



Financial Statements of

**WEENEEBAYKO AREA
HEALTH AUTHORITY**

Year ended March 31, 2015



KPMG LLP
Clardge Executive Centre
144 Pine Street
Sudbury ON P3C 1X3

Telephone (705) 675-8500
Fax (705) 675-7586
In Watts (1-800) 461-3551
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Weeneebayko Area Health Authority

We have audited the accompanying financial statements of **Weeneebayko Area Health Authority**, which comprise the statement of financial position as at March 31, 2015, and the statements of operations, changes in deficiency in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we consider 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 Weeneebayko Area Health Authority, as at March 31, 2015, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Other Matter

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedules 1, 2 and 3 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

June 24, 2015
Sudbury, Canada

WEENEEBAYKO AREA HEALTH AUTHORITY

Statement of Financial Position

March 31, 2015, with comparative information for 2014

| | 2015 | 2014 |
|---|---------------|---------------|
| Assets | | |
| Current assets: | | |
| Accounts receivable (note 2) | \$ 6,075,618 | \$ 4,461,067 |
| Inventories | 1,523,412 | 1,680,367 |
| Prepayments | 231,669 | 277,125 |
| | 7,830,699 | 6,418,559 |
| Capital assets (note 3) | 35,590,632 | 35,875,467 |
| | \$ 43,421,331 | \$ 42,294,026 |
| Liabilities and Deficiency in Net Assets | | |
| Current liabilities: | | |
| Bank indebtedness (note 4) | \$ 7,813,305 | \$ 7,979,891 |
| Accounts payable and accrued liabilities (note 5) | 19,712,163 | 14,721,114 |
| Current obligations under capital lease (note 6) | 242,254 | - |
| Current portion of long-term obligations (note 7) | - | 94,385 |
| | 27,767,722 | 22,795,390 |
| Obligations under capital lease (note 6) | 121,729 | - |
| Long-term obligations (note 7) | 547,100 | 1,034,600 |
| Deferred capital contributions (note 8) | 30,944,621 | 31,549,900 |
| | 59,381,172 | 55,379,890 |
| Deficiency in net assets: | | |
| Operating | (21,959,841) | (19,085,864) |
| Internally restricted for capital (note 9) | 6,000,000 | 6,000,000 |
| | (15,959,841) | (13,085,864) |
| Commitments (note 9) | | |
| Contingencies (note 10) | | |
| | \$ 43,421,331 | \$ 42,294,026 |

See accompanying notes to the financial statements.

On behalf of the Board:


_____ Director


_____ Director

WEENEEBAYKO AREA HEALTH AUTHORITY

Statement of Operations

Year ended March 31, 2015, with comparative information for 2014

| | 2015 Budget | 2015 Actual | 2014 Actual |
|---|---------------------|-----------------------|-----------------------|
| Revenue: | | | |
| North East Local Health Integration Network (NELHIN) | \$ 22,678,459 | \$ 23,041,931 | \$ 23,221,360 |
| Ministry of Health and Long-Term Care (MOHLTC) | 6,190,000 | 5,927,747 | 5,208,637 |
| Health Canada (note 11) | 12,000,000 | 12,000,000 | 12,000,000 |
| Patient services | 1,400,729 | 1,193,610 | 1,198,805 |
| Rental | 782,800 | 828,935 | 809,912 |
| Other recoveries | 2,356,625 | 2,258,634 | 1,863,969 |
| Insurance recoveries | - | 703,634 | 856,882 |
| Specifically-funded Provincial programs | 8,765,000 | 9,609,916 | 8,432,204 |
| Specifically-funded Federal programs | 12,608,000 | 13,600,408 | 13,294,430 |
| Amortization - deferred capital contributions for equipment | 500,000 | 907,217 | 721,089 |
| | 67,281,613 | 70,072,032 | 67,607,288 |
| Expenses: | | | |
| Salaries and wages | 19,297,015 | 21,825,443 | 21,894,164 |
| Isolated post allowance | 3,446,805 | 2,796,398 | 2,837,222 |
| Employee benefits | 3,985,020 | 3,455,975 | 3,473,469 |
| Medical staff remuneration | 6,115,000 | 6,098,053 | 5,638,949 |
| Professional fees | 928,780 | 959,967 | 1,026,054 |
| Travel and training | 1,285,853 | 1,131,106 | 1,447,167 |
| Supplies and other costs | 8,304,815 | 8,455,694 | 8,595,593 |
| Carrying charges | 260,000 | 589,211 | 459,648 |
| Insurance claims | - | 720,750 | 1,202,517 |
| Attawapiskat oil spill | - | 710,546 | - |
| Fuel | 1,485,325 | 1,504,244 | 1,715,672 |
| Specifically-funded Provincial programs | 8,765,000 | 9,608,751 | 8,681,375 |
| Specifically-funded Federal programs | 12,608,000 | 13,899,362 | 13,500,720 |
| Amortization - equipment | 800,000 | 1,280,192 | 1,102,895 |
| | 67,281,613 | 73,035,692 | 71,575,445 |
| Deficiency of revenue over expenses before the undernoted | - | (2,963,660) | (3,968,157) |
| Hospital Operations - surpluses repayable | - | - | (133,695) |
| Amortization - buildings | (2,000,000) | (1,492,139) | (2,007,502) |
| Amortization - deferred capital contributions for buildings | 1,500,000 | 1,581,822 | 1,876,225 |
| Deficiency of revenue over expenses | \$ (500,000) | \$ (2,873,977) | \$ (4,233,129) |

