

TIMMINS AND DISTRICT HOSPITAL/L'HÔPITAL DE TIMMINS ET DU DISTRICT
Financial Statements
Year Ended March 31, 2016

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 - 2015 - 2016

Mr. Léon Laforest, Chair	Mr. Rick Dubeau, City Appointment
Mr. David Thomas, Vice Chair	Ms. Marjorie Boyd
Ms. Maggie Matear, Vice Chair	Mr. Robert Perrault, Foundation Appointment
Mr. Iain Martin, Treasurer	Ms. Jean Lemieux, Aboriginal Appointment
Dr. Harry Voogjarv, Chief of Staff	Mr. Gaétan Malette
Dr. Andrew Touw, President of Medical Staff	Ms. Veronica Nicholson
Dr. Doug Arnold, Vice President of Medical Staff	Ms. Nancy Pandolfi, Auxiliary President, Honorary Position
Mr. Blaise MacNeil, President and Chief Executive Officer	Ms. Sylvie Petroski
Ms. Joan Ludwig, Chief Nursing Officer	Ms. Sue Perras, NEOMA Appointment
	Ms. Marilyn Wood
	Ms. Pauline Bélanger, Executive Assistant

AUDITORS

MNP LLP
Timmins, Ontario

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

Index to Financial Statements

Year Ended March 31, 2016

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Deficiency in Net Assets	5
Statement of Cash Flow	6
Notes to Financial Statements	7 - 14
Schedule of Other Revenue (<i>Schedule 1</i>)	15
Schedule of Other Funds (<i>Schedule 2</i>)	16

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Timmins and District Hospital/L'Hôpital de Timmins et du district have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Timmins and District Hospital/L'Hôpital de Timmins et du district 's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee (the "Committee"). The Committee is appointed by the Board and meets with management and the Hospital's auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Committee reports to the Board of Directors prior to its approval of the financial statements.

The financial statements have been audited by MNP LLP, the external auditors, in accordance with Canadian public sector accounting standards.



Mr. Blaise MacNeil
President and Chief Executive Officer



Mr. Bryan Bennetts
Chief Financial Officer

Timmins, Ontario
June 7, 2016

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, 2016 and the statements of operations, changes in deficiency in net assets 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 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.

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, 2016 and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The financial statements of Timmins and District Hospital/L'Hôpital de Timmins et du district for the year ended March 31, 2015 were audited by Ross Pope LLP of Timmins, Ontario, Canada, prior to its merger with MNP LLP. Ross Pope LLP expressed an unmodified opinion on those statements on June 2, 2015.



Timmins, Ontario
June 7, 2016

MNP LLP
Chartered Professional Accountants
Licensed Public Accountants

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



Statement of Financial Position

As at March 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 2,665,306	\$ 140
Accounts receivable (Note 3)	3,787,488	3,969,723
Inventories	572,727	583,335
Prepaid expenses	540,172	400,412
Current portion of long term receivable (Note 5)	262,240	263,750
	7,827,933	5,217,360
CAPITAL ASSETS (Note 4)	59,839,425	58,551,458
LONG TERM RECEIVABLES (Note 5)	311,870	535,778
	\$ 67,979,228	\$ 64,304,596
LIABILITIES AND DEFICIENCY IN NET ASSETS		
CURRENT		
Bank indebtedness (Note 6)	\$ -	\$ 1,870,000
Accounts payable and accrued liabilities (Note 7)	10,399,960	10,854,727
Current portion of long term debt (Note 8)	4,426,982	2,046,500
	14,826,942	14,771,227
LONG TERM DEBT (Note 8)	14,914,653	9,835,553
EMPLOYEE FUTURE BENEFIT LIABILITIES (Note 9)	4,120,041	3,863,605
DEFERRED CAPITAL ASSET CONTRIBUTIONS (Note 11)	47,613,012	49,618,900
	81,474,648	78,089,285
DEFICIENCY IN NET ASSETS	(13,495,420)	(13,784,689)
	\$ 67,979,228	\$ 64,304,596

Commitment and contingencies (Note 15)

