rate of 7.5% (2008 5.6%).

	SI	RIP	VE	RIP	Other b	enefits
	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$
Accrued benefit obligation						
Balance, beginning of year	5,450	3,698	6,550	5,455	88,210	81,351
Current service cost	229	122	·	·	3,300	3,393
Interest cost	305	259	367	437	5,331	4,257
Benefits paid	(241)	(238)	(580)	(595)	(4,421)	(2,829)
Actuarial loss (gain)	(200)	1,609	(871)	1,253	(19,933)	2,038
	5,543	5,450	5,466	6,550	72,487	88,210
Current plan expense						
Current service expense	229	122	_		3,300	3,393
Interest cost	305	259	367	437	5,331	4,257
Actuarial (gain) loss	(200)	1,609	(871)	1,253	(19,933)	2,038
	334	1,990	(504)	1,690	(11,302)	9,688

March 31, 2009 (tabular amounts in thousands of dollars)

A summary of these accrued benefit obligations are as follows:

	2009 \$	2008 \$
Employee future benefits	72,487	88,210
Supplemental retirement income plan	5,543	5,450
Voluntary early retirement income plan	5,466	6,550
Accrued vacation	11,650	9,725
	95,146	109,935
Less current portion	12,396	10,371
Long-term employee future benefits	82,750	99,564

12. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the University's designation of such instruments. The standards require that all financial assets be classified either as held-for-trading (HFT), available-for-sale (AFS), held-to-maturity (HTM), or loans and receivables and all financial liabilities to be classified as either HFT or other liabilities (OL). Subsequent to initial recognition, the standards require that all financial assets and financial liabilities be measured at fair value with the exception of loans and receivables, securities classified as HTM, liabilities classified as OL, and AFS financial assets that do not have quoted market prices in an active market. These are measured at amortized cost using the effective interest method (EIM).

March 31, 2009 (tabular amounts in thousands of dollars)

Classification of financial instruments

The University has designated its financial instruments as shown in the following table. The financial instruments are measured as follows based on their classification.

Asset/Liability	Classification	Measurement
Cash and assh a suivelants	Mald for the Part	
Cash and cash equivalents	Held-for-trading	Fair value
Investments	Held-for-trading	Fair value
Accrued interest receivable	Loans and receivables	Amortized cost using EIM
Accounts receivable	Loans and receivables	Amortized cost using EIM
Long-term receivable	Loans and receivables	Amortized cost using EIM
Accounts payable and accrued		
liabilities	Other financial liabilities	Amortized cost using EIM
Bank indebtedness	Other financial liabilities	Amortized cost using EIM
Long-term debt	Other financial liabilities	Amortized cost using EIM
Derivative liability	Held-for-trading	Fair value

Held-for-trading

HFT financial assets and liabilities are financial assets typically acquired for resale prior to maturity. They are measured at fair value at the consolidated statement of financial position date. Interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses from market fluctuations are included in the consolidated statement of operations.

Loans and receivables

Loans and receivables are accounted for at amortized cost using EIM.

Other financial liabilities

Other liabilities are recorded at amortized cost and include all liabilities and long-term debt.

Embedded derivatives

There are no embedded derivatives in the consolidated financial statements of the University.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009 (tabular amounts in thousands of dollars)

Credit risk

The University is exposed to credit risk with respect to accounts receivable from students and clients. Services are provided to a large number of students and entities which minimizes the concentration of credit risk. The University routinely monitors the receivable balances and establishes an appropriate allowance for doubtful accounts based upon factors surrounding credit risk, historical trends, and other information.

Interest rate risk

The University's exposure to interest rate risk relates to its floating interest rate bank indebtedness which utilizes BA's. The University has managed this floating interest rate risk by entering into interest rate swap agreements with the RBC Royal Bank to offset the movement in the BA rates. Any change in BA rates will be offset by a corresponding change in the interest rate swap. The fair value of these interest rate swap agreements are recorded on the consolidated statement of financial position and the change in value is reflected in interest expense on the consolidated statement of operations.

Liquidity risk

The University is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. This risk is managed by maintaining adequate cash and cash equivalents. The University believes that cash and cash equivalents on hand, future cash flows from government grants and student fees will be adequate to meet its financial obligations. There will also be savings associated with the energy performance contract which is expected to be sufficient to repay the floating term facility.

Market risk

The University is exposed to market risk on its investments due to future fluctuations in market prices. This risk is managed by a Statement of Investment Policy and Objectives approved by the Board of Regents which includes investment policy provisions for an acceptable asset mix structure and quality constraints on fixed income instruments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009 (tabular amounts in thousands of dollars)

13. CAPITAL DISCLOSURES

The University considers its capital to be its net assets. Its restricted net assets consist of amounts restricted for endowment purposes. The University's objectives when managing its capital are to safeguard its ability to continue as a going concern in order to provide services to its students and research funding agencies. Annual budgets are developed and monitored to ensure the University's capital is maintained at an appropriate level. The University has no external restrictions imposed on its capital, excluding its endowments.

14. COMPARATIVE FIGURES

Certain of the 2008 comparative figures have been reclassified to conform to the financial statement presentation adopted in 2009.

AUDITORS' REPORT TO THE BOARD OF REGENTS MEMORIAL UNIVERSITY OF NEWFOUNDLAND ON SUPPLEMENTARY INFORMATION

To the Board of Regents of Memorial University of Newfoundland

We have audited and reported separately herein on the consolidated financial statements of **Memorial University of Newfoundland** (the "University") as at and for the year ended March 31, 2009.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements of the University taken as a whole. The supplementary information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such supplementary information has been subject to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as whole.

St. John's, Canada, June 4, 2009.

Ernst * young UP

Chartered Accountants

SCHEDULE 1

MEMORIAL UNIVERSITY OF NEWFOUNDLAND

:

CONSOLIDATED SCHEDULE OF FINANCIAL POSITION

As at March 31, 2009 (with comparative figures for 2008) (thousands of dollars)

