

Sioux Lookout Meno Ya Win Health Centre
Financial Statements
March 31, 2016

Sioux Lookout Meno Ya Win Health Centre
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For the year ended March 31, 2016

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Management's Responsibility

To the Resource Utilization Committee of Sioux Lookout Meno Ya Win Health Centre:

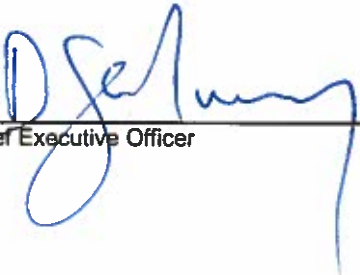
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgement 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 comprised 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 fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. 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 13, 2016



Chief Executive Officer



Vice President of Corporate Services and
Performance / Chief Operating Officer

Independent Auditors' Report

To the Resource Utilization Committee 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, 2016, and the statements of operations, changes in net assets and cash flows for the year then ended, 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, 2016 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 are 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 13, 2016



Chartered Professional Accountants

Licensed Public Accountants

Sioux Lookout Meno Ya Win Health Centre
Statement of Financial Position

As at March 31,	2016	2015
Current Assets		
Cash (Note 2)	\$ 1,943,993	\$ 10,343
Accounts Receivable (Note 3)	2,939,769	5,794,870
Inventory (Note 4)	169,532	329,773
Prepaid Expenses	378,548	262,285
Total Current Assets	5,431,842	6,397,271
Non-Current Assets		
Capital Assets (Note 5)	128,327,318	130,237,765
Total Assets	\$ 133,759,160	\$ 136,635,036
Trust Fund		
Short-Term Investments	\$ 16,340	\$ 18,340
Current Liabilities		
Bank Indebtedness (Note 2)	\$ -	\$ 425,233
Accounts Payable and Accrued Liabilities (Note 6)	5,160,227	6,206,445
Deferred Revenue (Note 7)	82,236	1,174,318
Current Portion of Long-Term Debt (Note 8)	200,002	387,486
Current Portion of Post-Retirement Benefits Liability (Note 9)	85,000	99,000
Total Current Liabilities	5,527,465	8,292,482
Long-Term Liabilities		
Long-Term Debt (Note 8)	2,530,836	1,282,676
Post-Retirement Benefits Liability (Note 9)	1,759,400	1,556,200
Unamortized Deferred Capital Financing (Note 10)	122,122,728	125,809,446
Deferred Contributions - Restricted for Future Capital Asset Purchases (Note 11)	617,984	670,883
Total Long-Term Liabilities	127,030,948	129,319,205
Net Assets		
Unrestricted	(5,001,526)	(5,404,970)
Investment in Capital Assets (Note 12)	6,202,273	4,428,319
Closing Net Assets Balance	1,200,747	(976,651)
Total Liabilities and Net Assets Balance	\$ 133,759,160	\$ 136,635,036
Trust Fund		
Fund Balance - Dr. Hugh W. Allen Scholarship	\$ 16,340	\$ 18,340

Approved on behalf of the Board:

Director

Director

The accompanying 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,	2016	2015
Revenue		
Ministry of Health and Long Term Care Base Allocation	\$ 31,415,344	\$ 31,157,479
Ministry of Health and Long Term Care One Time Payments	725,718	1,471,991
Paymaster	871,376	534,749
Visiting Specialist	90,885	37,749
Cancer Care Ontario Funding	104,400	-
Health Canada	321,317	321,008
Other Revenue (Schedule 1)	6,579,408	5,164,360
Amortization of Donations and Grants for Equipment	730,760	1,066,540
Total Revenue	40,839,208	39,753,876
Expenses		
Salaries, Wages and Purchased Services (Schedule 3)	20,113,408	20,457,100
Employee Benefits (Schedule 4)	4,364,694	4,508,977
Employee Future Benefits (Note 9)	179,200	179,400
Medical Staff Remuneration (Schedule 5)	1,858,575	1,930,747
Supplies and Other Expenses (Schedule 6)	8,513,440	9,127,456
Medical and Surgical Supplies	966,958	1,029,403
Drugs and Medical Gases	596,549	524,983
Equipment Amortization	1,050,240	1,030,757
Software Amortization	66,750	50,409
Bad Debts	808,221	521,980
Total Expenses	38,518,035	39,361,212
Excess of Revenue Over Expenses from Hospital Operations	2,321,173	392,664
Other Items		
Amortization of Deferred Contributions Related to Buildings	3,530,220	3,655,888
Amortization of Buildings	(3,668,587)	(3,367,174)
Gain / (Loss) on Disposal of Capital Assets	1,834	(1,868)
	(136,533)	286,846
Other Votes and Programs - Revenues (Schedule 2)	2,327,610	2,161,328
Other Votes and Programs - Expenses (Schedule 2)	(2,334,852)	(2,225,038)
	(7,242)	(63,710)
Surplus of Revenue Over Expenses for the Year	\$ 2,177,398	\$ 615,800

