

ANSON GENERAL HOSPITAL

FINANCIAL STATEMENT

TO MARCH 31, 2013

ANSON GENERAL HOSPITAL
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for the year ended March 31, 2013

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INDEPENDENT AUDITOR'S REPORT

TO: The Members
Anson General Hospital
Iroquois Falls, Ontario

I have audited the accompanying financial statements of Anson General Hospital which comprise the statement of financial position as at March 31, 2013 and the statements of operations, changes in net assets, remeasurement gains and losses and cash flow, 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 the fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Anson General Hospital as at March 31, 2013 and the results of its operations and the change in its net assets, its remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

I have not audited budget figures.



Cochrane, Ontario
June 11, 2013

CHARTERED ACCOUNTANT
Licensed Public Accountant

ANSON GENERAL HOSPITAL
Iroquois Falls, Ontario

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STATEMENT OF FINANCIAL POSITION
MARCH 31, 2013

	2013	2012 (Restated-Note 1)	April 1 2012 (Restated-Note 1)
ASSETS			
Current Assets:			
Cash	\$ 503	42,149	35,282
Accounts Receivable (note 2)	1,585,764	1,655,204	1,583,329
Inventories	102,078	75,095	116,076
Due from MICs Healthcare Foundation (note 17)	44,531	-	-
	<u>1,732,876</u>	<u>1,772,448</u>	<u>1,734,687</u>
Non Current Assets:			
Investments (note 3)	1,939,985	1,880,283	1,897,638
Capital assets (note 4)	13,077,570	13,728,114	14,423,010
	<u>15,017,555</u>	<u>15,608,397</u>	<u>16,320,648</u>
	<u>\$ 16,750,431</u>	<u>17,380,846</u>	<u>18,055,335</u>
LIABILITIES and NET ASSETS			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 875,522	787,581	945,276
Deferred contributions-Operations(note 6(a))	68,081	-	-
	<u>943,603</u>	<u>787,581</u>	<u>945,276</u>
Long Term Liabilities:			
Contribution - Capital Asset repayable (note 6(b))	264,000	276,000	288,000
Mortgage Payable (note 7)	59,800	63,400	65,500
Accrued Benefit Liability - Employee Future Benefits (note 5)	1,121,689	1,081,805	864,110
Deferred Contributions - Capital Assets (note 6(c))	9,211,056	9,685,848	10,128,866
	<u>10,656,545</u>	<u>11,107,053</u>	<u>11,346,476</u>
Net Assets			
Investment in Capital Assets (note 7)	4,224,647	4,410,723	4,733,982
Unrestricted	925,636	1,075,489	1,029,601
	<u>5,150,283</u>	<u>5,486,212</u>	<u>5,763,583</u>
	<u>\$ 16,750,431</u>	<u>17,380,846</u>	<u>18,055,335</u>

See accompanying notes to financial statements

On behalf of the Board:

E. Flex
Andy Phillips

Director

Director

ANSON GENERAL HOSPITAL
Iroquois Falls, Ontario

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STATEMENT OF OPERATIONS
MARCH 31, 2013

	2013 Budget (Unaudited)	2013 Actual	2012 (Restated-Note 1)
REVENUES			
Hospital Operations			
Ministry of Health and Long Term Care			
-Base Allocation	\$ 7,513,150	7,532,652	7,513,152
-Physician Specific	80,000	77,404	63,214
One Time Funding	42,512	111,978	117,820
Subtotal Ministry of Health Funding	7,635,662	7,722,034	7,694,186
Recoveries & miscellaneous Revenue	441,251	537,713	491,485
Investment income	40,000	19,921	18,167
Amortization of Grants/Donation Equipment	60,000	47,136	50,133
OHIP Patient Revenue	206,500	217,699	205,162
Other Patient Revenue	303,550	261,785	301,383
Sub-total Hospital Operations	8,686,963	8,806,287	8,760,516
Other Votes - municipal levy	3,150	3,150	3,150
Amortization of Grants/Donation Building	350,000	351,447	384,179
South Centennial Manor (note 12)	-	4,782,504	4,511,963
Family Health Team (note 13)	719,981	732,253	890,353
Cochrane Regional Lab Program	306,050	306,050	306,050
TOTAL REVENUES	\$ 10,066,144	14,981,691	14,856,211
EXPENSES			
Hospital Operations			
Salaries & Wages (Schedule A)	\$ 4,338,890	4,584,118	4,598,844
Benefit Contributions	1,141,690	1,294,592	1,198,099
Employee Future Benefit Costs	69,631	13,683	217,695
Medical Staff Remuneration	380,500	375,389	375,386
Supplies & Other Expenses (Schedule A)	2,090,419	2,213,116	2,034,706
Medical/Surgical Supplies	216,550	213,680	225,769
Drugs & Medical Gases	212,000	216,926	208,357
Amortization-equipment	230,254	180,806	242,674
Rental/Lease of Equipment	6,000	6,202	5,621
Sub-total Hospital Operations	8,685,934	9,098,511	9,107,153
Other Votes - municipal levy	3,150	3,150	3,150
Amortization of Building - Expense	450,000	443,112	442,096
South Centennial Manor (note 12)		4,788,679	4,558,335
Family Health Team (note 13)	719,981	717,898	710,033
Cochrane Regional Lab Program	306,050	306,050	306,050
TOTAL EXPENSES	10,165,115	15,357,400	15,126,816
SURPLUS / (DEFICIT) FOR YEAR	\$ (98,971)	(375,709)	(270,605)

