

**Lake of the Woods District Hospital**  
**Financial Statements**  
*March 31, 2015*

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## Management's Responsibility

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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 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 4, 2015



President and Chief Executive Officer



Vice President Corporate Services  
and Chief Finance Officer

## Independent Auditors' Report

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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, 2015 and the statements of operations, changes in net assets and cash flows for the year ended March 31, 2015 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, 2015 and the results of its operations, changes to net assets and its cash flows for the year ended March 31, 2015 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 4, 2015

*MNP* LLP  
Chartered Professional Accountants  
Licensed Public Accountants

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**MNP**

**Lake of the Woods District Hospital**  
**Statement of Financial Position**

*As at March 31, 2015*

	2015	2014
<b>Current assets</b>		
Cash (Note 1)	\$ 3,171,029	\$ 4,568,930
Short-term investments (Note 2)	2,685,480	2,631,988
Accounts receivable (Note 3)	2,245,468	2,096,724
Inventory	622,145	586,673
Prepaid expenses	370,057	319,273
	9,094,179	10,203,588
<b>Capital assets (Note 4)</b>	19,151,209	17,828,631
	\$ 28,245,388	\$ 28,032,219
 <b>Current liabilities</b>		
Accounts payable (Note 5)	\$ 7,193,566	\$ 5,873,883
Deferred contributions – donations and grants (Note 7)	511,401	691,366
	7,704,967	6,565,249
<b>Accrued employee future benefit obligation (Note 6)</b>	1,493,400	1,437,400
	9,198,367	8,002,649
<b>Deferred contributions</b>		
Unamortized capital contributions (Note 7)	12,628,665	12,300,929
	21,827,032	20,303,578
Commitments and Contingencies (Note 9)		
<b>Net assets</b>		
Invested in capital assets (Note 8)	6,522,544	5,527,702
Internally restricted for capital	250,000	250,000
Unrestricted net assets (deficit)	(354,189)	1,950,939
	6,418,355	7,728,641
	\$ 28,245,388	\$ 28,032,219

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, 2015*

	Budget 2014/15 <i>(Unaudited)</i>	2015	2014
<b>Revenue (Schedule 1)</b>			
Ministry of Health and Long Term Care/LHIN/CCO	\$ 33,567,663	\$ 33,018,280	\$ 33,580,847
Patient revenue from other payors	2,875,500	2,580,774	2,710,313
Differential and co-payment revenue	265,000	338,780	269,422
Other revenue and recoveries	3,027,734	3,310,737	2,977,787
Amortization of grants/donations equipment	1,066,630	736,568	655,608
<b>Total Hospital Operating Revenue</b>	<b>40,802,527</b>	<b>39,985,139</b>	<b>40,193,977</b>
Other programs, net of amounts repayable to funding agencies ( <i>Schedules 3 and 4</i> )	6,200,000	6,790,850	6,290,704
	<b>47,002,527</b>	<b>46,775,989</b>	<b>46,484,681</b>
<b>Expenses</b>			
Salaries, wages and employee benefits ( <i>Schedule 2</i> )	26,511,214	26,631,631	25,959,655
Medical staff remuneration	5,315,336	5,173,031	5,275,805
Supplies and other expenses ( <i>Schedule 2</i> )	5,401,423	5,562,185	5,239,345
Medical and surgical supplies ( <i>Schedule 2</i> )	1,108,400	1,137,871	1,123,978
Drugs	1,447,805	1,509,256	1,527,311
Amortization of equipment	1,143,026	889,165	878,945
Bad Debts	26,250	29,284	30,160
<b>Total Hospital Operating Expenses</b>	<b>40,953,454</b>	<b>40,932,423</b>	<b>40,035,199</b>
Other programs ( <i>Schedules 3 and 4</i> )	6,200,000	6,790,850	6,290,704
	<b>47,153,454</b>	<b>47,723,273</b>	<b>46,325,903</b>
<b>Surplus (deficit) before amortization related to buildings</b>	<b>(150,927)</b>	<b>(947,284)</b>	<b>158,778</b>
Amortization of buildings	(982,000)	(1,090,008)	(1,027,340)
Amortization of deferred contributions related to buildings	820,800	727,006	679,941
	<b>(161,200)</b>	<b>(363,002)</b>	<b>(347,399)</b>
<b>Surplus (deficit) for the year</b>	<b>\$ (312,127)</b>	<b>\$ (1,310,286)</b>	<b>\$ (188,621)</b>

