

THE LADY MINTO HOSPITAL AT COCHRANE
FINANCIAL STATEMENT
TO MARCH 31, 2013

THE LADY MINTO HOSPITAL AT COCHRANE

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for the year ended March 31, 2013

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INDEPENDENT AUDITOR'S REPORT

TO: The Members
Lady Minto Hospital at Cochrane
Cochrane, Ontario

I have audited the accompanying financial statements of Lady Minto Hospital at Cochrane 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 Lady Minto Hospital at Cochrane as at March 31, 2013 and the results of its operations, the change in its net assets, 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 18, 2013



CHARTERED ACCOUNTANT
Licensed Public Accountant

**THE LADY MINTO HOSPITAL AT COCHRANE
COCHRANE, ONTARIO**

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**STATEMENT OF FINANCIAL POSITION
MARCH 31, 2013**

	2013	2012 (Restated - Note 1)	April 1 2011 (Restated - Note 1)
ASSETS			
Current :			
Cash and cash equivalents	\$ 1,769,791	1,749,480	1,433,079
Accounts receivable (note 2)	894,365	526,926	862,312
Prepaid expenses	16,705	15,805	48,163
Inventories	172,098	196,399	141,040
Due from MICs Healthcare Foundation (note 18)	86,175	-	-
	<u>2,939,134</u>	<u>2,488,610</u>	<u>2,284,594</u>
Non-Current:			
Long-term loans receivable (note 3 (a))	182,492	129,772	101,863
Investments (note 3(b))	1,773,829	1,578,805	1,606,669
Capital assets (note 4)	11,048,035	11,379,783	11,739,255
	<u>13,004,356</u>	<u>13,088,360</u>	<u>13,447,787</u>
	<u>\$ 15,943,490</u>	<u>15,576,970</u>	<u>15,732,381</u>
LIABILITIES and NET ASSETS			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ 590,635	476,793	631,734
Deferred contributions (Note 6)	57,167	-	-
	<u>647,802</u>	<u>476,793</u>	<u>631,734</u>
Long Term Liabilities:			
Employee Future Benefits (note 7)	1,241,734	1,188,579	921,829
Capital Assets (note 8)	3,252,724	3,388,901	3,503,886
	<u>4,494,458</u>	<u>4,577,480</u>	<u>4,425,715</u>
Net Assets			
Investment in Capital Assets (note 9)	8,253,923	8,467,757	8,796,868
Unrestricted	2,547,307	2,054,940	1,878,064
	<u>10,801,230</u>	<u>10,522,697</u>	<u>10,674,932</u>
	<u>\$ 15,943,490</u>	<u>15,576,970</u>	<u>15,732,381</u>

See accompanying notes to financial statements

On behalf of the Board:

 Director
 Director

**THE LADY MINTO HOSPITAL AT COCHRANE
COCHRANE, ONTARIO**

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**STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2013**

	2013 Budget-Note 15 (Unaudited)	2013 Actual	2012 Restated-Note1 Actual
REVENUES			
Hospital Operations			
Ministry of Health and Long Term Care			
-Base Allocation	\$ 9,440,800	9,460,300	9,442,400
-Hospital On-call coverage	300,000	445,788	316,910
One Time Payment	42,511	206,145	136,760
Sub-total	9,783,311	10,112,233	9,896,070
Cancer Care Ontario	80,000	203,939	69,517
Recoveries & Miscellaneous Revenue (note 14)	953,941	967,870	913,164
Investment Income	40,000	105,144	46,859
Amortization of Grants/Donations of Equipment	140,000	128,993	87,464
Physician Specific - Ministry of Health & LTC	1,275,000	1,298,379	1,275,130
OHIP Patient Revenue	193,000	194,346	190,269
Other Patient Revenue	244,475	158,826	224,325
Sub-Total Hospital Operations	12,709,727	13,169,731	12,702,798
Other Votes - municipal levy	4,350	4,350	4,350
Amortization of Grants/Donations Building	220,000	220,040	216,761
Villa Minto Nursing Home (note 13)	-	2,216,944	2,057,827
TOTAL REVENUES	12,934,077	15,611,065	14,981,736
EXPENSES			
Hospital operations			
Salaries & Wages (Schedule A)	5,781,843	5,608,867	5,522,735
Benefit Contributions	1,545,385	1,558,227	1,513,234
Employee Future Benefit Costs	68,571	43,998	266,750
Medical Staff Remuneration	1,820,000	2,033,225	1,931,257
Supplies & Other Expenses (Schedule A)	2,626,253	2,421,123	2,356,194
Medical/Surgical Supplies	208,750	235,637	178,155
Drugs & Medical Gases	274,000	321,413	253,954
Amortization-Equipment & software	361,600	339,617	415,400
Rental/Lease of Equipment	3,100	838	2,616
Sub-Total Hospital Operations	12,689,502	12,562,944	12,440,294
Other Votes - municipal levy	4,350	4,350	4,350
Amortization of Building - Expense	500,000	515,949	499,555
Villa Minto Nursing Home (note 13)	-	2,243,790	2,209,790
TOTAL EXPENSES	13,193,852	15,327,033	15,153,989
SURPLUS (DEFICIT) FOR YEAR	\$ (259,775)	284,032	(172,254)

