

Sioux Lookout Meno Ya Win Health Centre
Financial Statements
March 31, 2015

Sioux Lookout Meno Ya Win Health Centre Contents

For the year ended March 31, 2015

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Management's Responsibility

To the Resource Utilization Committee of Sioux Lookout Meno Ya Win Health Centre:

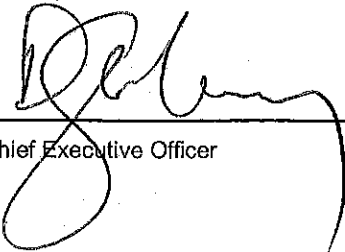
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

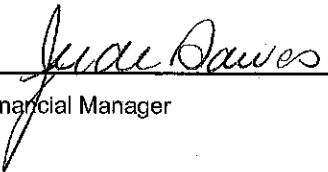
The Board of Directors is composed primarily of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

June 19, 2015



Chief Executive Officer



Financial Manager

Independent Auditors' Report



To the Resource Utilization Committee of Sioux Lookout Meno Ya Win Health Centre:

We have audited the accompanying financial statements of Sioux Lookout Meno Ya Win Health Centre, which comprise the statement of financial position as at March 31, 2015, 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 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 the auditors' 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 Sioux Lookout Meno Ya Win Health Centre as at March 31, 2015 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information presented in Schedules 1-5 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such supplemental information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Kenora, Ontario

June 19, 2015



Sioux Lookout Meno Ya Win Health Centre
Statement of Financial Position

As at March 31, 2015

	2015	2014 <i>(Restated)</i>
Assets		
Operating Fund		
Current Assets		
Cash	10,343	2,606,077
Short-term investments <i>(Note 1)</i>	-	34
Accounts receivable		
Ontario Ministry of Health and Local Health Integration Network	3,959,737	8,023,338
Other	2,483,775	2,710,423
Allowance for doubtful accounts	(648,641)	(998,844)
Inventory <i>(Note 2)</i>	329,773	365,736
Prepaid expenses	262,285	339,665
Total current assets	6,397,272	13,046,429
Capital Assets <i>(Note 3)</i>		
Land, buildings, equipment & software	158,458,148	156,977,190
Less accumulated amortization	(28,220,383)	(23,790,862)
Total capital assets	130,237,765	133,186,328
Total assets	136,635,037	146,232,757
Trust Fund		
Current Assets		
Short-term investments <i>(Note 1)</i>	18,340	18,340

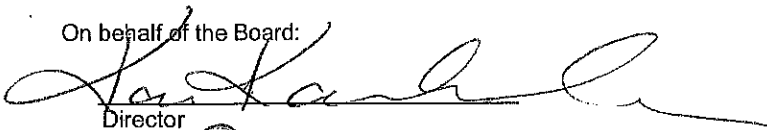
The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

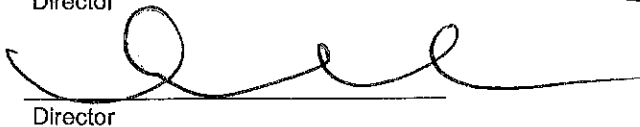
Sioux Lookout Meno Ya Win Health Centre
Statement of Financial Position

As at March 31, 2015

	2015	2014 <i>(Restated)</i>
Liabilities and Fund Balances		
Operating Fund		
Current Liabilities		
Bank indebtedness <i>(Note 4)</i>	425,233	-
Accounts payable and accrued liabilities		
Ontario Ministry of Health/Local Health Integration Network	1,135,289	1,101,519
Accounts payable and accrued liabilities <i>(Note 5)</i>	2,826,617	2,820,421
Accrued salaries and wages	2,244,540	2,158,385
Deferred revenue <i>(Note 6)</i>	1,174,318	1,965,556
Current portion of post-retirement benefits liability <i>(Note 8)</i>	99,000	70,176
Current portion of long-term debt <i>(Note 7)</i>	1,220,162	5,413,600
	9,125,159	13,529,657
Long-term debt <i>(Note 7)</i>	450,000	975,903
Post-retirement benefits liability <i>(Note 8)</i>	1,556,200	1,404,799
Unamortized deferred capital financing <i>(Note 9)</i>	125,809,446	131,693,397
Deferred contributions - restricted for future capital asset purchases	670,883	221,452
	128,486,529	134,295,551
Contingent liabilities and commitments <i>(Note 13)</i>		
Net assets		
Unrestricted	(5,404,970)	(3,085,382)
Investment in capital assets <i>(Note 10)</i>	4,428,319	1,492,931
	(976,651)	(1,592,451)
Total liabilities and fund balances	136,635,037	146,232,757
Trust Fund		
Fund Balance - Dr. Hugh W. Allen Scholarship	18,340	18,340