See accompanying notes to financial statements

ANSON GENERAL HOSPITAL
Iroquois Falls, Ontario

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STATEMENT OF CHANGES IN NET ASSETS
MARCH 31, 2013

	2013			2012
	Invested in capital assets	Unrestricted	Accumulated Remeasurement Gains (losses)	(Restated-Note 1) Total
		Realized		
Balance, beginning of year , as restated	\$ 4,410,723	1,129,332	(53,843)	5,486,212
Excess (Deficiency) of Revenues over Expenses	(335,135)	(40,574)	-	(375,709)
Change in unrealized net assets (note 8)	-	-	39,780	39,780
Investment in Capital assets	149,059	(149,059)	-	-
Balance, end of year	\$ 4,224,647	939,699	(14,063)	5,150,283

See accompanying notes to financial statements

STATEMENT OF REMEASUREMENT GAINS AND LOSSES
YEAR ENDED MARCH 31, 2013

	2013	2012
Accumulated remeasurement gains (losses) at beginning of year	\$ (53,843)	(47,077)
Unrealized gains (losses) attributable to investments	39,780	(6,766)
Accumulated remeasurement gains (losses) at end of year	\$ (14,063)	(53,843)

See accompanying notes to financial statements.

ANSON GENERAL HOSPITAL
Iroquois Falls, Ontario

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STATEMENT OF CASH FLOW
MARCH 31, 2013

	2013	2012 (Restated -Note 1)
Cash provided by (used for):		
Operating activities:		
Surplus for the year	\$ (375,709)	(270,605)
Items not involving cash:		
Amortization of capital assets	865,572	883,644
Amortization of deferred contributions related to capital assets	(522,482)	(526,920)
Employee Future Benefit Costs (note 5)	39,884	217,695
	382,974	467,295
Changes in non-cash operating working capital		
Accounts receivable	69,440	(283,623)
Due from MICs Healthcare Foundation	(44,531)	
Inventories	(26,983)	40,981
Accounts payable and accrued liabilities	87,941	(157,695)
Deferred contributions -operations	68,081	0
	153,948	(400,337)
Net cash provided by operating activities	161,213	(96,523)
Financing activities:		
Deferred contributions capital received	47,690	295,652
Provincial sales tax rebate-capital	0	53,571
Increase (decrease) in long term loan payable	(3,600)	(2,100)
Increase(decrease) in contribution-capital asset repayable	(12,000)	(12,000)
	32,090	335,123
Investing activities		
Purchase of capital assets	(215,028)	(242,321)
Net (Increase) Decrease in investments	(19,921)	10,588
	(234,949)	(231,733)
Net increase (decrease) in cash	(41,646)	6,867
Cash, beginning of year	42,149	35,282
Cash, end of year	\$ 503	42,149

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013

The Anson General Hospital (the "Hospital") was incorporated under the Corporations Act, 1953 through Letters of Patent issued on April 20, 1955. The Hospital is principally involved in providing essential quality health services for the citizens of Iroquois Falls and area. The Hospital is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

Conversion to Public Sector Accounting Standards

Commencing with the 2012/13 fiscal year Anson General Hospital has adopted Canadian Public Sector Accounting Standards for government non-for-profit organizations. These financial statements are the first financial statements for which Bingham Memorial Hospital has applied Canadian Public Sector Accounting Standards.

