

Sioux Lookout Meno Ya Win Health Centre
Financial Statements
March 31, 2014

Sioux Lookout Meno Ya Win Health Centre
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For the year ended March 31, 2014

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Management's Responsibility

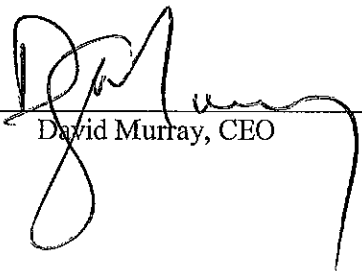
To the Members and Board of Directors of Sioux Lookout Meno Ya Win Health Centre:

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 Health Centre. 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 Health Centre'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.



David Murray, CEO



Gordon Hill, CFO

Independent Auditors' Report

To the Members and Board of Directors of Sioux Lookout Meno Ya Win Health Centre:

We have audited the accompanying financial statements of Sioux Lookout Meno Ya Win Health Centre, 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sioux Lookout Meno Ya Win Health Centre as at March 31, 2014 and the results of its operations, changes in net assets and its cash flows for the year then ended 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 - 7 is presented for the purpose of additional analysis and are 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 27, 2014

MNP LLP
Chartered Professional Accountants

Licensed Public Accountants

Sioux Lookout Meno Ya Win Health Centre
Statement of Financial Position
As at March 31

	<u>2014</u>	<u>2013</u>
Assets		
Operating Fund		
Current Assets		
Cash	2,606,077	28,511
Short-Term Investments (Note 1)	34	34
Accounts receivable		
Ontario Ministry of Health/Local Health Integration Network	8,023,338	5,897,555
Other	1,711,579	1,335,698
Inventory (Note 2)	365,736	359,199
Prepaid expenses	<u>339,665</u>	<u>284,253</u>
Total current assets	<u>13,046,430</u>	<u>7,905,250</u>
Capital Assets (Note 3)		
Land, buildings, equipment	158,782,397	152,979,073
Less accumulated amortization	<u>(23,790,862)</u>	<u>(19,152,721)</u>
Total capital assets	<u>134,991,535</u>	<u>133,826,352</u>
Total assets	<u>148,037,965</u>	<u>141,731,603</u>
<hr/> <hr/>		
Trust Fund		
Current Assets		
Short Term Investments (Note 1)	<u>18,340</u>	<u>18,340</u>
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The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Sioux Lookout Meno Ya Win Health Centre
Statement of Financial Position
As at March 31

2014 2013

Liabilities and Fund Balances

Operating Fund

Current Liabilities

Bank Indebtedness (Note 4)	-	215,351
Current portion of long-term debt (Note 5)	5,413,600	-
Accounts payable and accrued liabilities		
Ontario Ministry of Health/Local Health Integration Network	1,101,518	1,150,044
Accounts Payable and Accrued Liabilities	4,785,153	1,814,583
Accrued salaries and wages	2,158,385	3,434,818
Obligations Under Capital Lease	-	18,034
	13,458,656	6,632,830

Long-term debt (Note 5)	975,903	-
Post-retirement benefits liability (Note 6)	1,475,800	1,295,300
Unamortized deferred capital financing (Note 7)	132,741,530	132,897,978
Deferred contributions - restricted for future capital asset purchases	978,526	976,235
Deferred operating grant	-	3,783
	136,171,759	135,173,296

Contingent liabilities and commitments (Note 11)

Net assets

Unrestricted	(3,842,457)	(984,868)
Investment in capital assets (Note 8)	2,250,005	910,346
	(1,592,452)	(74,522)

Total liabilities and fund balances	148,037,965	141,731,603
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Trust Fund

Fund Balance - Dr. Hugh W. Allen Scholarship	18,340	18,340
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On behalf of the Board:

 Director

 Director

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

Sioux Lookout Meno Ya Win Health Centre
Statement of Operations
For the year ended March 31

