

Financial Statements of

ST.AMANT INC.

Year ended March 31, 2011



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INDEPENDENT AUDITORS' REPORT

To the Member of St.Amant Inc.

We have audited the accompanying financial statements of St.Amant Inc., which comprise the statement of financial position as at March 31, 2011, the statements of operations and changes in fund balances and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of St.Amant Inc. as at March 31, 2011, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

June 14, 2011

Winnipeg, Canada

ST.AMANT INC.

Statement of Financial Position

March 31, 2011, with comparative figures for 2010

	Operating Fund		Capital Fund		Total	
	2011	2010	2011	2010	2011	2010
Assets						
Current assets:						
Cash	\$ 140,849	\$ -	\$ 61,126	\$ 161,202	\$ 201,975	\$ 161,202
Funds held in trust for residents	403,389	402,440	-	-	403,389	402,440
Accounts receivable	4,634,731	4,182,487	-	170,535	4,634,731	4,353,022
Inventories	173,285	179,289	-	-	173,285	179,289
Prepaid expenses	237,340	206,281	-	-	237,340	206,281
Vacation pay recoverable from Winnipeg Regional Health Authority (note 8)	1,461,198	1,461,198	-	-	1,461,198	1,461,198
Inter-fund balances	561,750	2,290,210	(561,750)	(2,290,210)	-	-
	7,612,542	8,721,905	(500,624)	(1,958,473)	7,111,918	6,763,432
Capital assets (note 2)	-	-	18,487,352	19,647,474	18,487,352	19,647,474
Future employee pre-retirement benefits recoverable from Winnipeg Regional Health Authority (note 8)	2,155,263	1,943,468	-	-	2,155,263	1,943,468
	9,767,805	10,665,373	17,986,728	17,689,001	27,754,533	28,354,374

	Operating Fund		Capital Fund		Total	
	2011	2010	2011	2010	2011	2010
Liabilities, Deferred Contributions and Fund Balances						
Current liabilities:						
Cheques issued in excess of cash on hand	\$ -	\$ 272,637	\$ -	\$ -	\$ -	\$ 272,637
Accounts payable and accrued liabilities	2,803,246	3,776,672	1,939	295	2,805,185	3,776,967
Employee vacation payable (note 8)	2,873,163	2,737,602	-	-	2,873,163	2,737,602
Funds held in trust for residents	403,389	402,440	-	-	403,389	402,440
Payable to St. Amant Foundation Inc. (note 6)	(19,064)	(41,784)	261,633	282,962	242,569	241,178
Advances (note 3)	377,480	377,480	-	-	377,480	377,480
Current portion of long-term debt (note 4)	-	-	7,278,068	6,576,538	7,278,068	6,576,538
	6,438,214	7,525,047	7,541,640	6,859,795	13,979,854	14,384,842
Future employee pre-retirement benefits payable (note 8)	2,433,751	2,221,956	-	-	2,433,751	2,221,956
Long-term debt (note 4)	-	-	252,312	311,347	252,312	311,347
Deferred contributions (note 5):						
Expenses of future periods	1,228,263	1,557,656	-	-	1,228,263	1,557,656
Capital assets	-	-	6,521,121	6,161,917	6,521,121	6,161,917
	1,228,263	1,557,656	6,521,121	6,161,917	7,749,384	7,719,573
Fund balances:						
Invested in capital assets	-	-	3,457,415	4,141,702	3,457,415	4,141,702
Internally restricted	552,077	552,077	-	-	552,077	552,077
Unrestricted	(884,500)	(1,191,363)	-	-	(884,500)	(1,191,363)
	(332,423)	(639,286)	3,457,415	4,141,702	3,124,992	3,502,416
Excess of appraised value over cost	-	-	214,240	214,240	214,240	214,240
	\$ 9,767,805	\$ 10,665,373	\$ 17,986,728	\$ 17,689,001	\$ 27,754,533	\$ 28,354,374

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors:

Date: _____

ST.AMANT INC.

