

Lake of the Woods District Hospital
Financial Statements
March 31, 2014

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Management's Responsibility

To the Members of Lake of the Woods District Hospital:

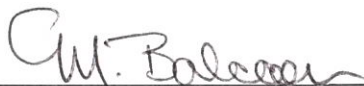
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting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

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

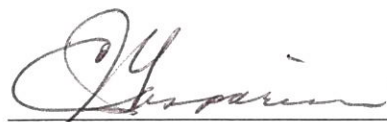
The Board of Directors is composed primarily of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management. The Board is also responsible for recommending the appointment of the Organization's external auditors.

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

June 5, 2014



President and Chief Executive Officer



Vice President Corporate Services
and Chief Finance Officer

Independent Auditors' Report

To the Members and Board of Directors of Lake of the Woods District Hospital:

We have audited the accompanying financial statements of Lake of the Woods District Hospital, which comprise the statement of financial position as at March 31, 2014 and the statements of operations, changes in net assets and cash flows for the year ended March 31, 2014 and 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 public sector accounting standards, 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 the auditors' 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, the auditor considers 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

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lake of the Woods District Hospital as at March 31, 2014 and the results of its operations, changes to net assets and its cash flows for the year ended March 31, 2014 in accordance with Canadian public sector accounting standards.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information presented in Schedules 1-4 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such supplemental information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Kenora, Ontario
June 5, 2014

MNP LLP
Chartered Professional Accountants
Licensed Public Accountants

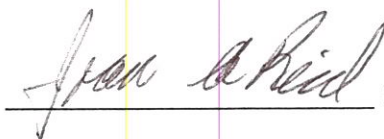
Lake of the Woods District Hospital
Statement of Financial Position
As at March 31, 2014

	2014	2013
Current assets		
Cash	\$ 4,568,930	\$ 5,002,395
Short-term investments (Note 2)	2,631,988	2,695,422
Accounts receivable (Note 3)	2,096,724	2,009,356
Inventory	586,673	512,628
Prepaid expenses	319,273	426,542
	<u>10,203,588</u>	<u>10,646,343</u>
Capital assets (Note 4)	<u>17,828,631</u>	<u>18,385,245</u>
	<u>\$ 28,032,219</u>	<u>\$ 29,031,588</u>
Current liabilities		
Accounts payable (Note 5)	\$ 5,873,884	\$ 6,669,900
Deferred contributions – donations and grants (Note 7)	691,366	605,388
	<u>6,565,250</u>	<u>7,275,288</u>
Accrued employee future benefit obligation (Note 6)	<u>1,437,400</u>	<u>1,373,700</u>
	8,002,650	8,648,988
Deferred contributions		
Unamortized capital contributions (Note 7)	<u>12,300,929</u>	<u>12,465,338</u>
	<u>20,303,579</u>	<u>21,114,326</u>
Commitments and Contingencies (Note 9)		
Net assets		
Invested in capital assets (Note 8)	5,527,702	5,919,907
Internally restricted for capital	250,000	250,000
Unrestricted net assets	<u>1,950,939</u>	<u>1,747,355</u>
	<u>7,728,641</u>	<u>7,917,262</u>
	<u>\$ 28,032,219</u>	<u>\$ 29,031,588</u>

Approved on behalf of the Board



Director



Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Lake of the Woods District Hospital

Statement of Operations

For the year ended March 31, 2014

	Budget 2013/14 (Unaudited)	2014	2013
Revenue (Schedule 1)			
Ministry of Health and Long Term Care/LHIN/CCO	\$ 33,352,817	\$ 33,580,847	\$ 32,706,260
Patient revenue from other payors	2,947,000	2,710,313	2,767,747
Differential and co-payment revenue	335,000	269,422	293,086
Other revenue and recoveries	2,918,328	2,977,787	3,341,651
Amortization of grants/donations equipment	770,645	655,608	651,403
Total Hospital Operating Revenue	40,323,790	40,193,977	39,760,148
Other programs, net of amounts repayable to funding agencies (Schedules 3 and 4)	5,952,000	6,290,704	6,089,715
	46,275,790	46,484,681	45,849,863
Expenses			
Salaries, wages and employee benefits (Schedule 2)	26,287,783	25,959,655	25,766,706
Medical staff remuneration	5,386,959	5,275,805	5,392,631
Supplies and other expenses (Schedule 2)	5,341,250	5,239,345	5,365,201
Medical and surgical supplies (Schedule 2)	1,202,774	1,123,978	1,071,697
Drugs	1,326,120	1,527,311	1,225,581
Amortization of equipment	752,654	878,945	825,682
Bad Debts	26,250	30,160	23,250
Total Hospital Operating Expenses	40,323,790	40,035,199	39,670,748
Other programs (Schedules 3 and 4)	5,952,000	6,290,704	6,089,715
	46,275,790	46,325,903	45,760,463
Surplus before amortization related to buildings	-	158,778	89,400
Amortization of buildings	(950,000)	(1,027,340)	(976,917)
Amortization of deferred contributions related to buildings	812,860	679,941	751,788
	(137,140)	(347,399)	(225,129)
Surplus (deficit) for the year	\$ (137,140)	\$ (188,621)	\$ (135,729)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Lake of the Woods District Hospital
Statement of Changes in Net Assets