	2014	2013
MOH Global & One-Time Funding	30,753,548	29,069,955
Health Canada Funding	430,489	508,508
Other Sources (Schedule 1)	2,485,911	2,102,665
Departmental Recoveries (Schedule 2)	2,257,415	1,980,133
Donations and Grants	123,317	349
Amortization of Grants - equipment	791,627	657,197
	<u>36,842,307</u>	<u>34,318,807</u>
Separately Financed Programs (Schedule 3)	1,711,697	1,528,599
Regional Small Hospital Project (Schedule 7)	2,384,141	-
Less Interdepartmental Allocated Recoveries (Schedule 6)	(413,447)	(416,296)
Total Revenue	<u>40,524,698</u>	<u>35,431,110</u>
Salaries and Purchased Services (Schedule 4)	19,836,676	18,702,899
Employee Benefits (Schedule 5)	4,452,404	3,794,510
Employee Future Benefits	188,354	144,100
Medical Fees	1,837,826	1,566,255
Supplies & Other Expenses (Schedule 6)	8,400,202	7,510,581
Medical & Surgical Supplies	1,027,950	905,914
Drugs & Medical Gases	586,137	445,555
Equipment Amortization	1,329,748	1,070,220
Bad Debts	510,931	381,219
	<u>38,170,228</u>	<u>34,521,253</u>
Separately Financed Programs (Schedule 3)	1,783,116	1,528,599
Regional Small Hospital Projects (Schedule 7)	2,384,141	-
Less Interdepartmental Allocated Expenses (Schedule 6)	(413,447)	(416,296)
Total Expenses	<u>41,924,037</u>	<u>35,633,556</u>
Deficiency of revenues over expenses before building amortization	<u>(1,399,339)</u>	<u>(202,446)</u>
Amortization of buildings	(3,572,957)	(3,078,213)
Amortization of deferred contributions related to buildings	3,454,367	3,014,832
	<u>(118,590)</u>	<u>(63,381)</u>
Deficiency of revenues over expenses for the year	<u>(1,517,930)</u>	<u>(265,827)</u>

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

Sioux Lookout Meno Ya Win Health Centre
Statement of Changes in Net Assets
Operating Fund
For the year ended March 31

	2014	2013
Unrestricted		
Unrestricted, beginning of year	(984,868)	(3,657,010)
Excess (Deficiency) of revenues over expenses for the year	(1,517,930)	(265,827)
Deficiency of revenues over expenses for the year (Note 8)	669,857	406,466
Net change in investment in capital assets (Note 8)	<u>(2,009,516)</u>	<u>2,531,503</u>
Unrestricted, end of year	<u>(3,842,457)</u>	<u>(984,868)</u>
 Investment in Capital Assets		
Investment in capital assets, beginning of year	910,346	3,848,315
Deficiency of revenues over expenses for the year (Note 8)	(669,857)	(406,466)
Net change in investment in capital assets (Note 8)	<u>2,009,516</u>	<u>(2,531,503)</u>
Investment in capital assets, end of year	<u>2,250,005</u>	<u>910,346</u>

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

Sioux Lookout Meno Ya Win Health Centre
Statement of Operations and Fund Balance
Trust Fund
For the year ended March 31

	2014	2013
Revenue	-	-
Expenses	-	-
Excess (Deficiency) of Revenues over Expenses	-	-
Fund Balance, beginning of year	<u>18,340</u>	<u>18,340</u>
Fund Balance, end of year	<u>18,340</u>	<u>18,340</u>

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

Sioux Lookout Meno Ya Win Health Centre
Statement of Cash Flows
For the year ended March 31

	<u>2014</u>	<u>2013</u>
Cash provided by (used in)		
Operating Activities		
Excess (Deficiency) of revenues over expenses for the year	(1,517,930)	(265,827)
Items not involving cash		
Amortization of capital assets (Note 8)	4,918,772	4,174,579
Amortization of deferred provincial equipment and building grants (Note 8)	(4,258,461)	(3,689,664)
Changes in non-cash operational balances (Note 9)	(921,785)	(2,943,726)
(Gain) Loss on disposal of capital assets (Note 8)	9,544	(78,449)
	<u>(1,769,860)</u>	<u>(2,803,085)</u>
Investing Activities		
Purchase of capital assets	<u>(6,093,498)</u>	<u>(2,673,504)</u>
Financing Activities		
Decrease in bank indebtedness	(215,351)	-
Increase in bank financing	6,389,503	-
Decrease in obligations under capital lease	(18,034)	(89,852)
Proceeds on disposal of capital assets	-	95,000
Increase in post-retirement benefits liability	180,500	144,100
Capital grants and fund raising receipts	4,104,304	4,605,636
	<u>10,440,922</u>	<u>4,754,884</u>
Increase (Decrease) in cash during the year	2,577,564	(721,705)
Cash, beginning of year	<u>28,511</u>	<u>750,216</u>
Cash, end of year	<u>2,606,077</u>	<u>28,511</u>
Represented by:		
Restricted	90	6,248
Unrestricted	2,605,987	22,263
Cash, end of year	<u>2,606,077</u>	<u>28,511</u>
Supplementary cash flow information		
Interest paid	7,428	11,472
Interest income	26,087	676

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

Sioux Lookout Meno Ya Win Health Centre
Summary of Significant Accounting Policies
March 31, 2014

Operations

Sioux Lookout Meno Ya Win Health Centre (the "Health Centre") was created by Bill Pr15 of the Ontario Legislature that received Royal Assent on December 14, 2001. The Health Centre's vision is to "be a centre of excellence for health through New and Expanded Services and Partnerships". The Health Centre is a not-for-profit organization that is exempt from corporate income taxes.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards as issued by the Accounting Standards Board.