Statement of Operations and Changes in Fund Balances Year ended March 31, 2011, with comparative figures for 2010

	Winnipeg Regional Health Authority	Family Services	Total Operating Fund unrestricted	Operating Fund internally restricted	Total Operating Fund	Capital Fund	2011	2010
Revenues:								
Family Services	\$ 240,445	\$ 29,820,640	\$ 30,061,085	\$ -	\$ 30,061,085	\$ -	\$ 30,061,085	\$ 27,631,251
Winnipeg Regional Health Authority	26,072,945	25,000	26,097,945	-	26,097,945	-	26,097,945	24,874,535
Manitoba Health	-	-	-	-	-	229,357	229,357	83,605
Government of Canada	4,307	536,535	540,842	-	540,842	-	540,842	573,794
School divisions	-	386,860	386,860	-	386,860	-	386,860	376,624
Fees	121	239,292	239,413	-	239,413	-	239,413	319,444
Grants	253,376	26,140	279,516	-	279,516	-	279,516	62,408
Other governments	-	-	-	-	-	-	-	112,803
Recoveries	397,435	23	397,458	-	397,458	-	397,458	368,917
Investment income	14,492	-	14,492	-	14,492	1,686	16,178	2,226
St.Amant Foundation Inc. donations (note 6)	125,316	71,715	197,031	-	197,031	20,068	217,099	350,596
Amortization of deferred contributions (note 5)	-	-	-	-	-	570,812	570,812	546,126
Gain on sale of capital assets	-	-	-	-	-	176,685	176,685	109,304
Other programs	190,930	91,520	282,450	-	282,450	-	282,450	254,137
	27,299,367	31,197,725	58,497,092	-	58,497,092	998,608	59,495,700	55,665,770
Expenses:								
Salaries and wages	20,631,774	20,908,155	41,539,929	-	41,539,929	-	41,539,929	39,869,799
Employee benefits	4,174,060	3,896,579	8,070,639	-	8,070,639	-	8,070,639	7,177,577
Purchased services	696,558	48,287	744,845	-	744,845	-	744,845	788,012
Supplies	1,245,219	311,627	1,556,846	-	1,556,846	-	1,556,846	1,510,485
Food	645,458	500,007	1,145,465	-	1,145,465	-	1,145,465	1,127,004
Utilities	565,945	205,601	771,546	-	771,546	-	771,546	785,994
Equipment	144,460	157,528	301,988	-	301,988	-	301,988	348,770
Property taxes	138,817	103,397	242,214	-	242,214	-	242,214	330,863
Repairs and maintenance	130,971	344,155	475,126	-	475,126	-	475,126	421,284
Interest on long-term debt	-	-	-	-	-	249,560	249,560	237,388
Amortization	-	-	-	-	-	2,123,325	2,123,325	2,005,351
Administration and facility cost allocation (note 7)	(2,413,931)	2,413,931	-	-	-	-	-	-
Other	817,705	1,784,885	2,602,590	-	2,602,590	49,051	2,651,641	2,409,827
	26,777,036	30,674,152	57,451,188	-	57,451,188	2,421,936	59,795,193	57,012,354
Excess (deficiency) of revenues over expenses for the year before the undemolished	522,331	523,573	1,045,904	-	1,045,904	(1,423,328)	(377,424)	(1,346,584)
Future employee pre-retirement benefits revenue (note 8)	211,795	-	211,795	-	211,795	-	211,795	399,946
Future employee pre-retirement benefits obligation (note 8)	(211,795)	-	(211,795)	-	(211,795)	-	(211,795)	(399,946)
Excess (deficiency) of revenues over expenses	522,331	523,573	1,045,904	-	1,045,904	(1,423,328)	(377,424)	(1,346,584)
Transfer to Capital Fund for purchased capital assets	(293,342)	(33,187)	(326,529)	-	(326,529)	326,529	-	-
Transfer to Capital Fund for principal repayment	(58,230)	(302,307)	(360,537)	-	(360,537)	360,537	-	-
Transfer to Capital Fund for interest	(32,070)	(196,590)	(228,660)	-	(228,660)	228,660	-	-
Transfer of gain on sale of capital assets from Capital Fund	-	176,685	176,685	-	176,685	(176,685)	-	-
Net change in fund balances	138,689	168,174	306,863	-	306,863	(684,287)	(377,424)	(1,346,584)
Fund balances, beginning of year	-	-	(1,191,363)	552,077	(639,286)	4,141,702	3,502,416	4,849,000
Fund balances, end of year	-	-	(884,500)	552,077	(332,423)	3,457,415	3,124,992	3,502,416

See accompanying notes to financial statements.