For the year ended March 31, 2014

				2014	2013
	Invested in Capital Assets	Internally Restricted For Capital	Unrestricted	Total	Total
Balance, beginning of year	\$ 5,919,907	\$ 250,000	\$ 1,747,355	\$ 7,917,262	\$ 8,052,991
Surplus (deficit) for the year	-	-	(188,621)	(188,621)	(135,729)
Amortization of capital assets/deferred contributions related to capital assets (Note 8)	(570,736)	-	570,736	-	-
Net change in investment in capital assets (Note 8)	178,531	-	(178,531)	-	-
Balance, end of year	\$ 5,527,702	\$ 250,000	\$ 1,950,939	\$ 7,728,641	\$ 7,917,262

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Lake of the Woods District Hospital
Statement of Cash Flows

For the year ended March 31, 2014

	2014	2013
Cash flows from operations		
Surplus (deficit) for the year	\$ (188,621)	\$ (135,729)
Adjustments for:		
Amortization of capital assets	1,906,285	1,802,599
Amortization of deferred contributions related to capital assets	(1,335,549)	(1,403,191)
Increase in long term liability related to employee future benefits	63,700	53,300
	<u>445,815</u>	<u>316,979</u>
Change in non-cash operating working capital balances	<u>(850,159)</u>	<u>(46,605)</u>
	<u>(404,344)</u>	<u>270,374</u>
Cash flows from financing activities		
Increase in deferred contributions related to capital assets	1,184,730	1,650,364
Increase in other deferred contributions	85,976	90,265
Purchase of capital assets	(1,363,261)	(1,619,723)
	<u>(92,555)</u>	<u>120,906</u>
Cash flows from investing activities		
Decrease in short term investments	<u>(530,499)</u>	<u>(796,097)</u>
Net increase (decrease) in cash and equivalents	<u>(1,027,398)</u>	<u>(404,817)</u>
Cash and equivalents, beginning of year	<u>6,901,720</u>	<u>7,306,537</u>
Cash and equivalents, end of year	<u>\$ 5,874,322</u>	<u>\$ 6,901,720</u>
Cash and equivalents are comprised of:		
Cash	\$ 4,568,930	\$ 5,002,395
Short-term investments	1,305,392	1,899,325
	<u>\$ 5,874,322</u>	<u>\$ 6,901,720</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Lake of the Woods District Hospital

Summary of Significant Accounting Policies

For the year ended March 31, 2014

Operations

Lake of the Woods District Hospital ("the Hospital") was incorporated under a Private Bill (Lake of the Woods District Hospitals Act – Bill PR50) in 1968. The Hospital is principally involved in providing health care services to the City of Kenora. The Hospital is a registered charity under the Income Tax Act and accordingly is exempt from income taxes.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards.

These financial statements reflect the assets, liabilities and operations of the Hospital. They do not include the assets, liabilities or operations of the Lake of the Woods District Hospital Foundation or the Lake of the Woods District Hospital Auxiliary, which, although associated with the Hospital, are separately managed, and report to separate Boards of Directors.