*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, 2015*

				2015	2014
	Invested in Capital Assets	Internally Restricted For Capital	Unrestricted	Total	Total
<b>Balance, beginning of year</b>	\$ 5,527,702	\$ 250,000	\$ 1,950,939	\$ 7,728,641	\$ 7,917,262
Surplus (deficit) for the year	-	-	(1,310,286)	(1,310,286)	(188,621)
Amortization of capital assets/deferred contributions related to capital assets <i>(Note 8)</i>	(503,422)	-	503,422	-	-
Net change in investment in capital assets <i>(Note 8)</i>	1,498,264	-	(1,498,264)	-	-
<b>Balance, end of year</b>	\$ 6,522,544	\$ 250,000	\$ (354,189)	\$ 6,418,355	\$ 7,728,641

*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, 2015

	2015	2014
<b>Cash flows from operations</b>		
Surplus (deficit) for the year	\$ (1,310,286)	\$ (188,621)
Adjustments for:		
Amortization of capital assets	1,979,173	1,906,285
Amortization of deferred contributions related to capital assets	(1,475,751)	(1,335,549)
Increase in long term liability related to employee future benefits	56,000	63,700
	(750,864)	445,815
Change in non-cash operating working capital balances	1,084,684	(850,159)
	330,820	(404,344)
<b>Cash flows from financing activities</b>		
Increase in deferred contributions related to capital assets	1,803,487	1,184,730
Increase in other deferred contributions	(179,965)	85,976
Purchase of capital assets	(3,301,751)	(1,363,261)
	(1,678,229)	(92,555)
<b>Cash flows from investing activities</b>		
Decrease in short-term investments	(26,079)	(530,499)
<b>Net increase (decrease) in cash and equivalents</b>	<b>(1,370,488)</b>	<b>(1,027,398)</b>
<b>Cash and equivalents, beginning of year</b>	<b>5,874,322</b>	<b>6,901,720</b>
<b>Cash and equivalents, end of year</b>	<b>\$ 4,503,834</b>	<b>\$ 5,874,322</b>
<b>Cash and equivalents are comprised of:</b>		
Cash	\$ 3,171,029	\$ 4,568,930
Short-term investments (Note 2)	1,332,805	1,305,392
	<b>\$ 4,503,834</b>	<b>\$ 5,874,322</b>

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, 2015*

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## 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
- CMH&A Admin
- 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, 2015

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<b>Revenue Recognition</b>	<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>
<b>Contributed Services</b>	<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>
<b>Cash and cash equivalents</b>	<p>Cash and cash equivalents include cash and short-term investments with maturities of three months or less.</p>
<b>Investments</b>	<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>
<b>Inventory</b>	<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, 2015

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## 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, 2015*

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### **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, 2015*

**1. Cash**

The Hospital's bank accounts are held at chartered banks. The accounts earn interest at prime less 2%. The amount held in the ER Group bank account (\$47,105) is used exclusively to fund the payment of the ER Physicians and associated administrative costs.

**2. Short-term Investments**

	Market Value	2015	2014
Copperfin GIC – 2.10% maturing April 20, 2015, redeemable	\$ 1,041,420	\$ 1,041,420	\$ 1,020,000
Copperfin GIC – 2.10% maturing April 23, 2015, redeemable	<b>291,385</b>	<b>291,385</b>	285,392
	<b>1,332,805</b>	<b>1,332,805</b>	1,305,392
Copperfin GIC – 1.85% maturing July 6, 2015, redeemable	<b>828,665</b>	<b>828,665</b>	812,019
Copperfin GIC – 2.05% maturing January 5, 2016, redeemable	<b>524,009</b>	<b>524,009</b>	514,577
	<b>1,352,674</b>	<b>1,352,674</b>	1,326,596
	<b>\$ 2,685,480</b>	<b>\$ 2,685,480</b>	<b>\$ 2,631,988</b>

Fair values for the above investments are considered to approximate market values