ST.AMANT INC.

Statement of Cash Flows

Year ended March 31, 2011 with comparative figures for 2010

	2011	2010
Cash provided by (used for):		
Operating activities:		
Deficiency of revenues over expenses	\$ (377,424)	\$ (1,346,584)
Adjustments for:		
Amortization of capital assets	2,123,325	2,005,351
Amortization of deferred contributions	(570,812)	(546,126)
Gain on sale of capital assets	(176,685)	(109,304)
Change in the following:		
Accounts receivable	(281,709)	(1,452,084)
Inventories	6,004	37,327
Prepaid expenses	(31,059)	12,716
Future employee pre-retirement benefits recoverable from Winnipeg Regional Health Authority	(211,795)	(399,946)
Payable to St. Amant Foundation Inc.	1,391	849,976
Accounts payable and accrued liabilities	(971,782)	288,261
Employee vacation payable	135,561	301,519
Future employee pre-retirement benefits payable	211,795	399,946
Net increase in deferred contributions related to expenses of future periods	(329,393)	179,840
	(472,583)	220,892
Investing activities:		
Purchase of capital assets	(1,102,016)	(3,213,616)
Proceeds on disposal of capital assets	315,499	153,923
	(786,517)	(3,059,693)
Financing activities:		
Increase in deferred contributions related to capital assets	930,016	713,224
Proceeds from long-term debt	1,807,761	957,132
Repayment of long-term debt	(1,165,267)	(1,089,841)
	1,572,510	580,515
Increase (decrease) in cash	313,410	(2,258,286)
Cash (cheques issued in excess of cash on hand), beginning of year	(111,435)	2,146,851
Cash (cheques issued in excess of cash on hand), end of year	\$ 201,975	\$ (111,435)
Supplementary cash flow information:		
Interest paid	\$ 249,560	\$ 237,388
Interest received	16,178	2,226

See accompanying notes to financial statements.

ST.AMANT INC.

Notes to the Financial Statements

Year ended March 31, 2011

General:

St.Amant Inc. (the Organization) was incorporated in 1960 as a corporation without share capital. The Organization is a residential and resource facility dedicated to providing comprehensive care, leadership, and promoting excellence in services for Manitobans with developmental disabilities.

1. Significant accounting policies:

(a) Revenue recognition:

The Organization is funded primarily by the Province of Manitoba in accordance with budget arrangements established by the Winnipeg Regional Health Authority (WRHA) and Manitoba Family Services and Consumer Affairs (Family Services). Operating grants are recorded as revenue in the period to which they relate. These financial statements reflect agreed arrangements approved with respect to the year ended March 31, 2011. The Organization's Service Purchase Agreement (SPA) with the WRHA continues in effect until March 31, 2012. A new SPA with Family Services was signed in 2011 and is in effect until March 31, 2014.

The Organization follows the deferral method for contributions on a fund accounting basis as follows:

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Contributions restricted for the purpose of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets. Unrestricted contributions are recognized as revenue of the appropriate fund when received. Investment income is recognized in the Operating or Capital Fund in the year in which it is earned.

The funds used by the Organization are:

(i) Operating Fund:

Unrestricted:

The Operating Fund - unrestricted includes transactions related to the government funded operations of the main residential program, development day program and community residences.

Internally restricted:

The Operating Fund - internally restricted consists of funds restricted as approved by the Board of Directors.

(ii) Capital Fund:

The Capital Fund includes transactions related to the capital assets used for operations of the Organization.

ST.AMANT INC.

Notes to the Financial Statements (continued)

Year ended March 31, 2011

1. Significant accounting policies (continued):

(b) Financial instruments:

Initially, all financial assets and liabilities must be recorded on the statement of financial position at fair value. Subsequent measurement is determined by the classification of each financial asset and liability. All financial instruments are classified as one of the following five categories: (a) held-for-trading; (b) loans and receivables; (c) held-to-maturity; (d) available-for-sale; or (e) other liabilities. Financial assets and liabilities held-for-trading are measured at fair value with gains and losses recognized in excess (deficiency) of revenues over expenses. Financial instruments classified as held-to-maturity, loans and receivables and other liabilities are measured at amortized cost. Available-for-sale financial instruments are measured at fair value, with unrealized gains and losses recognized directly in fund balances.