On behalf of the Board:


 Director


 Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Sioux Lookout Meno Ya Win Health Centre Statement of Operations

For the year ended March 31, 2015

	2015	2014 <i>(Restated)</i>
REVENUE (Schedule 1)		
Ministry of Health and Long Term Care and LHIN	32,005,228	30,849,043
Health Canada	321,008	430,489
Service recipient	2,521,265	2,492,469
Other revenue and recoveries	2,643,095	2,286,624
Amortization of donations and grants for equipment (Note 9)	1,067,320	791,627
Net gain (loss) on disposal of equipment	(1,868)	(7,944)
	38,556,048	36,842,308
Separately Financed Programs (Schedule 3)	2,161,328	1,711,697
Regional Small Hospital Projects (Schedule 4)	1,196,739	2,384,141
Less: Interdepartmental allocated recoveries (Schedule 1)	(463,608)	(413,447)
Total revenue	41,450,507	40,524,700
EXPENSES		
Salaries, purchased services and benefits (Schedule 2)	24,954,458	24,289,080
Employee future benefits	191,019	188,354
Medical fees	1,907,351	1,837,826
Supplies and other expenses (Schedule 2)	7,954,112	8,400,202
Medical and surgical supplies (Schedule 2)	1,029,403	1,027,950
Drugs and medical gases	524,983	586,137
Equipment and software amortization	1,081,166	1,329,748
Bad debts	521,980	510,931
	38,164,473	38,170,228
Separately Financed Programs (Schedule 3)	2,225,037	1,783,116
Regional Small Hospital Projects (Schedule 4)	1,196,739	2,384,141
Less: Interdepartmental allocated expenses (Schedule 2)	(463,608)	(413,447)
Total expenses	41,122,641	41,924,038
Surplus (deficit) of revenue over expenses before building amortization	327,866	(1,399,339)
Amortization of buildings	(3,367,174)	(3,572,957)
Amortization of deferred contributions related to buildings (Note 9)	3,655,108	3,454,367
	287,934	(118,590)
Surplus (deficit) of revenue over expenses for the year	615,800	(1,517,929)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Sioux Lookout Meno Ya Win Health Centre
Statement of Changes in Net Assets
Operating Fund

For the year ended March 31, 2015

	2015	2014 <i>(Restated)</i>
Unrestricted		
Unrestricted, beginning of year	(3,085,382)	(984,868)
Excess (deficiency) of revenue over expenses for the year	615,800	(1,517,929)
Deficiency (excess) of revenue over expenses for the year <i>(Note 10)</i>	(271,389)	665,482
Net change in investment in capital assets <i>(Note 10)</i>	(2,663,999)	(1,248,067)
Unrestricted, end of year	(5,404,970)	(3,085,382)
Investment in Capital Assets		
Investment in capital assets, beginning of year	1,492,931	910,346
Prior period adjustment <i>(Note 18)</i>		
Excess (deficiency) of revenue over expenses for the year <i>(Note 10)</i>	271,389	(665,482)
Net change in investment in capital assets <i>(Note 10)</i>	2,663,999	1,248,067
Investment in capital assets, end of year	4,428,319	1,492,931

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Sioux Lookout Meno Ya Win Health Centre
Statement of Operations and Fund Balance
Trust Fund

For the year ended March 31, 2015

	2015	2014
Revenue	-	-
Expenses	-	-
Excess (deficiency) of revenue over expenses	-	-
Fund balance, beginning of year	18,340	18,340
Fund balance, end of year	18,340	18,340

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Sioux Lookout Meno Ya Win Health Centre
Statement of Cash Flows
For the year ended March 31, 2015