**3. Accounts Receivable**

	2015	2014
Ministry of Health and Long Term Care	\$ 694,180	\$ 861,746
Insurers and patients	441,804	557,182
Other	<b>1,127,077</b>	703,885
	<b>2,263,061</b>	2,122,813
Allowance for doubtful accounts	<b>(17,593)</b>	(26,089)
	<b>\$ 2,245,468</b>	<b>\$ 2,096,724</b>

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, 2015*

**4. Capital Assets**

	Cost	Accumulated Amortization		2015 Net book Value
Land	\$ 212,775	\$ -	\$	212,775
Buildings and building service equipment	30,672,018	15,831,856		14,840,162
Computer equipment	3,409,524	2,852,844		556,680
Furniture and equipment	16,198,599	13,005,970		3,192,629
Parking lot equipment	336,063	336,063		-
	<u>50,828,979</u>	<u>32,026,733</u>		<u>18,802,246</u>
Construction in process	348,963	-		348,963
	<u>\$ 51,177,942</u>	<u>\$ 32,026,733</u>		<u>\$ 19,151,209</u>

	Cost	Accumulated Amortization		2014 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		-
	<u>47,847,247</u>	<u>30,265,668</u>		<u>17,581,579</u>
Construction in process	247,052	-		247,052
	<u>\$ 48,094,299</u>	<u>\$ 30,265,668</u>		<u>\$ 17,828,631</u>

**5. Accounts Payable**

	2015	2014
Vacation benefits payable	\$ 1,853,300	\$ 1,867,408
Accrued salaries	1,115,410	989,330
Trade accounts payable	1,898,655	1,061,669
Due to Ministry of Health and Long Term Care	926,887	594,276
Other payables and accruals	516,183	565,697
Payroll remittances	876,886	781,260
Sick leave benefits payable	6,245	14,243
	<u>\$ 7,193,566</u>	<u>\$ 5,873,883</u>

**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 2015.

At March 31, 2015, the Hospital's accrued benefit obligation relating to post-retirement benefit plans was \$1,493,400 (2014 - \$1,437,400). 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 2015)	4.36% per annum
Discount Rate to determine Accrued Benefit Obligation for disclosure (at end of Fiscal 2015)	3.31% 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%

<b>Retirement and Other Employee Future Benefit Liabilities</b>	<b>2015 Total Employee Future Benefits</b>	<b>2014 Total Employee Future Benefits</b>
Accrued benefit liability at beginning of period	\$ 1,437,400	\$ 1,373,700
Expense for the year	175,500	165,000
Funding contributions (total)	(119,500)	(101,300)
	<b>\$ 1,493,400</b>	<b>\$ 1,437,400</b>

**Lake of the Woods District Hospital**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2015*

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

<b>Retirement and Other Employee Future Benefit Expenses</b>	<b>2015 Total Employee Future Benefits</b>	<b>2014 Total Employee Future Benefits</b>
Current year benefit cost	\$ 82,300	\$ 76,800
Interest on accrued benefit obligation	72,300	64,900
Recognized actuarial gains	20,900	23,300
	<b>\$ 175,500</b>	<b>\$ 165,000</b>

Included in salaries, wages and employee benefits in the statement of operations is an expense of \$56,000 (2014 - \$63,700) 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.

	<b>2015</b>	<b>2014</b>
	<b>\$ 511,401</b>	<b>\$ 691,366</b>

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.

	<b>2015</b>	<b>2014</b>
Balance, beginning of year	\$ 12,300,929	\$ 12,465,338
Additional contributions received	1,803,487	1,184,730
Less: amounts amortized to revenue	(1,463,574)	(1,335,549)
Less: amounts amortized to CMH&A other revenue	(3,633)	(9,279)
Less: amounts amortized to RTC Kenora other revenue	(3,500)	(4,311)
Less: amounts amortized to CACC other revenue	(5,044)	-
	<b>\$ 12,628,665</b>	<b>\$ 12,300,929</b>



**8. Net Assets Invested in Capital Assets**

a) Investment in capital assets is calculated as follows:

	2015	2014
Capital assets	\$ 19,151,209	\$ 17,828,631
Amounts financed by:		
Deferred contributions	(12,628,665)	(12,300,929)
	\$ 6,522,544	\$ 5,527,702