In addition to the Hospital's operating fund which reflects the activities of the day to day operations of the Hospital, the financial statements also include the activities of the following programs:

Ministry of Health and Long Term Care:

- Problem Gambling
- Adult Community Mental Health
- Lake of the Woods Addictions
- Remedial Measures
- Central Ambulance Communication Centre
- Ambulance Regional Training, Kenora

The operating results of these programs are recorded in Schedules 3 and 4 to the financial statements and their assets and liabilities are reported on the statement of financial position of the Hospital. Program surpluses are recorded as repayable in the year incurred, except for those programs for which permission has been obtained to carry over surpluses for future program expenditures. In these cases, program surpluses have been recorded as deferred contributions. Program deficits are included in general operations, since they are not funded by the Ministries. Adjustment settlements by the Ministries are recorded when settled.

Lake of the Woods District Hospital

Summary of Significant Accounting Policies

For the year ended March 31, 2014

Revenue Recognition	<p>The Hospital follows the deferral method of accounting for contributions.</p> <p>Under the Health Insurance Act and Regulations thereto, the Hospital is funded, primarily by the Province of Ontario, in accordance with budget arrangements established by the Ministry of Health and Long Term Care. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.</p> <p>The Hospital receives funding for operations for certain programs from the Ministry of Health and Long Term Care of Ontario. The final amount of operating revenue cannot be determined until the Ministry has reviewed the Hospital's financial and statistical returns for the year. Any adjustments arising from the Ministry's review is recorded in the period in which the adjustment is made.</p> <p>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.</p> <p>Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight line basis, at a rate corresponding with the amortization rate for the related capital assets except for asset additions relating to separate Ministry of Health and Long Term Care and Local Health Integrated Network Programs which are included in program expenses.</p> <p>Revenue from the Provincial Insurance Plan and marketed services is recognized when the goods are sold or when the service is provided.</p>
Contributed Services	<p>A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services of volunteers are not recognized in the financial statements.</p>
Cash and cash equivalents	<p>Cash and cash equivalents include cash and short-term investments with maturities of three months or less.</p>
Investments	<p>Investments are recorded at fair value. Transaction costs related to the acquisition of investments are recorded against investment income. Sales and purchases of investments are recorded on the settlement date.</p> <p>Fair value is determined at quoted market prices. The calculation of fair value is based upon market conditions and at a specific point in time and may not be reflective of future fair value.</p>
Inventory	<p>Inventory is stated at the lower of weighted average cost and net realizable value, less a provision for any obsolete or unusable inventory on hand.</p>

Lake of the Woods District Hospital

Summary of Significant Accounting Policies

For the year ended March 31, 2014

Capital Assets

Purchased capital assets are initially recorded at cost, except for capital assets purchased for other programs in schedules 3 and 4. The capital assets policy for other programs is described above under Ministry of Health and Long Term Care Programs and Other Programs. Contributed capital assets are recorded at fair value at the date of contribution. When a capital asset no longer contributes to the Hospital's ability to provide services, its carrying amount is written down to its residual value.

Minor equipment replacements are expensed in the year of replacement. Construction in progress is stated at cost, which comprises all direct and indirect costs of construction. Construction in progress is not amortized until the project is complete and the facilities come into use.

Capital assets are amortized on a straight line basis over the following periods of time:

Buildings and building service equipment	- 40 to 50 years
Computer equipment	- 5 years
Furniture and equipment	- 5 to 20 years
Parking lot equipment	- 3 years

Compensated Absences

Compensation expense is accrued for all employees as entitlement to these payments is earned, in accordance with the Hospital's benefit plans for vacation, sick leave and retirement allowances.

Employee Benefit Plans

The Hospital accrues its obligation for employee benefit plans. The cost of non-pension post-retirement and post-employment benefits earned by employees is actuarially determined using the projected benefits method pro-rated on service and management's best estimate of retirement ages and expected health care costs. The attribution period for such cost begins the date of hire of the employee to the date the employee becomes fully eligible to receive the benefits. The discount rate used to determine accrued benefit obligations is based on a year-end market rate of interest for high quality debt instruments with cash flows that match the timing and amount of expected benefit payments.

Adjustments arising from plan amendments, including past service costs, are included in the cost of the plan for the year.

The Hospital is an employer member of the Hospitals of Ontario Pension Plan (the "Plan"), which is a multi-employer, defined benefit pension plan. The Hospital has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Hospital records as pension expense the current service cost, amortization of past service costs and interest costs related to future employer contributions to the Plan for past employee service.