These financial statements reflect the assets, liabilities and operations of the Health Centre. They do not include the assets, liabilities or operations of the Sioux Lookout Meno Ya Win Health Centre Foundation, which, although associated with the Health Centre, is separately managed, and reports to a separate Board of Trustees.

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

The Ministry of Health and Long Term Care:

- Community Counseling
- Municipal Taxes

The Scholarship or Trust Fund which records the activities related to the investments and granting of scholarships to students enrolled at a post secondary institution in a health discipline.

The operating results of these programs are recorded in Schedule 3 to the financial statements and their assets and liabilities are reported on the statement of financial position of the Health Centre. 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 Ministry. Adjustment settlements by the Ministry are recorded when settled.

**Revenue
Recognition**

The Health Centre follows the deferral method of accounting for contributions which include donations and government grants.

Under the Health Insurance Act and Regulations thereto, the Health Centre 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.

Sioux Lookout Meno Ya Win Health Centre
Summary of Significant Accounting Policies
March 31, 2014

Under the Health Insurance Act and the regulations thereto, the Health Centre is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ontario Ministry of Health. These financial statements reflect agreed funding arrangements approved by the Ministry with respect to the year ended March 31, 2014. The final amount of operating revenue cannot be determined until the Ministry has reviewed the Health Centre'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.

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.

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 contributions relating to separate Ministry of Health and Long Term Care Programs, which are included in program expenses. Provincial and federal building grants and fund raising receipts for the building received by the Health Centre are deferred and will be amortized on a straight line basis at a rate corresponding with the amortization rate for the buildings.

Revenue from the Provincial Insurance Plan and marketed services is recognized when the goods are sold or when the service is provided.

Contributed Services

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

Government Transfers

The Health Centre recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Health Centre recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Cash and Cash Equivalents

Cash includes balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Investments

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.

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.

Sioux Lookout Meno Ya Win Health Centre
Summary of Significant Accounting Policies
March 31, 2014

Inventory Inventory is stated at the lower of cost or replacement value. Cost is generally determined on the first-in, first-out basis, except for material management, where cost is determined on an average cost basis. Inventories are written down to net realizable value when the cost is not estimated to be recoverable. When circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in retail selling price, the amount of the write-down previously recorded is reversed.

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

Minor equipment replacements are expensed in the year purchased and software over a three year period. Construction in progress is not amortized until the project is complete and the facilities come into use.

Capital Assets are amortized over the useful life of the asset. The capital assets are amortized as follows:

Land Improvements	3 to 20 Years
Building Improvements	15 to 40 Years
Building and Building Service Equipment	10 to 20 Years
Building	15 to 40 Years
Major Equipment	3 to 20 Years
Residence - other land and buildings	10 to 40 Years
Residence - furniture and fixtures	3 to 20 Years

Leased Equipment Equipment leased on terms which transfer substantially all of the benefits and risks of ownership to the Health Centre are accounted for as "capital leases" and are therefore accounted for as though an asset had been purchased and a liability incurred.

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

Sioux Lookout Meno Ya Win Health Centre
Summary of Significant Accounting Policies
March 31, 2014

Ministry of Health and Long Term Care Programs

The Ministry of Health and Long Term Care programs follow Canadian public sector accounting standards, except for the following:

1. Capital assets are expensed in the year of purchase.
2. Contributions restricted for the purchase of capital assets are reported in revenue in the year that the assets are purchased. There was a one-time exception to this rule regarding a software purchase which was capitalized and amortized.

The Health Centre does not follow generally accepted accounting principles in these circumstances since the above reporting guidelines are the basis on which these programs are funded. The net effect of these differences is not material to the Health Centre's operating results.

Post-Retirement Benefits

The Health Centre 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 amortized on a straight-line basis over the average remaining service period of employees active at the date of the amendment.

The Health Centre is an employer member of the Healthcare of Ontario Pension Plan (the "Plan"), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Health Centre has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Health Centre 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.

Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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.

Sioux Lookout Meno Ya Win Health Centre
Summary of Significant Accounting Policies
March 31, 2014

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 of capital assets 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. The post retirement benefits liability is based on a tri-annual actuarial evaluation which is revised and updated annually.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known.

**Financial
Instruments**

The Health Centre recognizes its financial instruments when the Health Centre 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 Health Centre may irrevocably elect to subsequently measure any financial instrument at fair value. The Health Centre has not made such an election during the year.

The Health Centre 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 is 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 Health Centre'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.