The Organization designated cash, funds held in trust for residents and cheques issued in excess of cash on hand as held-for-trading; accounts receivable, vacation pay recoverable from Winnipeg Regional Health Authority, and future employee pre-retirement benefits recoverable from Winnipeg Regional Health Authority as loans and receivables; and accounts payable and accrued liabilities, employee vacation payable, funds held in trust for residents, payable to St.Amant Foundation Inc., advances and long-term debt as other liabilities. The Organization does not have held-to-maturity or available-for-sale financial instruments.

Except for held-for-trading designated financial instruments, transaction costs that are directly attributable to the acquisition or issuance of financial assets or liabilities are accounted for as part of the respective asset or liability's carrying value at inception and amortized over the expected life of the financial instrument using the effective interest method. For held-for-trading financial assets and liabilities, transaction costs are recorded in the statement of operations as incurred.

The Organization has adopted the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3861, *Financial Instruments - Disclosure and Presentation*. In accordance with the Accounting Standards Board's decision to exempt not-for-profit organizations from the disclosure requirements with respect to financial instruments contained within Section 3862, *Financial Instruments - Disclosures*, and Section 3863, *Financial Instruments - Presentation*, the Organization has elected not to adopt these standards in the financial statements.

(c) Inventories:

Inventories are valued at the lower of cost and net realizable value.

ST.AMANT INC.

Notes to the Financial Statements

Year ended March 31, 2011

1. Significant accounting policies (continued):

(d) Capital assets:

Capital expenditures are recorded at cost as capital assets in the Capital Fund. Contributed capital assets are recorded at fair value at the date of contribution.

Land is stated at its appraised value as at January 13, 1972. Acquisitions subsequent to 1972 are stated at cost.

Amortization on capital assets is charged to the Capital Fund and recorded on a straight-line basis to amortize the cost of capital assets over their estimated useful lives.

Capital assets are amortized over the following periods:

Asset	Period
Land improvements	20 years
Buildings	10 - 40 years
Furniture and equipment, building service equipment	5 - 20 years
Automotive	5 years
Software	5 years

(e) Mortgage payable:

Mortgage payable to Canada Mortgage and Housing Corporation, for which a portion is forgivable over the period of repayment, is recorded at the repayable amounts.

(f) Deferred contributions:

(i) Related to expenses of future years:

Grants received toward specified expenditures are taken into revenue as the related expenditures are incurred.

(ii) Related to capital assets:

Grants received towards the cost of capital expenditures are deferred and amortized on a straight-line basis over the estimated useful life of the assets purchased.

(g) Debt retirement:

The principal portion of annual debt retirement costs is recorded in the Capital Fund as a reduction of long-term debt. The interest portion of annual debt retirement is recorded in the Capital Fund as an expense.

ST.AMANT INC.

Notes to the Financial Statements (continued)

Year ended March 31, 2011

1. Significant accounting policies (continued):

(h) Income taxes:

The Organization is exempt from income taxes under Section 149(1) of the *Income Tax Act*.

(i) Volunteers:

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

(j) Future employee pre-retirement benefits:

Future pre-retirement benefits are accrued as earned on an actuarial estimation. The estimation of the future pre-retirement benefits has been performed using the projected unit credit service pro-rated on service actuarial cost method. The significant actuarial assumptions adopted in measuring the Organization's accrued future pre-retirement benefit includes mortality and withdrawal rates, a discount rate of 4.7 percent (2010 - 4.90 percent) and a rate of salary increase of 3.50 percent (2010 - 4.00 percent) plus an age related merit/promotion scale with no provision for disability.

(k) Use of estimates:

The preparation of financial statements 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 the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

ST.AMANT INC.