٠

ATING ENTERPRISES PLAN SFONSORED STORMELT ANT ANTILLARY TAC ENTERPRISES PLAN RESEARCH 2008 2009 2008 2009 2008 2009 2008 2009 2009				ANCILLE	AKY			DAZDZA	KKU	SPECIAL PURPOSE	JRPOSE		
2009 2008 2008 2008 2009 <t< th=""><th></th><th>OPERATI</th><th>ING</th><th>ENTERPF</th><th>USES</th><th>PLAN</th><th>ł</th><th>RESEAI</th><th>ксн</th><th>AND TRUST</th><th>UST</th><th>TOTAL</th><th>L</th></t<>		OPERATI	ING	ENTERPF	USES	PLAN	ł	RESEAI	ксн	AND TRUST	UST	TOTAL	L
S S <th></th> <th>2009</th> <th>2008</th> <th>2009</th> <th>2008</th> <th>2009</th> <th>2008</th> <th>2009</th> <th>2008</th> <th>2009</th> <th>2008</th> <th>2009</th> <th>2008</th>		2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
-6017 $1,085$ $2,305$ $3,459$ $2,923$ $-9,747$ $32,087$ 2 $0,799$ $15,058$ -1 -1 -1 -1 -1 -1 $20,922$ $16,5032$ 431 -6 -2 -2 -2 -2 -2 $3,901$ $4,439$ $1,950$ $1,646$ -2 <th></th> <th>S</th> <th>\$</th> <th>S</th> <th>£</th> <th>s</th> <th>\$</th> <th>\$</th> <th>\$</th> <th>\$</th> <th>s</th> <th>69</th> <th>с,</th>		S	\$	S	£	s	\$	\$	\$	\$	s	69	с ,
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	ıt assets:												
	id cash equivalents	-46,017	1,085	2,305	3,459	2,923	-9,747	32,087	27,898	27,335	27,931	18,633	50,626
20,92 $16,82$ 431 462 329 $1,901$ $19,901$ 1 $1,900$ 349 $ -$	tim investments	60,799	15,058		ı	·	•	,	,		ŗ	60,799	15,058
1500 349 . </td <td>its receivable</td> <td>20,952</td> <td>16,823</td> <td>431</td> <td>462</td> <td>329</td> <td>1,087</td> <td>196,91</td> <td>17,706</td> <td>4,326</td> <td>5,887</td> <td>45,939</td> <td>41,965</td>	its receivable	20,952	16,823	431	462	329	1,087	196,91	17,706	4,326	5,887	45,939	41,965
3.901 $4,439$ $1,950$ $1,646$. . 55 805 58337 $3,881$ $4,984$ $3,252$ 8660 $52,043$ 4 $ -$	d interest receivable	1,500	349	,	,	,	,	,		2,464	1,785	3,964	2,134
805 583 -805 -583 - <t< td=""><td>ry and prepaid expenses</td><td>3,901</td><td>4,439</td><td>1,950</td><td>1,646</td><td>,</td><td>ŀ</td><td>55</td><td>67</td><td>57</td><td>39</td><td>5,963</td><td>6,191</td></t<>	ry and prepaid expenses	3,901	4,439	1,950	1,646	,	ŀ	55	67	57	39	5,963	6,191
41,940 38,337 3,881 4,984 3,252 -8,660 52,043 4 -	id accounts	805	583	-805	-583	,		ł	,	ł	ı	ł	•
- - - 2,991 3,074 - - <t< td=""><td></td><td>41,940</td><td>38,337</td><td>3,881</td><td>4,984</td><td>3,252</td><td>-8,660</td><td>52,043</td><td>45,671</td><td>34,182</td><td>35,642</td><td>135,298</td><td>115,974</td></t<>		41,940	38,337	3,881	4,984	3,252	-8,660	52,043	45,671	34,182	35,642	135,298	115,974
- - - - - - - - 41,940 38,337 5,921 5,411 170,509 166,655 53,221 6 - - - - - 19,028 5,075 - - - - - - - 19,028 5,075 - - - - - 19,028 5,075 - 11,949 4,053 363 249 4,709 3,243 14,734 11,949 4,053 363 249 4,709 3,243 14,734 11,949 4,053 363 249 4,709 3,243 14,734 11,949 4,053 363 249 4,709 3,243 14,734 11,949 10,371 - - 826 763 - 26,666 27,431 594 622 26,803 10,828 18,565 1 - - - - - - 26,666 27,431 594 622 26,803 10,356 - 81,492 97,958 318 401 - - 81,492 97,958 31	um receivable		ı			2,991	3,074		,	ı	ı	2,991	3,074
- $2,040$ 427 $164,266$ $166,251$ $1,178$ $41,940$ $38,337$ $5,921$ $5,411$ $170,509$ $160,665$ $53,221$ 6 $ 19,028$ $5,075$ $ 1,747$ $3,831$ $1,949$ $4,033$ 363 249 $4,709$ $3,243$ $14,734$ $1,949$ $4,033$ 363 249 $4,709$ $3,243$ $14,734$ $1,949$ $4,0371$ $ 26,666$ $27,431$ 594 622 $26,803$ $10,828$ $18,565$ $ -$ <td>nents (note 6)</td> <td>ı</td> <td>ı</td> <td>ı</td> <td>ı</td> <td>,</td> <td>ı</td> <td>,</td> <td>633</td> <td>61,783</td> <td>63,786</td> <td>61,783</td> <td>64,419</td>	nents (note 6)	ı	ı	ı	ı	,	ı	,	633	61,783	63,786	61,783	64,419
41,940 38,337 5,921 5,411 170,509 160,655 53,221 ϵ - - - - 19,028 5,075 - - 12,321 13,007 231 373 2,240 1,747 5,831 12,326 10,371 - - - 2,240 1,747 5,831 12,396 10,371 - - - 2,249 1,747 5,831 12,396 10,371 - - - 81,479 3,831 - 26,666 27,431 594 622 26,803 10,828 18,565 1 26,666 27,431 594 622 2,6,803 10,828 18,565 1 26,666 27,431 594 622 2,6,803 10,828 18,565 1 2 - - - - 744 1,036 765 81,492 97,958 318 401 -	assets, net (note 4)	ı	,	2,040	427	164,266	166,251	1,178	2,198	127	113	167,611	168,989
- - 19,028 5,075 - 12,321 13,007 231 373 2,240 1,747 3,831 1,949 4,053 363 249 4,709 3,243 14,734 1,949 4,053 363 249 4,709 3,243 14,734 1,949 4,053 363 249 4,709 3,243 14,734 12,396 10,371 - - - - 26,666 27,431 594 522 26,803 10,828 18,565 26,666 27,431 594 522 26,803 10,828 18,565 - - - - 3,460 - - - - - - - 744 1,036 - - - - - 746 1,036 - - - - - 795 - - - - - 795 - - - - - 795 - - - - - 796 - - - - - - - - <	ssets	41,940	38,337	5,921	5,411	170,509	160,665	53,221	48,502	96,092	99,541	367,683	352,456
- - - - - 19,028 5,075 - $1,949$ $4,023$ 363 231 373 $2,240$ $1,747$ $3,831$ $1,949$ $4,023$ 363 249 $4,709$ $3,243$ $14,734$ 1 $12,396$ $10,371$ - - 2.240 $1,747$ $3,831$ $2,666$ $27,431$ 594 622 $26,803$ $10,828$ $18,565$ 1 $26,666$ $27,431$ 594 622 $26,803$ $10,828$ $18,565$ 1 $26,606$ $27,431$ 594 622 $26,803$ $10,828$ $18,565$ 1 $21,492$ $97,958$ 318 401 $ -$	t liabilities:												
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	idebtedness (note 8)	ı	ı	,	ı	19,028	5,075	ı	ı	ı	,	19,028	5,075
1,949 $4,033$ 363 249 $4,709$ $3,243$ $14,734$ $12,396$ $10,371$ - - 826 763 - $2,6,666$ $27,431$ 594 622 $26,803$ $10,828$ $18,565$ 1 $2,6,666$ $27,431$ 594 622 $26,803$ $10,828$ $18,565$ 1 $2,6,666$ $27,431$ 594 622 $26,803$ $10,828$ $18,565$ 1 $2,6,605$ 318 401 $ 744$ $1,036$ $ 81,492$ $97,958$ 318 401 $ 795$ $81,492$ $97,958$ 318 401 $ 795$ $ 795$ 795 $81,492$ $97,958$ 318 401 $4,204$ $1,036$ 795 $ -$ <td< td=""><td>its payable and accrued liabilities</td><td>12,321</td><td>13,007</td><td>231</td><td>373</td><td>2,240</td><td>1,747</td><td>3,831</td><td>4,431</td><td>669</td><td>722</td><td>19,322</td><td>20,280</td></td<>	its payable and accrued liabilities	12,321	13,007	231	373	2,240	1,747	3,831	4,431	669	722	19,322	20,280
12,306 10,371 - - 82.6 76.3 - 26,666 27,431 59.4 62.2 26,80.3 10,328 18,565 26,667 27,431 59.4 62.2 26,80.3 10,328 18,565 2 - - 744 1,036 - 795 81,492 97,958 318 401 - 795 81,492 97,958 318 401 - 795 81,492 97,958 318 401 - 795 91,402 97,958 318 401 1,036 795 - - - 146,001 150,984 34,288 - - - - - - - - - - - 146,001 150,984 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - <td< td=""><td>d revenue</td><td>1,949</td><td>4,053</td><td>363</td><td>249</td><td>4,709</td><td>3,243</td><td>14,734</td><td>11,962</td><td>27</td><td>. 59</td><td>21,782</td><td>19,566</td></td<>	d revenue	1,949	4,053	363	249	4,709	3,243	14,734	11,962	27	. 59	21,782	19,566
12,306 10,371 - - 82.6 76.3 - 26,666 27,431 59.4 622 26,803 10,828 18,565 2 - - 82.6 76.3 - - 2 - - 82.6 76.3 - - 2 - - - 82.6 76.3 18,565 2 - - - 744 1,036 - 81,492 97,958 318 401 - - 795 81,492 97,958 318 401 - 795 81,492 97,958 318 401 1,036 795 - - - - 146,001 150,984 34,288 - - - - - - 146,001 150,984 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - <t< td=""><td>portion of employee future</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	portion of employee future												
26,666 27,431 594 622 26,803 10,828 18,565 20,666 27,431 594 622 26,803 10,828 18,565 2 - - - 744 1,036 - 2 - - 3,460 - 795 81,492 97,958 318 401 - 795 81,492 97,958 318 401 - 795 66,218 -87,052 5,009 4,388 -6,499 -2,183 -427 -66,218 -87,052 5,009 4,388 -6,499 -2,183 -427	Tts (note 11)	12,396	10,371		ı	•	•	,		ı		12,396	10,371
26,666 27,431 594 622 26,803 10,828 18,565 - - - 744 1,036 - - - - 3,460 - 795 81,492 97,958 318 401 - 795 81,492 97,958 318 401 - 795 - - - 1,016 795 - - - 1401 1,036 795 - - - - 146,001 150,984 34,288 - - - - - - - - - - - 146,001 150,984 34,288 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -<	portion of long-term-debt (note 7)	-	,		1	826	763	,	-	-		826	763
- 744 1,036 - - 3,460 - 81,492 97,958 318 401 - 795 81,492 97,958 318 401 4,204 1,036 795 81,492 97,958 318 401 4,204 1,036 795 81,492 97,958 318 401 4,204 1,036 795 - - 146,001 150,984 34,288 - - - 146,001 150,984 34,288 - - - - 146,001 150,984 34,288 - - - - - - 146,001 150,984 34,288 - - - - - - - 146,001 150,984 34,288 - - - - - - - 146,001 150,984 34,288 - - - - - - - 146,001 150,984 34,288 - - - - - - - 146,001 150,984 34,288 - - - - -		26,666	27,431	594	622	26,803	10,828	18,565	16,393	726	181	73,354	56,055
- 3,460 81,402 97,958 318 401 - 795 81,492 97,958 318 401 4,204 1,036 795 81,492 97,958 318 401 4,204 1,036 795 81,492 97,958 318 401 4,204 1,036 795 - - 146,001 150,984 34,288 - - - 146,001 150,984 34,288 - - - - 146,001 150,984 34,288 - - - - 146,001 150,984 34,288 - - - - - 146,001 150,984 34,288 - - - - - 146,001 150,984 34,288 - - - - - - - - 427 - - 5,009 4,388 - - - 427 - - 5,009 4,388 - - 2183 - 427	:rm debt (note 7)	r	٠	ı	ł	744	1,036	ı	,	·		744	1,036
81,402 97,958 318 401 795 81,492 97,958 318 401 4,204 1,036 795 81,492 97,958 318 401 4,204 1,036 795 66,218 -87,052 5,009 4,388 -6,499 -2,183 -427 -66,218 -87,052 5,009 4,388 -6,499 -2,183 -427	ive liability (note 8)	ł			1	3,460		,	•	ı	,	3,460	,
81,492 97,958 318 401 4,204 1,036 795 - 146,001 150,984 34,288 	e future benefits (note 11)	81,492	97,958	318	401	٠		795	947	145	258	82,750	99,564
146,001 150,984 34,288 -66,218 -87,052 5,009 4,388 -6,499 -2,183 -427 -66,218 -87,052 5,009 4,388 -6,499 -2,183 -427		81,492	97,958	318	401	4,204	1,036	795	947	145	258	86,954	100,600
-66,218 -87,052 5,009 4,388 6,499 -2,183 -66,218 -87,052 5,009 4,388 6,499 -2,183	d contributions (note 5)	,	·	•	ı	146,001	150,984	34,288	30,992	20,403	20,347	200,692	202,323
	ets:												
-66,218 -87,052 5,009 4,388 -6,499 -2,183 -66,218 -87,052 5,009 4,388 -6,499 -2,183	ets restricted for endowment purposes	ı	ı	·	ı	•			ŀ	66°,399	60,002	60,399	60,002
-87,052 5,009 4,388 -6,499 -2,183	icted net assets	-66,218	-87,052	5,009	4,388	-6,499	-2,183	-427	170	14,419	18,153	-53,716	-66,524
	abilities, deferred contributions	-66,218	-87,052	5,009	4,388	-6,499	-2,183	-427	170	74,818	78,155	6,683	-6,522
41,940 38,337 5,921 5,411 170,509 160,665 53,221	let assets	41,940	38,337	5,921	5,411	170,509	160,665	53,221	48,502	96,092	99,541	367,683	352,456