The accompanying 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, 2016

	Invested in Capital Assets	2016 Unrestricted	2016 Total
Balance, beginning of year	\$ 4,428,319	\$ (5,404,970)	\$ (976,651)
Excess (deficiency) of revenue over expenses for the year (Note 12)	(529,801)	2,707,199	2,177,398
Net change in investment in capital assets (Note 12)	2,303,755	(2,303,755)	-
Balance, end of year	<u>\$ 6,202,273</u>	<u>\$ (5,001,526)</u>	<u>\$ 1,200,747</u>

For the Year Ended March 31, 2015

	Invested in Capital Assets	Unrestricted	2015 Total
Balance, beginning of year	\$ 1,492,931	\$ (3,085,382)	\$ (1,592,451)
Excess of revenue over expenses for the year (Note 12)	271,389	344,411	615,800
Net change in investment in capital assets (Note 12)	2,663,999	(2,663,999)	-
Balance, end of year	<u>\$ 4,428,319</u>	<u>\$ (5,404,970)</u>	<u>\$ (976,651)</u>

The accompanying 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,	2016	2015
Revenue	\$ -	\$ -
Expenses	2,000	-
Excess (Deficiency) of Revenue Over Expenses	(2,000)	-
Fund Balance, Beginning of Year	18,340	18,340
Fund Balance, End of Year	\$ 16,340	\$ 18,340

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

**Sioux Lookout Meno Ya Win Health Centre
Statement of Cash Flows**

March 31,	2016	2015
Cash Provided By (Used In) Operating Activities		
Excess (deficiency) of revenue over expenses for the year	\$ 2,177,398	\$ 615,800
Items not involving cash		
Amortization of capital assets (Note 12)	4,785,577	4,448,340
Amortization of deferred provincial equipment and building grants (Note 10)	(4,260,980)	(4,722,428)
Amortization of capital assets related to other votes and programs (Note 12)	7,038	831
Deferred capital financing recovered	-	(869,052)
Gain (Loss) on disposal of capital assets (Note 12)	(1,834)	1,868
	<u>2,707,199</u>	<u>(524,641)</u>
Changes in Non-Cash Working Capital Balances		
Accounts Receivable	2,855,101	3,940,046
Inventory	160,241	35,963
Prepaid Expenses	(116,263)	77,380
Accounts Payable and Accrued Liabilities	(1,046,218)	126,121
Deferred Revenue	(1,092,082)	(791,238)
Post-Retirement Benefits	189,200	180,225
	<u>949,979</u>	<u>3,568,497</u>
Financing Activities		
Decrease in short-term investments	-	34
Advances of long-term debt	2,101,554	4,008,826
Repayment of long-term debt	(1,040,878)	(8,728,167)
	<u>1,060,676</u>	<u>(4,719,307)</u>
Capital Activities		
Purchase of capital assets	(2,882,345)	(1,552,143)
Proceeds on disposal of capital assets (Note 12)	2,011	49,667
Capital grants and fund raising receipts (Note 12)	521,363	156,960
	<u>(2,358,971)</u>	<u>(1,345,516)</u>
Increase (decrease) in cash during the year	2,358,883	(3,020,967)
Cash, beginning of year	(414,890)	2,606,077
Cash, end of year	<u>1,943,993</u>	<u>(414,890)</u>
Represented by:		
Bank balance (indebtedness)	1,937,192	(425,233)
Unrestricted	6,801	10,261
Restricted	-	82
Cash, end of year	<u>\$ 1,943,993</u>	<u>\$ (414,890)</u>
Supplementary cash flow information		
Interest paid	\$ 49,816	\$ 52,207
Interest income	\$ 3,127	\$ 8,912