The impact of the conversion to Canadian Public Sector Accounting Standards on the Unrestricted net assets at the date of transition and the comparative annual surplus is presented in Note 9. These accounting changes have been applied retroactively with restatement of prior periods. The following change has been implemented to comply with PSAS:

	Previously Reported April 1, 2012	Adjustment April 1, 2012	Restated April 1, 2012
Employee future benefits liability	\$ 1,202,035	(120,230)	1,081,805

Anson General Hospital has elected to use the following exemption with respect to the conversion:

Retirement and post-employment benefits-recognition of all cumulative actuarial gains and losses as at the date of transition of Public Sector Accounting Standards directly in unrestricted net assets.

Revenue Recognition

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

The Hospital is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health Operating grants and of Health Operating grants and subsidies 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 is related to a future period, it is deferred and recognized in that subsequent period. These financial statements reflect agreed arrangements approved by the Ministry with respect to year ended March 31, 2013.

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 recognized. Contributions are restricted for the purchase 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 asset.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized.

Unrestricted investment income is recognized as revenue when earned. Gains/losses on investments held available-for-sale are recognized as income when actually realized on disposition of the investment. Unrealized gains/losses on fair value of investments are reflected on the Statement of Remeasurement Gains (Losses).

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

Contributed Services

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty in determining the fair market value, contributed services are not recognized in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 amount of revenues and expenditures during the period. Actual results could differ from these estimates.

Investments

Investment are recorded at fair market value. The excess (deficiency) of fair market value over cost of investments held is reflected in the Statement of Remeasurement Gains (Losses). Investments are classified as current/non current in accordance with their intended holding period.

Inventory

Inventories are valued at the lower of average cost and replacement value.

ANSON GENERAL HOSPITAL
Iroquois Falls, Ontario

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution where fair value can be reasonably determined. Assets acquired under capital leases are amortized over the estimated life of the asset or over the lease term, as appropriate. Repairs and maintenance are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Hospital's ability to provide services, its carrying amount is written down to its residual value.

Included in capital assets are land, building and equipment that were acquired on the transfer of South Centennial Manor assets to the Hospital from the Board of Management for Cochrane District Home for the Aged. The assets consist of a 69 bed home for the aged and furnishings in Iroquois Falls, Ontario. The building was constructed in 1967 and renovated in 1985. Because of the fair value of assets acquired cannot be reasonably determined, they are recorded at the nominal cost of \$1. Subsequent additions are recorded at cost.

Capital Assets are amortized on a straight line basis using the following annual rates:

Buildings and Residential Properties	2.5% - 5%
Major Equipment	5% - 20%

Compensated absences

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

2. ACCOUNTS RECEIVABLE

	2013	2012
Ministry of Health		
Other	\$ 14,863	48,653
Due from MICs Partnership (note 16)	321,105	304,093
	<u>1,249,796</u>	<u>1,302,458</u>
	\$ 1,585,764	1,655,204

3. INVESTMENTS

	2013 Market	Cost	2012 Market	Cost
Managed and Mutual Funds	\$ 938,577	952,640	1,880,283	1,934,126
GIC's - various rates and maturities up to March 3, 2015	1,001,408	1,001,408	-	-
	<u>\$ 1,939,985</u>	<u>1,954,048</u>	<u>1,880,283</u>	<u>1,934,126</u>

The Hospital is exposed to market risk on its publicly traded investments.

4. CAPITAL ASSETS

	2013			2012
	Cost	Accumulated Amortization	Net	Net
Land and land improvements	\$ 107,668	9,764	97,904	101,927
Buildings	20,623,300	8,438,326	12,184,974	12,820,053
Software	40,394	39,092	1,302	5,081
Furnishing and equipment	4,505,975	3,712,585	793,390	801,053
Joint Venture - equipment (note 10)	735,579	735,579	-	-
	<u>\$ 26,012,916</u>	<u>12,935,346</u>	<u>13,077,570</u>	<u>13,728,114</u>

ANSON GENERAL HOSPITAL
Iroquois Falls, Ontario

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013

5. EMPLOYEE FUTURE BENEFITS

The Anson General Hospital and the MICs Group of Health Services provide extended health care, dental and life insurance benefits to substantially all employees.