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

	2015	2014
Excess of expense over revenue:		
Amortization of buildings	\$ (1,090,008)	\$ (1,027,340)
Amortization of deferred contributions related to buildings	727,006	679,941
Amortization of equipment	(889,165)	(878,945)
Amortization of deferred contributions related to equipment	736,568	655,608
Amortization of deferred contributions related to other programs	12,177	-
	\$ (503,422)	\$ (570,736)
Net change in investment in capital assets:		
Purchase of capital assets	\$ 3,301,751	\$ 1,363,261
Amounts funded by deferred contributions	(1,803,487)	(1,184,730)
	\$ 1,498,264	\$ 178,531
	\$ 994,842	\$ (392,205)

**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, 2015.

**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 \$2,113,441 (2014 – \$2,094,687) 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 \$725,056 (2014 - \$726,308) and \$103,044 (2014 - \$73,990) 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 82.5% (2014 – 83.5%) 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, 2015  
(Unaudited)

	Budget 2014/15	2015	2014
<b>Ministry of Health and Long Term Care/LHIN/CCO</b>			
Global Funding	\$ 15,339,232	\$ 14,704,805	\$ 15,256,064
Quality Based Procedures	2,570,253	2,244,424	2,444,264
Health Based Allocation Methodology	9,416,798	9,321,127	9,422,698
	27,326,283	26,270,356	27,123,026
One time and other funding	4,388,955	4,566,668	4,619,076
Cancer Care Ontario	1,852,425	2,181,256	1,838,745
	33,567,663	33,018,280	33,580,847
<b>Patient Revenue from Other Payers</b>			
Workplace Safety and Insurance Board			
-Inpatient	11,000	15,249	8,739
-Outpatient	55,000	69,790	51,279
Non-residents of the province			
-Inpatient	425,000	275,767	406,469
-Outpatient	629,000	571,640	558,871
Non-residents of Canada and uninsured residents			
-Inpatient	50,000	96,369	47,026
-Outpatient	138,500	75,663	95,127
OHIP	1,487,000	1,387,345	1,464,549
Ambulance services	80,000	88,951	78,253
Other Provincial Ministries	-	-	-
	2,875,500	2,580,774	2,710,313
Differential charges for preferred accommodation	220,000	223,453	217,699
Chronic care co-payments	45,000	115,327	51,723
	265,000	338,780	269,422
<b>Other Revenue and Recoveries</b>			
Investment income	65,000	73,773	72,523
Food services	221,000	217,649	221,680
Ancillary operations	219,853	197,061	205,967
Parking	300,000	288,408	292,703
Laboratory services	662,500	738,598	625,946
Other revenue and recoveries	1,544,381	1,785,857	1,546,175
Donations	15,000	9,391	12,793
	3,027,734	3,310,737	2,977,787
<b>Subtotal</b>	<b>\$ 39,735,897</b>	<b>\$ 39,248,571</b>	<b>\$ 39,538,369</b>

**Lake of the Woods District Hospital**  
**Schedule 1 - Revenue**  
*For the year ended March 31, 2015*  
*(Unaudited)*

	Budget 2014/15	2015	2014
Subtotal from previous page	\$ 39,735,897	\$ 39,248,571	\$ 39,538,369
<b>Amortization of grants/donations of equipment</b>	<b>1,066,630</b>	<b>736,568</b>	<b>655,608</b>
<b>Total Hospital Operating Revenue</b>	<b>40,802,527</b>	<b>39,985,139</b>	<b>40,193,977</b>
Revenue from other programs, net of amounts repayable to funding agencies ( <i>Schedules 3 and 4</i> )	6,200,000	<b>6,790,850</b>	6,290,704
<b>Total Revenue</b>	<b>\$ 47,002,527</b>	<b>\$ 46,775,989</b>	<b>\$ 46,484,681</b>

