

TIMMINS AND DISTRICT HOSPITAL/L'HÔPITAL DE TIMMINS ET DU DISTRICT

Financial Statements

Year Ended March 31, 2012

TIMMINS AND DISTRICT HOSPITAL

L'HÔPITAL DE TIMMINS ET DU DISTRICT

(incorporated under the laws of the Province of Ontario as a corporation without Share Capital)

BOARD OF DIRECTORS - 2011/2012

Mr. Allan Kean, Chair	Mr. John Duclos, Auxiliary President, Honorary Position
Mr. David Thomas, Vice Chair	Ms. Joan Ludwig, Chief Nursing Officer
Mr. Léon Laforest, Vice Chair	Mr. Steve Adams
Mr. Martin Rody, Treasurer	Ms. Marjorie Boyd
Dr. Harry Voogjarv, Chief of Staff	Mr. Stacey Cress
Dr. Larry Malo, President of Medical Staff	Mr. Pierre de Laplante
Vacant, Vice President of Medical Staff	Ms. Mireille Fortier
Mr. Roger Walker, Secretary, President and CEO	Ms. Maggie Matear
Mr. Robert Perrault, Foundation Appointment	Ms. Sylvie Petroski
Ms. Sue Perras, NEOMA Appointment	Ms. Marilyn Wood
Mr. Pat Bamford, City Appointment	Ms. Pauline Bélanger, Executive Assistant

AUDITORS

Ross, Pope & Company LLP, Chartered Accountants

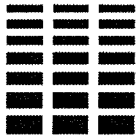
Timmins, Ontario

TIMMINS AND DISTRICT HOSPITAL/L'HÔPITAL DE TIMMINS ET DU DISTRICT

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Year Ended March 31, 2012

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Ross, Pope & Company LLP

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INDEPENDENT AUDITOR'S REPORT

To the Members of Timmins and District Hospital/L'Hôpital de Timmins et du district

We have audited the accompanying financial statements of Timmins and District Hospital/L'Hôpital de Timmins et du district, which comprise the statement of financial position as at March 31, 2012 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 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

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 auditor's 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 Timmins and District Hospital/L'Hôpital de Timmins et du district as at March 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ross, Pope & Company LLP

Timmins, Ontario
June 5, 2012

Ross, Pope & Company LLP
Chartered Accountants
Licensed Public Accountants

TIMMINS AND DISTRICT HOSPITAL/L'HÔPITAL DE TIMMINS ET DU DISTRICT

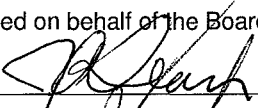
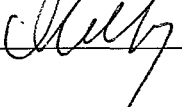
Statement of Financial Position

As at March 31, 2012

	2012	2011
ASSETS		
CURRENT		
Cash	\$ 3,294	\$ 1,010
Accounts receivable (Note 4)	3,495,896	3,357,709
Inventories	712,294	723,055
Prepaid expenses	798,387	688,123
	5,009,871	4,769,897
LONG TERM RECEIVABLES	784,975	433,855
CAPITAL ASSETS (Notes 2, 5, 9)	64,606,376	64,697,794
	\$ 70,401,222	\$ 69,901,546
LIABILITIES AND NET ASSETS		
CURRENT		
Line of credit (Note 6)	\$ 4,575,000	\$ 1,800,000
Accounts payable and accrued liabilities	12,559,918	11,995,599
Deferred revenue	868,507	1,516,486
Current portion of long term debt (Note 7)	469,585	451,829
Current portion of accrued benefit liability (Note 8)	161,544	101,300
	18,634,554	15,865,214
LONG TERM DEBT (Note 7)	5,034,427	5,501,900
ACCRUED BENEFIT LIABILITY (Note 8)	2,833,463	2,523,900
DEFERRED CONTRIBUTIONS (Note 9)	55,979,262	55,794,009
	82,481,706	79,685,023
NET ASSETS		
Unrestricted (deficiency)	(15,203,589)	(12,733,536)
Invested in capital assets (Note 10)	3,123,105	2,950,059
	(12,080,484)	(9,783,477)
	\$ 70,401,222	\$ 69,901,546

Contingencies (Note 15)

Approved on behalf of the Board


 _____ Director

 _____ Director

See accompanying notes.