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

Sioux Lookout Meno Ya Win Health Centre

Notes to the Financial Statements

March 31, 2016

1. Significant Accounting Policies

Management's Responsibility for the Financial Statements

The financial statements of Sioux Lookout Meno Ya Win Health Centre (the "Health Centre") are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board.

The Sioux Lookout Meno Ya Win Health Centre Foundation is a separate entity whose financial information is reported separately from the hospital.

Nature and Purpose of the Organization

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.

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:

Ministry of Health and Long-Term Care:

- Mental Health and Addictions Program
- Integrated Pregnancy Program
- Foot Care Services

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

The operating results of these programs are recorded in Schedule 2 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 accountability arrangements established by the Ministry of Health and Long-Term Care ("MOHLTC"), and the Local Health Integration Network ("LHIN"). The Health Centre has entered into a Hospital Service Accountability Agreement (the "H-SAA") for fiscal 2016 with the MOHLTC and LHIN that sets out the rights and obligations of the parties to the H-SAA in respect of funding provided to the Health Centre by the MOHLTC/LHIN. The H-SAA also sets out the performance standards and obligations of the Health Centre that establish acceptable results for the Health Centre's performance in a number of areas.

Sioux Lookout Meno Ya Win Health Centre

Notes to the Financial Statements

March 31, 2016

1. Significant Accounting Policies (continued)

Revenue Recognition (continued)

If the Health Centre does not meet its performance standards or obligations, the MOHLTC/LHIN has the right to adjust funding received by the Health Centre. The MOHLTC/LHIN is not required to communicate certain funding adjustments until after the submission of year end data. Since this data is not submitted until after the completion of the financial statements, the amount of MOHLTC/LHIN funding received by the Health centre during the year may be increased or decreased subsequent to year end.

Contributions approved but not received at year end are accrued. Where a portion of a contribution relates to a future period, it is deferred and recognized in that subsequent period.

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to general operations are recognized as revenue in the year in which the related expenses are incurred.

Restricted contributions for the acquisition of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Patient related revenues are recognized as revenue when services are rendered and the amount to be received can be reasonably estimated and collection is reasonably assured.

Recoveries are recognized as revenue when the amount of the recovery can be reasonably estimated and collection is reasonably assured.

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.

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 Notes to the Financial Statements

March 31, 2016

1. Significant Accounting Policies (continued)

Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is determined on an average cost basis. Inventories consist of medical and general supplies that are used in the Health Centre's operations and not for resale purposes.

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 and building service equipment	10 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

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.

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 were purchased. There was a one-time exception to this rule regarding a software purchase that 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.

Sioux Lookout Meno Ya Win Health Centre

Notes to the Financial Statements

March 31, 2016

1. Significant Accounting Policies (continued)

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 the 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.

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 recognized 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.

Sioux Lookout Meno Ya Win Health Centre

Notes to the Financial Statements

March 31, 2016

1. Significant Accounting Policies (continued)

Financial Instruments (continued)

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 organization, 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.

Recent Accounting Pronouncements

Related Party Disclosures (PS 2200)

This new Section defines a related party and establishes disclosure required for related party transactions.

Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

This Section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

Inter-entity Transactions (PS 3420)

This new Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

The main features of the new Section are:

- Under a policy of cost allocation, revenues and expenses are recognized on a gross basis.
- Transactions are measured at the carrying amount, except in specific circumstances.
- A recipient may choose to recognize unallocated costs for the provision of goods and services and measure them at the carrying amount, fair value or other amount dictated by policy, accountability structure or budget practice.
- The transfer of an asset or liability for nominal or no consideration is measured by the provider at the carrying amount and by the recipient at the carrying amount or fair value.
- Inter-entity transactions are considered in conjunction with RELATED PARTY DISCLOSURES, Section PS 2200.

This Section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

Sioux Lookout Meno Ya Win Health Centre Notes to the Financial Statements

March 31, 2016

2. Cash

The Health Centre's bank accounts are held at one chartered bank. The Health Centre is exposed to credit risk on balances in excess of those guaranteed by the Canadian Deposit Insurance Corporation. The bank account earns interest at prime less 1.9%.

The Health Centre has an operating line of credit of \$4,000,000 (2015 - \$2,000,000) that bears an interest rate of prime less 0.5%, is unsecured and is due on demand, and Corporate MasterCards repayable on demand and in accordance with standard terms and conditions. As at March 31, 2016 prime less 0.5% is 2.2% (2015 - 2.5%). As at March 31, 2016, there were unused credit facilities of \$4,000,000 (2015 - \$1,574,767).

3. Accounts Receivable

	2016	2015
Other	\$ 1,711,860	\$ 1,067,361
Insurers and Patients	1,270,786	1,287,053
Ministry of Health and Long-Term Care	113,145	3,959,737
Health Canada	126,784	129,360
Cancer Care Ontario	52,200	-
Due from Trust Fund	2,000	-
Allowance for Doubtful Accounts	(337,006)	(648,641)
	<u>\$ 2,939,769</u>	<u>\$ 5,794,870</u>

4. Inventory

	2016	2015
Opening Balance	\$ 329,773	\$ 365,736
Purchases	1,400,967	4,023,931
Expensed	(1,561,208)	(4,059,894)
Ending Balance	<u>\$ 169,532</u>	<u>\$ 329,773</u>

5. Capital Assets

	2016		2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 315,929	\$ -	\$ 315,929	\$ -
Land Improvements	6,220	6,220	6,220	6,220
Building and Building Service Equipment	143,937,678	18,971,892	142,054,841	15,303,305
Major Equipment	16,991,169	13,958,066	16,000,162	12,842,362
Residence - Other Land and Buildings	79,548	67,048	79,548	67,048
Residence - Furniture and Fixtures	1,448	1,448	1,448	1,448
	<u>\$ 161,331,992</u>	<u>\$ 33,004,674</u>	<u>\$ 158,458,148</u>	<u>\$ 28,220,383</u>
Net Book Value		<u>\$ 128,327,318</u>		<u>\$ 130,237,765</u>

During the year capital assets were acquired with an aggregate cost of \$2,882,345 (2015 - \$1,552,143) using operating cash flows.

Sioux Lookout Meno Ya Win Health Centre
Notes to the Financial Statements

March 31, 2016

6. Accounts Payable and Accrued Liabilities	2016	2015
Accrued Salaries and Benefits	\$ 2,387,805	\$ 2,244,540
Trade Accounts Payable	1,461,809	2,353,475
Other Payables and Accruals	816,681	314,783
Ministry of Health and Long-Term Care	356,289	1,135,289
Payroll Remittances	137,643	156,626
HST Payable	-	1,732
	<u>\$ 5,160,227</u>	<u>\$ 6,206,445</u>

7. Deferred Revenue	2016	2015
Research and Operations	\$ 82,236	\$ 128,196
Health Canada	-	17,476
Medication Management	-	1,028,646
	<u>\$ 82,236</u>	<u>\$ 1,174,318</u>

8. Long-Term Debt	2016	2015
Loan, bearing interest fixed at 2.96% (2015 - 2.85%), repayable in blended monthly payments of \$4,646, maturing February 28, 2026. Unsecured.	\$ 835,526	\$ 880,676
Loan, bearing interest fixed at 2.96% (2015 - 2.50%), repayable in blended monthly payments of \$18,532, maturing February 28, 2026. Unsecured.	1,895,312	339,486
Sioux Lookout Meno Ya Win Health Centre Foundation loan, matured.	-	450,000
	<u>2,730,838</u>	<u>1,670,162</u>
Less: current portion	200,002	387,486
	<u>\$ 2,530,836</u>	<u>\$ 1,282,676</u>