See accompanying notes to the financial statements.

WEENEEBAYKO AREA HEALTH AUTHORITY

Statement of Changes in Deficiency in Net Assets

Year ended March 31, 2015, with comparative information for 2014

| | 2015 | | | 2014 |
|--|-----------------|-----------|--------------|--------------|
| | Operating | Capital | Total | Total |
| Excess (deficiency) in net assets, beginning of year | \$ (19,085,864) | 6,000,000 | (13,085,864) | (8,852,735) |
| Deficiency in revenue over expenses | (2,873,977) | - | (2,873,977) | (4,233,129) |
| Excess (deficiency) in net assets, end of year | \$ (21,959,841) | 6,000,000 | (15,959,841) | (13,085,864) |

See accompanying notes to the financial statements.

WEENEEBAYKO AREA HEALTH AUTHORITY

Statement of Cash Flows

Year ended March 31, 2015, with comparative information for 2014

| | 2015 | 2014 |
|--|-----------------------|-----------------------|
| Cash flows from operating activities: | | |
| Deficiency in revenue over expenses | \$ (2,873,977) | \$ (4,233,129) |
| Adjustments for: | | |
| Amortization of capital assets | 2,772,331 | 3,110,397 |
| Amortization of deferred capital contributions | (2,489,039) | (2,597,314) |
| Increase (decrease) in accrued benefits obligation | (487,500) | 125,800 |
| | (3,078,185) | (3,594,246) |
| Changes in non-cash working capital: | | |
| Decrease (increase) in accounts receivable | (1,614,551) | 3,392,845 |
| Decrease (increase) in inventories | 156,955 | (160,532) |
| Decrease (increase) in prepayments | 45,456 | (27,395) |
| Increase in accounts payable and accrued liabilities | 4,991,049 | 2,515,175 |
| | 500,724 | 2,125,847 |
| Cash flows from capital activities: | | |
| Additions to capital assets | (2,002,985) | (5,116,659) |
| Increase in deferred capital contributions | 1,883,760 | 3,212,440 |
| | (119,225) | (1,904,219) |
| Cash flows from financing activities: | | |
| Payments on capital lease obligations | (120,528) | - |
| Decrease in long-term obligations | (94,385) | (109,624) |
| | (214,913) | (109,624) |
| Net increase in cash | 166,586 | 112,004 |
| Bank indebtedness, beginning of year | (7,979,891) | (8,091,895) |
| Bank indebtedness, end of year | \$ (7,813,305) | \$ (7,979,891) |

See accompanying notes to the financial statements.

WEENEEBAYKO AREA HEALTH AUTHORITY

Notes to Financial Statements

Year ended March 31, 2015

The Weeneebayko Area Health Authority (the "Health Authority") was incorporated on October 3, 2008 pursuant to subsection 4(1) of the Public Hospitals Act, R.S.O. 1990, chapter P.40.

1. Significant accounting policies:

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

(a) Revenue recognition:

The Health Authority accounts for contributions, which include donations and government grants, under the deferral method of accounting.