TIMMINS AND DISTRICT HOSPITAL/L'HÔPITAL DE TIMMINS ET DU DISTRICT

Statement of Operations

Year Ended March 31, 2012

	2012	2011
REVENUE		
Ministry of Health - Hospital Funding	\$ 69,034,853	\$ 67,472,899
Ministry of Health - Paymaster / Flow Through	(139,370)	(143,547)
Cancer Care Ontario	1,504,198	1,419,825
Amortization of deferred contributions - equipment (Note 9)	1,276,853	1,318,387
Other Revenue (Schedule 1)	22,544,603	21,521,469
	94,221,137	91,589,033
EXPENSES		
Salaries and wages	45,556,451	44,841,322
Employee benefits	13,832,455	12,007,139
Supplies and other expenses	13,207,285	13,539,843
Medical staff fees and honouraria	12,727,286	12,470,502
Medical and surgical supplies	4,253,864	4,409,550
Drugs	3,114,664	3,447,334
Amortization of equipment and other	2,408,934	2,646,660
Interest on long term debt	253,623	250,069
	95,354,562	93,612,419
DEFICIENCY OF REVENUE OVER EXPENSES FROM OPERATIONS	(1,133,425)	(2,023,386)
AMORTIZATION OF DEFERRED CONTRIBUTIONS AND BUILDINGS		
Amortization of deferred contributions - buildings (Note 9)	2,084,100	2,025,462
Amortization of buildings	(2,568,274)	(2,502,868)
	(484,174)	(477,406)
	(1,617,599)	(2,500,792)
OTHER FUNDS (Schedule 2)		
Other fund revenues	3,877,538	4,170,935
Other fund expenses	(4,556,946)	(4,829,169)
	(679,408)	(658,234)
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (2,297,007)	\$ (3,159,026)

TIMMINS AND DISTRICT HOSPITAL/L'HÔPITAL DE TIMMINS ET DU DISTRICT

Statement of Changes in Net Assets

Year Ended March 31, 2012

	Unrestricted (deficiency)	Invested in Capital assets	2012	2011
NET ASSETS - BEGINNING OF YEAR	\$ (12,733,536)	\$ 2,950,059	\$ (9,783,477)	\$ (6,624,451)
Deficiency of revenue over expenses	(673,858)	(1,623,149)	(2,297,007)	(3,159,026)
Net change in investment in capital assets (Note 10)	(1,796,195)	1,796,195	-	-
NET ASSETS - END OF YEAR	\$ (15,203,589)	\$ 3,123,105	\$ (12,080,484)	\$ (9,783,477)

TIMMINS AND DISTRICT HOSPITAL/L'HÔPITAL DE TIMMINS ET DU DISTRICT

Statement of Cash Flows

Year Ended March 31, 2012

	2012	2011
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (2,297,007)	\$ (3,159,026)
Items not affecting cash:		
Amortization of equipment	2,415,828	2,646,660
Amortization of buildings	2,568,274	2,502,868
Amortization of deferred contributions - equipment	(1,276,853)	(1,318,387)
Amortization of deferred contributions - buildings	(2,084,100)	(2,025,462)
	(673,858)	(1,353,347)
Changes in non-cash working capital:		
Accounts receivable	(138,187)	(233,001)
Inventories	10,761	8,397
Prepaid expenses	(110,264)	58,370
Accounts payable and accrued liabilities	564,319	(417,347)
Deferred revenue	(647,979)	(58,619)
Accrued benefit liability	309,563	137,400
Current portion of accrued benefit liability	60,244	(51,200)
	48,457	(556,000)
Cash flow used by operating activities	(625,401)	(1,909,347)
INVESTING ACTIVITIES		
Purchase of capital assets	(4,892,684)	(5,387,004)
Increase in long-term receivables	(351,120)	(149,291)
Cash flow used by investing activities	(5,243,804)	(5,536,295)
FINANCING ACTIVITIES		
Proceeds from long term financing	-	709,223
Repayment of long term debt	(449,718)	(409,562)
Deferred contributions received (Note 9)	3,546,207	5,602,972
Cash flow from financing activities	3,096,489	5,902,633
DECREASE IN CASH FLOW	(2,772,716)	(1,543,009)
Cash deficiency - beginning of year	(1,798,990)	(255,981)
CASH DEFICIENCY - END OF YEAR	\$ (4,571,706)	\$ (1,798,990)
CASH (DEFICIENCY) CONSISTS OF:		
Cash	\$ 3,294	\$ 1,010
Line of credit	(4,575,000)	(1,800,000)
	\$ (4,571,706)	\$ (1,798,990)