# Lake of the Woods District Hospital

## Schedule 2 – Hospital Expenses

*For the year ended March 31, 2015*

*(Unaudited)*

	Budget 2014/15	2015	2014
<b>Salaries, Wages and Employee Benefits</b>			
Administrative and Support Services	\$ 6,746,808	\$ 6,650,973	\$ 6,616,593
Nursing Inpatient Services	10,271,302	10,504,844	10,253,707
Ambulatory Care Services	3,728,664	3,696,482	3,615,463
Diagnostic and Therapeutic Services	5,090,241	5,151,311	4,890,578
Regional Stroke & Ontario Breast Screening Program	61,809	63,553	98,029
Education	117,638	97,074	98,418
Marketed Services	395,752	357,178	336,566
WSIB NEER Assessment	45,000	54,216	(13,399)
Future Employee Benefits	54,000	56,000	63,700
	\$ 26,511,214	\$ 26,631,631	\$ 25,959,655
<b>Supplies and Other Expenses</b>			
Administrative and Support Services	\$ 2,758,534	\$ 3,069,419	\$ 2,678,102
Nursing Inpatient Services	446,365	483,831	524,331
Ambulatory Care Services	562,030	463,635	439,599
Regional Stroke & Ontario Breast Screening Program	1,675	204	1,612
Diagnostic and Therapeutic Services	1,314,847	1,238,071	1,244,254
Education	87,775	55,146	80,072
Marketed Services	230,197	251,879	271,375
	\$ 5,401,423	\$ 5,562,185	\$ 5,239,345
<b>Medical and Surgical Supplies</b>			
Administrative and Support Services	\$ 72,432	\$ 76,052	\$ 84,304
Nursing Inpatient Services	567,027	615,432	586,611
Ambulatory Care Services	416,123	391,049	400,382
Diagnostic and Therapeutic Services	52,768	54,921	52,306
Regional Stroke & Ontario Breast Screening Program	-	112	-
Education	50	278	346
Marketed Services	-	27	29
	\$ 1,108,400	\$ 1,137,871	\$ 1,123,978

**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, 2015*  
*(Unaudited)*

	Problem Gambling	Adult Community Mental Health	Lake of the Woods Addictions	Remedial Measures	CMH&A Admin	2015 Total	2014 Total
<b>Revenue</b>							
Northwest Local Health Integrated Network	\$ 217,133	\$ 1,212,016	\$ 2,205,749	\$ -	\$ -	\$ 3,634,898	\$ 3,521,098
Other	-	4,064	111,178	24,269	548,981	688,492	636,654
	<b>\$ 217,133</b>	<b>\$ 1,216,080</b>	<b>\$ 2,316,927</b>	<b>\$ 24,269</b>	<b>\$ 548,981</b>	<b>\$ 4,323,390</b>	<b>\$ 4,157,752</b>
<b>Expenses</b>							
Salaries and employee benefits	\$ 179,092	\$ 907,169	\$ 1,740,699	\$ 16,227	\$ 314,811	\$ 3,157,998	\$ 2,974,067
Supplies and other expenses	38,041	300,615	576,228	8,042	234,170	1,157,096	1,136,137
	<b>\$ 217,133</b>	<b>\$ 1,207,784</b>	<b>\$ 2,316,927</b>	<b>\$ 24,269</b>	<b>\$ 548,981</b>	<b>\$ 4,315,094</b>	<b>\$ 4,110,203</b>
<b>Surplus before amounts repayable</b>	\$ -	\$ 8,296	\$ -	\$ -	\$ -	\$ 8,296	\$ 47,549
Amounts repayable	-	(8,296)	-	-	-	(8,296)	(47,549)
<b>Surplus (deficit) for the year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**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, 2015*  
*(Unaudited)*

	Central Ambulance Communication Centre	Kenora Ambulance Regional Training	2015 Total	2014 Total
<b>Revenue</b>				
Ministry of Health and Long Term Care	\$ 2,157,371	\$ 344,725	\$ 2,502,096	\$ 2,236,038
Other	70,995	6,775	77,770	57,528
	\$ 2,228,366	\$ 351,500	\$ 2,579,866	\$ 2,293,566
<b>Expenses</b>				
Salaries and employee benefits	\$ 1,776,018	\$ 140,248	\$ 1,916,266	\$ 1,824,157
Supplies and other expenses	348,985	210,505	559,490	356,344
	\$ 2,125,003	\$ 350,753	\$ 2,475,756	\$ 2,180,501
<b>Surplus before amounts repayable</b>	\$ 103,363	\$ 747	\$ 104,110	\$ 113,065
Amounts repayable/deferred	(103,363)	(747)	(104,110)	(113,065)
<b>Surplus (deficit) for the year</b>	\$ -	\$ -	\$ -	\$ -