Lake of the Woods District Hospital

Summary of Significant Accounting Policies

For the year ended March 31, 2014

Use of Estimates

The preparation of financial statements is in conformity with Canadian public sector accounting standards which 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 expenses during the reporting period. Actual results could differ from these estimates. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization and deferred capital contributions are based on the estimated useful lives of capital assets. Accounts payable and accruals are based on historical charges for unbilled goods and services at year end. Accrued employee future benefit obligations are determined based on actuarial valuation.

Financial Instruments

The Hospital recognizes its financial instruments when the Hospital becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Hospital may irrevocably elect to subsequently measure any financial instrument at fair value. The Hospital has not made such an election during the year.

The Hospital subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Hospital's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the surplus/deficit for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

Lake of the Woods District Hospital

Notes to the Financial Statements

For the year ended March 31, 2014

1. Cash

The Hospital's bank accounts are held at chartered banks. The accounts earn interest at prime less 2%.

2. Short-term Investments

	Market Value	2014	2013
Copperfin GIC	\$ -	\$ -	\$ 504,315
CIBC 4/5 Plans in Trust	-	-	115,214
Copperfin GIC – 2.10% maturing April 20, 2014	1,020,000	1,020,000	1,000,000
Copperfin GIC – 2.10% maturing April 23, 2014	285,392	285,392	279,796
	<u>1,305,392</u>	<u>1,305,392</u>	<u>1,899,325</u>
 Copperfin GIC – 1.85% maturing July 9, 2014	 514,577	 514,577	 -
Copperfin GIC – 2.05% maturing January 7, 2015	812,019	812,019	796,097
	<u>\$ 2,631,988</u>	<u>\$ 2,631,988</u>	<u>\$ 2,695,422</u>

3. Accounts Receivable

	2014	2013
Ministry of Health and Long Term Care	\$ 861,746	\$ 819,983
Insurers and patients	557,182	430,734
Other	703,885	774,834
	<u>2,123,813</u>	<u>2,025,551</u>
 Allowance for doubtful accounts	 (26,089)	 (16,195)
	<u>\$ 2,096,724</u>	<u>\$ 2,009,356</u>

The carrying value of accounts receivable approximates fair value because of the short maturity of these instruments and because they are subject to normal credit terms.

Lake of the Woods District Hospital

Notes to the Financial Statements

For the year ended March 31, 2014

4. Capital Assets

			2014
	Cost	Accumulated Amortization	Net book Value
Land	\$ 212,775	\$ -	\$ 212,775
Buildings and building service equipment	29,396,755	14,741,849	14,654,906
Computer equipment	3,283,468	2,686,491	596,977
Furniture and equipment	14,618,186	12,501,265	2,116,921
Parking lot equipment	336,063	336,063	-
	47,847,247	30,265,668	17,581,579
Construction in process	247,052	-	247,052
	\$ 48,094,299	\$ 30,265,668	\$ 17,828,631

			2013
	Cost	Accumulated Amortization	Net book Value
Land	\$ 212,775	\$ -	\$ 212,775
Buildings and building service equipment	28,604,431	13,713,421	14,891,010
Computer equipment	3,171,490	2,448,244	723,246
Furniture and equipment	14,830,286	12,583,763	2,246,523
Parking lot equipment	336,063	336,063	-
	47,155,045	29,081,491	18,073,554
Construction in process	311,691	-	311,691
	\$ 47,466,736	\$ 29,081,491	\$ 18,385,245

5. Accounts Payable

	2014	2013
Vacation benefits payable	\$ 1,867,408	\$ 1,939,753
Accrued salaries	989,330	951,921
Trade accounts payable	1,061,670	1,008,137
Due to Ministry of Health and Long Term Care	594,276	872,114
Other payables and accruals	565,697	475,896
Payroll remittances	781,260	1,291,856
Sick leave benefits payable	14,243	14,243
4/5 plans	-	115,980
	\$ 5,873,884	\$ 6,669,900

6. Accrued Employee Future Benefit Obligation

The Hospital provides extended health care, dental and life insurance benefits to all unionized, full time employees who enrol in the benefit plans and extends this coverage to the post-retirement period. The Hospital accrues its obligations under these plans as the benefits are earned. The most recent actuarial valuation of employee future benefit was completed as at April 2014.

At March 31, 2014, the Hospital's employee future benefits accrued liability was \$1,437,400 (2013 - \$1,373,700). Similar to most post-employment benefit plans (other than pension) in Canada, the Hospital's plan is not pre-funded, resulting in a plan deficit equal to the accrued benefit obligation.