See accompanying notes to financial statements

THE LADY MINTO HOSPITAL AT COCHRANE
COCHRANE, ONTARIO

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STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2013

	-----2013-----				2012
	Invested in Capital Assets	Unrestricted		Total	(Restated-Note1)
		Unrestricted	Accumulated Remeasurement Gains (Losses)		Total
Balance, beginning of year , as restated	\$ 8,467,757	1,978,994	75,946	10,522,697	10,674,932
Excess(deficiency) of Revenues over Expenses	(551,287)	835,319	-	284,032	(172,254)
Increase (decrease) in unrealized Gains/(Losses)	-	-	(5,499)	(5,499)	20,019
Investment in Capital Assets	337,453	(337,453)	-	-	-
Balance, end of year	\$ 8,253,923	2,476,860	70,447	10,801,230	10,522,697

See accompanying notes to financial statements

THE LADY MINTO HOSPITAL AT COCHRANE
COCHRANE, ONTARIO

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

	2013	2012
Accumulated remeasurement gains at beginning of year	\$ 75,946	58,647
Unrealized gains attributable to investments	37,426	20,019
Amounts reclassified to the Statement of Operations	(42,925)	(2,720)
Net remeasurement gains (losses)	(5,499)	17,299
Accumulated remeasurement gains at end of year	\$ 70,447	75,946

See accompanying notes to financial statements

**THE LADY MINTO HOSPITAL AT COCHRANE
COCHRANE, ONTARIO**

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**STATEMENT OF CASH FLOW
YEAR ENDED MARCH 31, 2013**

	2013	2012
Cash Provided by (used for):		
Operating Activities:		
Excess of revenues over expenses	\$ 284,032	(172,254)
Items not involving cash:		
Amortization of capital assets	907,230	990,097
Amortization of deferred contributions related to capital	(358,939)	(313,552)
Loss on disposal of capital assets	3,000	
(Gains) on disposal of investments	(42,925)	2,719
Employee Future Benefit Cost (note 6)	53,155	266,750
	<u>561,521</u>	<u>946,014</u>
Changes in non-cash operating working capital		
Accounts receivable	(367,441)	(76,364)
Due from MICs Healthcare Foundation	(86,175)	-
Inventories	24,301	(55,359)
Prepaid expenses	(900)	32,358
Accounts payable and accrued liabilities	113,842	(154,941)
Deferred Contributions- operations	57,167	
	<u>(259,206)</u>	<u>(254,306)</u>
Net cash provided by operating activities	<u>586,347</u>	<u>519,454</u>
Capital Activities		
Purchase of Capital Assets	<u>(578,485)</u>	<u>(630,624)</u>
Financing Activities:		
Deferred contributions capital received	<u>222,767</u>	<u>410,317</u>
Investing Activities		
Net investment dispositions (acquisitions)	(157,598)	45,163
(Increase) decrease in long term loans receivable	(52,720)	(27,909)
	<u>(210,318)</u>	<u>17,254</u>
Net increase in cash and cash equivalents	20,311	316,401
Cash and cash equivalents, beginning of year	<u>1,749,480</u>	<u>1,433,079</u>
Cash and cash equivalents, end of year	<u>\$ 1,769,791</u>	<u>1,749,480</u>

Short-term highly liquid investments that are convertible to known amounts of cash and which are subject to an insignificant risk of change in value are included in cash and cash equivalents

See accompanying notes to financial statements

**THE LADY MINTO HOSPITAL AT COCHRANE
COCHRANE, ONTARIO**

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**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013**

The Lady Minto Hospital at Cochrane (the "Hospital") is a corporation without share capital incorporated under the Law of Ontario. The facility provides for health care services to Cochrane and surrounding area. The Hospital is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of that 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 Lady Minto Hospital has applied Canadian Public Sector Accounting Standards.