See accompanying notes to consolidated financial statements

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SCHEDULE 1

MEMORIAL UNIVERSITY OF NEWFOUNDLAND

CONSOLIDATED SCHEDULE OF FINANCIAL POSITION

As at March 31, 2009 (with comparative figures for 2008) (thousands of dollars)

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	OPERATING	UN C	ANCILLARY	ARY ISES	T'N Y	F	SPONSORED		SPECIAL PURPOSE	RPOSE 16.T	TTUE	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	\$	s	\$	\$	s	\$	s	\$	\$	s	5	\$
Current assets:												
Cash and cash equivalents	-46,017	1,085	2,305	3,459	2,923	-9,747	32,087	27,898	27,335	27,931	18,633	50,626
Short-term investments	60,799	15,058	,	•	·	•		ı	ı	Ņ	60,799	15,058
Accounts receivable	20,952	16,823	431	462	329	1,087	106,91	17,706	4,326	5,887	45,939	41,965
Accrued interest receivable	1,500	349	ı		1		,		2,464	1,785	3,964	2,134
Inventory and prepaid expenses	3,901	4,439	1,950	1,646	·	ı	55	67	57	39	5,963	6,191
Interfund accounts	805	583	-805	-583	ſ	,	,	ı	,	,	. 1	. 1
	41,940	38,337	3,881	4,984	3,252	-8,660	52,043	45,671	34,182	35,642	135,298	115,974
Long-term receivable	•		•	,	2,991	3,074	,		,	,	2,991	3,074
Investments (note 6)	•	ı	·		ı	•	•	633	61,783	63,786	61,783	64,419
Capital assets, net (note 4)		•	2,040	427	164,266	166,251	1,178	2,198	127	113	167,611	168,989
Total assets	41,940	38,337	5,921	5,411	170,509	160,665	53,221	48,502	96,092	99,541	367,683	352,456
Current liabilities:												
Bank indebtedness (note 8)			,	ſ	19,028	5,075	ı	,	ť	ı	19,028	5,075
Accounts payable and accrued habilities	12,321	13,007	231	373	2,240	1,747	3,831	4,431	669	722	19,322	20,280
Deferred revenue	1,949	4,053	363	249	4,709	3,243	14,734	11,962	27	59	21,782	19,566
Current portion of employee future										•		
benefits (note 11)	12,396	10,371	,		,	·	,	,	·		12,396	10,371
Current portion of long-term-debt (note 7)	1	•	1	-	826	763	،	ı		•	826	763
	26,666	27,431	594	622	26,803	10,828	18,565	16,393	726	781	73,354	56,055
Long-term debt (note 7)	,	ı	ı	ı	744	1,036	,		,		744	1,036
Derivative liability (note 8)	,	•	ı	,	3,460	,	ı	,	·		3,460	, ,
Employee future benefits (note 11)	81,492	97,958	318	401	,	,	795	947	145	258	82,750	99,564
	81,492	97,958	318	401	4,204	1,036	795	947	145	258	86,954	100,600
Deferred contributions (note 5)	ı			'	146,001	150,984	34,288	30,992	20,403	20,347	200,692	202,323
Net assets:												
Net assets restricted for endowment purposes	ţ	•			•	1	,	ı	60,399	60,002	60,399	60,002
Unrestricted net assets	-66,218	-87,052	5,009	4,388	-6,499	-2,183	-427	170	14,419	18,153	-53,716	-66,524
Total liabilities, deferred contributions	-66,218	-87,052	5,009	4,388	-6,499	-2,183	-427	170	74,818	78,155	6,683	-6,522
and net assets	41,940	38,337	5,921	5,411	170,509	160,665	53,221	48,502	96,092	99,541	367,683	352,456