	2015	2014 (Restated)
Cash provided by (used in)		
Operating Activities		
Excess (deficiency) of revenue over expenses for the year	615,800	(1,517,929)
Items not involving cash		
Amortization of capital assets (Note 10)	4,448,340	4,902,705
Amortization of capital grants related to separately financed programs (Note 10)	-	(16,250)
Amortization of deferred provincial equipment and building grants (Note 10)	(4,722,428)	(4,245,994)
Amortization of capital assets related to separately financed programs (Note 10)	831	15,475
Changes in non-cash operational balances (Note 11)	3,388,272	(921,784)
Loss on disposal of capital assets (Note 10)	1,868	9,544
Deferred capital financing recovered (Note 9)	(869,052)	-
Increase in post-retirement benefits liability	180,225	180,500
	3,043,856	(1,593,733)
Investing Activities		
Purchase of capital assets	(1,552,143)	(6,093,498)
Financing Activities		
Decrease in short-term investments	34	-
Increase (decrease) in bank indebtedness	-	(215,351)
Advances of long-term debt	4,008,826	6,389,503
Repayment of long-term debt	(8,728,167)	-
Decrease in obligations under capital lease (Note 10)	-	(18,034)
Proceeds on disposal of capital assets (Note 10)	49,667	4,374
Capital grants and fund raising receipts (Note 10)	156,960	4,104,304
	(4,512,680)	10,264,796
Increase (decrease) in cash during the year	(3,020,967)	2,577,564
Cash, beginning of year	2,606,077	28,511
Cash, end of year	(414,890)	2,606,077
Represented by:		
Restricted	82	90
Unrestricted	10,261	2,605,987
Bank indebtedness	(425,233)	-
Cash, end of year	(414,890)	2,606,077
Supplementary cash flow information		
Interest paid	52,207	7,428
Interest income	8,912	26,087

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Sioux Lookout Meno Ya Win Health Centre

Summary of Significant Accounting Policies

For the year ended March 31, 2015

Operations Sioux Lookout Meno Ya Win Health Centre ("the Health Centre") was created by Bill Pr15 of the Ontario Legislature that received Royal Assent on December 14, 2001. The Health Centre's vision is to "be a centre of excellence for health through New and Expanded Services and Partnerships". The Health Centre is a not-for-profit organization that is exempt from corporate income taxes.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards as issued by the Accounting Standards Board.

These financial statements reflect the assets, liabilities and operations of the Health Centre. They do not include the assets, liabilities or operations of the Sioux Lookout Meno Ya Win Health Centre Foundation, which, although associated with the Health Centre, is separately managed, and reports to a separate Board of Trustees.

In addition to the Health Centre's operating fund which reflects the activities of the day to day operations of the Health Centre, the financial statements also include the activities of the following

Ministry of Health and Long-Term Care and LIHN:

- Mental Health and Addictions Program
- Integrated Pregnancy
- Diabetes Footcare Outreach
- Small Hospitals Quality Scorecard
- Medication Management
- e-ICU Project

The Scholarship or Trust Fund which records the activities related to the investments and granting of scholarships to students is for students enrolled at a post secondary institution in a health discipline.

The operating results of these programs are recorded in Schedule 3 and Schedule 4 to the financial statements and their assets and liabilities are reported on the statement of financial position of the Health Centre. Program surpluses are recorded as repayable in the year incurred, except for those programs for which permission has been obtained to carry over surpluses for future program expenditures. In these cases, program surpluses have been recorded as deferred contributions. Program deficits are included in general operations, since they are not funded by the Ministry. Adjustment settlements by the Ministry are recorded when settled.

Revenue Recognition The Health Centre follows the deferral method of accounting for contributions which include donations and government grants.

Under the Health Insurance Act and Regulations thereto, the Health Centre is funded, primarily by the Province of Ontario, in accordance with budget arrangements established by the Ministry of Health and Long-Term Care. 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. When a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Under the Health Insurance Act and the regulations thereto, the Health Centre is funded, primarily by the Province of Ontario, in accordance with budget arrangements established by the Ontario Ministry of Health. These financial statements reflect the agreed funding arrangements approved by the Ontario Ministry with respect to the year ended March 31, 2015. The final amount of operating revenue cannot be determined until the Ministry has reviewed the Health Centre's financial and statistical returns for the year. Any adjustments arising from the Ministry's review is recorded in the period in which the adjustment is made.

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.