The significant actuarial assumptions adopted in estimating the Hospital's accrued benefit obligations were as follows:

Discount Rate for calculation of Net Benefit Costs (during Fiscal 2014)	3.94% per annum
Discount Rate to determine Accrued Benefit Obligation for disclosure (at end of Fiscal 2014)	4.36% per annum
Dental Cost Trend Rates	4.0% per annum
Extended Health Care Trend Rates	8.0% in Fiscal 2015; decreasing by 0.25% per annum to an ultimate rate of 5.0%
Retirement age	Age 59 or immediate if older than 59
Full eligibility age	Age 55
Members electing coverage at retirement	
CUPE & Non-Union Full Time	80%
ONA Full Time	65%

**Retirement and Other
Employee Future Benefit Liabilities**

Accrued benefit liability at beginning of period
Expense for the year
Funding contributions (total)

	2014 Total Employee Future Benefits	2013 Total Employee Future Benefit
	\$ 1,373,700	\$ 1,320,400
	165,000	142,100
	(101,300)	(88,800)
	<u>\$ 1,437,400</u>	<u>\$ 1,373,700</u>

Lake of the Woods District Hospital
Notes to the Financial Statements
For the year ended March 31, 2014

6. Accrued Employee Future Benefit Obligation *(Continued from previous page)*

Retirement and Other Employee Future Benefit Expenses	2014 Total Employee Future Benefits	2013 Total Employee Future Benefits
Current year benefit cost	\$ 76,800	\$ 64,900
Interest on accrued benefit obligation	64,900	67,800
Recognized actuarial gains	23,300	9,400
	\$ 165,000	\$ 142,100

Included in salaries, wages and employee benefits in the statement of operations is an expense of \$63,700 (2013 - \$53,300) regarding employee future benefits.

7. Deferred Contributions

a) Deferred Contributions – Donations and Grants

Deferred contributions represent funding received for programs and capital asset purchases which will be utilized for future years.

2014	2013
\$ 691,366	\$ 605,388

b) Deferred Contributions – Unamortized Capital Contributions

Deferred capital contributions related to capital assets represent the unamortized 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.

	2014	2013
Balance, beginning of year	\$ 12,465,338	\$ 12,229,196
Additional contributions received	1,184,730	1,650,364
Less: amounts amortized to revenue	(1,335,549)	(1,403,191)
Less: amounts amortized to CMH&A other revenue	(9,279)	(10,739)
Less: amounts amortized to RTC Kenora other revenue	(4,311)	(292)
	\$ 12,300,929	\$ 12,465,338

Lake of the Woods District Hospital

Notes to the Financial Statements

For the year ended March 31, 2014

8. Net Assets Invested in Capital Assets

a) Investment in capital assets is calculated as follows:

	2014	2013
Capital assets	\$ 17,828,631	\$ 18,385,245
Amounts financed by:		
Deferred contributions	(12,300,929)	(12,465,338)
	<u>\$ 5,527,702</u>	<u>\$ 5,919,907</u>

b) Changes in net assets invested in capital assets is calculated as follows:

	2014	2013
Excess of expense over revenue:		
Amortization of buildings	\$ (1,027,340)	\$ (976,917)
Amortization of deferred contributions related to buildings	679,941	751,788
Amortization of equipment	(878,945)	(825,682)
Amortization of deferred contributions related to equipment	655,608	651,403
	<u>\$ (570,736)</u>	<u>\$ (399,408)</u>
Net change in investment in capital assets:		
Purchase of capital assets	\$ 1,363,261	\$ 1,619,723
Amounts funded by deferred contributions	(1,184,730)	(1,650,364)
	<u>\$ 178,531</u>	<u>\$ (30,641)</u>

9. Commitments and Contingencies

A group of Hospitals, including the Hospital, have formed the Health Care Insurance Reciprocal of Canada ("HIROC"). HIROC is a pooling of the public liability insurance risks of its members. All members of the pool pay annual premiums which are actuarially determined. All members are subject to reassessment for losses, if any, experienced by the pool for the years in which they were members and these losses could be material. No reassessments have been made to March 31, 2014.