Principal repayments on debt in each of the next five years, assuming long-term debt subject to refinancing is renewed at similar rates and terms, are estimated as follows:

2017	200,002
2018	206,000
2019	212,184
2020	218,550
2021	224,108
	<u>\$ 1,060,844</u>

Sioux Lookout Meno Ya Win Health Centre Notes to the Financial Statements

March 31, 2016

9. Post-Retirement Benefits Liability

The Health Centre provides extended health care, dental and life insurance to all 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.

	2016	2015
Accrued benefit obligation	\$ 1,614,100	\$ 1,874,600
Unamortized actuarial gain (loss)	230,300	(219,400)
	<u>1,844,400</u>	<u>1,655,200</u>
Less: current portion	85,000	99,000
Accrued employee future benefits obligation liability at March 31, 2016	<u>\$ 1,759,400</u>	<u>\$ 1,556,200</u>

	2016	2015
Current year benefit costs	\$ 199,500	\$ 172,900
Amortized actuarial losses	17,800	7,500
Interest on accrued benefit obligation	70,900	73,000
Reconciliation of plan funds (benefit payments)	(99,000)	(74,000)
	<u>\$ 189,200</u>	<u>\$ 179,400</u>

	2016	2015
Employee Future Benefit Costs from Operations	\$ 179,200	\$ 179,400
Employee Future Benefit Costs from Other Votes and Programs	10,000	-
	<u>\$ 189,200</u>	<u>\$ 179,400</u>

Retirement Benefits

Substantially all of the full-time employees and some of the part-time employees are members of HOOPP. The plan is a multi-employer plan and therefore the Health Centre's contributions are accounted for as if the plan were a defined contribution plan with the Health Centre's contributions being expensed in the period they become due. Contributions made to the plan during the year by the Health Centre amounted to \$1,563,524 (2015 - \$1,564,176).

Post-Employment Benefits

The Health Centre extends post-employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The Health Centre recognizes these benefits as they are earned during the employee's tenure of service. The related benefit liability was determined by an actuarial valuation study.

The major assumptions employed for the valuations are as follows:

a) Discount Rate

The present value as at March 31, 2016 of the future benefits was determined using a discount rate of 3.5% (2015 - 3.25%).

b) Extended Health Care Trend Rates

Extended health care costs were assumed to increase at 7.5% per annum in 2016 and decrease by 0.25% per annum thereafter to an ultimate rate of 5.0%.

c) Dental Costs

Dental costs were assumed to increase at 4.0% per annum.

Sioux Lookout Meno Ya Win Health Centre Notes to the Financial Statements

March 31, 2016

10. Unamortized Deferred Capital Financing

Deferred capital contributions represent the unamortized amount and unspent amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations. Changes in the contributions capital deferred to future periods are as follows:

	2016	2015
Balance, beginning of year as stated	\$ 125,809,446	\$ 131,693,397
Contributions received during the year	521,363	156,960
Contributions received during the year - restricted for future capital asset purchases	(2,317)	-
Reductions to contributions during the year	-	(869,052)
Transferred from (to) deferred - restricted for future capital asset purchases	55,216	(449,431)
Amortization	(4,260,980)	(4,722,428)
Balance, end of year	<u>\$ 122,122,728</u>	<u>\$ 125,809,446</u>

11. Deferred Contributions - Restricted for Future Capital Asset Purchases

	2016	2015
Health Canada - New Hospital	\$ 345,236	\$ 345,236
Employee 50/50 Draw	24,260	21,943
Health Canada - Telehealth Equipment	12,722	12,722
Northern Ontario School of Medicine - Equipment	149,390	149,390
Ministry of Health and Long-Term Care - Equipment	86,376	86,376
SLECO - Extended Care Unit	-	55,216
	<u>\$ 617,984</u>	<u>\$ 670,883</u>