See accompanying notes to consolidated financial statements

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Unaudited Supplementary Information

MEMORIAL UNIVERSITY OF NEWFOUNDLAND

March 31, 2009

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Schedule A

SCHEDULE OF OPERATING REVENUE

Year ended March 31 (thousands of dollars) (unaudited)

	2009 \$	2008 \$
		·
GOVERNMENT GRANTS		
Province of Newfoundland and Labrador		
Department of Education	221,188	195,606
Department of Health	35,607	29,671
Other	316	307
Government of Canada		
Indirect cost of research	4,393	4,365
	261,504	229,949
STUDENT FEES		
Semester tuition		
Undergraduates	35,697	36,533
Graduates	4,248	4,004
Non-credit courses		
Continuing studies	898	782
Sir Wilfred Grenfell College	287	170
Marine Institute	9,930	9,191
Other fees	3,571	3,353
	54,631	54,033
OTHER REVENUE		
Rental	679	461
Miscellaneous	11,604	13,408
Medical Practice Associates	269	864
	12,552	14,733
INVESTMENT INCOME	3,422	3,582
	3,422	3,582
	332,109	302,297

SCHEDULE OF GROSS OPERATING EXPENDITURES BY FUNCTION

Year ended March 31 (thousands of dollars) (unaudited)

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	2009	2008
	\$	\$
ACADEMIC		
Faculty of Arts	28,577	26,329
Faculty of Business Administration	9,587	8,833
Faculty of Education	9,484	8,758
Faculty of Engineering and Applied Science	9,339	8,417
Faculty of Medicine	38,277	31,765
Faculty of Science	37,013	34,636
School of Life Long Learning	1,189	1,001
School of Graduate Studies	7,808	6,632
School of Music	2,752	2,567
School of Nursing	5,115	4,467
School of Pharmacy	2,198	2,687
School of Human Kinetics	3,751	3,358
School of Social Work	2,692	2,306
Sir Wilfred Grenfell College	20,126	18,060
Labrador Institute of Northern Studies	582	403
Distance Education and Learning Technologies	5,804	4,792
Animal Care Unit	1,496	1,281
Fisheries and Marine Institute	33,953	32,390
Technical Services	3,488	3,394
Oil and Gas Development Partnership	150	292
Harris Centre	405	414
CREAIT	1,286	846
Co-op Education	2,042	1,919
	227,114	205,547
SUPPORT SERVICES		
Administrative departments	30,043	24,682
Computing and Communications	11,344	11,048
Library	16,209	15,273
Student Services	9,301	8,827
Facilities Management	26,568	26,412
-	93,465	86,242
	320,579	291,789

SCHEDULE C

Memorial University of Newfoundland

SCHEDULE OF GROSS OPERATING EXPENDITURES BY OBJECT

Year ended March 31 (thousands of dollars) (unaudited)

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			;		Student		Facilities	PS ant	Computing and Communications	tions	Administration	ntion	Total	
	Academic 2009 S	ic 2008 \$	Library 2009 \$	2008 S	Services	s 2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
Academic salaries	104,587	94,791	2,466	2,329	1,078	206	ł	1	1	ļ	695	548	108,826	98,575
Other instruction and research		000 6	556	216	509	956	21	6	145	142	137	134	3,512	3,549
salaries	2,073 52 121	46.734	177	4 060	3.748	3.038	12.326	10,906	4,811	4,356	16,693	13,974	94,978	82,568
Uther salanes and wages	101,00	74 850	1.345	1.242	833	700	3,081	2,734	911	846	3,522	3,142	37,369	33,514
	187,474	167,965	8,307	7,849	6,562	5,601	15,428	13,649	5,867	5,344	21,047	17,798	244,685	218,206
			211	60	256	264	189	164	26	85	1,225	1,120	8,470	7,352
Fravel and hosting	6,287	0,330	110		0.CC	165	1 1 4 7	1 513	1.364	2.365	1,290	1,572	16,614	19,688
Materials and supplies	11,718	12,903 2 088	587 587	20	284	644	2,206	2,203	2,259	584	1,591	232	10,172	6,780
Kenovations	004,0	000,0	100	67	103	566			1	ł	359	192	8,736	7,578
Scholarships and bursaries	1,180	0,612	7	2	75	51	16.417	15360	347	63	143	173	20,449	19,070
Utilities	5,4/4	145,5	10	67 6	6	10	18	- 15	569	551	111	74	1,721	1,629
Kental	841 A 201	609 900 0	ŝ	000	07 FI	101	1 591	2 745	1.648	2.635	831	678	7,069	9,405
Externally contracted service	56/. ⁴ 7	876'7 0 203 C	06	240	117	15	293	306	-138	57	2,617	2,057	5,912	5,168
Protessional rees	700%	r c n'7	Y Y	r a			i							
	000	020	01	48	٣L	20	~	4	16	10	358	290	854	642
Institutional memberships	200	0/7	÷	ř	5	1	610	1.387	l	ļ	I	١	753	1,489
Property tax	143	701	I	I	l		PE	95	4	2	868	884	1,129	1,153
Insurance	\$77	177	I	I	1	26	5 6	-	P 1	17	12	12	266	193
Debt repayments	181	127	I	1	97	0,0	5	4	1	÷	62	32	822	601
Space rental	733	561	1	1	10	¢ v	1 5	-		ł	Pr.	22	9.438	8.681
Reference books	2,219	1,877	7,165	6,751	×,	ρ,	7T	11 035	E07-	-665	-522	-469	-16,511	-15,846
External cost recoveries	-3,595	-3,582	-93	-102	Į٩	C-	/0011-	C70'11-	LL4 3	5 TOA	8 006	6 884	75.894	73.583
	39,640	37,582	7,902	7,424	2,739	3,226	11,140	12, /03	11440	+0/ °r	0000	- oo 'o		
1										01 / 11	20 M42	74 627	210 570	201 780

- 451 -

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COMPENSATION PRACTICES AT MEMORIAL UNIVERSITY OF NEWFOUNDLAND

Compensation at Memorial University is determined by the duties and responsibilities of respective positions.

At the executive level, the Board of Regents, on the recommendation of its Executive Compensation Committee, determines the salary levels for the University's president and vice-presidents.

Compensation for deans, academic directors and academic department heads includes a salary on a faculty member's scale, based on experience, rank and highest degree, in accordance with a collective agreement negotiated with the Memorial University of Newfoundland Faculty Association (MUNFA). In addition, there is an administrative stipend, set by the Board of Regents, the level of which is dependent on the size and complexity of the faculty, school or department.

Compensation for administrative directors and managers is set by the Board of Regents. A review of compensation in these positions was conducted by an external consultant in 2007-08. A new salary structure for Senior Administrative Management was approved by the Board and implemented April 1, 2008.

For faculty and staff, compensation is determined through collective bargaining between the University and the various unions representing each employee group; MUNFA, the Canadian Union of Public Employees (CUPE), and the Newfoundland Association of Public Employees (NAPE). Periodic reviews of staff positions, including compensation levels, have been conducted with the assistance of external consultants since 1994.