The accrued benefit obligation and accrued benefit liability related to employees of MICs and participating hospitals is determined by actuarial calculations in aggregate for all employees. The latest actuarial valuation was dated May 22, 2013 for the fiscal year ending March 31, 2013. Expenses are allocated to respective facilities according to where services are provided by respective employees. Prior year amounts have been restated to reflect the effects of the adoption of Canadian Public sector accounting standards for government not for profit organizations.

Experience gains and losses are amortized as follows:

Net gains or losses are combined with the unamortized balance of previous gains or losses, and the portion that exceeds 10% of the accrued benefit obligation is amortized over the remaining service period of active employees.

The Anson General Hospital's accrued benefit liability related to post-retirement benefit plans for its employees and its proportionate share of accrued benefit liability for MICs of the balance sheet at March 31, 2013 is determined as follows:

	Anson General Hospital	Share of MICs	2013 Total	2012 Restated Total
Balance beginning of year:				
As previously reported	\$ 1,066,470	135,565	1,202,035	1,091,464
Effect of change in accounting policy	(62,433)	(57,797)	(120,230)	(227,354)
As restated	1,004,037	77,768	1,081,805	864,110
Additional Benefit Expense	72,895	12,023	84,918	253,286
Contributions by Employer	(38,839)	(6,195)	(45,034)	(35,591)
Net Benefit Expense	34,056	5,828	39,884	217,695
Balance of accrued benefit liability at end of year	<u>\$ 1,038,093</u>	<u>83,596</u>	<u>1,121,689</u>	<u>1,081,805</u>
Additional benefit expense is comprised as follows:				
	Anson General Hospital	Share of MICs	2013 Total	2012 Total
Cost of benefits	\$ 50,717	8,471	59,188	59,773
Interest on Accrued Benefit Obligation	40,188	3,664	43,852	57,024
Amortization of actuarial gain	(18,010)	(112)	(18,122)	0
Past service costs	0	0	0	136,489
Benefit Expense	<u>\$ 72,895</u>	<u>12,023</u>	<u>84,918</u>	<u>253,286</u>

The measurement date used to determine the accrued benefit obligation is March 31, 2013.

The accrued benefit liability at March 31, 2013 is reconciled with the Accrued Benefit Obligation at March 31, 2013 as follows:

	Hospital	Share of MICs	2013 Total	2012 Total
Accrued Benefit obligation at March 31, 2013 as determined by actuarial valuation	\$ 867,032	98,127	965,159	927,769
Less: Unamortized amounts at March 31, 2013				
Actuarial experience gain (loss)	171,061	(14,531)	156,530	154,036
Accrued employee benefit liability at March 31, 2013	<u>\$ 1,038,093</u>	<u>83,596</u>	<u>1,121,689</u>	<u>1,081,805</u>

The significant actuarial assumptions adopted in estimating the accrued benefit obligation are as follows:

	2013	2012
Discount Rate	3.94%	4.69% per annum
Dental benefits cost escalation	4.00%	4.00% per annum
Medical benefits cost escalation-extended health care	8.0% decreasing by 0.5% to 4.5%	8.00% decreasing linearly each year to a rate of 4.5% / annum after 6 years

6(a). DEFERRED CONTRIBUTIONS - OPERATIONS

Deferred contributions represent unspent resources externally restricted for specific purposes and unexpended restricted operating funding received in the current year carried over to be spent in the subsequent period.

	EMR Funding
Opening balance	-
Amounts received	\$ 90,000
Amounts recognized as revenue in the year	<u>(21,919)</u>
Closing balance	\$ <u>68,081</u>

6 (b). CONTRIBUTION CAPITAL ASSETS- REPAYABLE \$264,000 (2012 - \$276,000)

The Hospital entered into a Capital Grant Agreement with the Ministry of Health and Long-Term Care for a contribution to the capital cost of a Family Health Team facility. The Ministry contribution is in the amount of \$2,000,000 with the understanding that \$300,000 of that will be recovered by the Ministry at \$1,000 per month for 25 years. The recovery will be made through reduction of annual Family Health Team operating funding that would otherwise have been provided, by \$12,000 annually.

The \$1,700,000 balance of the contribution is included in the Deferred Contributions - Capital Assets.

The agreement requires that the Family Health Team be able to occupy the facility rent - free for a period of 25 years.

The agreement restricts the use of the funding for construction of a facility for a Family Health Team.