Sioux Lookout Meno Ya Win Health Centre
Notes to Financial Statements
March 31, 2014

1. Short-term Investments

	2014	2013
<u>Operating Fund</u>		
Cash Investment Account	<u>34</u>	<u>34</u>
<u>Trust Fund</u>		
Cash Investment Account	<u>18,340</u>	<u>18,340</u>

2. Inventory

	2014	2013
Opening balance	359,199	371,429
Purchases	3,829,957	3,633,455
Transfer to expenses	<u>(3,823,420)</u>	<u>(3,645,685)</u>
Ending balance	<u>365,736</u>	<u>359,199</u>

Sioux Lookout Meno Ya Win Health Centre
Notes to Financial Statements
March 31, 2014

3. Capital Assets

	Cost	Accumulated Amortization	2014 Net Book Value
Land Improvements	6,220	6,220	-
Building Improvements	4,744,775	332,243	4,412,532
Building and Building Service Equipment	6,843,197	2,636,687	4,206,510
Building	130,160,621	8,763,437	121,397,184
Major Equipment	16,946,589	11,983,779	4,962,810
Residence - other land and buildings	79,548	67,048	12,500
Residence - furniture and fixtures	1,448	1,448	-
	<u>158,782,397</u>	<u>23,790,862</u>	<u>134,991,535</u>

	Cost	Accumulated Amortization	2013 Net Book Value
Land Improvements	6,220	6,220	-
Building Improvements	438,714	303,828	134,887
Building and Building Service Equipment	6,292,343	2,418,097	3,874,246
Building	129,576,239	5,477,148	124,099,091
Major Equipment	16,584,561	10,878,932	5,705,629
Residence - other land and buildings	79,548	67,048	12,500
Residence - furniture and fixtures	1,448	1,448	-
	<u>152,979,073</u>	<u>19,152,721</u>	<u>133,826,352</u>

4. Bank Indebtedness

The Health Centre has an operating line of credit of \$2,000,000 that bears interest at 2.5%, is unsecured and is due on demand. As at March 31, 2014, there were unused credit facilities of \$2,000,000 (2013 - \$1,784,649).

Sioux Lookout Meno Ya Win Health Centre
Notes to Financial Statements
March 31, 2014

5. Long-term Bank Loan

	2014	2013
Bank of Montreal loan, bearing interest at prime (3.00% - March 31, 2014), balloon payment of \$3,913,600 in 2015 utilizing funds flowed from Ministry of Health and Long Term Care. Balance is being amortized over 20 years, interest and principle due monthly. Unsecured.	4,889,503	-
Bank of Montreal loan, interest payable monthly and principal due at maturity, bearing interest at prime less 0.50% (2.50% - March 31, 2014), maturing March 31, 2015. Unsecured.	1,500,000	-
	6,389,503	-
Less: current portion	5,413,600	-
	975,903	-

6. Post-Retirement Benefits Liability

Sioux Lookout Meno Ya Win Health Centre provides extended health care, dental and life insurance benefits to all unionized full time employees, who enroll in the benefit plans and extends this coverage to the post-retirement period. The Health Centre accrues its obligations under these plans as the benefits are earned. Similar to most post-employment benefit plans (other than pension) in Canada, the Health Centre's plan is not pre-funded, resulting in a plan deficit equal to the accrued benefit obligation.

	2014	2013
Liability for post retirement benefits – opening balance	1,295,300	1,151,200
Expense related to post – retirement benefits	251,500	212,800
Funding Contributions	(71,000)	(68,700)
	1,475,800	1,295,300
Accrued employee future benefits obligation liability at March 31, 2014.	1,475,800	1,295,300

The significant actuarial assumptions adopted in estimating Sioux Lookout Meno Ya Win Health Centre's accrued benefit obligations are as follows:

Discount rate	4.36 %	
Dental Cost Increase	4.00 %	
Extended Health Care	8.00 % in 2015 decreasing .25% per annum until 5.00% in 2027	
Retirement	Age 58 or immediate if older than 58	
Full Eligibility Age	Age 55	
Members Electing Coverage at Retirement	100 %	

Included in the employee benefits on the statement of operations is an amount of \$188,354 (2013-\$154,834) regarding employee future benefits.