Per-course lecturers are represented by Lecturer's Union of Memorial University (LUMUN).

The attached tabular information and explanatory notes provide an overview of salary ranges for academic, administrative and executive positions at Memorial University.

MEMORIAL UNIVERSITY OF NEWFOUNDLAND EXECUTIVE SALARY RANGES MARCH 31, 2009

	Salary Range (\$)
President and Vice-Chancellor	243,838 - 304,798
Vice-Presidents:	
Academic and Pro Vice-Chancellor Administration & Finance Research	185,726 - 232,158 165,080 - 206,350 165,080 - 206,350
Executive Director (Marine Institute)	141,498 - 176,872 ·
Dean-Student Affairs & Services	159,562 - 199,453
Principal – Sir Wilfred Grenfell College (SWGC)	141,498 - 176,872

MEMORIAL UNIVERSITY OF NEWFOUNDLAND ACADEMIC SALARY RANGES (note 1) MARCH 31, 2009

	Salary Range (\$)	Actual Minimum & Maximum Salaries	Number of Employees
Academic Executive:	note (2)		15
Deans of Faculties/Schools			7
Directors of Schools			5
University Librarian			1
Associate Vice-President			2
Academic Management:	note (3)		77
Vice Dean (Medicine)			1
Vice-Principal (SWGC)			1
Associate Vice Principal Research			
(SWGC)			1
Associate Deans			14
Assistant Deans			5
Department Heads			38
Directors		۵	5
Associate Directors			8
Associate University Librarians			4
Academic Staff:	28,202 - 136,378	33,370 - 187,427	1214
Professors	86,687 - 136,378	86,687 - 187,427	257
Associate Professors	73,255 - 110,193	73,255 - 148,810	287
Assistant Professors	63,181 - 78,292	53,107 - 106,835	294
Lecturers (note 4)	51,248 - 59,823	51,428 - 78,292	92
Co-op Education Coordinators	49,749 - 86,687	59,823 - 83,329	16
Librarians	44,712 - 120,267	46,391 - 108,514	37
Instructors - Marine Institute	28,202 - 106,090	33,370 - 100,385	231

- Note 1: Some individuals are in receipt of market differentials which may result in salaries that exceed the maximum levels in their approved salary ranges.
- Note 2: Academic Deans and Directors receive a salary depending upon professorial rank plus an administrative stipend in the range of \$6,000 to \$25,000 per year depending on the size and complexity of their academic units, and whether they are serving a first or a second term.
- Note 3: Academic Departments Heads receive a salary based upon their professorial rank plus an administrative stipend in the range of \$3,000 to \$10,000 depending on the size of their academic unit.

Note 4: Lecturers include 31 Visiting Professors paid on the lecturer scale.

MEMORIAL UNIVERSITY OF NEWFOUNDLAND ADMINISTRATIVE SALARY RANGES (note 1) MARCH 31, 2009

	Salary Range (\$)	Actual Minimum & Maximum Salaries	Number of Employees
Senior Administrative Management Level 1 to 5: (note 2)	88,465 - 173,461	88,465 - 157,850	102
Management and Professional Staff (note 3)	25,844 - 96,770	38,402 - 98,472	295
Administrative Staff (note 4)	25,586 - 110,594	25,586 - 69,722	1950

- Note 1: Some individuals are in receipt of market differentials which may result in salaries that exceed the maximum levels in their approved salary ranges.
- Note 2: Senior Administrative Management category was implemented April 2008 and includes previous categories of Administrative Directors level 1 - 4, the Marine Institute Academic Industrial Response Unit Managers, and employees on previous Band Levels 12-15.
- Note 3: Management and professional staff ranges reflect 11 salary levels developed under the university's Job Evaluation System.
- Note 4: Administrative and academic support staff salary ranges reflect salary levels defined by union collective agreements or non-bargaining terms and conditions of employment.

- 456 -



Consolidated Financial Statements

Multi-Materials Stewardship Board

March 31, 2009



Auditors' report

Grant Thornton LLP 187 Kenmount Road St. John's, NL A1B 3P9 T (709) 722-5960 F (709) 722-7892 www.GrantThornton.ca

To the Directors of the

Multi-Materials Stewardship Board

We have audited the consolidated statement of financial position of the Multi-Materials Stewardship Board at March 31, 2009, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Board as at March 31, 2009, and the consolidated results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thouton LLP

St. John's, Newfoundland and Labrador

June 5, 2009

Chartered Accountants

Consolidated Statement of Operations		
Year Ended March 31	2009	2008
Revenue		
Gross revenue from deposits	\$ 20,489,496	\$ 19,067,314
By-product revenue	2,329,179	2,210,029
Residential Backyard Composting Program	3,749	72,809
Household Hazardous Waste Program	71,526	66,596
	22,893,950	21,416,748
Cost of sales (Note 10)	18,942,279	
Gross margin	3,951,671	4,431,818
Miscellaneous income	386,856	663,484
Income before expenses	4,338,527	5,095,302
Expenses		
Administrative (Page 13)	2,156,278	2,514,985
Grant disbursements	2,929,149	1,133,647
	5,085,427	<u>3,648,632</u>
Excess of (expenses over revenue) revenue over expenses	<u>\$ (746,900)</u>	\$ 1,446,670

Multi-Materials Stewardship Board

Multi-Materials Stewardship Board Consolidated Statement of Changes in Net Assets

Year Ended March 31			2009	2008
	Invested in <u>Capital Assets</u>	Unrestricted <u>Net Assets</u>	Total	Total
Net assets, beginning of year	\$ 409,960	\$ 18,525,281	\$ 18,935,241	\$ 17,488,571
Excess of (expenses over reve revenue over expenses	enue) (114,133)	(632,767)	(746,900)	1,446,670
Investments in capital assets	65,146	(65,146)		
Net assets, end of year	\$ 360,973	\$ 17,827,368	\$ 18,188,341	\$ 18,935,241

March 31	2009	2008
Assets		
Current		
Cash and cash equivalents	\$20,635,456	\$ 18,603,190
Receivables (Note 5) Inventories (Note 6)	2,416,004	2,950,953
Prepaids	44,998 46,312	118,918
repares	40,512	53,70'
	23,142,770	21,726,772
Long term investments	465,121	445,390
Property and equipment (Note 7)	360,975	409,960
	\$ 23,968,866	\$ 22,582,128
Liabilities		
Current		
Payables and accruals	\$ 819,831	\$ 590,840
Grants payable	2,546,635	984,412
Unearned revenue	<u>1,694,858</u>	1,615,159
	5,061,324	3,190,411
Performance bonds payable	<u> </u>	456,476
	5,780,525	3,646,887
Net Assets		
Net assets invested in capital assets	360,973	409,960
Unrestricted net assets	17,827,368	18,525,281
	18,188,341	<u>18,935,241</u>
	\$ 23,968,866	\$ 22,582,128

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Commitments (Note 9)

On behalf of the Board Chairperson Clust Alany Director

Multi-Materials Stewardship Boar Consolidated Statement of Cash Flows Year Ended March 31		2008
Increase (decrease) in cash and cash equivalents		
Operating Excess of (expenses over revenue) revenue over expenses Depreciation Loss on disposal of equipment	\$ (746,900) 114,133 	\$ 1,446,670 115,338 24,489 1,586,497
Change in non-cash operating working capital (Note 8)	(032,707) 2,487,173 1,854,406	(27,714)
Financing Increase in performance bonds payable	262,725	23,386
Investing Increase in long term investments Purchase of property and equipment Decrease in note receivable	(19,725) (65,146)	(12,306) (287,922) 60,000
Net increase in cash and cash equivalents	<u>(84,871)</u> 2,032,260	<u>(240,228)</u> 1,341,941
Cash and cash equivalents		
Beginning of year	<u>18,603,196</u>	
End of year	\$20,635,456	\$ 18,603,196

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1. Nature of operations

The Multi-Materials Stewardship Board is a statutory corporation established pursuant to The Environmental Protection Act. This Board manages the Used Beverage Container Deposit Refund System, the Used Tire Recycling Program, the Residential Backyard Composting Program, and the Newfoundland and Labrador Waste Management Trust Fund in the Province of Newfoundland and Labrador and is mandated to support and promote the protection, enhancement and wise use of the environment through waste management programs.