Sioux Lookout Meno Ya Win Health Centre Summary of Significant Accounting Policies

For the year ended March 31, 2015

Revenue Recognition Continued	<p>Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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 except for contributions relating to separate Ministry of Health and Long-Term Care Programs which are included in program expenses. Provincial and federal building grants and fundraising receipts for the building received by the Health Centre are deferred and will be amortized on a straight line basis at a rate corresponding with the amortization rate for the buildings.</p> <p>Revenue from the Provincial Insurance Plan and marketed services is recognized when the goods are sold or when the service is provided.</p>
Contributed Services	<p>There are a substantial number of volunteers who contribute a significant amount of their time each year to the Health Centre. Because of the difficulty of determining the fair value, contributed services are not recognized in these financial statements.</p>
Government Transfers	<p>The Health Centre recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Health Centre recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.</p>
Cash and Cash Equivalents	<p>Cash includes balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.</p>
Investments	<p>Investments are recorded at fair value. Transaction costs related to the acquisition of investments are recorded against investment income. Sales and purchases of investments are recorded on the settlement date.</p> <p>Fair value is determined at quoted market prices. The calculation of fair value is based upon market conditions and at a specific point in time and may not be reflective of future fair value.</p>
Inventory	<p>Inventory is stated at the lower of cost or replacement value. Cost is generally determined on the first-in, first-out basis, except for material management, where cost is determined on an average cost basis. Inventories are written down to net realizable value when the cost is not estimated to be recoverable. When circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in retail selling price, the amount of the write-down previously recorded is reversed.</p>

Sioux Lookout Meno Ya Win Health Centre

Summary of Significant Accounting Policies

For the year ended March 31, 2015

Capital Assets Purchased capital assets are initially recorded at cost, except for capital assets purchased for other programs. The capital assets policy for other programs is described below under Ministry of Health and Long-Term Care Programs. Contributed capital assets are recorded at fair value at the date of contribution. When a capital asset no longer contributes to the Health Centre's ability to provide services, its carrying amount is written down to its residual value.

Minor equipment replacements are expensed in the year purchased, and software over a three year period. Construction in progress is not amortized until the project is complete and the facilities come into use.

Capital Assets are amortized over the useful life of the asset. The capital assets are amortized as follows:

Land improvements	3 to 20 Years
Building and building service equipment	10 to 40 Years
Major equipment	3 to 20 Years
Residence - other land and buildings	10 to 40 Years
Residence - furniture and fixtures	3 to 20 Years

Leased Equipment Equipment leased on terms which transfer substantially all of the benefits and risks of ownership to the Health Centre are accounted for as "capital leases" and are therefore accounted for as though an asset had been purchased and a liability incurred.

Compensated Absences Compensation expense is accrued for all employees as entitlement to these payments is earned, in accordance with the Health Centre's benefit plans for vacation, sick leave and retirement allowances.

Ministry of Health and Long-Term Care The Ministry of Health and Long-Term Care programs follow Canadian public sector accounting standards, except for the following:

1. Capital assets are expensed in the year of purchase
2. Contributions restricted for the purchase of capital assets are reported in revenue in the year that the assets were purchased. There was a one-time exception to this rule regarding a software purchase that was capitalized and amortized.

The Health Centre does not follow generally accepted accounting principles in these circumstances since the above reporting guidelines are the basis on which these programs are funded. The net effect of these differences is not material to the Health Centre's operating results.

Post-Retirement Benefits The Health Centre accrues its obligation for employee benefit plans. The cost of non-pension post-retirement and post-employment benefits earned by employees is actuarially determined using the projected benefits method pro-rated on service and management's best estimate of retirement ages and expected health care costs. The attribution period for such cost begins the date of hire of the employee to the date the employee becomes fully eligible to receive the benefits. The discount rate used to determine accrued benefit obligations is based on a year-end market rate of interest for high quality debt instruments with cash flows that match the timing and amount of expected benefit payments.

Adjustments arising from plan amendments, including past service costs, are amortized on a straight-line basis over the average remaining service period of employees active at the date of the amendment.

Sioux Lookout Meno Ya Win Health Centre

Summary of Significant Accounting Policies

For the year ended March 31, 2015

Post-Retirement Benefits Continued

The Health Centre is an employer member of the Healthcare of Ontario Pension Plan (the "Plan"), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Health Centre has adopted defined contribution plan accounting principles for the Plan because insufficient information is available to apply defined benefit plan accounting principles. The Health Centre records as pension expense the current service cost, amortization of past service costs and interest costs related to future employer contributions to the Plan for past employee service.