The agreement provides for the requirement for repayment of the contribution to the Ministry on a declining balance basis as set out in the agreement, in the event of sale of the building or termination of the agreement by the Hospital unless otherwise agreed to by the Ministry in writing.

6 (c). Deferred Contributions - Capital Assets

Deferred capital contributions related to capital assets represent the unamortized amount and unspent amount of donations and grants received and accrued for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2013	2012
Balance, beginning of year		
Contributions during the year	\$ 9,685,848	10,128,865
Less amounts amortized to revenue	47,690 <u>(522,482)</u>	83,902 <u>(526,919)</u>
Balance, end of year	\$ <u>9,211,056</u>	<u>9,685,848</u>

7. MORTGAGE PAYABLE- \$59,800 (2012 - \$63,400)

Mortgage bears no interest, with payments of \$1,500 per month, secured by a first mortgage on real property. The balance is due August 31, 2015.

8. INVESTMENT IN CAPITAL ASSETS

	2013	2012
Capital assets	\$ 13,077,570	13,728,114
Less amounts financed by:		
Deferred contributions balance end of year	\$ (9,211,056)	
Less unexpended funding	358,133 <u>(8,852,924)</u>	<u>(9,317,391)</u>
	\$ <u>4,224,647</u>	<u>4,410,723</u>

ANSON GENERAL HOSPITAL
Iroquois Falls, Ontario

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013

9. NET ASSETS & CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS

	Invested in capital assets	Unrestricted	Accumulated Remeasurement Gains (Losses)	Total
		Realized		
Balance April 1, 2011 as originally reported	\$ 4,733,982	849,324	(47,077)	5,536,229
Adjustment: Employee future benefits, recognition of actuarial gains(losses) on transition to PSAS	-	227,354	-	227,354
Balance April 1, 2011 -restated	4,733,982	1,076,678	(47,077)	5,763,583
2011/12 Excess (deficiency) revenues over expenses as restated-see below	(356,724)	86,119	-	(270,605)
Change in accumulated remeasurement gains(losses)	-	-	(6,766)	(6,766)
Investment in capital assets	33,465	(33,465)	-	-
Balance, beginning of 2012\13 year as restated	\$ 4,410,723	1,129,332	(53,843)	5,486,212
2011/12 Excess (deficiency) revenues over expenses as previously reported				\$ (163,481)
Adjustments-affecting only realized net assets: Amortization- actuarial gains(losses) and past service costs previously reported				14,868
Recognition of past service costs				(136,489)
Cost of benefits				1,997
Interest on ABO				12,500
Excess(deficiency) revenues over expense-restated				\$ (270,605)

10. PENSION PLAN

Substantially all of the employees of the Hospital are eligible to be members of the Hospital of Ontario Pension Plan, which is a multi-employer final average pay contributory pension plan. Employer contributions made to the plan during the year by the Hospital amounted to \$536,869 (2012 - \$533,770). These amounts are included in expenses in the operating fund Statement of Operations.

11. JOINT VENTURE

In 2001, the North Eastern Health Services Alliance, which is a group of 8 hospitals in Northeastern Ontario, agreed to jointly participate in the installation of a Picture Archiving Communication System (PACS). This system provides digital diagnostic imaging communication capability amongst all hospitals in the group. Timmins and District Hospital /l'Hôpital de Timmins et du district was given the responsibility to administer the funds on behalf of this group.

ANSON GENERAL HOSPITAL
Iroquois Falls, Ontario

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013

12. SOUTH CENTENNIAL MANOR

Anson General Hospital operates the long term care facility, South Centennial Manor, under agreement with the Ministry of Health. Services are provided in accordance with the applicable provincial legislation.

	2013	2012
Revenues		
Provincial Subsidies	\$ 3,241,263	3,052,745
Charges to residents	1,351,633	1,273,978
Amortization of capital contributions-building,equipment	123,899	92,609
Other	65,709	92,631
	<u>4,782,504</u>	<u>4,511,963</u>
Expenses		
Salaries and benefits	3,817,172	3,611,170
Supplies and other	737,913	755,929
Amortization	233,594	191,236
	<u>4,788,679</u>	<u>4,558,335</u>
(Deficit) for the year	\$ <u>(6,175)</u>	<u>(46,372)</u>

13. FAMILY HEALTH TEAM

Anson General Hospital operates the Family Health Team program under agreement with the Ministry of Health.