The Board is exempt from income taxes under Section 149(1)(d) of the Canadian Income Tax Act.

2. Basis of consolidation

These consolidated financial statements include the accounts of the Multi-Materials Stewardship Board, the Residential Backyard Composting Program, and the Newfoundland and Labrador Waste Management Trust Fund.

The Multi-Materials Stewardship Board - Newfoundland and Labrador Waste Management Trust Fund is a restricted fund, managed by the Board, and its accounts have been grouped in these financial statements for consolidated purposes. Effective April 1, 2006, the accounts of the Household Hazardous Waste Program were combined with the accounts of the Newfoundland and Labrador Waste Management Trust Fund. Separate audited financial statements have been issued for this Trust Fund, with an audit report date of June 2, 2009.

The accounts of the Residential Backyard Composting Program have also been grouped in these financial statements for consolidation purposes. Separate audited financial statements have also been issued for this Program with an audit report date of May 29, 2009.

3. Summary of significant accounting policies

(a) Fund accounting

Fund accounting is generally accepted as the basis of accounting for public sector organizations. A summary of significant accounting policies relating to fund accounting is as follows:

- i) property and equipment are recorded at cost, net of proceeds on disposal;
- ii) capital additions financed from the unrestricted funds are included in the net assets invested in capital assets account; and
- iii) depreciation of property and equipment and gains (losses) on disposal are included in the net assets invested in capital assets account.

Multi-Materials Stewardship Board Notes to the Consolidated Financial Statements March 31, 2009

3. Summary of significant accounting policies (cont'd.)

(b) Use of estimates

In preparing the Board's consolidated financial statements in conformity with Canadian generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of one year or less. Cash and cash equivalents also include a balance of \$254,080 (2008 - \$11,080) in restricted cash related to the performance bonds payable.

(d) Revenue recognition

Deposit revenue is recognized when remittances are collected plus an estimated accrual based on subsequent receipts.

Byproduct revenue is recognized upon shipment and when all significant contractual obligations have been satisfied and collection is reasonably assured.

Revenue from the sale of compost bins is recognized when the bins are sold by the depots or to municipalities.

Revenue from the Household Hazardous Waste Program is recognized as the municipalities are invoiced and collection is reasonably assured.

Grant revenue is recognized in the period in which entitlement arises. Revenue received for a future period is deferred until the future period when related costs have been incurred.

Miscellaneous income (including interest income) is recognized as earned.

(e) Inventories

Inventories, which are comprised of aluminium beverage containers, PET beverage containers and compost bins, are valued at the lower of cost and net realizable value.

During the year, \$958 (2008 - \$Nil) of inventory was written off to cost of sales.

(f) Long term investments

Investments in guaranteed investment certificates are restricted to repay performance bonds at the end of the contracts if all conditions have been met by the parties involved.

3. Summary of significant accounting policies (cont'd.)

(g) Depreciation

Rates and bases of depreciation applied to write-off the cost of property and equipment over their estimated lives are as follows:

Rocaps equipment	30%, declining balance
Office furniture and equipment	20%, declining balance
Leasehold improvements	5 years, straight line
Computer hardware	30%, declining balance
Computer software	30%, declining balance
Bags and tubs	30%, declining balance
Vehicle	30%, declining balance

(h) Impairment of long-lived assets

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances indicating that the value of the assets may not be recoverable, as measured by comparing their net book value to the estimated undiscounted cash flows generated by their use. Impaired assets are recorded at fair value, determined principally using discounted future cash flows expected from their use and eventual disposition.

(i) Unearned revenue

Unearned revenue consists of deposits on containers yet to be returned for redemption and recycling. The amount recorded by the Board as unearned revenue consists of sixty days of deposits received from distributors, adjusted by an estimated recovery rate of 68% (March 31, 2008 – 68%).

(j) Financial Instruments

The CICA Handbook Section 3855, "Financial Instruments - Recognition and Measurement", requires the Board to revalue all of its financial assets and liabilities at fair value.

This standard also requires the Board to classify financial assets and liabilities according to their characteristics and management's choices and intentions related thereto for the purposes of ongoing measurements. Classification choices for financial assets include: a) held for trading - measured at fair value with changes in fair value recorded in net earnings; b) held to maturity - recorded at amortized cost with gains and losses recognized in net earnings in the period that the asset is no longer recognized or impaired; c) available-for-sale - measured at fair value with changes in fair value recognized in other comprehensive income for the current period until realized through disposal or impairment; and d) loans and receivables - recorded at amortized cost with gains and losses recognized in the period that the asset is no longer recognized in net earnings in the period at amortized cost with gains and losses recognized in the period that realized through disposal or impairment; and d) loans and receivables - recorded at amortized cost with gains and losses recognized in net earnings in the period that the asset is no longer recognized in net earnings in the period that the asset is no longer recognized in net earnings in the period that the asset is no longer recognized or impaired.

Multi-Materials Stewardship Board Notes to the Consolidated Financial Statements

March 31, 2009

3. Summary of significant accounting policies (cont'd.)

Classification choices for financial liabilities include: a) held for trading - measured at fair value with changes in fair value recorded in net earnings and b) other - measured at amortized cost with gains and losses recognized in net earnings in the period that the liability is no longer recognized. Subsequent measurement for these assets and liabilities are based on either fair value or amortized cost using the effective interest method, depending upon their classification. Any financial asset or liability can be classified as held for trading as long as its fair value is reliably determinable.

In accordance with the standard, the Board's financial assets and liabilities are classified and measured as follows:

Asset/Liability	Classification	Measurement
Cash and cash equivalents	Held for trading	Fair value
Receivables	Loans and receivable	Amortized cost
Long term investments and performance bonds payable	Held for trading	Fair value
Payables and accruals	Other financial liabilities	Amortized cost

Other balance sheet accounts, such as inventories, prepaids, property and equipment and unearned revenue, are not within the scope of these accounting standards as they are not financial instruments.

The fair value of a financial instrument is the estimated amount that the Board would receive or pay to terminate the instrument agreement at the reporting date. To estimate the fair value of each type of financial instrument various market value data were used as appropriate. The fair values of cash approximated its carrying value.

Accounting standards and policies adopted during the year

Inventories (i)

In March 2007, the CICA issued Section 3031 "Inventories", which has replaced existing Section 3030 with the same title. The new Section establishes that inventories should be measured at the lower of cost and net realizable value, with guidance on the determination of cost. This standard is effective for financial statements relating to fiscal years beginning on or after January 1, 2008 and is applicable for the Board's year ended March 31, 2009.

(ii) Financial Instruments - Disclosure

CICA Section 3862 "Financial Instruments - Disclosure" and CICA Section 3863 "Financial Instruments – Presentation" replaces CICA Section 3861, "Financial Instruments – Disclosure and Presentation". CICA Section 3862 requires increased disclosures regarding the risks associated with financial instruments such as credit risk, liquidity risk and market risks and the techniques used to identify, monitor and manage these risks. CICA Section 3863 carries forward standards for presentation of financial instruments and non-financial derivatives and provides additional guidance for the classification of financial instruments, from the perspective of the issuer, between liabilities and equity. These standards are effective for financial statements relating to fiscal years beginning on or after October 1, 2007 and are applicable for the Board's year ended March 31, 2009.