Approved on behalf of the Board

 Director
 Director

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

Statement of Operations

For the Year Ended March 31, 2016

	2016	2015
REVENUE		
Ministry of Health and Long-Term Care/North East Local Health Integration Network (MOHLTC/NELHIN)	\$ 67,575,424	\$ 67,821,773
Schedule of Other Revenue (<i>Schedule 1</i>)	20,956,131	22,193,136
Cancer Care Ontario	4,434,415	4,201,209
Amortization of deferred contributions - equipment	1,458,686	1,329,864
Ministry of Health - Paymaster / Flow Through	300,034	270,037
	94,724,690	95,816,019
EXPENSES		
Amortization of equipment and other	2,101,823	1,993,987
Drugs	2,995,518	3,156,406
Employee benefits	13,632,593	13,438,997
Interest on operating line	96,292	168,024
Medical and surgical supplies	4,539,449	4,400,883
Medical staff remuneration	12,358,149	12,609,080
Salaries and wages	44,754,841	44,879,622
Supplies and other expenses	13,200,364	14,024,264
	93,679,029	94,671,263
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	1,045,661	1,144,756
AMORTIZATION OF DEFERRED CONTRIBUTIONS AND BUILDINGS		
Amortization of deferred contributions - buildings	2,216,585	2,196,104
Amortization of buildings (<i>Note 4</i>)	(2,681,309)	(2,647,583)
Loss on disposal of buildings	-	(249,073)
	(464,724)	(700,552)
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER FUNDS	580,937	444,204
OTHER FUNDS (Schedule 2)		
Other fund revenues	3,163,295	3,335,310
Other fund expenses	(3,163,295)	(3,335,310)
	-	-
EXCESS OF REVENUE OVER EXPENSES BEFORE INTEREST ON LONG TERM DEBT	580,937	444,204
INTEREST ON LONG TERM DEBT	291,668	277,342
EXCESS OF REVENUE OVER EXPENSES	\$ 289,269	\$ 166,862

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

Statement of Changes in Deficiency in Net Assets

Year Ended March 31, 2016

	2016	2015
DEFICIENCY IN NET ASSETS - BEGINNING OF YEAR	\$ (13,784,689)	\$ (13,951,551)
Excess of revenue over expenses	289,269	166,862
DEFICIENCY IN NET ASSETS - END OF YEAR	\$ (13,495,420)	\$ (13,784,689)

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

Statement of Cash Flow

Year Ended March 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 289,269	\$ 166,862
Items not affecting cash:		
Amortization of capital assets	4,783,132	4,641,570
Amortization of deferred capital contributions	(3,675,271)	(3,525,968)
Loss on disposal of capital assets	-	249,073
Increase in employee future benefit liability	256,436	97,509
	1,653,566	1,629,046
Changes in non-cash working capital:		
Accounts receivable	182,234	(1,003,824)
Inventories	10,608	104,682
Prepaid expenses	(139,760)	253,897
Accounts payable and accrued liabilities	(454,767)	(419,478)
	(401,685)	(1,064,723)
Cash flow from operating activities	1,251,881	564,323
CAPITAL ACTIVITIES		
Purchase of capital assets	(6,071,098)	(3,528,746)
Proceeds on disposal of capital assets	-	50,000
Cash flow used by capital activities	(6,071,098)	(3,478,746)
FINANCING ACTIVITIES		
Repayment of bank indebtedness	(1,870,000)	(4,069,000)
Deferred capital contributions received	1,669,383	2,875,509
Proceeds from long term financing	19,341,635	5,000,000
Repayment of long term debt	(11,882,053)	(1,110,111)
Cash flow from financing activities	7,258,965	2,696,398
INVESTING ACTIVITIES		
Decrease in long-term receivables	225,418	217,657
INCREASE (DECREASE) IN CASH FLOW	2,665,166	(368)
Cash - beginning of year	140	508
CASH - END OF YEAR	\$ 2,665,306	\$ 140

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

Notes to Financial Statements

Year Ended March 31, 2016

1. HOSPITAL ORGANIZATION

The Timmins and District Hospital/l'Hôpital de Timmins et du district ("the Hospital") 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, provided certain requirements of the Income Tax Act are met.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The financial statements of the Hospital have been prepared by management in accordance with Canadian public sector accounting standards, including the 4200 series of standards for government not for profit organizations.

(a) REVENUE RECOGNITION

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

The Hospital funding is based on the Hospital Service Accountability Agreement (H-SAA) between the Hospital and the North East Local Health Integration Network (NELHIN) which is an agency of the Ministry of Health and Long-Term Care. Operating transfers or grants are recorded as revenue in the period to which they relate. Transfers or grants approved but not received at the end of an accounting period are accrued. Where a portion of a transfer or grant 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, 2016.