Sioux Lookout Meno Ya Win Health Centre
Notes to Financial Statements
March 31, 2014

7. Unamortized Deferred Capital Financing

	2014	2013
Balance, beginning of year		
Equipment	3,587,331	1,401,980
Building	<u>129,310,647</u>	<u>129,985,797</u>
	<u>132,897,978</u>	<u>131,387,777</u>
 Grants/donations received during the year		
Equipment	190,628	2,862,077
Building	<u>3,913,676</u>	<u>1,743,560</u>
	<u>4,104,304</u>	<u>4,605,636</u>
 Transferred from (to) deferred contributions - restricted for future capital asset purchases		
Equipment	(2,291)	(1,896)
Building	<u>-</u>	<u>596,122</u>
	<u>(2,291)</u>	<u>594,226</u>
 Amortization		
Equipment	(804,095)	(674,830)
Building	<u>(3,454,367)</u>	<u>(3,014,832)</u>
	<u>(4,258,461)</u>	<u>(3,689,662)</u>
 Balance, end of year		
Equipment	2,971,573	3,587,331
Building	<u>129,769,956</u>	<u>129,310,647</u>
	<u>132,741,530</u>	<u>132,897,978</u>

Sioux Lookout Meno Ya Win Health Centre
Notes to Financial Statements
March 31, 2014

8. Investment in Capital Assets

2014 2013

(a) Investment in capital assets is calculated as follows:

Capital assets	134,991,535	133,826,353
Amounts financed by:		
Deferred capital financing	(132,741,530)	(132,897,978)
Obligations under capital lease	-	(18,034)
	<u>2,250,005</u>	<u>910,346</u>

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

Deficiency of revenues over expenses:

Amortization of capital grants	4,258,461	3,689,664
Amortization of capital assets	(4,918,772)	(4,174,579)
Gain (loss) on disposal of capital assets	(9,544)	78,449
	<u>(669,857)</u>	<u>(406,466)</u>

Net changes in investment in capital assets:

Purchase of capital assets	6,093,498	2,673,504
Deferred capital financing	2,291	(594,226)
Proceeds on disposal of capital assets	-	(95,000)
Deferred capital financing received	(4,104,304)	(4,605,636)
Decrease in obligations under capital lease	18,034	89,856
	<u>2,009,516</u>	<u>(2,531,503)</u>

Sioux Lookout Meno Ya Win Health Centre
Notes to Financial Statements
March 31, 2014

9. Changes in Non-cash Operational Balances

	2014	2013
Cash provided by (used in)		
Operating activities		
Accounts receivable		
Ontario Ministry of Health/LHIN	(2,125,783)	(5,822,205)
Other	(375,881)	1,623,982
Inventory	(6,537)	12,230
Prepaid expenses	(55,412)	(663)
Accounts payable and accrued liabilities		
Ontario Ministry of Health/LHIN	(48,526)	75,706
Accounts payable and accrued liabilities	2,970,570	276,016
Accrued salaries and wages	(1,276,433)	891,208
Deferred operating grant	(3,783)	-
	<u>(921,785)</u>	<u>(2,943,726)</u>

Sioux Lookout Meno Ya Win Health Centre
Notes to Financial Statements
March 31, 2014

10. Pension Agreement

Healthcare of Ontario Pension Plan (the "Plan") provides pension services to more than 270,000 active and retired members and approximately 370 employers. Each year an independent actuary determines the funding status of the Plan by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The results of the most recent actuarial valuation as at December 31, 2013 disclosed an actuarial surplus of \$10,100 million. The results of this valuation disclosed total actuarial liabilities of \$51,600 million in respect of benefits accrued for service with actuarial assets at that date of \$41,500 million. Because the Plan is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario Hospitals and their employees. As a result, the Health Centre does not recognize any share of the Plan surplus or deficit. Contributions made by the Health Centre to the Plan during the year amounted to \$1,714,424 (2013 - \$1,443,958).

11. Contingent Liabilities and Commitments

Sioux Lookout Meno Ya Win Health Centre is a member of 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 are members and losses could be material. No reassessments have been made to March 31, 2014.

In 2012, the Health Centre entered into a one year extension of the dietary, laundry and housekeeping supply and management contract. The current supplier has been awarded the service contract extension to expire March 31, 2019. Terms and conditions have not been finalized as of the date of these financial statements.

12. Related Entity

The Health Centre has an economic interest in Sioux Lookout Meno Ya Win Health Centre Foundation (the "Foundation") which the Health Centre does not control or have significant influence over. The Foundation holds funds of approximately \$913,425 (2013 - \$822,337), the benefit of which is to be used for capital projects or capital asset purchases of the Health Centre. During the year the Foundation contributed \$162,478 (2013 - \$48,634) to the Health Centre.

13. Financial Instruments

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

14. Economic Dependence

The Health Centre receives 75.3% (2013 – 75.6%) of its funding from the Ontario Ministry of Health and Long Term Care and the Northwest Local Health Integrated Network.