Under the Health Insurance Act and Regulations thereto, the Health Authority is funded primarily by the North East Local Health Integration Network ("NELHIN"), Health Canada and 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 the subsequent period.

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

Externally restricted contributions are recognized as revenue in the period in which the related expenses are recognized.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on the straight-line basis, at rates corresponding to those of the related capital assets.

Revenue from patient and other services is recognized when the service is provided.

(b) Inventories:

Inventories are stated at the lower of average cost and net realizable value. Cost comprises all costs to purchase, convert and any other costs in bringing the inventories to their present location and condition.

WEENEBAYKO AREA HEALTH AUTHORITY

Notes to Financial Statements

Year ended March 31, 2015

1. Significant accounting policies (continued):

(c) Capital assets:

Purchased capital assets, other than minor equipment, are recorded at cost. Assets acquired under capital leases are initially recorded at the present value of the future minimum lease payments and amortized over the useful life of the assets. Minor equipment replacements are expensed in the year of replacement.

Construction in progress is not amortized until construction is complete and the facilities come into use.

Amortization is provided on the straight-line basis at the following range of annual rates:

| | |
|-----------------------------------|-----------|
| Buildings and site services | 5% |
| Furniture, vehicles and equipment | 5% - 20% |
| Information technology | 20% - 25% |

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. Recoverability is measured by a comparison of the carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. When quoted market prices are not available, the Health Authority uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value.

Assets to be disposed of would be separately presented in the statement of financial position and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer amortized. The asset and liabilities of a disposed group classified as held for sale would be presented separately in the appropriate asset and liability sections of the statement of financial position.

WEENEEBAYKO AREA HEALTH AUTHORITY

Notes to Financial Statements

Year ended March 31, 2015

1. Significant accounting policies (continued):

(d) Employee post-retirement benefits:

The Health Authority 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. The average remaining service period of the active employees covered by the employee benefit plan is 8 years.

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

Substantially all of the employees of the Health Authority are members of the Health Care of Ontario Pension Plan (the "Plan"), which is a multi-employer, defined benefit pension plan. The Health Authority has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Health Authority 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.

(e) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the periods specified. Significant items subject to such estimates and assumptions include the carrying amount of capital assets; valuation allowances for receivables, and inventories; and assets and obligations related to employee future benefits. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

(f) Funding adjustments:

The Health Authority receives grants from the NELHIN, Health Canada, MOHLTC, Aboriginal Health and Wellness ("AHW"), Cancer Care Ontario ("CCO") and Health Force Ontario ("HFO") for specific services. Pursuant to the related agreements, if the Health Authority does not meet specified levels of activity, the NELHIN, Health Canada, MOHLTC, AHW, CCO and HFO may be entitled to seek refunds. Should any amounts become refundable, the refunds would be charged to operations in the period in which the refund is determined to be payable. Should programs and activities incur a deficit, the Health Authority records any recoveries thereon in the period in which collection is received.

WEENEEBAYKO AREA HEALTH AUTHORITY

Notes to Financial Statements

Year ended March 31, 2015

1. Significant accounting policies (continued):

(g) Financial instruments:

All financial instruments are initially recorded on the statement of financial position at fair value.

All investments, if any, held in equity instruments that trade in an active market are recorded at fair value. Management has elected to record investments at fair value as they are managed and evaluated on a fair value basis. Freestanding derivative instruments that are not equity instruments that are quoted in an active market are subsequently measured at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

All financial assets are assessed for impairment on an annual basis. Where a decline in fair value is determined to be other than temporary, the amount of the loss is recognized in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses. On sale, the statement of remeasurement gains and losses associated with that instrument are reversed and recognized in the statement of operations.