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 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 reporting period. Actual results could differ from these estimates.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization of capital assets and deferred capital contributions are based on the estimated useful lives of capital assets. Accounts payable and accruals are based on historical charges for unbilled goods and services at year end. The post retirement benefits liability is based on a tri-annual actuarial evaluation which is revised and updated annually.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known.

Financial Instruments

The Health Centre recognized its financial instruments when the Health Centre becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Health Centre may irrevocably elect to subsequently measure any financial instrument at fair value. The Health Centre has not made such an election during the year.

The Health Centre subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that is linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Health Centre's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the organization, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the surplus/deficit for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

Sioux Lookout Meno Ya Win Health Centre
Notes to the Financial Statements

For the year ended March 31, 2015

1. Short-term investments

<u>Operating fund</u>	2015	2014
Cash investment account	-	34
<hr/>		
<u>Trust fund</u>		
Cash investment account	18,340	18,340

2. Inventory

	2015	2014
Opening balance	365,736	359,199
Purchases	4,023,931	3,829,957
Transfer to expenses	(4,059,894)	(3,823,420)
<hr/>		
Ending balance	329,773	365,736

3. Capital assets

	Cost	Accumulated Amortization	2015 Net Book Value
Land	315,929	-	315,929
Land improvements	6,220	6,220	-
Building and building service equipment	142,054,841	15,303,305	126,751,536
Major equipment	16,000,162	12,842,362	3,157,800
Residence - other land and buildings	79,548	67,048	12,500
Residence - furniture and fixtures	1,448	1,448	-
<hr/>			
	158,458,148	28,220,383	130,237,765

	Cost	Accumulated Amortization	2014 Net Book Value <i>(Restated)</i>
Land	315,929	-	315,929
Land improvements	6,220	6,220	-
Building and building service equipment	140,937,771	11,935,860	129,001,911
Major equipment	15,636,275	11,780,287	3,855,988
Residence - other land and buildings	79,548	67,048	12,500
Residence - furniture and fixtures	1,448	1,448	-
<hr/>			
	156,977,190	23,790,862	133,186,328

Sioux Lookout Meno Ya Win Health Centre Notes to the Financial Statements

For the year ended March 31, 2015

4. Bank Indebtedness

The Health Centre has an operating line of credit of \$2,000,000 that bears an interest rate of 2.5%, is unsecured and is due on demand. As at March 31, 2015, there were unused credit facilities of \$1,574,767 (2014 - \$2,000,000).

5. Accounts payable and accrued liabilities	2015	2014
Trade accounts payable	2,353,475	2,327,278
Payroll remittances	156,626	227,490
Other payables and accruals	314,784	265,653
HST payable	1,732	-
	2,826,617	2,820,421

6. Deferred revenue	2015	2014
Medication Management	1,028,646	1,965,556
Research and operations	128,196	-
Heath Canada	17,476	-
	1,174,318	1,965,556

7. Long-term debt

	2015	2014
BMO loan, bearing interest at prime (2.85% - March 31, 2015), interest payable monthly and principal due at maturity, maturing March 31, 2016. Unsecured.	880,676	-
SLMYWHC Foundation loan, bearing interest at 5.00%, interest payable monthly and principal due at maturity, maturing March 31, 2018. Unsecured.	450,000	-
BMO loan, bearing interest at prime less 0.35% (2.50% - March 31, 2015), interest payable monthly and principal due at maturity, maturing March 31, 2016. Unsecured.	339,486	-
BMO loan (refinanced)	-	4,889,503
BMO loan (matured)	-	1,500,000
	1,670,162	6,389,503
Less: current portion	1,220,162	5,413,600
	450,000	975,903

Principal repayments on debt in each of the next five years, assuming long-term debt subject to refinancing is renewed at similar rates and terms, are estimated as follows:

2016	Principal 1,220,162
2017	-
2018	450,000
2019	-
2020	-
	1,670,162

Sioux Lookout Meno Ya Win Health Centre
Notes to the Financial Statements
For the year ended March 31, 2015

8. Post-retirement benefits liability

The Health Centre provides extended health care, dental and life insurance to all unionized full time employees, who enroll in the benefit plans and extends this coverage to the post-retirement period. The Health Centre accrues its obligations under these plans as the benefits are earned. Similar to most post-employment benefit plans (other than pension) in Canada, the Health Centre's plan is not pre-funded, resulting in a plan deficit equal to the accrued benefit obligation.