The impact of the conversion to Canadian Public Sector Accounting Standards on the Net Assets at the date of transition and 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 Stated April 1, 2012	Adjustment April 1, 2012	Restated April 1, 2012
Employee future benefits liability	\$ 1,381,529	(192,950)	1,188,579

Lady Minto 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 to Public Sector Accounting Standards for unrestricted net assets.

Revenue

The Hospital follows the 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 and Long Term Care (MOHLTC). 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 a subsequent period. These financial statements reflect budget arrangements approved by the MOHLTC with respect to year ended March 31, 2013.

Revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is probable.

Externally restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are recognized. 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 related capital assets.

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.

Changes in fair value of held-for-trading investments during the year are included in the determination of surplus(deficit) for the year.

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.

Inventory

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

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.

**THE LADY MINTO HOSPITAL AT COCHRANE
COCHRANE, ONTARIO**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013**

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

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

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%

In 1998, the Hospital acquired the Nursing Home Licence to operate a 33 bed Nursing Home pursuant to the Nursing Home Act (Ontario), with an additional four beds held in abeyance by the Ministry of Health and Long-term Care for the Hospital. The Nursing Home license is recorded at cost (\$771,354) and was not amortized considering that the licence was not issued for a specified period of time.

Under the Long-Term Care Homes Act, 2007 (Ontario) and related Regulations which became in force as of July 1, 2010, a replacement licence for 33 beds was issued for a period of 20 years expiring June 30, 2030, with provisions allowing for issuance of a new licence under particular conditions. The cost of the original licence is now amortized on a straight-line basis over the term of the replacement licence. A license may be revoked under particular conditions set out in the Act.

Under the Act, transfer of the licence from Lady Minto Hospital at Cochrane to a For-Profit entity is restricted to particular circumstances where the Hospital is in default of an obligation secured by a security interest in the licence.

The fair market value of the licence is not determinable and may differ materially from its carrying value.

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
Provincial Insurance Plan	\$ 21,258	21,858
Other	303,973	226,231
Due from MICs Partnership	569,134	278,837
	<u>\$ 894,365</u>	<u>526,926</u>

3 (a). LONG TERM LOANS RECEIVABLE - 2013 \$182,492 (2012 - \$129,722)

The Hospital committed to interest free loans to individuals under physician and nursing recruitment incentive agreements. Subject to conditions specified in the respective agreements, the loans are repayable over varying terms. The loans are unsecured.

	2013 Market	Cost	2012 Market	Cost
3 (b). INVESTMENTS - \$1,773,829				
Publicly traded investments:				
Fixed income mutual funds and government debt at various rates and maturities	\$ 1,215,944	1,179,434	1,075,551	1,016,956
Equities	557,885	523,948	503,254	485,903
	<u>\$ 1,773,829</u>	<u>1,703,382</u>	<u>1,578,805</u>	<u>1,502,859</u>

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

**THE LADY MINTO HOSPITAL AT COCHRANE
COCHRANE, ONTARIO**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013**

4. CAPITAL ASSETS

	-----2013-----			2012
	Cost	Accumulated Amortization	Net	Net
Land	\$ 86,514	-	86,514	86,514
Land Improvements	124,532	102,376	22,156	34,609
Nursing home licence	771,354	115,704	655,650	694,218
Software	34,859	33,601	1,258	5,031
Buildings	17,620,626	8,426,364	9,194,262	9,293,216
Equipment	4,885,232	3,797,037	1,088,195	1,266,195
Joint Venture (note 10)	732,485	732,485	-	-
	<u>\$ 24,255,602</u>	<u>13,207,567</u>	<u>11,048,035</u>	<u>11,379,783</u>

5. RELATED PARTY TRANSACTIONS

The Hospital exercises significant influence over the The MICs Group of Health Services (MICs) partnership 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 sharing the costs and provision of health services. It is a non-profit organization.