2. Accounts receivable:

| | 2015 | 2014 |
|---------------------------------------|--------------|-------------|
| Health Canada – program funding | \$ 1,493,060 | 2,130,477 |
| Health Canada – non-insured travel | 1,267,747 | 2,115,047 |
| Ministry of Health and Long-Term Care | 1,596,644 | – |
| Canada Revenue Agency (HST) | 696,706 | 916,863 |
| Other | 1,225,164 | 1,185,578 |
| | 6,279,321 | 6,347,965 |
| Less allowance for doubtful accounts | (203,703) | (1,886,898) |
| | \$ 6,075,618 | 4,461,067 |

WEENEEBAYKO AREA HEALTH AUTHORITY

Notes to Financial Statements

Year ended March 31, 2015

3. Capital assets:

| 2015 | Cost | Accumulated Amortization | Net book Value |
|--------------------------------|---------------|-----------------------------|-------------------|
| Property and land improvements | \$ 1,056,994 | 268,718 | 788,276 |
| Buildings | 54,030,477 | 30,294,122 | 23,736,355 |
| Furniture and equipment | 25,704,170 | 21,615,530 | 4,088,640 |
| Information technology | 1,385,804 | 989,031 | 396,773 |
| Construction in progress | 6,580,588 | — | 6,580,588 |
| | \$ 88,758,033 | 53,167,401 | 35,590,632 |

| 2014 | Cost | Accumulated Amortization | Net book Value |
|--------------------------------|---------------|-----------------------------|-------------------|
| Property and land improvements | \$ 1,054,004 | 257,842 | 796,162 |
| Buildings | 54,026,249 | 28,812,853 | 25,213,396 |
| Furniture and equipment | 24,527,576 | 20,536,958 | 3,990,618 |
| Information technology | 1,385,804 | 787,416 | 598,388 |
| Construction in progress | 5,276,903 | — | 5,276,903 |
| | \$ 86,270,536 | 50,395,069 | 35,875,467 |

4. Bank indebtedness:

Pursuant to an agreement, the Health Authority's primary banker has provided the Health Authority with demand credit facilities for operating purposes. The credit facility is for \$10,000,000, is payable on demand with no fixed terms of repayment and bears interest at the rate of prime minus 0.5%. The credit facility is secured by a general security agreement over the Health Authority's assets.

WEENEebAYKO AREA HEALTH AUTHORITY

Notes to Financial Statements

Year ended March 31, 2015

5. Accounts payable and accrued liabilities:

| | 2015 | 2014 |
|--|---------------|------------|
| Accounts payable and accrued liabilities: | | |
| - operating and capital | \$ 8,778,311 | 5,748,750 |
| - NELHIN/MOHLTC | 48,859 | 562,777 |
| - Health Canada | 2,247,669 | 1,695,442 |
| Payroll accruals: | | |
| - salaries, wages and employee benefit contributions | 1,163,820 | 2,287,088 |
| - vacation pay, overtime, statutory holiday and sick leave banks | 1,621,471 | 1,056,800 |
| - negotiated settlement | 5,028,114 | 2,813,395 |
| Deferred revenue | 823,919 | 556,862 |
| | \$ 19,712,163 | 14,721,114 |

6. Obligations under capital leases:

| | 2015 | 2014 |
|---|------------|------|
| Capital lease obligation, bearing interest at 0.68%, expiring September 2016 | \$ 363,983 | - |
| Less current portion of obligations under capital leases | 242,254 | - |
| | \$ 121,729 | - |

Future minimum lease payments are as follows:

| | 2015 | 2014 |
|--|------------|------|
| 2016 | \$ 243,940 | - |
| 2017 | 122,005 | - |
| | 365,945 | - |
| Less interest included in lease payments | 1,962 | - |
| Present value of future minimum lease payments | \$ 363,983 | - |

WEENEEBAYKO AREA HEALTH AUTHORITY

Notes to Financial Statements

Year ended March 31, 2015

7. Long-term obligations:

| | 2015 | 2014 |
|--|------------|-----------|
| Employee post-retirement benefits | \$ 547,100 | 1,034,600 |
| Bank of Nova Scotia, term loan payable in monthly installments of \$ 9,594, including principal and at 3.57%, matured January 2015 | – | 94,385 |
| | 547,100 | 1,128,985 |
| Less current portion of long-term obligations | – | 94,385 |
| | \$ 547,100 | 1,034,600 |

Employee post-retirement benefits:

The Health Authority provides payments to certain employees upon their retirement, resignation or death while employed with the Health Authority, the amount of which is calculated based on their years of services and annual regular salary at the cessation of their employment. The most recent valuation of the employee future benefits was completed as at March 31, 2015. The next full valuation of the plan will be as of March 31, 2017.