	2015	2014
Liability for post retirement benefits - opening balance	1,474,975	1,294,475
Expense related to post-retirement benefits	254,225	251,500
Funding contributions	(74,000)	(71,000)
	1,655,200	1,474,975
Less: current portion	99,000	70,176
Accrued employee future benefits obligation liability at March 31, 2015	1,556,200	1,404,799

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

Discount rate	3.50%
Dental cost increase	4.00%
Extended health care	7.75% in 2016 decreasing 0.25% per annum until 5.00% in 2027
Retirement	Age 58 or immediate if older than 58
Full eligibility age	Age 55
Members electing coverage at retirement	100%

Included in the employee benefits on the statement of operations is an amount of \$191,019 (2014 - \$188,354) regarding employee future benefits.

Sioux Lookout Meno Ya Win Health Centre
Notes to the Financial Statements

For the year ended March 31, 2015

9. Unamortized deferred capital financing	2015	2014 <i>(Restated)</i>
Balance, beginning of year as originally stated		
Equipment	3,618,235	3,587,331
Building	128,075,162	129,310,647
	131,693,397	132,897,978
Prior period adjustment (Note 18)		
Equipment	-	(985,443)
Building	-	(819,764)
	-	(1,805,207)
Balance, beginning of year as restated		
Equipment	3,618,235	2,601,888
Building	128,075,162	128,490,883
	131,693,397	131,092,771
Grants/donations received during the year		
Equipment	156,960	190,628
Building	-	3,913,676
	156,960	4,104,304
Reductions to grants/donations previously recognized		
Equipment	(1,834)	-
Building	(867,218)	-
	(869,052)	-
Transferred from (to) deferred contributions - restricted for future capital asset purchases		
Equipment	(88,960)	1,629,814
Building	(360,471)	(875,030)
	(449,431)	754,784
Amortization		
Equipment	(1,067,320)	(804,095)
Building	(3,655,108)	(3,454,367)
	(4,722,428)	(4,258,461)
Balance, end of year		
Equipment	2,617,081	3,618,235
Building	123,192,365	128,075,162
	125,809,446	131,693,397

Sioux Lookout Meno Ya Win Health Centre
Notes to the Financial Statements
For the year ended March 31, 2015

10. Investment in capital assets

	2015	2014 <i>(Restated)</i>
 (a) Investment in capital assets is calculated as follows:		
Capital assets	130,237,765	133,186,328
Amounts financed by:		
Deferred capital financing	(125,809,446)	(131,693,397)
	4,428,319	1,492,931
 (b) Changes in net assets invested in capital assets is calculated as follows:		
Excess (deficiency) of revenue over expenses:		
Amortization of capital grants	4,722,428	4,245,994
Amortization of capital grants related to separately financed programs	-	16,250
Amortization of capital assets	(4,448,340)	(4,902,705)
Amortization of capital assets related to separately financed programs	(831)	(15,475)
Gain (loss) on disposal of capital assets	(1,868)	(9,544)
	271,389	(665,482)
 Net changes in investment in capital assets:		
Purchase of capital assets	1,552,143	6,093,498
Deferred capital financing	449,431	(754,784)
Proceeds on disposal of capital assets	(49,667)	(4,374)
Deferred capital financing recovered	869,052	-
Deferred capital financing received	(156,960)	(4,104,304)
Decrease in obligations under capital lease	-	18,034
	2,663,999	1,248,067
	2,935,388	582,585

Sioux Lookout Meno Ya Win Health Centre
Notes to the Financial Statements
For the year ended March 31, 2015

11. Changes in non-cash operational balances

	2015	2014 <i>(Restated)</i>
Cash provided by (used in)		
Operating activities		
Accounts receivable		
Ontario Ministry of Health and LHIN	4,063,601	(2,125,783)
Other	226,648	(502,264)
Allowance for doubtful accounts	(350,203)	126,383
Inventory	35,963	(6,537)
Prepaid expenses	77,380	(55,412)
Accounts payable and accrued liabilities		
Ontario Ministry of Health and LHIN	33,770	(48,526)
Accounts payable and accrued liabilities	6,196	2,970,570
Accrued salaries and wages	86,155	(1,276,432)
Deferred revenue	(791,238)	-
Deferred operating grant	-	(3,783)
	3,388,272	(921,784)

12. Pension agreement

Healthcare of Ontario Pension Plan (the "Plan") provides pension service to more than 270,000 active and retired members and approximately 370 employers. Each year an independent actuary determines the funding status of the Plan by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The results of the most recent actuarial valuation as at December 31, 2013 disclosed an actuarial surplus of \$10,100 million. The results of this valuation disclosed total actuarial liabilities of \$51,600 million in respect of benefits accrued for service with actuarial assets at that date of \$41,500 million. Because the Plan is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario Hospitals and their employees. As a result, the Health Centre does not recognize any share of the Plan surplus or deficit. Contributions made by the Health Centre to the Plan during the year amounted to \$1,676,830 (2014 - \$1,714,424).