	2013	2012
Revenues		
Provincial Subsidies	\$ 731,493	871,273
Other	760	19,080
	<u>732,253</u>	<u>890,353</u>
Expenses		
Salaries and benefits	572,690	551,561
Supplies and other	145,208	158,472
	<u>717,898</u>	<u>710,033</u>
Surplus for the year	\$ <u>14,355</u>	<u>180,320</u>

14. FINANCIAL INSTRUMENTS

Fair Value - unless otherwise noted, the carrying values of financial instruments approximate their fair value.

Credit Risk - Credit risk arises from the potential that debtors will fail to honour their obligations. Included in Accounts Receivable is an amount receivable from the MICs Partnership of \$1,249,796 (2012-\$1,302,458). Management considers there is no significant credit risk associated with this receivable. The Hospital does not have significant exposure to credit risk arising from accounts receivable from any other party.

15. CONTINGENT LIABILITIES

The MICs Group of Health Services is part of a collective group of employers participating in the process of formulating a central pay equity plan for a particular employee group. The possible ultimate liability arising to Anson General Hospital on completion of the plan is not determinable.

16. RELATED PARTY TRANSACTIONS

The Hospital exercises significant influence over the The MICs Group of Health Services (MICs) by virtue of its being a member of the partnership and its ability to appoint some of the Board of Directors. The Partnership was established to increase opportunities for collaboration between its member Hospitals in the sharing of costs and provision of health services. It is a non-profit organization.

Included in the Hospital expenses for the year is \$10,065,219 (2012 - \$9,797,715) paid (or payable) to the partnership for the Hospital's share of costs functions, primarily general administration, paramedical and support services. Share of costs to participating hospitals are set by a methodology agreed to by the Board on a cost recovery basis.

The excess of amounts paid from the Hospital to MICs over amounts paid or to be paid by MICs on behalf of the Hospital at March 31, 2013 (\$1,249,796) is included in Accounts Receivable and Accrued Capital Contributions (2012- \$1,302,458). Amounts due to/from MICs bear no interest.

In 2007/2008 the Partnership began a major Information System implementation to allow participation in the regional NEON information systems network on behalf of the three MICs partners. The total capital cost of the software licences, contribution to hardware and implementation is approximately \$1,317,000. Government assistance to the participating MICs hospitals in total towards the cost was \$685,212, leaving a balance to be borne by the hospitals. The capital cost of the system to March 31, 2013 and the related deferred Government assistance is reflected on the financial statement of the partnership. The respective hospitals' share of costs after applying government assistance will be recognized in the future years as the capital cost of the system and the related government assistance are amortized. The ultimate cost borne by Anson General Hospital after applying government assistance is approximately \$246,000.

17. MICs HEALTHCARE FOUNDATION

MICs Healthcare Foundation is a corporation without share capital jointly controlled by the three hospital partners of the MICs partnership. The corporation was incorporated primarily for the purpose of raising funds for use by the three hospitals. During the year, hospital funds consisting of donations from external parties were deposited into the bank account of the Foundation. Such amounts are recoverable from the Foundation and are reflected on the Balance sheet of the Hospital as due from MICs Healthcare Foundation. The Hospital's proportionate interest in operations and financial position of the Foundation have not been consolidated with the Hospital's financial position, considering minimal accumulated donations in the name of the Foundation itself, and no other activity by the Foundation during the year.

18. BUDGET FIGURES

Budgets for South Centennial Manor are prepared on a calendar year basis consequently budget figures are not presented for Other Funding Sources.

19. COMPARATIVE FIGURES

Comparative figures have been restated to reflect effects of retroactive change to Public Sector Accounting Standards for government not-for-profit organizations, and to conform with current presentation.

ANSON GENERAL HOSPITAL
IROQUOIS FALLS, ONTARIO

SCHEDULE A

SCHEDULE OF SALARIES & WAGES, AND SUPPLIES & OTHER EXPENSES
YEAR ENDED MARCH 31, 2013

Department	Salaries and Wages	Supplies and Other	2013	2012
Nursing Services	\$ 2,334,078	109,229	\$ 2,443,307	\$ 2,384,178
Diagnostic and Therapeutic	821,544	730,317	1,551,861	1,396,161
Education	32,710	26,316	59,025	71,350
Administration and Other	1,395,786	1,347,254	2,743,040	2,781,861
	<u>\$ 4,584,118</u>	<u>\$ 2,213,116</u>	<u>\$ 6,797,233</u>	<u>\$ 6,633,550</u>