Included in the Hospital expenses for the year is \$9,033,186 (2012 - \$8,846,464) paid (or payable) to the partnership for the Hospital's share of various 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.

The surplus of amounts paid from the Hospital to MICs over amounts paid or to be paid by MICs on behalf of the Hospital at year end is \$569,134 and is in Accounts receivable (2012 - \$278,837). 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 the balance to be borne by the hospitals. The capital cost of the system to March 31, 2013 (\$1,369,040) and the related accrued Government assistance are reflected on the financial statement of the partnership. The respective hospitals' share of costs after applying government assistance is recognized as the capital cost of the system and the related government assistance are amortized. The ultimate cost borne by Lady Minto Hospital at Cochrane after applying government assistance is approximately \$283,000.

6. 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	88,000
Amounts recognized as revenue in the year	<u>(30,833)</u>
Closing balance	<u>\$ 57,167</u>

**THE LADY MINTO HOSPITAL AT COCHRANE
COCHRANE, ONTARIO**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013**

7. EMPLOYEE FUTURE BENEFITS

Lady Minto Hospital and the MICs Group of Health Services provide extended health care, dental and life insurance benefits to substantially all employees. Lady Minto Hospital provides for the accumulation of unused sick days to be paid out.

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

	Lady Minto Hospital	Share of MICs	2013 Total	2012 (Restated) Total
Balance beginning of year	\$ 1,245,964	135,565	1,381,529	1,252,173
Effect of change in accounting policy As restated	(135,153)	(57,797)	(192,950)	(330,344)
	1,110,811	77,768	1,188,579	921,829
Additional Benefit Expense	74,383	12,023	86,406	291,639
Contributions by Employer	(27,056)	(6,195)	(33,251)	(24,889)
Net benefit expense	47,327	5,828	53,155	266,750
Balance of accrued benefit liability at end of year	\$ 1,158,138	83,596	1,241,734	1,188,579
Benefit expense is comprised as follows:				
Cost of benefits	\$ 52,427	8,471	60,898	55,828
Interest on Accrued Benefit Obligation	43,931	3,664	47,595	62,535
Amortization of actuarial gain	(21,975)	(112)	(22,087)	
Past service costs	-	-	-	173,276
Benefit Expense	\$ 74,383	12,023	86,406	291,639

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 extrapolation	\$ 896,232	98,127	994,359	1,000,835
Less: Unamortized amounts at March 31, 2013				
Actuarial experience gain	261,906	(14,531)	247,375	187,744
Accrued employee benefit liability- March 31, 2013	\$ 1,158,138	83,596	1,241,734	1,188,579

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

	2013	2012
Discount Rate	3.94% per annum	3.90% per annum
Dental benefits cost escalation	4.00% per annum	4.00% per annum
Medical benefits cost escalation-extended health care	8.0% decreasing by 0.5% each year to a rate of 4.5%/annum	8.00% decreasing linearly each year to a rate of 4.5% / annum after 6 years

**THE LADY MINTO HOSPITAL AT COCHRANE
COCHRANE, ONTARIO**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013**

8. DEFERRED CONTRIBUTIONS - CAPITAL ASSETS

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

	2013	2012
Balance, beginning of year	\$ 3,388,901	3,503,886
Less amounts amortized to revenue	(358,942)	(313,552)
Add additions to deferred contributions	222,765	198,567
Balance, end of year	<u>\$ 3,252,724</u>	<u>3,388,901</u>

9. INVESTMENT IN CAPITAL ASSETS

	2013	2012
Capital assets	\$ 11,048,035	11,379,783
Less amounts financed by:		
Deferred contributions balance end of year	\$ (3,252,724)	
Less unexpended funding	458,611	(2,912,026)
	<u>\$ 8,253,923</u>	<u>8,467,757</u>