TIMMINS AND DISTRICT HOSPITAL/L'HÔPITAL DE TIMMINS ET DU DISTRICT

Notes to Financial Statements

Year Ended March 31, 2012

1. HOSPITAL ORGANIZATION

The Timmins and District Hospital/l'Hôpital de Timmins et du district is incorporated without share capital by Letters Patent issued by the Province of Ontario and is regulated by the Public Hospitals Act. The hospital is a registered charity under the Income Tax Act and accordingly is exempt from income taxes under section 149.1 of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) REVENUE RECOGNITION

The hospital follows the deferral method of accounting for contributions which include donations and government transfers.

Hospital funding is primarily provided by the Ministry of Health and Long Term Care of the Province of Ontario. Operating transfers are recorded as revenue in the period to which they relate. Transfers approved but not received at the end of an accounting period are accrued. Where a portion of a transfer relates 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 the year ended March 31, 2012.

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 restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Revenue for medical services are recognized when the services are provided.

(b) INVENTORIES

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

(c) PLEDGES

The amount of any pledges to donate funds to the hospital are not included in revenues until such time as funds are received.

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TIMMINS AND DISTRICT HOSPITAL/L'HÔPITAL DE TIMMINS ET DU DISTRICT

Notes to Financial Statements

Year Ended March 31, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) CAPITAL ASSETS

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When capital assets no longer contribute to the hospital's ability to provide services, their carrying amounts are written down to their residual value.

Capital assets are amortized on a straight-line basis over the estimated life of assets as follows:

Land improvements	10 - 20 years
Buildings	10 - 40 years
Equipment	3 - 20 years
Building service equipment	5 - 20 years

The hospital regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

(e) ACCRUED BENEFIT LIABILITY

The hospital accrues for employee future benefit plans and related costs. The cost of retirement benefits earned by employees is actuarially determined using the projected unit method pro-rated on service and management's best estimate of salary escalation, retirement ages of employees and expected health care costs.

(f) DONATED SERVICES

The work of the hospital Board is dependent on the voluntary service of members of the Board and others. Since these services are not normally purchased by the hospital and because of the difficulty in determining their fair value, donated services are not recognized in these financial statements.

(g) MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include providing for amortization of capital assets, estimating the allowance for doubtful accounts and recording significant accruals based on management assumptions. Actual results could differ from these estimates.

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TIMMINS AND DISTRICT HOSPITAL/L'HÔPITAL DE TIMMINS ET DU DISTRICT

Notes to Financial Statements

Year Ended March 31, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) FINANCIAL INSTRUMENTS

The hospital classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired or liability incurred. The hospital's accounting policy for each category is as follows:

Held-For-Trading

Financial instruments classified as held-for-trading are reported at fair value at each balance sheet date, and any change in fair value is recognized in net income (loss) in the period during which the change occurs. Transaction costs are expensed when incurred.

Cash and bank line of credit have been classified as held-for-trading.

Loan and Receivables and Other Financial Liabilities

Financial instruments classified as loans and receivables and other financial liabilities are carried at amortized cost using the effective interest method. Transaction costs are expensed when incurred.

Accounts receivable and long-term receivable have been classified as loans and receivables.

Accounts payable and accrued liabilities and long-term debt have been classified as other financial liabilities.