15. Comparative Figures

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

Sioux Lookout Meno Ya Win Health Centre
Schedule 1 – Revenue – Other Sources
 For the year ended March 31
 (Unaudited)

	2014	2013
Investment Income	7,428	11,472
OHIP Diagnostic Revenues	1,130,091	1,019,228
Inpatient Non-Resident	367,398	191,946
Outpatient Non-Resident	423,213	333,934
Preferred Accommodations	2,074	970
Long-term Care Co-Payments	419,773	402,648
Ambulance	40,440	36,585
Paymaster	95,494	80,176
Other Grant Revenues	-	25,706
Cancer Care Ontario	-	-
	<u>2,485,911</u>	<u>2,102,665</u>

Sioux Lookout Meno Ya Win Health Centre
Schedule 2 – Departmental Recoveries
For the year ended March 31
(Unaudited)

	2014	2013
Administration	228,300	128,264
Corporate Services	-	351
Traditional Healing Program	2,191	(1,398)
Health Services	12,350	9,267
Board of Trustees	-	2,738
Community Development & Communications	1,348	-
Finance	-	10,051
Human Resources	16,789	2,530
Population Health	2,245	-
Information Systems	4,112	4,643
Telephone/Postage/Communications	1,616	7,067
Materials Management	93,929	55,756
Central Processing Unit	561	2,648
Housekeeping	53,184	54,187
Laundry & Linen	255,886	250,465
Plant Operation	78,813	77,712
Plant Security	50	25
Maintenance	26,352	18,188
Interpreters	-	-
Admitting and Registration	-	-
Patient Transportation	11,055	8,846
Health Records	47,912	39,864
Dietary	403,732	401,792
Nursing Administration	-	-
Inpatient Nursing	3,136	13,081
Obstetrics	2,169	1,550
Combined Or/Parr	4,913	7,171
Extended Care	(325)	400
Emergency	2,276	2,071
Chemotherapy O/P	25,382	3,953
Assault Care & Treatment Program	1,307	-
Centre For Complex Diabetes	351,246	293,180
Obstetrics Clinic	-	-
Laboratory	10,516	1,889
Radiology	(5,642)	-
Sub-total carried forward	1,635,403	1,396,291

Sioux Lookout Meno Ya Win Health Centre
Schedule 2 – Departmental Recoveries
For the year ended March 31
(Unaudited)

	2014	2013
Sub-total brought forward	1,635,403	1,396,291
Mammography	-	5,000
Computed Tomography	-	1,170
Diagnostic Ultrasound	7,679	7,742
Non Invasive Cardiology	-	-
Pharmacy	106,257	126,645
Dietitian	-	-
Physiotherapy	7,180	5,835
Occupational Therapy	515	256
Speech Language Pathology	81,837	15,920
Northern Diabetes Education Program	17,240	-
Under Screened Never Screened	30,286	72,654
Multidisciplinary Cross Cultural	-	3,000
Research Administration	45,833	-
Global Education	8,284	13,480
Bimaadiziwin Training	-	1,050
Marketed Services	156,051	114,747
Goods Sold	36,950	26,014
Gift Shop	28,985	29,642
Residences	94,914	78,187
Undistributed Revenues	-	82,500
	<u>2,257,415</u>	<u>1,980,133</u>

Sioux Lookout Meno Ya Win Health Centre
Schedule 3 – Separately Financed Programs
For the year ended March 31
(Unaudited)

	Community Counseling	Municipal Taxes	Scholarship Fund	2014	2013
Revenues					
Ministry of Health and Long Term Care	1,603,011	6,000	-	1,609,011	1,424,912
Other	86,436	-	-	86,436	86,052
Amortization of Grants	16,250	-	-	16,250	17,635
Total Revenues	1,705,697	6,000	-	1,711,697	1,528,599
Expenditures					
Salaries	1,174,572	-	-	1,174,572	951,379
Employee Benefits	265,859	-	-	265,859	200,015
Physician Fees	7,226	-	-	7,226	-
Other Supplies	313,984	-	-	313,984	345,059
Municipal Taxes	-	6,000	-	6,000	6,000
Amortization	15,475	-	-	15,475	26,146
Total Expenditures	1,777,116	6,000	-	1,783,116	1,528,599
Deficiency of revenue over expenses	(71,419)	-	-	(71,419)	-

Sioux Lookout Meno Ya Win Health Centre
Schedule 4 – Salaries and Purchased Services
For the year ended March 31
(Unaudited)