10. NET ASSETS & CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS

	Invested in capital assets	Unrestricted		Total
		Realized	Accumulated Remeasurement Gains (Losses)	
Balance April 1, 2011 as originally reported	\$ 8,796,868	1,547,720		10,344,588
Adjustments:				
Employee future benefits, recognition of actuarial gains(losses) on transition to PSAS	-	330,344	-	330,344
Accumulated unrealized gains on investments	-	(58,647)	58,647	-
Balance April 1, 2011 -restated	8,796,868	1,819,417	58,647	10,674,932
2011/12 Excess (deficiency) revenues over expenses as restated-see below	(676,545)	507,011	(2,720)	(172,254)
Change in accumulated remeasurement gains			20,019	20,019
Investment in capital assets	347,434	(347,434)		
Balance, beginning of 2012\13 year as restated	<u>\$ 8,467,757</u>	<u>1,978,994</u>	<u>20,019</u>	<u>10,522,697</u>

**THE LADY MINTO HOSPITAL AT COCHRANE
COCHRANE, ONTARIO**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013**

10. NET ASSETS & CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS (continued)

2011/12 Excess (deficiency) revenues over expenses as previously reported	\$ (14,841)
Adjustments-	
Investment Income	
Unrealized gains(losses) on investments	(20,019)
Employee future benefit costs:	
Amortization- actuarial gains(losses) and past service costs previously reported	22,425
Recognition of past service costs	(173,276)
Cost of benefits	3,103
Interest on ABO	10,354
Excess(deficiency) revenues over expense-restated	\$ <u>(172,254)</u>

11. 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 \$509,443 (2012 - \$511,321). These amounts are included in employee benefit expense in the operating fund Statement of Operations.

12. 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/Hôpital de Timmins et du District was given the responsibility to administer the funds on behalf of this group.

During the 2008/09 fiscal year the remaining net liquid assets were distributed back to the original partners. The capital assets of the joint venture were fully amortized as of March 31, 2008 as were the related deferred donations and grants.

The Hospital's 6.27% share of the cost and accumulated amortization of Capital Assets at March 31, 2013 are included in the Statement of Financial Position.

There were no revenues or expenses during the current or prior fiscal years.

**THE LADY MINTO HOSPITAL AT COCHRANE
COCHRANE, ONTARIO**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013**

13. VILLA MINTO

Lady Minto Hospital operated the long term care facility, Villa Minto, under agreement with the Ministry of Health. Services are to be provided in accordance with the applicable provincial legislation.

	2013	2012
Revenues		
Provincial Subsidies	\$ 1,613,178	1,484,860
Charges to residents	588,510	560,254
Amortization of capital contributions-equipment	9,910	9,227
Other	5,346	3,486
	<u>2,216,944</u>	<u>2,057,827</u>
Expenses		
Salaries and benefits	1,872,359	1,799,700
Supplies and other	318,513	334,948
Amortization -Licence	38,568	38,568
Amortization -Equipment	14,350	36,574
	<u>2,243,790</u>	<u>2,209,790</u>
(Deficit) for the year	\$ <u>(26,846)</u>	<u>(151,963)</u>

14. INTEREST AND RECOVERIES

Recoveries are based on management determinations. Hospital Operations Revenues- Recoveries and Recoveries from other sources for the year ended March 31, 2013 were \$584,409 (2012- \$558,694) of recoveries for Villa Minto expenses, included as follows in expenses presented in Note 11

Salaries and benefits	\$ 367,516	361,428
Supplies and other	216,893	197,266
	<u>\$ 584,409</u>	<u>558,694</u>

15.

Budgets for the year ended March 31, 2013 are presented on a calendar year basis and not on a fiscal year basis. Consequently, budget figures are not presented.

16. CONTINGENT LIABILITY

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 Lady Minto Hospital on completion of the plan is not determinable.

17. 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.

18. 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. Amounts bear no interest.

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.

THE LADY MINTO HOSPITAL AT COCHRANE
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SCHEDULE A

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

Department	Salaries and Wages	Supplies and Other	TOTAL 2013	TOTAL 2012
Nursing Services	\$ 2,643,138	71,902	2,715,040	2,542,144
Diagnostic and Therapeutic	875,117	606,731	1,481,848	1,501,648
Education	27,488	35,890	63,378	68,095
Administration and Other	2,063,124	1,706,600	3,769,724	3,767,043
	<u>\$ 5,608,867</u>	<u>2,421,123</u>	<u>8,029,990</u>	<u>7,878,930</u>