Multi-Materials Stewardship Board Notes to the Consolidated Financial Statements

March 31, 2009

4. **Risk management**

The Board's policy for managing significant risks includes policies, procedures and oversight designed to reduce the risks identified to an appropriate threshold. The Board of Directors is provided with timely and relevant reports on the management of significant risks. Significant risks managed by the Board include liquidity, credit and market risks.

Liquidity risk

Liquidity risk is the risk that the Board will be unable to meet its contractual obligations and financial liabilities. The Board manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient cash available to meet its obligations and liabilities.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Board's credit risk is attributable to receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest tates.

i) Interest rate risk

> Interest rate risk is the risk that the value of a financial asset will fluctuate due to changes in market interest rates. The board is exposed to interest rate risk through its cash and cash equivalents and long term investments. Interest rate risk is managed through holding low risk cash and cash equivalents and long term investments.

5. Receivables	2009 2	2008
Deposits Trade and other	\$ 2,308,708 \$ 2,696 107,296 254 \$ 2,416,004 \$ 2,950	<u>436</u>
6. Inventories	<u>2009</u> 2	2 <u>008</u>
Aluminium beverage containers PET beverage containers Compost bins	11,233 21,	,913 ,419 , <u>586</u>
	\$ 44,998 \$ 118.	918

Multi-Materials Stewardship Board Notes to the Consolidated Financial Statements March 31, 2009

7. Property and equipment	<u>Cost</u>	Accumulated Depreciation	<u>2009</u> Net <u>Book Value</u>	<u>2008</u> Net Book Value
Rocaps equipment \$ Office furniture and equipment Leasehold improvements Computer hardware Computer software Bags and tubs Vehicle	144,928 128,546 8,912 69,755 206,021 395,875 33,142 987,179	\$ 57,842 69,230 2,885 38,367 167,882 264,882 25,116 \$ 626,204	\$ 87,086 59,316 6,027 31,388 38,139 130,993 <u>8,026</u> \$ 360,975	 \$ 117,996 59,148 7,374 38,563 51,933 124,071 10,875 \$ 409,960
8. Supplemental cash flow i	nformatio	n	<u>2009</u>	<u>2008</u>
Change in non-cash operating work	ing capital		•	
Receivables Inventories Prepaids Payables and accruals Grants payable Unearned revenue			\$ 534,947 73,920 7,395 228,989 1,562,223 79,699	\$ (680,376) 80,897 (2,147) (115,166) 560,720 128,358
			\$ 2,487,173	\$ (27,714)

9. Commitments

The Board is committed to minimum annual lease payments for property and equipment for the next four years as follows: 2010 - \$245,265; 2011 - \$213,479; 2012 - \$212,456; and 2013 - \$49,453.

The Board has entered into the following agreements:

- (i) processing and transportation of beverage containers to July, 2014;
- (ii) collection of used tires in Labrador West area to April, 2012;
- (iii) collection and transportation of used tires in the island portion of Newfoundland and Labrador and the Labrador Straits to February, 2010;
- (iv) collection of used tires in Happy Valley-Goose Bay area to February, 2010;
- (v) transportation of used tires collected in Labrador to May, 2010;
- (vi) recycling of used tires collected in Labrador to May, 2010; and
- (vii) transportation and disposal of processed glass to December, 2009.

Multi-Materials Stewardship Board Notes to the Consolidated Financial Statements March 31, 2009

10. Cost of sales

In June 2004, the Board terminated its contract under the Used Tire Recycling Program with its previous contractor. Subsequent to this termination, the Board assumed responsibility for the Program and implemented a contingency plan for the storage of used tires. Included in the cost of sales is \$787,938 (2008 - \$662,535) of interim contingencies costs for the storage of used tires. The costs will be incurred until the Board is able to make alternate arrangements under the Used Tire Recycling Program.

Year Ended March 31			2009	 2008
Advertising	<u>,</u> ,	\$	143,859	\$ 92,613
Doubtful accounts			42,626	60,000
Depreciation			114,133	115,338
Directors' remuneration			19,653	18,121
Dues, licenses and education			26,865	31,796
Equipment rental			24,809	25,866
Insurance			8,681	9,219
Interest and bank charges			6,448	11,688
Marketing and communications			170,711	707,272
Meetings and entertainment			8,278	6,055
Miscellaneous			1,219	4,384
Professional fees			133,712	154,193
Rent			109,824	113,33
Repairs and maintenance			6,940	6,218
Rocaps supplies			16,568	26,333
Stationery and office supplies			42,820	57,109
Telecommunications			33,130	31,882
Travel – board and staff			85,177	61,590
Vehicle operating			8,960	15,165
Wages and benefits		<u></u>	1,151,865	 966,800
		\$	2,156,278	\$ 2,514,985

Multi-Materials Stewardship Board Consolidated Schedule of Administrative Expenses

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FINANCIAL STATEMENTS Year ended March 31, 2009

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JOHN F. MORGAN

Chartered Accountant Suite 901, TD Place, 140 Water Street St. John's, NL A1C 6H6 Office: (709) 576-6776 Fax: (709) 576-6777

AUDITORS' REPORT

To the Shareholder of Municipal Assessment Agency Inc.

We have audited the balance sheet of Municipal Assessment Agency Inc. as at March 31, 2009, and the statements of revenue, expenses and equity and changes in financial position for the year then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at March 31, 2009, and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

CHARTERED ACCOUNTANT

St. John's, Newfoundland May 21, 2009

BALANCE SHEET AS AT MARCH 31, 2009

ASSETS

	2009	2008
CURRENT ASSETS:		<u>, , , , , , , , , , , , , , , , , , , </u>
Cash	\$ 358,267	\$ 403,454
Accounts receivable (note 2)	192,611	254,123
Current portion of long term receivables (note 3)	55,519	43,880
Prepaid expenses	99,681	55,867
	706,078	757,324
Long term receivables (note 3)	63,330	71,131
Severance reserve fund (note 4)	886,920	789,917
Capital assets (note 5)	1,382,402	1,400,454
	\$3,038,730	\$3,018,826

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	\$ 270,298	\$ 169,659
Accrued vacation pay (note 6)	231,713	204,765
	502,011	374,424
Accrued severance pay (note 6)	886,920	789,917
	1,388,931	1,164,341

SHAREHOLDER'S EQUITY

CAPITAL:

Authorized and issued		
1 Common share	1	1
Equity from operations	1,649,798	1,854,484
	1,649,799	1,854,485

\$3,038,730 \$3,018,826

Commitments and contingencies (note 6 and note 8)

On behalf of the board:

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	2009	2008
EVENUES:		
Assessment services	\$4,865,688	\$4,735,197
Secondment revenue (note 1)	62,102	-
Interest revenue	33,504	76,262
Valuation revenue	21,277	22,478
Miscellaneous revenue	2,499	
	4,985,070	4,833,937
XPENSES:		
Salaries	3,107,387	2,868,992
Benefits	607,443	599,559
Travel	386,682	308,849
Information technology	230,674	216,782
Professional fees	121,573	91,281
Postage and courier	110,943	122,728
Telephone	74,875	75,837
Premises and equipment lease	72,830	131,259
Repairs and maintenance	52,396	23,172
Printing	50,223	57,408
Office supplies	42,366	42,522
Advertising and public relations	27,653	17,713
Utilities	23,207	17,668
Insurance	20,817	15,839
Payroll processing	5,045	4,677
Bank charges	2,181	2,441
Meetings and events	753	354
Office relocation	240	10,477
	4,937,288	4,607,558
cess of revenues over expenses before the following:	17 700	226 270
ovision for severance and vacation pay (note 6)	47,782	226,379
nortization of deferred contributions - capital (note 7)	123,951	75,412
nortization of capital assets	-	(27,951
· · · · · · · · · · · · · · · · · · ·	129,418	117,630
ss on disposal of capital assets d debt expense (recovery)	1,597	7,173
	(2,498)	(40,990
cess of revenues over expenses	(204,686)	95,105
uity from operations, beginning of year	1,854,484	1,759,379
QUITY FROM OPERATIONS, END OF YEAR	\$1,649,798	\$1,854,484