3. FUTURE CHANGES IN ACCOUNTING POLICIES

For fiscal periods beginning on or after January 1, 2012, government not-for-profit organizations are required to transition from Part V (Pre-changeover accounting standards) of the CICA Handbook-Accounting to the CICA Public Sector Accounting Handbook or the CICA Public Sector Accounting Handbook without Sections PS 4200 to PS 4270. Sections 4400 to 4470 in Part V of the CICA Handbook- Accounting were brought into the CICA Public Sector Accounting Handbook and renumbered as Sections PS 4200 to PS 4270. Sections 4400 to 4470 in Part V of the CICA Handbook- Accounting are standards that specifically address accounting issues commonly encountered by not-for-profit organizations.

The hospital will evaluate the impact of these standards and will prepare the financial statements for the year ending March 31, 2013 in accordance with these standards.

4. ACCOUNTS RECEIVABLE

	2012	2011
Ministry of Health and Long Term Care	\$ 273,650	\$ 479,268
Insurers and patients	2,674,699	2,152,066
Other	602,547	781,375
Subtotal	3,550,896	3,412,709
Less: Allowance for doubtful accounts	(55,000)	(55,000)
	\$ 3,495,896	\$ 3,357,709

TIMMINS AND DISTRICT HOSPITAL/L'HÔPITAL DE TIMMINS ET DU DISTRICT

Notes to Financial Statements

Year Ended March 31, 2012

5. CAPITAL ASSETS

	Cost	Accumulated amortization	Net 2012	Net 2011
Land	\$ 490,002	\$ -	\$ 490,002	\$ 490,002
Land improvements	363,047	120,378	242,669	267,241
Buildings	85,998,880	34,907,549	51,091,331	49,984,286
Equipment	43,041,980	36,165,595	6,876,385	7,550,819
Building service equipment	8,065,327	2,159,338	5,905,989	6,405,446
	\$ 137,959,236	\$ 73,352,860	\$ 64,606,376	\$ 64,697,794

6. LINE OF CREDIT

The hospital has an \$8,000,000 (\$5,000,000 - 2011) credit facility to be used for general operating purposes. The credit facility bears interest at a rate equal to the lender's prime rate less 0.65% and is secured by general security agreement.

7. LONG TERM DEBT

	2012	2011
Bank loan bearing interest at 4.16% per annum, repayable in monthly blended payments of \$42,619 and maturing in April 2015.	\$ 5,154,054	\$ 5,444,463
Bank loan bearing interest at 3.4% per annum, repayable in monthly blended payments of \$14,518 and maturing in April 2014.	349,958	509,266
	5,504,012	5,953,729
Amounts payable within one year	(469,585)	(451,829)
	\$ 5,034,427	\$ 5,501,900

Principal repayment terms are approximately:

2013	\$ 469,585
2014	488,046
2015	345,221
2016	4,201,160
	<u>\$ 5,504,012</u>

TIMMINS AND DISTRICT HOSPITAL/L'HÔPITAL DE TIMMINS ET DU DISTRICT

Notes to Financial Statements

Year Ended March 31, 2012

8. ACCRUED BENEFIT LIABILITY

The hospital provides extended health care, dental and life insurance benefits to substantially all full-time employees. The cost of premiums for these benefits is shared by the hospital and full-time employees. The hospital's accrued benefit liability relating to post-retirement plans is as follows:

	2012	2011
Current portion	\$ 161,544	\$ 101,300
Long term portion	2,833,463	2,523,900
Total accrued benefit liability	\$ 2,995,007	\$ 2,625,200

The accrued benefit liability has been determined by an actuary based on an actuarial valuation performed as at March 31, 2012. The next actuarial valuation will be performed as at March 31, 2015 unless otherwise required prior to that date.

The accrued benefit liability represents the past excess of the benefit expenses over actual benefit payments. A reconciliation of the beginning and ending balances is shown below.