Notes to the Financial Statements (continued)

Year ended March 31, 2011

2. Capital assets:

	Cost or appraised value	Accumulated amortization	2011 Net Book Value	2010 Net Book Value
440 River Road:				
Land	\$ 212,888	\$ -	\$ 212,888	\$ 212,888
Land improvements	887,341	341,704	545,637	585,367
Buildings	17,243,067	10,713,859	6,529,208	7,160,552
Buildings service equipment	5,145,900	2,357,417	2,788,483	2,885,323
Furniture and equipment	6,229,619	5,591,857	637,762	771,174
Automotive	115,352	106,512	8,840	17,681
Software	1,147,514	853,325	294,189	321,640
	30,981,681	19,964,674	11,017,007	11,954,625
Community residences:				
Land	1,761,284	-	1,761,284	1,217,034
Land improvements	2,910	2,186	724	845
Buildings	6,999,781	1,672,863	5,326,918	6,107,738
Building service equipment	203,890	9,111	194,779	1,519
Furniture and equipment	1,306,188	1,216,089	90,099	239,314
Automotive	244,227	147,686	96,541	126,399
	10,518,280	3,047,935	7,470,345	7,692,849
	\$ 41,499,961	\$ 23,012,609	\$ 18,487,352	\$ 19,647,474

3. Advances:

The Organization has received working capital advances from Family Services. These advances are non-interest bearing, have no fixed repayment terms and are unsecured.

ST.AMANT INC.

Notes to the Financial Statements (continued)

Year ended March 31, 2011

4. Long-term debt:

	2011	2010
Canada Mortgage and Housing Corporation (CMHC) - mortgage payable, secured by specific properties, interest at 7 5/8%, payable \$6,578 monthly including principal and interest, maturing November 15, 2015	\$ 309,937	\$ 364,816
National Bank of Canada - Manitoba Health approved borrowings, due on demand, interest at bank prime rate less 0.5%, payable \$4,891 monthly, principal payments, maturing October 2016 (if repayment not demanded by lender on the demand loan)	322,795	381,485
National Bank of Canada, loans payable, due on demand, at interest rates ranging from bank prime to 6.2%, payable \$23,568 monthly including principal and interest, maturing at various dates through to September 2014 (if repayment not demanded by lender on the demand loan)	5,063,483	3,504,419
National Bank of Canada, loan payable, due on demand, interest at bank prime, payable \$4,445 monthly, principal payments, maturing in December 2022 (if repayment not demanded by lender on the demand loan)	573,305	626,645
National Bank of Canada, loan payable, due on demand, interest at bank prime, payable \$7,500 monthly, principal payments, maturing in March 2013 (if repayment not demanded by lender on the demand loan)	172,500	262,500
National Bank of Canada, loan payable, due on demand, interest at bank prime, payable \$2,500 monthly, principal payments, maturing in March 2013 (if repayment not demanded by lender on the demand loan)	57,500	146,667
National Bank of Canada - Manitoba Health approved borrowing, due on demand, interest at bank prime rate less 0.5%, payable \$5,875 monthly, principal payments, maturing on August 2018 (if repayment not demanded by lender on the demand loan)	530,836	601,336
Province of Manitoba, promissory note, due on demand, unsecured, interest at 4.6%, payable \$41,666 monthly, principal payments plus interest, maturing in March 2012 (if repayment not demanded by lender on the demand loan)	500,024	1,000,016
	7,530,380	6,887,884
Current portion (including demand loans)	7,278,068	6,576,537
	\$ 252,312	\$ 311,347

The Organization's credit facility with the National Bank of Canada provides a maximum of \$8,500,000 in demand loans to finance the acquisition or renovation of group homes by the Organization. The cumulative advances under this facility may not exceed the lower of \$8,500,000 or 75 percent of the collective market value of the group homes securing the facility. At March 31, 2011, the Organization had utilized \$4,973,761 (2010 - \$3,504,419) of this facility. The credit facility also provides the Organization with access to an aggregate of \$1,000,000 of demand loans for Manitoba Health approved borrowings.

The long-term debt with National Bank of Canada is secured by certain land and buildings owned by the Organization and for certain loans, letters of comfort from Manitoba Health.

The repayment of the Province of Manitoba promissory note, both principal and interest, has been guaranteed for the term of the note by the Province of Manitoba. Principal and interest payments for fiscal 2010 and 2011 have been funded directly by the Province of Manitoba. These financial statements do not reflect the related funding for and interest paid on the promissory note for fiscal 2010 and 2011.