The accrued benefit obligation is recorded in the financial statements as follows:

| | 2015 | 2014 |
|-----------------------------|--------------|-----------|
| Balance, beginning of year | \$ 1,034,600 | 908,800 |
| Add: Benefit costs | 186,500 | 181,300 |
| | 1,221,100 | 1,090,100 |
| Less: Benefit contributions | (43,600) | (55,500) |
| Less: Benefit curtailment | (630,400) | – |
| Balance, end of year | \$ 547,100 | 1,034,600 |

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

The significant actuarial assumptions adopted in measuring the Health Authority's accrued benefit obligations are as follows:

| | 2015 | 2014 |
|---------------|-------|-------|
| Discount rate | 2.50% | 3.50% |

WEENEEBAYKO AREA HEALTH AUTHORITY

Notes to Financial Statements

Year ended March 31, 2015

8. Deferred capital contributions:

Deferred capital contributions represent the unamortized and unspent balances of donations and grants restricted for capital asset acquisitions. Details of the continuity of these funds are as follows:

| | 2015 | 2014 |
|------------------------------------|---------------|-------------|
| Balance, beginning of year | \$ 31,549,900 | 30,934,774 |
| Add: Contributions | 1,883,760 | 3,212,440 |
| Less: Amounts amortized to revenue | (2,489,039) | (2,597,314) |
| Balance, end of year | \$ 30,944,621 | 31,549,900 |

The balance of unamortized and unspent funds consists of the following:

| | 2015 | 2014 |
|-------------|---------------|------------|
| Unamortized | \$ 29,977,567 | 30,367,310 |
| Unspent | 967,054 | 1,182,590 |
| | \$ 30,944,621 | 31,549,900 |

9. Commitments:

Pursuant to the integration agreement between the Health Authority and Health Canada, by the expiry of the agreement on March 31, 2016 the Health Authority must set aside \$10,000,000 of Health Canada funding specifically to meet future capital infrastructure requirements. In accordance with this provision an internal restriction in the amount of \$6,000,000 (2014 - \$6,000,000) has been undertaken to date.

10. Contingencies:

- (i) The Health Authority 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.
- (ii) During the year an environmental oil spill occurred at the Attawapiskat hospital location. The extent of the environmental damage and related cost of remediation has yet to be determined and as a result no provision for any potential liability has been recorded. Funding from the NELHIN in the amount of \$1.1 million was received of which \$710,000 has been expended on the related remediation.

WEENEEBAYKO AREA HEALTH AUTHORITY

Notes to Financial Statements

Year ended March 31, 2015

11. Health Canada

- (i) The funding agreement with Health Canada expires March 31, 2016.
- (ii) Pursuant to the integration agreement between the Health Authority and Health Canada, certain costs of integration were to be funded. The Health Authority has identified incurred integration costs in the amount of \$1,075,385, which have been submitted for funding.

Since Health Canada is in the process of evaluating their ability to fund these costs, recognition of this funding has not been reflected in the financial statements.

12. Pension plan:

Substantially all of the employees of the Health Authority are members of the Health Care of Ontario Pension Plan (the "Plan") which is a multi-employer defined benefit plan. Contributions to the Plan made during the year on behalf of employees amounted to \$1,767,896 (2014 - \$1,089,033) and are included in employee benefits in the statement of operations.

13. Financial risks and concentration of credit risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Health Authority is exposed to credit risk with respect to accounts receivable.

The Health Authority assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Health Authority at March 31, 2015 is the carrying value of these assets.

Management considers credit risk to be minimal as most of the accounts receivable balance is collected in a timely fashion.

There have been no significant changes to the credit risk exposure from 2014.

(b) Liquidity risk:

Liquidity risk is the risk that the Health Authority will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Health Authority manages its liquidity risk by monitoring its operating requirements. The Health Authority prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 60 days of the date of an invoice.

There have been no significant changes to the liquidity risk exposure from 2014.