	2012	2011
Accrued benefit liability at beginning of year	\$ 2,625,200	\$ 2,539,000
Benefit expense for the year	438,004	191,200
Contribution benefits paid during the year	(68,197)	(105,000)
Accrued benefit liability at end of year	\$ 2,995,007	\$ 2,625,200

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

Discount rate at March 31, 2012	4.0% (2011 - 5.50%)
Dental benefits cost escalation	4.0% (2011 - 4.0%)
Medical benefits cost escalation - extended health care	8.0% decreasing by 0.5% to 4.5%

The expense for the year has been determined as follows:

	2012	2011
Current service cost	\$ 161,544	\$ 101,300
Interest on accrued benefit liability during the year	179,956	110,000
Amortization of net experience losses (gains)	78,704	(37,900)
Amortization of past service costs	17,800	17,800
Expense for the year	\$ 438,004	\$ 191,200

TIMMINS AND DISTRICT HOSPITAL/L'HÔPITAL DE TIMMINS ET DU DISTRICT

Notes to Financial Statements

Year Ended March 31, 2012

9. DEFERRED CONTRIBUTIONS

CAPITAL ASSETS

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

	2012	2011
Balance, beginning of year	\$ 55,794,009	\$ 53,534,887
Additional contributions received	3,546,207	5,602,972
Amounts amortized to revenue	(3,360,954)	(3,343,850)
Balance, end of year	\$ 55,979,262	\$ 55,794,009

10. INVESTMENT IN CAPITAL ASSETS

a) Investment in capital assets is calculated as follows:

	2012	2011
Capital Assets	\$ 64,606,376	\$ 64,697,794
Amounts financed by:		
Long-term bank loans	(5,504,009)	(5,953,726)
Deferred contributions	(55,979,262)	(55,794,009)
	\$ 3,123,105	\$ 2,950,059

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

Deficiency of revenue over expenses		
Amortization of deferred contributions related to capital assets	\$ 3,360,954	\$ 3,343,850
Amortization of capital assets	(4,984,102)	(5,149,923)
Gain on sale of capital asset	-	(6,500)
	\$ (1,623,148)	\$ (1,812,573)

Net change in investment in capital assets:		
Purchase of capital assets	\$ 4,892,684	\$ 5,387,004
Amount funded by deferred contributions	(3,546,207)	(5,602,972)
Amount repaid (funded) on long term debt	449,718	(293,162)
	\$ 1,796,195	\$ (509,130)

11. PENSION PLAN

Substantially all of the employees of the hospital are members of the Hospitals of Ontario Pension Plan. Contributions to this defined benefit plan made during the year by the hospital on behalf of its employees amounted to \$3,585,964 (\$3,458,716 in 2011) of which \$3,485,511 (\$3,362,259 in 2011) is included in employee benefits in the Statement of Operations and \$100,453 (\$96,457 in 2011) is included in Other Fund Expenses. Contributions are related to actuarial requirements established by the trustees of the plan.

TIMMINS AND DISTRICT HOSPITAL/L'HÔPITAL DE TIMMINS ET DU DISTRICT

Notes to Financial Statements

Year Ended March 31, 2012

12. RELATED ENTITIES

The financial statements do not include the assets, liabilities and activities of any organizations such as the Timmins and District Hospital Foundation or the Timmins and District Hospital Auxiliary which, although related to the hospital, are not operated by it.

The hospital has an economic interest in the Timmins and District Hospital Foundation, whose mandate is to raise funds for the hospital. During the year, the Foundation contributed \$775,587 (\$1,208,928 - 2011) towards the purchase of capital assets.

13. HEALTHCARE INSURANCE RECIPROCAL OF CANADA

On July 1, 1987, a group of health care organizations ("subscribers"), formed Healthcare Insurance Reciprocal of Canada ("HIROC"). HIROC is registered as a Reciprocal pursuant to provincial Insurance Acts which permit persons to exchange with other persons reciprocal contracts of indemnity insurance. HIROC facilitates the provision of liability insurance coverage to health care organizations in the provinces of Ontario, Manitoba, Saskatchewan and Newfoundland. Subscribers pay annual premiums, which are actuarially determined, and are subject to assessment for losses in excess of such premiums, if any, experienced by the group of subscribers for the years in which they were a subscriber. No such assessments have been made to March 31, 2012.