ST.AMANT INC.

Notes to the Financial Statements (continued)

Year ended March 31, 2011

4. Long-term debt (continued):

For Manitoba Health approved borrowings, the Government of Manitoba may elect to retire this debt at anytime as it so chooses.

Principal repayments annually, with the demand loans included as a current obligation, are approximately as follows:

2012	\$	7,278,068
2013		62,101
2014		66,902
2015		71,251
2016		52,058
	\$	7,530,380

5. Deferred contributions:

(a) Expenses of future periods:

Deferred contribution related to expenses of future periods represents unspent externally restricted grants and donations.

	2011	2010
Balance, beginning of year	\$ 1,557,656	\$ 1,377,816
Additional contributions received	173,118	5,535,282
Unused contributions returned to St.Amant Foundation Inc.	-	(14,963)
Less amounts recognized as revenue	(502,511)	(5,340,479)
Balance, end of year	\$ 1,228,263	\$ 1,557,656

ST.AMANT INC

Notes to the Financial Statements (continued)

Year ended March 31, 2011

5. Deferred contributions (continued):

(b) 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 capital contributions is recorded as revenue in the statement of operations.

	2011	2010
Balance, beginning of year	\$ 6,161,917	\$ 5,994,819
Additional contributions received	930,016	713,224
Less amounts amortized to revenue	(570,812)	(546,126)
Balance, end of year	\$ 6,521,121	\$ 6,161,917

	Grants	Accumulated amortization	2011 Net book value	2010 Net book value
Land improvements	\$ 548,095	\$ 107,178	\$ 440,917	\$ 375,410
Buildings	6,569,168	2,500,591	4,068,577	3,366,893
Buildings service equipment	1,301,051	560,755	740,296	1,301,515
Furniture and equipment	3,751,498	2,480,167	1,271,331	1,118,099
	\$ 12,169,812	\$ 5,648,691	\$ 6,521,121	\$ 6,161,917

ST.AMANT INC

Notes to the Financial Statements (continued)

Year ended March 31, 2011

6. Related party transactions and balances:

The Organization pays rent on eight community residences to St.Amant Foundation Inc. for \$80,903 (2010 - \$80,903). The Organization charged St.Amant Foundation Inc. \$136,196 (2010 - \$130,068) for costs related to the parking lot including \$90,000 (2010 - \$90,000) which was recorded in deferred contributions related to capital assets.

	2011	2010
Community residences program:		
Renovations	\$ -	\$ 7,500
Client services programs:		
Aboriginal Culture and Initiative Outreach	29,045	43,425
Community support	1,578	2,613
ABA program	5,534	2,665
River Road Place	27,530	42,998
St.Amant School	2,401	382
Community Residence Program	27,295	17,228
Daycare	7,639	12,298
Medical	-	1,057
	101,022	122,666
Education and training:		
St.Amant Inc. conference	-	36,072
Research program	88,838	156,000
Other equipment and supplies	7,171	8,290
Capital projects:		
River Road Place	85,534	45,211
Health & Wellness	-	6,380
	85,534	51,591
	\$ 282,565	\$ 382,119

Of these contributions, \$85,534 (2010 - \$51,591) have been recorded in deferred contributions related to capital assets.

The payable to St.Amant Foundation Inc. of \$242,569 (2010 - \$241,178) is non-interest bearing, has no specified terms of repayment and is unsecured.

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.

ST.AMANT INC

Notes to the Financial Statements (continued)

Year ended March 31, 2011

7. Allocation of expenses:

The Organization has incurred \$4,091,136 (2010 - \$3,913,287) of administration expenses and \$5,406,921 (2010 - \$5,458,135) of facility expenses in fiscal 2011 that are common to the administration of the WRHA and Family Services programs. These expenses are reflected in the WRHA programs expenses in the statement of operations. The Organization has allocated \$1,992,426 (2010 - \$1,824,926) and \$421,507 (2010 - \$429,622) of administration and facility expenses to the Family Services program, respectively. The aggregate of \$2,413,933 (2010 - \$2,254,548) allocated to the Family Services programs is recorded as a recovery in the WRHA programs and an expense in the Family Services programs within administration and facility cost allocation in the statement of operations.