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.

Pledges to donate funds to the Hospital are not included in revenues until such time as funds are received.

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

(b) INVENTORIES

Inventories are stated at the lower of average cost and net realizable value. Inventory consists of medical and general supplies that are used in the Hospital's operations and not for resale purposes.

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

Notes to Financial Statements

Year Ended March 31, 2016

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

(c) 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 or the value of future economic benefits associated with the capital asset is less than its net book value, the carrying value of the capital asset is reduced to reflect the decline in the asset's value.

Amortization is provided on the straight-line basis over their useful lives, which have been estimated as follows:

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

Long lived assets, including capital assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

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

(d) VACATION PAY

The Hospital recognizes vacation pay as an expense on the accrual basis.

(e) EMPLOYEE FUTURE BENEFIT LIABILITIES

The Hospital accrues its obligations for employee benefit plans. The cost of non-pension post-retirement and post-employment benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of retirement ages of employees and expected health care costs.

Actuarial gains (losses) on the accrued benefit obligation arise from changes in actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains (losses) are amortized over the average remaining service period of active employees.

Past service costs arising from plan amendments are recognized immediately in the period the plan amendments occur.

The Hospital is an employer member of the Health Care of Ontario Pension Plan (the "Plan"), which is a multi-employer, defined benefit pension plan. The Hospital has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Hospital records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.

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

Notes to Financial Statements

Year Ended March 31, 2016

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

(f) DONATED SERVICES

The work of the Hospital Board is dependent on the voluntary services of many individuals including the members of the Board. 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) FINANCIAL INSTRUMENTS

Financial instruments are recorded at fair value on initial recognition. Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. Financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has not elected to carry financial instruments at fair value. All financial instruments are carried at cost or amortized cost. All financial assets are assessed for impairment on an annual basis.

(h) 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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from management's best estimates, as additional information becomes available in the future. Principal estimates include the determination of the liability for employee future benefits, the estimated useful life of capital assets, valuation of receivables, inventory and accrued liabilities.

3. ACCOUNTS RECEIVABLE

	2016	2015
MOHLTC/NELHIN	\$ 1,192,267	\$ 1,230,973
Client and patient receivables	1,948,549	2,180,329
Other receivables	701,672	613,421
	3,842,488	4,024,723
Allowance for doubtful accounts	(55,000)	(55,000)
	\$ 3,787,488	\$ 3,969,723

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

Notes to Financial Statements

Year Ended March 31, 2016

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Land	\$ 490,002	\$ -	\$ 490,002	\$ 490,002
Land improvements	363,047	199,441	163,606	175,362
Buildings	86,106,900	43,469,481	42,637,419	44,834,199
Equipment	54,144,927	44,318,770	9,826,157	6,858,046
Building service equipment	10,725,113	4,002,872	6,722,241	6,193,849
	\$151,829,989	\$ 91,990,564	\$ 59,839,425	\$ 58,551,458

Amortization expense for the year is \$4,783,132 (2015 - \$4,641,570).

5. LONG TERM RECEIVABLES

	2016	2015
Recruitment loans		
Relocation loans	\$ 31,250	\$ 39,166
Recruitment incentives	173,590	200,780
Residency loans	369,270	559,582
	574,110	799,528
Current portion of long term receivables	(262,240)	(263,750)
	\$ 311,870	\$ 535,778

Recruitment loans for physicians are non-interest bearing and are amortized over 4 years. They are forgivable provided that certain contractual conditions are met by the recipient physician.