12. Investment in Capital Assets

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

	2016	2015
Capital assets	\$ 128,327,318	\$ 130,237,765
Amounts financed by Deferred Contributions	(122,122,728)	(125,809,446)
Contributions received during the year - restricted for future capital asset purchases	(2,317)	-
	<u>\$ 6,202,273</u>	<u>\$ 4,428,319</u>

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

	2016	2015
Excess (deficiency) of revenue over expenses:		
Amortization of capital grants	\$ 4,260,980	\$ 4,722,428
Amortization of capital assets	(4,785,577)	(4,448,340)
Amortization of capital assets related to other votes and programs	(7,038)	(831)
Gain (loss) on disposal of capital assets	1,834	(1,868)
	<u>(529,801)</u>	<u>271,389</u>

Sioux Lookout Meno Ya Win Health Centre Notes to the Financial Statements

March 31, 2016

12. Investment in Capital Assets (continued)

	2016	2015
Net changes in investment in capital assets:		
Purchase of capital assets	2,882,345	1,552,143
Deferred capital financing	(55,216)	449,431
Proceeds on disposal of capital assets	(2,011)	(49,667)
Disposal of capital assets	-	-
Deferred capital financing recovered	-	869,052
Deferred capital financing received	(521,363)	(156,960)
	2,303,755	2,663,999
	\$ 1,773,954	\$ 2,935,388

13. Pension Agreement

Healthcare of Ontario Pension Plan (the "Plan") provides pension service 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, 2015 disclosed an actuarial surplus of \$14,773 million. The results of this valuation disclosed total actuarial liabilities of \$49,151 million in respect of benefits accrued for service with actuarial assets at that date of \$63,924 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 \$1,563,524 (2015 - \$1,564,176).

14. Contingent Liabilities and Commitments

The 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, 2016.

The Health Centre entered into a contract starting July 1, 2014 for dietary, laundry and housekeeping supply and management. The contract will expire March 31, 2019.

15. 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 \$1,232,000 (2015 - \$922,627), 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 \$256,140 (2015 - \$142,668) to the Health Centre.

Sioux Lookout Meno Ya Win Health Centre Notes to the Financial Statements

March 31, 2016

16. 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.

Liquidity Risk

Liquidity risk is the risk that the Health Centre will not be able to meet its financial obligations as they fall due. The Health Centre has a planning budgeting process in place to help determine the funds required to support the Health Centre's normal operating requirements on an ongoing basis. The Health Centre ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. To achieve this aim, it seeks to maintain cash balances to meet, at a minimum, expected requirements for a period of at least 90 days. All amounts in accounts payable are current.

Contractual maturities of long-term debt are disclosed in Note 8.

17. Economic Dependence

The Health Centre receives 77.7% (2015 - 77.2%) of its funding from the Ministry of Health and Long-Term Care and the Northwest Local Health Integrated Network.

18. 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 - Other Revenue

(Unaudited)

For the year ended March 31,	2016	2015
Service Recipient		
Ontario Health Insurance Plan	\$ 1,514,201	\$ 1,310,270
Chronic and Long-Term Care Co-Payments	460,253	472,183
Uninsured Residents of Ontario	451,478	329,690
Other Province Insurance	177,619	138,877
Other Service Recipient Revenue	79,770	67,645
Non-resident of Canada	53,728	51,217
Preferred Accommodation Charges	36,269	68,646
Ambulance Services	41,931	45,855
Workplace Safety and Insurance Board	17,294	25,702
Federal Government	8,272	11,181
	<u>2,840,815</u>	<u>2,521,266</u>
Other Revenue and Recoveries		
Other Revenue and Recoveries	1,891,448	952,304
Food Services	643,234	508,943
Interdepartmental Recoveries	457,955	463,608
Office Rent	362,638	82,907
Pharmacy Services	111,340	138,795
Building and Grounds Services	99,259	77,063
Speech/Language Pathology Services	78,822	69,936
Research and Education Grants	61,875	142,659
Accommodation Rent	26,501	64,821
Investment Income	5,521	8,912
Operational Grants and Donations	-	133,146
	<u>3,738,593</u>	<u>2,643,094</u>
Total Revenue	<u>\$ 6,579,408</u>	<u>\$ 5,164,360</u>