STATEMENT OF REVENUES, EXPENSES AND EQUITY FOR THE YEAR ENDED MARCH 31, 2009

Commitments and contingencies (note 6 and note 8)

	2009	2008
OPERATING ACTIVITIES:	,	<u> </u>
Excess of revenues over expenses	\$ (204,686)	\$ 95,105
Items not affecting cash:		
Amortization of capital assets	129,418	117,630
Amortization of deferred contributions	-	(27,951)
Increase in long-term receivable	(3,838)	(51,148)
Increase in severance pay accrual	97,003	34,223
Increase in vacation pay accrual	26,948	15,597
Loss on disposition of capital assets	1,597	7,173
Net change in non-cash working capital balance	118,337	(33,316)
CASH PROVIDED BY OPERATING ACTIVITIES	164,779	157,313
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INVESTING ACTIVITIES:		
		// A A A / >
Purchase of capital assets	(112,963)	(1,203,155)
Proceeds from disposition of capital assets		285
*	(112,963)	,
Proceeds from disposition of capital assets CASH USED IN INVESTING ACTIVITIES		285
Proceeds from disposition of capital assets	(112,963)	285 (1,202,870)

STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED MARCH 31, 2009

Operating cash \$ 358,267 \$ 403,454 Severance reserve fund 886,920 789,917 \$1,245,187 \$1,193,371	Cash is represented by:		
	Operating cash	\$ 358,267	\$ 403,454
\$1,245,187 \$1,193,371	Severance reserve fund	886,920	789,917
		\$1,245,187	\$1,193,371

Commitments and contingencies (note 6 and note 8)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2009

General:

Effective April 2, 1997, the Municipal Assessment Agency Inc. (the "Corporation") was incorporated under the laws of the Province of Newfoundland and Labrador to carry out assessment services for various municipalities throughout the Province of Newfoundland and Labrador pursuant to the Assessment Act. Prior to this date, these services were performed by the Department of Municipal and Provincial Affairs, Government of Newfoundland and Labrador (the "Department").

The Corporation has one common share with a par value of \$1.00 issued to the Minister of Municipal and Provincial Affairs, Government of Newfoundland and Labrador.

The Corporation is a crown corporation and, accordingly, is exempt from income taxes under Subsection 149(1)(d) of the Income Tax Act.

1. Summary of significant accounting policies:

The financial statements of the Corporation have been prepared within the framework of generally accepted accounting principles which require the use of estimates and assumptions that affect the amounts reported and disclosed in these statements and related notes. Any variations between these estimates and actual amounts are not expected to materially affect reported results. The more significant accounting policies of the Corporation are as follows:

(a) Capital assets

Capital assets purchased by the Corporation are recorded at cost. Amortization is recorded on a declining balance basis over the assets estimated useful lives at the following rates:

Furniture and equipment	20%
Computer hardware and software	30%
Integrated assessment system	30%
Buildings	4%

The Corporation is currently using furniture, equipment and computers provided by the Department. As title to these assets have not been transferred to the Corporation, they have not been recorded in the accounts.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2009

1. Summary of significant accounting policies (continued):

(b) <u>Revenue recognition</u>

Government assistance related to acquisition of capital assets is deferred and amortized to income on the same basis as the related capital assets are amortized.

Revenue for the provision of assessment and valuation services is recognized when the services are rendered.

Secondment revenue relates to employees who have been seconded out to government departments. The employee's salary is paid by the Agency and the government departments are invoiced on a monthly basis.

(c) Accrued severance pay

Severance pay is accounted for on an accrued basis and is calculated based upon years of service and current salary levels. The right to be paid severance pay vests with employees with nine years of continued service and accrues to a maximum of twenty years and, accordingly, no provision has been made in the accounts for employees with less than nine years of continued service. The amount is payable when the employee ceases employment with the Corporation. The cash amount of the accrued severance pay is segregated into a severance reserve fund.

(d) Redundancy pay

Redundancy pay is recognized as a liability when it is probable that employees will be entitled to benefits and the amount can be reasonably estimated.

(e) Fair Value of Financial Instruments

The company has evaluated the fair values of its financial instruments based on the current interest rate environment, related market values and current pricing of financial instruments with comparable terms. The carrying value of its financial instruments is considered to approximate fair value, unless otherwise indicated.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2009

2. Accounts receivable:

	2009	2008
Trade receivables	\$ 165,084	\$ 214,615
Accrued interest	1,103	3,756
HST recoverable	33,171	65,043
Employee receivable	3,011	2,456
Allowance for doubtful accounts	<u>(9,758)</u>	(31,747)
	<u>\$_192,611</u>	<u>\$ 254,123</u>

3. Long term receivables:

The Agency has entered into a contract with several of its customers to receive payment on the outstanding amounts over a period of 48 months, provided all future fees are paid on a current basis.

4. Severance reserve fund:

The Agency has internally restricted funds for the accrued severance pay liability, these funds are to be used to pay any accrued severance and not to be used in normal business operations. The restricted funds are held in the Agency's operating account that bears interest.

5. Capital assets:

-		2009		2008
		Accumulated	Net Book	Net Book
	Cost	Amortization	Value	Value
Computer hardware and				
software	\$ 443,818	\$ 344,726	\$ 99,092	\$ 117,005
Furniture and equipment	288,277	159,617	128,660	115,174
Integrated assessment system	1,109,343	1,042,999	66,344	94,778
Buildings	933,237	53,152	880,085	862,176
Land	208,221		208,221	211,321
	<u>\$2,982,896</u>	<u>\$1,600,494</u>	<u>\$1,382,402</u>	<u>\$1,400,454</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2009

6. Severance and vacation pay:

As at the time of incorporation, the Corporation assumed liabilities for severance pay, vacation and accrued overtime associated with employees transferred to the Corporation resulting in an opening deficit in the amount of \$366,950. During fiscal 2001, an agreement was reached with the province to fund this liability by a payment of \$160,000, which represented the present value of the liability as calculated by management.

The provision for severance and vacation pay consists of the following:

Severance pay	2009	2008
Opening balance Current year expense Usage	\$ 789,917 97,003	\$ 755,694 59,815 (25,592)
Closing balance	<u>\$ 886,920</u>	<u>\$ 789,917</u>
Vacation pay	2009	2008
Opening balance Current year expense	\$ 204,765 26,948	\$ 189,169 <u>15,596</u>

7. Deferred Contributions - Capital:

The Corporation received Government funding in prior years that was deferred for future operating expenses and capital expenditures. During the year, the Corporation recognized the following deferred contributions.

	2009	
Opening balance Capital contribution recognized	\$ -	\$ 27,951 <u>27,951</u>
Closing balance	\$	<u>\$</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2009

8. Commitments and Contingencies:

The Agency has a lease for office space in Corner Brook, Newfoundland. The term of the lease is 5 years, starting October 1, 2007, with the option to renew for a further term of up to 5 years. The monthly rental fee is \$4,211.

The Agency has a lease for office space in Conception Bay South, Newfoundland. The term of the lease is 2 years, starting September 1, 2007. The monthly rental fee is \$350.

The Agency has a lease for office space in Clarenville, Newfoundland. The term of the lease is 5 years, starting May 1, 2008. The monthly rental fee is \$350.

The Agency has prepared property valuations which are subject to litigation to which the Agency has been included as a third party defendant. These claims could be considered to be in the normal course of the Agency's activities. Neither the possible outcome nor the amount of possible settlement can be foreseen. Therefore, no provision has been made in the financial statements.

9. Comparative Figures:

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