	2014	2013
Administration	443,431	483,261
Corporate Services	194,721	177,772
Traditional Healing Program	140,616	89,173
Health Services	358,587	286,048
Community Development & Communications	106,986	114,397
Finance	332,537	312,533
Human Resources	170,920	184,018
Information Systems	289,619	219,080
Materials Management	277,532	266,971
Central Processing	147,289	109,220
Housekeeping	816,209	800,441
Laundry	137,618	142,426
Plant Security	223,745	229,317
Maintenance	433,121	429,950
Interpreters	298,399	481,174
Admitting and Registration	420,444	471,726
Health Records	553,323	576,018
Dietary	822,224	832,839
Nursing Administration	185,580	205,486
Inpatient Nursing	2,923,112	2,739,946
Obstetrics	721,130	666,412
Combined Or/Parr	812,524	918,463
Extended Care	890,765	898,097
Telehealth Coordination	41,093	222,661
Visiting Specialist Administration	-	4,437
Emergency	1,152,974	1,012,158
Withdrawal Management	877,441	758,866
Chemotherapy O/P	84,212	69,115
Assault Care & Treatment Program	165,381	211,567
Specialists Clinics	334,861	136,209
Centre For Complex Diabetes Care	236,389	220,872
Northern Diabetes Program	431,879	90,634
Obstetrics Clinic	120,820	111,210
Laboratory	1,262,849	1,206,938
Radiology	465,673	478,871
Sub-total carried forward	16,874,004	16,158,306

Sioux Lookout Meno Ya Win Health Centre
Schedule 4 – Salaries and Purchased Services
 For the year ended March 31
 (Unaudited)

	2014	2013
Sub-total brought forward	16,874,004	16,158,306
Pharmacy	368,465	342,814
Computed Tomography	194,108	166,608
Diagnostic Ultrasound	426,226	386,634
Physiotherapy	391,988	312,729
Occupational Therapy	111,548	131,656
Global Education	220,370	106,772
Continuing Education Maternity Education	-	130,414
Marketed Services	105,072	69,917
Miscellaneous Departments	1,144,895	897,049
	<u>19,836,676</u>	<u>18,702,899</u>

Sioux Lookout Meno Ya Win Health Centre
Schedule 5 – Employee Benefits
(By Department)
For the year ended March 31
(Unaudited)

	2014	2013
Administration	84,032	68,777
Corporate Services	36,229	33,055
Traditional Healing Program	17,977	9,132
Health Services	97,836	57,421
Community Development & Communications	23,596	25,662
Finance	72,032	73,077
Human Resources	34,046	34,914
Information Systems	59,550	47,297
Materials Management	64,384	56,549
Central Processing Unit	43,178	24,395
Housekeeping	215,813	178,867
Laundry	36,745	31,535
Plant Security	54,796	46,477
Maintenance	141,834	82,076
Interpreters	72,574	96,262
Admitting and Registration	112,194	102,473
Health Records	141,542	127,349
Dietary	206,125	174,390
Nursing Administration	35,767	40,514
Inpatient Nursing	649,004	540,950
Obstetrics	141,365	129,714
Combined Or/Parr	162,044	174,267
Withdrawal Management	184,716	158,917
Extended Care	237,759	241,198
Telehealth Coordination	9,812	37,063
Visiting Specialist Administration	-	527
Emergency	210,038	180,011
Chemotherapy O/P	17,327	16,316
Assault Care & Treatment Program	66,713	38,890
Specialists Clinics	74,470	25,566
Centre For Complex Diabetes Care	51,270	45,058
Northern Diabetes Program	78,410	89,470
Obstetrics Clinic	31,551	20,701
Sub-total carried forward	3,464,729	3,008,870

Sioux Lookout Meno Ya Win Health Centre
Schedule 5 – Employee Benefits
(By Department)
For the year ended March 31
(Unaudited)

	2014	2013
Sub-total brought forward	3,464,729	3,008,870
Laboratory	272,086	231,967
Radiology	103,566	89,098
Computer Tomography	37,565	30,448
Diagnostic Ultrasound	56,231	38,504
Pharmacy	82,829	65,278
Physiotherapy	94,610	60,649
Occupational Therapy	28,392	26,161
Global Education	4	21,003
Continuing Nursing Maternity Education	-	29,788
Marketed Services	21,177	16,409
Miscellaneous Departments	254,941	190,924
Undistributed NEER	(9,506)	(14,589)
	<u>4,452,404</u>	<u>3,794,510</u>

Sioux Lookout Meno Ya Win Health Centre
Schedule 5 – Employee Benefits
(By Function)
 For the year ended March 31
 (Unaudited)

	2014	2013
CPP	772,070	676,441
Pension	1,609,570	1,363,041
EI	377,405	323,262
WSIB	240,119	198,876
Healthcare of Ontario Disability Income Plan	158,363	132,024
Employer Health Tax	418,500	351,017
Semi-Private Insurance	(9,922)	12,897
Extended Health Insurance	224,627	202,842
Dental Insurance	122,440	105,323
Healthcare of Ontario Group Life Insurance Plan	77,145	72,984
Other Benefits	720	481
Other Termination Benefits	135,361	118,433
Percent in Lieu of Benefits	326,006	236,889
	<u>4,452,404</u>	<u>3,794,510</u>