Sioux Lookout Meno Ya Win Health Centre
Schedule 2 - Other Votes and Programs - Community Mental Health and Addictions Programs
(Unaudited)

	Substance Abuse	Problem Gambling	Community Mental Health	Crisis Intervention	Administration	2016	2015
Revenue							
Ministry of Health and Long-Term Care	719,833	83,130	757,850	212,000	-	1,772,813	1,618,073
Ministry of Health and Long-Term Care Recoveries	-	-	(1,816)	-	-	(1,816)	(9,249)
Sessional Fee Funding	-	-	8,671	-	-	8,671	7,092
Dryden Regional Health Centre	-	-	86,052	-	-	86,052	86,052
Other Revenue and Recoveries	1,124	-	2,295	-	12,585	16,004	12,231
Total Revenue	720,957	83,130	853,052	212,000	12,585	1,881,724	1,714,199
Expenses							
Salaries and Wages	319,990	66,862	593,531	99,362	165,605	1,245,350	1,191,971
Employee Benefits	69,524	11,595	131,312	25,570	38,248	276,249	258,320
Employee Future Benefits (Note 9)	-	-	-	-	10,000	10,000	-
Medical Fees	-	-	2,685	-	-	2,685	7,092
Supplies and Other Expenses	29,016	3,706	40,728	8,560	266,698	348,708	319,511
Amortization	-	-	-	-	7,038	7,038	831
Total Expenses	418,530	82,163	768,256	133,492	487,589	1,890,030	1,777,725
Net Revenue (Expense) Before Other Items	302,427	967	84,796	78,508	(475,004)	(8,306)	(63,526)
Allocated Administration Expenses	(314,495)	(2,438)	(85,328)	(82,890)	487,589	2,438	-
Net Revenue (Expense)	(12,068)	(1,471)	(532)	(4,382)	12,585	(5,868)	(63,526)

Sioux Lookout Meno Ya Win Health Centre
Schedule 2 (Continued) - Other Votes and Programs

(Unaudited)

March 31,	2016	2015
Community Support Services - Foot Care Services		
Revenue		
Ministry of Health and Long-Term Care	\$ 100,000	\$ 100,000
Expenses		
Salaries and Wages	53,428	67,704
Employee Benefits	11,632	12,468
Supplies and Other Expenses	8,117	13,730
Medical and Surgical Supplies	9,187	6,282
Total Expenses	82,364	100,184
Net Revenue (Expense) Before Amount Repayable	17,636	(184)
Amount Repayable to Ministry of Health and Long-Term Care	(17,636)	-
Net Revenue (Expense)	\$ -	\$ (184)
Substance Abuse - Integrated Pregnancy Program		
Revenue		
Ministry of Health and Long-Term Care	\$ 330,102	\$ 330,102
Other Revenue and Recoveries	33,420	17,027
Total Revenue	363,522	347,129
Expenses		
Salaries and Wages	289,950	279,248
Employee Benefits	60,836	58,882
Supplies and Other Expenses	5,143	2,653
Medical and Surgical Supplies	6,529	6,346
Total Expenses	362,458	347,129
Net Revenue	1,064	-
Allocated Administration Expense	(2,438)	-
Net Revenue	\$ (1,374)	\$ -

Sioux Lookout Meno Ya Win Health Centre
Schedule 3 - Salaries, Wages and Purchased Services

(Unaudited)