WEENEEBAYKO AREA HEALTH AUTHORITY

Schedule 1

Schedule of Revenues and Expenses - Hospital Operations

Year ended March 31, 2015, with comparative information for 2014

| | 2015 Budget | 2015 Actual | 2014 Actual |
|---|---------------------|-----------------------|-----------------------|
| Revenue: | | | |
| North East Local Health Integration Network | \$ 22,678,459 | \$ 23,041,931 | \$ 23,221,360 |
| Ministry of Health and Long-Term Care | 6,190,000 | 5,927,747 | 5,208,637 |
| Health Canada | 12,000,000 | 12,000,000 | 12,000,000 |
| Patient services | 1,400,729 | 1,193,610 | 1,198,805 |
| Rental | 782,800 | 828,935 | 809,912 |
| Other recoveries | 2,356,625 | 2,258,634 | 1,863,969 |
| Insurance recoveries | - | 703,634 | 856,882 |
| Amortization - deferred capital contributions for equipment | 500,000 | 907,217 | 721,089 |
| | <u>45,908,613</u> | <u>46,861,708</u> | <u>45,880,654</u> |
| Expenses: | | | |
| Salaries and wages | 19,297,015 | 21,825,443 | 21,894,164 |
| Isolated post allowance | 3,446,805 | 2,796,398 | 2,837,222 |
| Employee benefits | 3,985,020 | 3,455,975 | 3,473,469 |
| Medical staff remuneration | 6,115,000 | 6,098,053 | 5,638,949 |
| Professional fees | 928,780 | 959,967 | 1,026,054 |
| Travel and training | 1,285,853 | 1,131,106 | 1,447,167 |
| Supplies and program costs | 8,304,815 | 8,455,694 | 8,595,593 |
| Carrying charges | 260,000 | 589,211 | 459,648 |
| Insurance claims | - | 720,750 | 1,202,517 |
| Attawapiskat oil spill | - | 710,546 | - |
| Fuel | 1,485,325 | 1,504,244 | 1,715,672 |
| Amortization - equipment | 800,000 | 1,280,192 | 1,102,895 |
| | <u>45,908,613</u> | <u>49,527,579</u> | <u>49,393,350</u> |
| Deficiency of revenue over expenses before the undernoted | - | (2,665,871) | (3,512,696) |
| Surpluses repayable | - | - | (133,695) |
| Amortization - buildings | (2,000,000) | (1,492,139) | (2,007,502) |
| Amortization - deferred capital contributions for buildings | 1,500,000 | 1,581,822 | 1,876,225 |
| Deficiency of revenue over expenses | <u>\$ (500,000)</u> | <u>\$ (2,576,188)</u> | <u>\$ (3,777,668)</u> |

See accompanying notes to the financial statements.

WEENEEBAYKO AREA HEALTH AUTHORITY

Schedule 2

Schedule of Revenues and Expenses - Specifically-Funded Provincial Programs

Year ended March 31, 2015, with comparative information for 2014

| | Ambulance Services | Mental Health | Locum Travel | 2015 Total | 2014 Total |
|---|-----------------------|------------------|-----------------|---------------|---------------|
| Revenue: | | | | | |
| North East Local Health Integration Network | \$ - | 1,284,063 | - | 1,284,063 | \$ 1,001,143 |
| Ministry of Health and Long-Term Care | 8,837,058 | - | - | 8,837,058 | 7,267,741 |
| Health Force Ontario | - | - | 52,723 | 52,723 | 63,237 |
| Cancer Care Ontario | - | - | - | - | 54,079 |
| Other recoveries | 92,292 | - | - | 92,292 | 108,272 |
| | 8,929,350 | 1,284,063 | 52,723 | 10,266,136 | 8,494,472 |
| Expenses: | | | | | |
| Salaries and wages | 5,304,572 | 812,424 | - | 6,116,996 | 5,020,352 |
| Isolated post allowance | 482,607 | 73,380 | - | 555,987 | 510,949 |
| Employee benefits | 1,161,784 | 206,988 | - | 1,368,772 | 1,239,528 |
| Professional fees | 9,464 | 38,211 | - | 47,675 | 43,995 |
| Travel and training | 140,505 | 45,237 | 16,989 | 202,731 | 214,519 |
| Administration | 81,500 | - | - | 81,500 | 45,000 |
| Supplies and program costs | 1,092,698 | 106,658 | 35,734 | 1,235,090 | 1,607,032 |
| | 8,273,130 | 1,282,898 | 52,723 | 9,608,751 | 8,681,375 |
| Excess (deficiency) of revenue over expenses before the undernoted | 656,220 | 1,165 | - | 657,385 | (186,903) |
| Surplus repayable - prior year | (656,220) | - | - | (656,220) | (62,268) |
| Excess (deficiency) of revenue over expenses | \$ - | 1,165 | - | 1,165 | \$ (249,171) |

See accompanying notes to the financial statements.