Sioux Lookout Meno Ya Win Health Centre
Schedule 6 – Supplies and Other Expenses
For the year ended March 31
(Unaudited)

	2014	2013
Administration	475,444	477,960
Corporate Services	4,559	15,221
Traditional Healing Program	148,546	80,413
Health Services	16,631	33,463
Patient Supports & Quality Services	187	-
Board of Trustees	68,046	40,953
Community Development & Communications	24,295	54,205
Quality Assurance and Risk Management	30,091	33,607
Finance	158,690	193,674
Human Resources	168,037	146,551
Population Health	23,717	16,865
Occupational Health And Safety	13,632	19,185
Information Systems	753,017	598,758
Telephone/Postage/Communications	148,421	220,933
Materials Management	117,043	140,047
Central Processing Unit	10,537	12,218
Volunteer Services	3,909	12,429
Housekeeping	284,984	286,534
Laundry & Linen	81,523	75,999
Plant Operation	2,076,074	1,558,064
Plant Security	826	10,304
Maintenance	179,131	329,946
Interpreters	239	604
Admitting and Registration	29,768	24,509
Patient Transportation	-	73
Health Records	98,801	109,430
Dietary	461,600	456,669
Nursing Administration	-	3,141
Inpatient Nursing	59,035	110,179
Obstetrics	40,605	30,437
Combined Or/Parr	74,546	84,338
Withdrawal Management	9,152	14,912
Extended Care	31,987	27,820
Telehealth Coordination	8,930	10,461
Sub-total carried forward	5,602,003	5,229,902

Sioux Lookout Meno Ya Win Health Centre
Schedule 6 – Supplies and Other Expenses
For the year ended March 31
(Unaudited)

	2014	2013
Sub-total brought forward	5,602,003	5,229,902
Visiting Specialist Administration	11,634	9,502
Emergency	61,094	58,938
Medical Day Clinic	-	2,961
Chemotherapy O/P	2,541	4,707
Chronic Disease Management	741	2,442
Assault Care & Treatment Program	13,917	23,725
Pre-Op O/P Surgical Clinic	561	419
Specialists Clinics	3,391	992
Centre For Complex Diabetes	16,913	15,403
Northern Diabetes Program	326,930	31,542
Obstetrics Clinic	6,806	6,108
Breast Feeding Clinic	-	3,003
Laboratory	882,930	836,318
Radiology	81,118	100,448
Mammography	47,663	3,407
CT Scan	21,112	39,523
Diagnostic Ultrasound	107,858	147,323
Non Invasive Cardiology	5,786	8,721
Pharmacy	35,903	111,108
Dietitian	373	4,156
Physiotherapy	14,556	40,558
Assess and Restore Program	2,258	-
Occupational Therapy	7,023	19,561
Speech Language Pathology	1,102	-
Activation	1,848	2,458
Under Screened Never Screened	491	6,857
Nurse Practitioner	9,286	10,613
Stroke Prevention Strategy	71	292
NOSM Research Projects	93,014	3,000
Research Administration	34,472	1,044
Global Education	379,376	199,863
Continuing Nursing Maternity Education	20,512	12,539
Sub-total carried forward	7,793,283	6,937,433

Sioux Lookout Meno Ya Win Health Centre
Schedule 6 – Supplies and Other Expenses
 For the year ended March 31
 (Unaudited)

	2014	2013
Sub-total brought forward	7,793,283	6,937,433
Marketed Services	47,886	39,045
Goods Sold	12,061	655
Gift Shop	21,822	21,564
Residences	111,706	95,588
Undistributed	-	-
Sub-total before Allocated Internal Services	7,986,758	7,094,285
Allocated Internal Services		
Laundry	221,014	223,839
Facility Operations	14,125	14,125
Dietary	178,308	178,332
	413,447	416,296
	8,400,202	7,510,581

Sioux Lookout Meno Ya Win Health Centre
Schedule 7 – Regional Small Hospital Projects
 For the year ended March 31
 (Unaudited)

	Cross Cultural Education	Small Hospitals Quality Scorecard	Medication Management	2014	2013
Revenues					
Ministry of Health and Long Term Care	353,017	142,175	1,888,949	2,384,141	-
Other	-	-	-	-	-
Total Revenues	353,017	142,175	1,888,949	2,384,141	-
Expenditures					
Salaries	36,911	-	-	36,911	-
Employee Benefits	3,168	-	-	3,168	-
Other Supplies	312,937	142,175	1,888,949	2,344,061	-
Total Expenditures	353,017	142,175	1,888,949	2,384,141	-
Deficiency of revenues over expenses	-	-	-	-	-