March 31,	2016	2015
Patient Care		
Ambulatory Care	\$ 1,927,386	\$ 2,017,792
Centre for Complex Diabetes Care	299,195	279,759
Community Health and Support Services	521,016	455,546
Diabetes Education	601,900	469,909
Diagnostics Imaging	1,337,147	1,255,655
Extended Care Unit	981,826	943,768
Inpatient Wards	3,928,739	4,179,475
Laboratory	1,363,221	1,356,883
Operating Room	807,486	828,090
Pharmacy	297,990	430,601
Therapeutic Services	804,968	916,593
Total Patient Care	12,870,874	13,134,071
Support Services		
Administration	2,623,153	2,731,448
Environmental Services	1,163,336	1,128,798
Food Services	954,603	877,506
Information System Support	382,430	359,513
In House Education	195,127	213,101
Marketed Services	29,180	112,833
Materials Management	289,477	282,129
Patient Information	864,608	903,392
Physical Plant	740,620	714,309
Total Support Services	7,242,534	7,323,029
Total Salaries, Wages and Purchased Services	\$ 20,113,408	\$ 20,457,100

Sioux Lookout Meno Ya Win Health Centre
Schedule 4 - Employee Benefits

(Unaudited)

March 31,	2016	2015
Benefit and Vacation % in Lieu	\$ 311,049	\$ 269,301
Canada Pension Plan	743,872	765,580
Dental Insurance	157,917	147,555
Employer Health Tax	395,085	403,251
Employment Insurance	364,079	374,850
Extended Health Care Insurance	303,330	269,022
Group Life and Accidental Death & Dismemberment	73,901	82,088
Hospital Pension Plan	1,563,524	1,564,176
Long-Term Disability Insurance	174,951	175,204
Other	18,951	200,047
Semi-Private Insurance	4,198	8,123
Workplace Safety & Insurance Board	253,837	249,780
Total Employee Benefits	\$ 4,364,694	\$ 4,508,977

Sioux Lookout Meno Ya Win Health Centre
Schedule 5 - Medical Staff Remuneration

(Unaudited)

March 31,	2016	2015
Centre for Complex Diabetes Care	\$ 10,833	\$ 10,000
Clinical Laboratory	18,357	18,357
Diagnostic Readings	972,529	1,145,380
Employee Health	87,750	41,250
Honorariums	15,000	10,020
Hospital On Call Coverage	672,186	672,185
Visiting Specialist	81,920	33,555
Total Medical Staff Remuneration	\$ 1,858,575	\$ 1,930,747

Sioux Lookout Meno Ya Win Health Centre
Schedule 6 - Supplies and Other Expenses

(Unaudited)

March 31,	2016	2015
Patient Care		
Ambulatory Care	\$ 143,940	\$ 98,149
Centre for Complex Diabetes Care	67,424	61,729
Community Health and Support Services	1,492	17,752
Diabetes Education	134,702	295,624
Diagnostics Imaging	273,476	395,349
Extended Care Unit	84,362	89,773
Inpatient Wards	294,839	322,176
Laboratory	990,031	853,642
Operating Room	54,785	87,034
Pharmacy	46,847	18,065
Therapeutic Services	53,231	20,392
Total Patient Care	2,145,129	2,259,685
Support Services		
Administration	1,281,259	1,271,116
e-ICU Project	124,916	284,959
Environmental Services	378,654	363,046
Food Services	596,160	607,240
Information System Support	1,055,780	768,655
In House Education	113,431	226,608
Marketed Services	437,827	287,398
Materials Management	38,959	39,647
Patient Information	88,162	127,611
Physical Plant	1,924,619	1,979,711
Small Hospital Transformation Fund Projects	328,544	911,780
Total Support Services	6,368,311	6,867,771
Total Supplies and Other Expenses	\$ 8,513,440	\$ 9,127,456

Sioux Lookout Meno Ya Win Health Centre
Schedule 7 - Diabetes Education Program
(Unaudited)

March 31,	2016	2015
Revenue		
Ministry of Health and Long-Term Care Base Allocation	<u>\$ 878,166</u>	<u>\$ 878,166</u>
Operating Expenses		
Salaries and Wages	601,900	469,909
Employee Benefits	128,927	98,140
Supplies and Other Expenses	148,264	310,123
Total Operating Expenses	<u>879,091</u>	<u>878,172</u>
Net Revenue (Expense)	<u>\$ (925)</u>	<u>\$ (6)</u>