Since its inception in 1987, HIROC has accumulated an unappropriated surplus, which is the total of premiums paid by all subscribers plus investment income less the obligation for claims reserves and expenses and operating expenses. Each subscriber which has an excess of premium plus investment income over the obligation for their allocation of claims reserves and expenses and operating expenses may be entitled to receive distributions of their share of the unappropriated surplus at the time such distributions are declared by the Board of Directors of HIROC. There are no distributions receivable from HIROC as of March 31, 2012.

14. FINANCIAL INSTRUMENTS

The hospital's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, long-term debt, and accrued benefit liability. It is management's opinion that the hospital is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Fair Value

The hospital's carrying value of cash, accounts receivable, accounts payable and accrued liability approximate its fair value due to the immediate or short term maturity of these instruments.

The carrying value of the long term debt and the accrued benefit liability approximates the fair value as the interest rates are consistent with the current rates offered to the hospital for debt with similar terms.

Credit Risk

The hospital does not have sufficient exposure to any individual or party. A large portion of the hospital's receivables are due from other levels of government. An allowance for doubtful accounts is established based on factors surrounding the risk related to specific accounts, historical trends and other information. The hospital has an allowance for doubtful accounts in the amount of \$55,000 (2011 - \$55,000).

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TIMMINS AND DISTRICT HOSPITAL/L'HÔPITAL DE TIMMINS ET DU DISTRICT

Notes to Financial Statements

Year Ended March 31, 2012

14. FINANCIAL INSTRUMENTS *(continued)*

Interest Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the hospital manages exposure through its normal operating and financing activities. The hospital is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Commodity Risk

The hospital is exposed to fluctuations in commodity prices for natural gas, crude oil and natural gas liquids. Commodity prices are affected by many factors including supply, demand and the Canadian to U.S. dollar exchange rate. The hospital had no financial hedges or price commodity contracts in place at year end.

15. CONTINGENCIES

The hospital is involved in certain legal matters and litigation, the outcomes of which are not presently determinable. The loss, if any, from these contingencies will be accounted for in the periods in which the matters are resolved. Management is of the opinion that these matters are mitigated by adequate insurance coverage.

TIMMINS AND DISTRICT HOSPITAL/L'HÔPITAL DE TIMMINS ET DU DISTRICT**Schedule of Other Revenue****(Schedule 1)****Year Ended March 31, 2012**

	2012	2011
Out patients - OHIP	\$ 7,478,720	\$ 7,148,375
Recoveries - all other	2,909,278	3,354,474
Ministry of Health - Emergency Physician Funding	3,179,943	2,996,186
Recoveries - other services	2,971,914	2,386,126
Out patients - other	1,740,317	1,889,549
Preferred accommodation	1,197,319	1,189,827
Cafeteria and coffee shop	1,020,170	997,989
Other revenue	1,085,865	937,385
In patient	535,958	329,959
Undistributed income	332,615	209,043
Ambulance	75,963	73,486
Investment income	16,541	9,070
	\$ 22,544,603	\$ 21,521,469

TIMMINS AND DISTRICT HOSPITAL/L'HÔPITAL DE TIMMINS ET DU DISTRICT

Schedule of Other Funds

(Schedule 2)

Year Ended March 31, 2012

	2012	2011
Revenues		
Adult Community Mental Health	\$ 1,422,153	\$ 1,385,091
Interim Long-Term Care	782,933	764,740
Mental Health Out-Patient Sessional Fees	239,669	183,515
Municipal Taxation	12,300	12,300
Partnerships and projects	1,420,483	1,825,289
	3,877,538	4,170,935
Expenses		
Adult Community Mental Health	1,422,152	1,385,091
Interim Long-Term Care	1,462,342	1,422,974
Mental Health Out-Patient Sessional Fees	239,669	183,515
Municipal Taxation	12,300	12,300
Partnerships and Projects	1,420,483	1,825,289
	4,556,946	4,829,169
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (679,408)	\$ (658,234)