10. Pension Plan

Substantially all of the employees of the Hospital are members of the Hospitals of Ontario Pension Plan (the "Plan") which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the Ontario Hospital Association. Contributions to the Plan made during the year by the Hospital on behalf of its employees amounted to \$2,094,687 (2013 – \$2,040,322) and are included in employee benefits in the statement of operations.

Pension expense is based on the Plan management's best estimates, in consultation with its actuaries, of the amount required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by the Plan. The funding objective is for employer contributions to the Plan to remain a constant percentage of employees' contributions.

Variances between actuarial funding estimates and actual experience may be material and any differences are generally to be funded by the participating members. The most recent triennial actuarial valuation of the Plan as at December 31, 2013 indicates the plan is fully funded.

11. Financial Instruments

The Hospital, as part of its operations, carries a number of financial instruments. It is management's opinion that the Hospital is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

12. Related Entities

The Hospital has an economic interest in Lake of the Woods District Hospital Foundation (the "Foundation") and Lake of the Woods District Hospital Auxiliary (the "Auxiliary"), which the Organization does not control or have significant influence over. Both of these organizations raise funds for the Hospital for the purchase of capital assets.

During the year, the Foundation and the Auxiliary transferred \$726,308 (2013 - \$739,554) and \$73,990 (2013 - \$77,570) respectively to the Hospital for capital asset purchases.

13. Comparative Figures

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

14. Budget Amounts

Budget amounts are unaudited.

15. Economic Dependence

The Lake of the Woods District Hospital receives 80% (2013 – 82%) of its funding from the Ministry of Health and Long Term Care and Northwest Local Health Integrated Network.

Lake of the Woods District Hospital

Schedule 1 - Revenue

For the year ended March 31, 2014

(Unaudited)

	Budget 2013/14	2014	2013
Ministry of Health and Long Term Care/LHIN/CCO			
Global Funding	\$ 15,229,232	\$ 15,256,064	\$ 17,391,577
Quality Based Procedures	2,306,633	2,444,264	663,970
Health Based Allocation Methodology	9,381,798	9,422,698	9,348,000
	26,917,663	27,123,026	27,403,547
One time and other funding	4,734,106	4,619,076	4,739,779
Cancer Care Ontario	1,701,048	1,838,745	562,934
	33,352,817	33,580,847	32,706,260
Patient Revenue from Other Payers			
Workplace Safety and Insurance Board			
-Inpatient	5,000	8,739	3,944
-Outpatient	53,000	51,279	47,293
Non-residents of the province			
-Inpatient	450,000	406,469	414,117
-Outpatient	710,000	558,871	596,825
Non-residents of Canada and uninsured residents			
-Inpatient	6,000	47,026	5,000
-Outpatient	77,000	95,127	59,579
OHIP	1,570,000	1,464,549	1,568,977
Ambulance services	76,000	78,253	70,750
Other Provincial Ministries	-	-	1,262
	2,947,000	2,710,313	2,767,747
Differential charges for preferred accommodation	270,000	217,699	234,621
Chronic care co-payments	65,000	51,723	58,465
	335,000	269,422	293,086
Other Revenue and Recoveries			
Investment income	60,000	72,523	65,582
Food services	221,000	221,680	209,200
Ancillary operations	187,000	205,967	294,828
Parking	290,000	292,703	278,075
Laboratory services	690,000	625,946	631,722
Other revenue and recoveries	1,457,328	1,546,175	1,832,855
Donations	13,000	12,793	29,389
	2,918,328	2,977,787	3,341,651
Subtotal	\$ 39,553,145	\$ 39,538,369	\$ 39,108,744

Lake of the Woods District Hospital
Schedule 1 - Revenue
For the year ended March 31, 2014
(Unaudited)

	Budget 2013/14	2014	2013
Subtotal from previous page	\$ 39,553,145	\$ 39,538,369	\$ 39,108,744
Amortization of grants/donations of equipment	770,645	655,608	651,403
Total Hospital Operating Revenue	40,323,790	40,193,977	39,760,148
Revenue from other programs, net of amounts repayable to funding agencies (<i>Schedules 3 and 4</i>)	5,952,000	6,290,704	6,089,715
Total Revenue	\$ 46,275,790	\$ 46,484,681	\$ 45,849,863

Lake of the Woods District Hospital
Schedule 2 – Hospital Expenses
For the year ended March 31, 2014
(Unaudited)