6. BANK INDEBTEDNESS

The Hospital a credit facility to be used for general operating purposes. The allowable limit is \$5,500,000 (2015 - \$6,500,000). The credit facility bears interest at a rate equal to the lender's prime rate less 0.65% and is secured by a general security agreement. As at March 31, 2016, \$NIL (\$1,870,000 - 2015) has been drawn on this facility.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
MOHLTC/NELHIN	\$ 369,043	\$ 442,415
Other payables	3,077,104	3,291,477
Payroll remittances	515,342	485,828
Accrued vacation pay and other entitlements	3,737,486	4,223,539
Accrued salaries and wages	2,314,584	2,036,433
Other accruals	300,524	260,978
Deferred revenues	85,877	114,057
	\$ 10,399,960	\$ 10,854,727

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

Notes to Financial Statements

Year Ended March 31, 2016

8. LONG TERM DEBT	2016	2015
RBC loan bearing interest at bank prime lending rate less 0.2% per annum, repayable in monthly payments of \$105,000 plus interest. The loan matures in March 2026.	\$ 12,600,000	\$ -
RBC loan bearing interest at bank prime lending rate less 0.2% per annum, repayable in monthly payments of \$47,619 plus interest. The loan matures in March 2023.	4,000,000	-
Dell Finance capital leases bearing interest at 0% per annum, repayable in quarterly payments of \$685,409. The leases mature in December 2016 and March 2017 and are secured by equipment with a carrying value of \$2,741,635.	2,741,635	-
Prior year loans refinanced during the year	-	11,882,053
	19,341,635	11,882,053
Amounts payable within one year	(4,426,982)	(2,046,500)
	\$ 14,914,653	\$ 9,835,553

Principal repayment terms are approximately:

2017	\$ 4,426,982
2018	1,730,000
2019	1,764,000
2020	1,800,000
2021	1,836,000
Thereafter	7,784,653
	\$ 19,341,635

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

Notes to Financial Statements

Year Ended March 31, 2016

9. EMPLOYEE FUTURE BENEFIT LIABILITIES

The Hospital provides extended health care, dental and life insurance benefits (as applicable) to eligible employees upon retirement. An independent actuarial study of the post-retirement and post-employment benefits was prepared as at March 31, 2016.

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

Discount rate for calculation of March 31, 2016 disclosures	3.76% (3.31% previous period)
Dental benefits - trend rates	4.00% (same as previous period)
Health benefits - trend rates	4.50% (same as previous period)

Information with respect to the Hospital's post-retirement and post-employment benefit liabilities are as follows:

	2016	2015
Accrued benefit liabilities, beginning of year	\$ 3,863,605	\$ 3,766,096
Expense for year	383,670	188,475
Benefits for the period	(127,234)	(90,966)
Accrued benefit liabilities, end of year	\$ 4,120,041	\$ 3,863,605

Similar to most post-employment benefit plans (other than pension) in Canada, the Hospital's plan is not pre-funded, resulting in a plan deficit equal to the accrued benefit liability.

Accrued benefit liabilities at March 31, 2016 include the following components:

	2016	2015
Accrued benefit obligation	\$ 4,069,476	\$ 4,211,571
Unamortized experience gains (losses)	50,565	(347,966)
	\$ 4,120,041	\$ 3,863,605

10. PENSION PLAN

Substantially all of the employees of the Hospital are eligible to be members of the Healthcare of Ontario Pension Plan which is a multi-employer defined benefit plan. Employer contributions made to the plan during the year by the Hospital amounted to \$3,595,789 (2015 - \$3,571,741). These amounts are included in employee benefits in the statement of operations.

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

Notes to Financial Statements

Year Ended March 31, 2016

11. DEFERRED CAPITAL ASSET CONTRIBUTIONS

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

Balance, beginning of year	\$ 49,618,900	\$ 50,269,359
Add amounts received during the year	1,669,383	2,875,509
Less amounts amortized to revenue	(3,675,271)	(3,525,968)
	<hr/>	
Balance, end of year	\$ 47,613,012	\$ 49,618,900

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. The transactions during the year not separately disclosed in the statements include the following:

An amount of \$1,669,383 (2015 - \$2,512,919) has been received from the Foundation and recorded as deferred contributions related to capital assets.

13. ECONOMIC DEPENDENCE

The Hospital's ability to continue operations is economically dependent on the continued support from the Ministry of Health and Long-Term Care as the primary funding source. For the year ended March 31, 2016, provincial funding was equivalent to 97% of the total operating revenue.

14. FINANCIAL INSTRUMENT RISK MANAGEMENT

Credit Risk

The Hospital does not have significant exposure to any individual or party. A large portion of the Hospital's receivables are due from other levels of government. The Hospital measures its exposure to credit risk based on factors surrounding the risk related to specific accounts, historical trends and other information. An allowance for doubtful accounts is set up based on the Hospital's historical experience regarding collections. The balance of the allowance of doubtful accounts at March 31, 2016 is \$55,000 (2015 - \$55,000).