8. Employee benefits recoverable and payable:

(a) Pre-retirement benefit plan:

The Organization maintains an employee pre-retirement benefit plan primarily for the WRHA funded employees. The plan provides benefit payments to eligible retirees based on length of service and on career earnings from initial eligibility.

At March 31, 2011, based on an actuarial estimate, the pre-retirement benefit plan's obligations are estimated to be \$2,433,751 (2010 - \$2,133,953) for which the Organization has provided an accrued future employee pre-retirement benefits liability on the statement of financial position.

The amount of funding which will be provided by the WRHA for pre-retirement benefits was initially determined based on the pre-retirement liability at March 31, 2004, and was recorded as a long-term receivable on the statement of financial position.

The recoverable has been adjusted, based on direction from the WRHA, to include the incremental change in the related liability since fiscal 2007, which includes an interest component. The increase recorded in fiscal 2011 was \$211,795 (2010 - \$399,946) and is recorded in the statement of operations.

The future employee pre-retirement benefits recoverable from WRHA at March 31, 2011 aggregates \$2,155,263 (2010 - \$1,943,468) and has no specified terms of repayment.

Additional information about the Organization's employee pre-retirement benefit plan is as follows:

	2011	2010
Net benefit cost expensed in statement of operations:		
Pre-retirement benefits paid included in salaries	\$ 122,211	\$ 85,439
Change in pre-retirement benefits payable included in future employee pre-retirement benefits	211,795	399,946

ST.AMANT INC

Notes to the Financial Statements (continued)

Year ended March 31, 2011

8. Employee benefits recoverable and payable (continued):

Prior to 2004, Manitoba Health funded 100 percent of actual pre-retirement benefits paid over and above the operating grant provided to the Organization. Beginning April 1, 2005, the WRHA established a policy of providing additional funding for approximately 70 percent of actual pre-retirement benefits paid. Actual funding provided by WRHA for 2011 was 100 percent (2010 - 100 percent) of actual pre-retirement benefits paid.

(b) Healthcare Employees Pension Plan:

Certain eligible employees of the Organization are members of Healthcare Employees Pension Plan - Manitoba, a multi-employer defined benefit pension plan. As individual entities within the plan are not able to identify their share of the underlying assets and liabilities, the Organization is accounting for the plan as a defined contribution plan. The cost of the plan is recognized based on the contributions required to be made during each period. During the year, the Organization contributed \$2,401,824 (2010 - \$2,134,209) on behalf of its employees.

The most recent actuarial valuation of the plan as at December 31, 2007 indicated a solvency deficiency of \$61,050,000 that was to be funded over five years commencing calendar 2008 out of current contributions in each respective year. A change in underlying actuarial assumptions could cause a change in the actuarial value of accrued pension benefits and required service contributions. Contribution rates are 6.8 percent of pensionable earnings up to a yearly maximum pensionable earnings limit (YMPE) and 8.4 percent on earnings in excess of the YMPE.

(c) Vacation benefits:

The cost of the Organization's vacation benefits is accrued when the benefits are earned by the employees and is reported as employee vacation payable on the statement of financial position. The vacation liability at March 31, 2011 is \$2,873,163 (2010 - \$2,737,602). The funding received in each subsequent fiscal year from the WRHA includes the vacation payable recoverable from the WRHA of \$1,461,198 as included on the statement of financial position. The vacation pay recoverable from the WRHA is maintained at the employee vacation payable at March 31, 2004.

9. Fair value:

The fair value of the following items is not determinable due to the underlying terms and conditions: payable to St.Amant Foundation Inc., advances, loans payable to CMHC and Province of Manitoba promissory note.

The fair value of the future employee pre-retirement benefits recoverable from Winnipeg Regional Health Authority approximates its carrying value as the interest component is comparable to current market rates.

The fair value of loans payable to National Bank of Canada approximates their carrying value of \$6,720,419 (2010 - \$5,523,052). Fair value has been determined using future payments of principal and interest discounted at current rates.

The fair value of the remaining financial assets and liabilities approximates their carrying values due to their short term nature.