	Budget 2013/14	2014	2013
Salaries, Wages and Employee Benefits			
Administrative and Support Services	\$ 6,587,790	\$ 6,616,593	\$ 6,478,991
Nursing Inpatient Services	10,328,326	10,253,707	10,434,604
Ambulatory Care Services	3,707,040	3,615,463	3,459,257
Diagnostic and Therapeutic Services	4,933,018	4,890,578	4,750,735
Regional Stroke & Ontario Breast Screening Program	56,454	98,029	123,074
Education	115,031	98,418	91,536
Marketed Services	461,124	336,566	439,513
WSIB NEER Assessment	45,000	(13,399)	(64,304)
Future Employee Benefits	54,000	63,700	53,300
	\$ 26,287,783	\$ 25,959,655	\$ 25,766,706
Supplies and Other Expenses			
Administrative and Support Services	\$ 2,761,735	\$ 2,678,102	\$ 2,884,475
Nursing Inpatient Services	421,781	524,331	460,270
Ambulatory Care Services	530,190	439,599	489,554
Regional Stroke & Ontario Breast Screening Program	1,675	1,612	512
Diagnostic and Therapeutic Services	1,291,347	1,244,254	1,207,120
Education	84,275	80,072	82,458
Marketed Services	250,247	271,375	240,812
	\$ 5,341,250	\$ 5,239,345	\$ 5,365,201
Medical and Surgical Supplies			
Administrative and Support Services	\$ 72,432	\$ 84,304	\$ 79,639
Nursing Inpatient Services	611,451	586,611	522,549
Ambulatory Care Services	476,123	400,382	428,306
Diagnostic and Therapeutic Services	42,768	52,306	41,011
Education	-	346	170
Marketed Services	-	29	22
	\$ 1,202,774	\$ 1,123,978	\$ 1,071,697

Lake of the Woods District Hospital
Schedule 3 – Northwest Local Health Integrated Network
Community Mental Health and Addictions Programs
For the year ended March 31, 2014
(Unaudited)

	Problem Gambling	Adult Community Mental Health	Lake of the Woods Addictions	Remedial Measures	CMH&A Admin	2014 Total	2013 Total
Revenue							
Northwest Local Health Integrated Network	\$ 217,133	\$ 1,223,316	\$2,080,649	\$ -	\$ -	\$ 3,521,098	\$ 3,482,177
Other	5,524	2,210	121,831	19,847	487,332	636,654	553,328
	\$ 222,657	\$ 1,225,436	\$2,202,480	\$ 19,847	\$ 487,332	\$ 4,157,752	\$ 4,035,505
Expenses							
Salaries and employee benefits	\$ 172,066	\$ 868,050	\$1,646,703	\$ 14,401	\$ 272,846	\$ 2,974,067	\$ 2,832,867
Supplies and other expenses	50,591	309,837	555,777	5,446	214,486	1,136,137	1,013,479
	\$ 222,658	\$ 1,177,887	\$2,202,480	\$ 19,847	\$ 487,332	\$ 4,110,203	\$ 3,846,346
Surplus before amounts repayable	\$ -	\$ 47,549	\$ -	\$ -	\$ -	\$ 47,549	\$ 189,159
Amounts repayable	-	(47,549)	-	-	-	(47,549)	(189,159)
Surplus (deficit) for the year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Lake of the Woods District Hospital
Schedule 4 – Ministry of Health and Long Term Care
Emergency Health Services Programs
For the year ended March 31, 2014
(Unaudited)

	Central Ambulance Communication Centre		Kenora Ambulance Regional Training		2014 Total	2013 Total
Revenue						
Ministry of Health and Long Term Care	\$	1,891,313	\$	344,725	\$ 2,236,038	\$ 2,402,138
Other		45,238		12,290	57,528	36,584
	\$	1,936,551	\$	357,015	\$ 2,293,566	\$ 2,438,722
Expenses						
Salaries and employee benefits	\$	1,689,233	\$	134,924	\$ 1,824,157	\$ 1,885,032
Supplies and other expenses		160,300		196,044	356,344	358,337
	\$	1,849,533	\$	330,968	\$ 2,180,501	\$ 2,243,369
Surplus before amounts repayable	\$	87,018	\$	26,047	\$ 113,065	\$ 195,353
Amounts repayable/deferred		(87,018)		(26,047)	(113,065)	(195,353)
Surplus (deficit) for the year	\$	-	\$	-	\$ -	\$ -