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Notes to Financial Statements

Year Ended March 31, 2016

14. FINANCIAL INSTRUMENT RISK MANAGEMENT (*continued*)

There have been no significant changes from the previous year in the exposure to credit risk or policies, procedures and methods used to measure the credit risk.

Liquidity Risk

Liquidity risk is the risk that the Hospital will not be able to meet all cash outflow obligations on a timely basis. The Hospital manages this risk by monitoring cash activities and expected outflows through extensive budgeting.

There have been no significant changes from the previous year in the exposure to liquidity risk or policies, procedures and methods used to measure the liquidity risk.

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The Hospital is exposed to this risk through the line of credit and long term debt.

At March 31, 2016, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the line of credit and long term debt of \$166,000.

There have been no significant changes from the previous year in the exposure to interest rate risk or policies, procedures and methods used to measure the interest rate risk.

15. COMMITMENTS AND CONTINGENCIES

a) Healthcare Insurance Reciprocal of Canada:

A group of healthcare institutions, including the Hospital, are members of the Health Care Insurance Reciprocal of Canada ("HIROC"). HIROC is a pooling of the liability insurance risk of its members. All members pay annual deposit premiums which are actuarially determined and are subject to further assessment for losses, if any, experienced by the pool for the years in which they are members. As at March 31, 2016, no assessments have been received.

b) Legal matters and Litigation:

Due to the nature of the Hospital's operations, the Hospital is periodically subject to litigation. In the opinion of management, the resolution of any current litigation would not have a material effect on the financial position or results of operations, as the Hospital has valid defences and appropriate insurance coverages in place.

16. WORKING CAPITAL RELIEF FUNDING

In March 2013, the Hospital was advised that it was eligible for working capital relief funding over the next three fiscal years to improve its adjusted working funds deficit position. The Hospital is eligible to receive these funds in three annual installments of \$1,029,200, provided that it meets certain conditions. The funding received is restricted in use to reducing the Hospital's working capital deficit and cannot be used to fund operating or capital expenditures. The Hospital has met the conditions in 2016 and as such, the installment for that year has been accrued and included in the MOHLTC/NELHIN revenues. Fiscal 2016 is the final year of the working capital relief funding.

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

Schedule of Other Revenue

(Schedule 1)

Year Ended March 31, 2016

	2016	2015
PATIENT REVENUE		
In patient	\$ 618,731	\$ 513,340
Out patients - OHIP	7,450,765	7,403,064
Out patients - other	791,499	876,757
Preferred accommodation	1,281,120	1,391,961
	10,142,115	10,185,122
RECOVERIES		
Recoveries - other services	2,951,277	3,246,022
Recoveries - all other	2,754,208	3,271,055
	5,705,485	6,517,077
OTHER REVENUE		
Ambulance	73,898	73,968
Cafeteria and coffee shop	834,689	884,668
Investment income	1,932	2,779
Ministry of Health - Emergency Physician Funding	3,119,947	3,128,563
Other revenue	961,060	714,221
Undistributed income	117,005	686,738
	5,108,531	5,490,937
GRAND TOTAL	\$ 20,956,131	\$ 22,193,136

TIMMINS AND DISTRICT HOSPITAL/L'HÔPITAL DE TIMMINS ET DU DISTRICT**Schedule of Other Funds****(Schedule 2)****Year Ended March 31, 2016**

The Hospital administers a number of programs which are separately funded. The revenues and expenses related to these programs are recorded separately from the base funding operations of the Hospital and any excess or deficiency of revenue over expenses is settled with the funding agencies on an annual basis.

	2016	2015
Revenue		
Adult Community Mental Health	\$ 936,055	\$ 937,573
Ambulance offload	61,795	74,400
Mental Health Out-Patient Sessional fees	232,773	225,294
Municipal taxation	12,300	12,300
Timmins Health Links	-	46,056
Partnerships and projects	1,920,372	2,039,687
	3,163,295	3,335,310
Expenses		
Adult Community Mental Health	936,055	937,573
Ambulance offload	61,795	74,400
Mental Health Out-Patient Sessional fees	232,773	225,294
Municipal taxation	12,300	12,300
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	3,163,295	3,335,310
DEFICIENCY OF REVENUE OVER EXPENSES	\$ -	\$ -