WEENEEBAYKO AREA HEALTH AUTHORITY

Schedule of Revenues and Expenses - Specifically-Funded Federal Programs

Schedule 3

Year ended March 31, 2015, with comparative information for 2014

| | Indian Residential School | Non-Insured Dental | NIHB Medical Transport Admin | Timmins Translator | NIHB Charter | Moosonee Hostel | Timmins Hostel | Local Transportation | Traditional Heating | Zone Support | Pre-Natal Teaching | Mental Health Integration | Capital ON-1500032 | 2015 Total | 2014 Total |
|--|---------------------------|--------------------|------------------------------|--------------------|--------------|-----------------|----------------|----------------------|---------------------|--------------|--------------------|---------------------------|--------------------|---------------|---------------|
| Revenue: | | | | | | | | | | | | | | | |
| Health Canada | \$ 1,051,457 | 1,623,818 | 617,600 | - | 5,500,000 | 951,500 | 856,651 | 721,600 | 1,084,984 | 999,900 | 98,270 | 334,596 | 85,278 | \$ 13,925,654 | \$ 14,173,636 |
| Ministry of Community and Social Services | - | - | - | 58,750 | - | - | 188,371 | - | - | - | - | - | - | 247,121 | 231,389 |
| Other recoveries | - | 35,601 | - | - | - | - | - | - | - | - | - | - | - | 35,601 | 39,034 |
| | 1,051,457 | 1,659,419 | 617,600 | 58,750 | 5,500,000 | 951,500 | 1,045,022 | 721,600 | 1,084,984 | 999,900 | 98,270 | 334,596 | 85,278 | 14,208,376 | 14,444,058 |
| Expenses: | | | | | | | | | | | | | | | |
| Salaries and wages | 85,026 | 405,521 | 517,571 | 55,648 | - | 40,761 | 331,879 | 143,787 | 98,664 | 324,000 | 15,000 | 179,422 | - | 2,197,279 | 2,063,864 |
| Isolated post allowance | - | 107,806 | 70,245 | - | - | - | - | 20,682 | 7,079 | - | - | - | - | 205,812 | 203,104 |
| Employee benefits | - | 75,624 | 82,390 | 9,870 | - | 13,922 | 47,667 | 21,844 | 13,872 | - | - | 53,878 | - | 318,867 | 331,812 |
| Professional fees | - | 706,472 | - | - | - | - | - | - | 604,346 | - | - | 43,473 | - | 1,354,291 | 1,178,549 |
| Administration fees | - | - | 28,159 | - | 484,268 | 80,217 | 45,781 | 65,600 | - | - | - | - | - | 704,025 | 709,208 |
| Travel and training | 966,431 | 161,072 | 633 | 1,412 | 4,407,764 | - | 1,544 | 506,009 | 415,783 | 8,898 | - | 60,034 | - | 6,531,580 | 5,794,355 |
| Supplies and program costs | - | 137,845 | 82,999 | - | - | 747,489 | 707,262 | 43,429 | 7,473 | 740,027 | 35,686 | - | 85,278 | 2,587,508 | 2,494,828 |
| Bad debts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 725,000 |
| | 1,051,457 | 1,594,340 | 781,997 | 66,930 | 4,892,032 | 882,389 | 1,134,153 | 803,351 | 1,147,017 | 1,072,925 | 50,686 | 336,807 | 85,278 | 13,869,362 | 13,500,720 |
| Excess (deficiency) of revenue over expenses before the undernoted | - | 65,079 | (164,397) | (8,180) | 607,968 | 69,111 | (89,131) | (81,751) | (62,033) | (73,025) | 47,584 | (2,211) | - | 309,014 | 943,338 |
| Surplus repayable | - | - | - | - | (607,968) | - | - | - | - | - | - | - | - | (607,968) | (1,149,628) |
| Excess (deficiency) of revenue over expenses | \$ - | 65,079 | (164,397) | (8,180) | - | 69,111 | (89,131) | (81,751) | (62,033) | (73,025) | 47,584 | (2,211) | \$ - | (268,954) | \$ (206,290) |

See accompanying notes to the financial statements.