13. Contingent liabilities and commitments

The Health Centre is a member of Health Care Insurance Reciprocal of Canada (HIROC). HIROC is a pooling of the public liability insurance risks of its members. All members of the pool pay annual premiums which are actuarially determined. All members are subject to reassessment for losses, if any, experienced by the pool for the years in which they are members and losses could be material. No reassessments have been made to March 31, 2015.

In 2012, the Health Centre entered into a one year extension of the dietary, laundry and housekeeping supply and management contract. The current supplier has been awarded the service extension to expire March 31, 2019. Terms and conditions have not been finalized as of the date of these financial statements.

14. Related entity

The Health Centre has an economic interest in Sioux Lookout Meno Ya Win Health Centre Foundation (the "Foundation") which the Health Centre does not control or have significant influence over. The Foundation holds funds of approximately \$922,627 (2014 - \$913,425), the benefit of which is to be used for capital projects or capital asset purchases of the Health Centre. During the year the Foundation contributed \$142,668 (2014 - \$162,478) to the Health Centre.

Sioux Lookout Meno Ya Win Health Centre
Notes to the Financial Statements
For the year ended March 31, 2015

15. Financial instruments

The Health Centre, as part of its operations, carries a number of financial instruments. It is management's opinion that the Health Centre is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk that the Health Centre will not be able to meet its financial obligations as they fall due. The Health Centre has a planning budgeting process in place to help determine the funds required to support the Health Centre's normal operating requirements on an ongoing basis. The Health Centre ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. To achieve this aim, it seeks to maintain cash balances to meet, at a minimum, expected requirements for a period of at least 90 days. All amounts in accounts payable are current.

Contractual maturities of long-term debt are disclosed in Note 7.

16. Capital disclosures

The Health Centre considers its capital to be its net assets, unrestricted and investment in capital assets. The Health Centre's overall objective when managing its capital is to fund capital assets and ongoing operations. The Health Centre is not subject to externally imposed capital requirements and its overall strategy with respect to capital remains unchanged from the year ended March 31, 2014. Annual budgets were developed and monitored to ensure its capital is maintained at an appropriate level.

17. Economic dependence

The Health Centre receives 85.0% (2014 - 82.2%) of its funding from Ontario Ministry of Health and Long Term Care and the Northwest Health Integrated Network.

18. Correction to opening balances

Effective April 1, 2014, the Health Centre discovered an over-capitalization of major equipment under the capitalization threshold which was purchased in conjunction with the construction of the new Health Centre. This over-capitalization occurred in the years prior to 2014 effectively overstating capital assets and the associated deferred contributions by \$985,443. The correction of this error was applied retrospectively and prior balances have been restated.

Effective April 1, 2014, the Health Centre discovered decommissioning expenses related to the previous building had been capitalized under Building and Building Service Equipment in conjunction with the construction of the new the Health Centre. This overstatement occurred prior to April 2013 effectively overstating capital assets and the associated deferred contributions by \$819,764. The correction of this error was applied retrospectively and prior balances have been restated.

The net effect of the above changes resulted in respective decreases to the 2014 opening balance of capital assets and unamortized deferred capital financing and had no effect on the investment in capital assets or unrestricted balances.

19. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

Sioux Lookout Meno Ya Win Health Centre
Schedule 1 - Hospital Revenue

For the year ended March 31, 2015

(Unaudited)

	2015	2014 <i>(Restated)</i>
Ministry of Health and Long Term Care and LHIN		
LHIN Base Funding	30,355,697	29,385,931
LHIN One-Time Funding	275,252	455,429
MOHLTC Base Funding	40,000	(7,383)
MOHLTC One-Time Funding	116,476	15,802
MOHLTC Other Funding	709,933	903,770
MOHLTC Paymaster Funding	534,749	95,494
Provision for Recoveries	(26,879)	-
	32,005,228	30,849,043
Health Canada	321,008	430,489
Service recipient		
OHIP	1,310,269	1,130,091
Federal Government	11,181	121,007
Workplace Safety and Insurance Board	25,702	56,733
Other Province Insurance	138,877	176,112
Non-resident of Canada	51,217	40,379
Uninsured Residents of Ontario	329,690	460,213
Chronic and Long-Term Care Co-Payments	472,183	401,651
Preferred Accommodation Charges	68,646	2,074
Ambulance Services	45,855	40,290
Other Service Recipient Revenue	67,645	63,919
	2,521,265	2,492,469
Other revenue and recoveries		
Investment Income	8,912	7,428
Accommodation Rent	64,821	69,440
Office Rent	82,907	25,474
Pharmacy Services	138,795	106,257
Speech/Language Pathology Services	69,936	81,837
Food Services	508,943	225,425
Buildings and Grounds Services	77,063	64,688
Other Revenue and Recoveries	952,304	1,169,311
Interdepartmental Recoveries	463,608	413,447
Operational Grants and Donations	133,146	-
Research and Education Grants	142,659	123,317
	2,643,095	2,286,624
Amortization of donations and grants for equipment	1,067,320	791,627
Net gain (loss) on disposal of equipment	(1,868)	(7,944)
	38,556,048	36,842,308
Separately Financed Programs (<i>Schedule 3</i>)	2,161,328	1,711,697
Regional Small Hospital Projects (<i>Schedule 4</i>)	1,196,739	2,384,141
Less: Interdepartmental allocated recoveries (<i>Schedule 2</i>)	(463,608)	(413,447)
Total revenue	41,450,507	40,524,700

Sioux Lookout Meno Ya Win Health Centre
Schedule 2 - Hospital Expenses

For the year ended March 31, 2015

(Unaudited)

	2015	2014
Salaries, purchased services and employee benefits		
Administrative and support services	8,495,137	8,099,912
Ambulatory care services	2,769,632	2,753,020
Community health and social services	1,119,071	641,499
Diagnostic and therapeutic services	4,785,054	4,444,465
Education	259,176	331,019
Marketed services	137,151	126,249
Nursing inpatient services	7,294,730	7,821,208
Research	94,507	81,214
Undistributed	-	(9,506)
	24,954,458	24,289,080
Supplies and other expenses		
Administrative and support services	5,080,847	5,556,054
Ambulatory care services	183,275	142,486
Community health and social services	313,376	336,778
Diagnostic and therapeutic services	1,287,449	1,209,530
Education	226,608	399,888
Marketed services	287,398	193,475
Nursing inpatient services	498,983	434,505
Research	65,352	127,486
Undistributed	10,824	-
	7,954,112	8,400,202
Medical and surgical supplies		
Administrative and support services	77,205	59,339
Ambulatory care services	162,902	146,821
Community health and social services	16,500	45,812
Diagnostic and therapeutic services	76,408	84,649
Education	570	60
Marketed services	20,649	24,810
Nursing inpatient services	675,170	666,460
	1,029,403	1,027,950
Interdepartmental allocated expenses		
Dietary	178,038	178,308
Facility operations	57,508	14,125
Laundry	228,062	221,014
	463,608	413,447

Sioux Lookout Meno Ya Win Health Centre
Schedule 3 - Separately Financed Program

For the year ended March 31, 2015

(Unaudited)

	Mental Health and Addictions Program	Integrated Pregnancy	Diabetes Footcare Outreach	2015	2014
Revenue					
Ministry of Health and Long-Term Care	1,615,916	330,102	100,000	2,046,018	1,609,011
Other	98,283	17,027	-	115,310	86,436
Amortization of capital grants	-	-	-	-	16,250
Total revenue	1,714,199	347,129	100,000	2,161,328	1,711,697
Expenses					
Salaries, purchased services and benefits	1,450,291	338,130	80,172	1,868,593	1,440,431
Medical fees	7,092	-	-	7,092	7,226
Supplies and other expenses	319,511	2,653	13,729	335,893	311,936
Medical and surgical supplies	-	6,346	6,282	12,628	2,048
Municipal taxes	-	-	-	-	6,000
Amortization	831	-	-	831	15,475
Total expenses	1,777,725	347,129	100,183	2,225,037	1,783,116
Surplus (deficiency) of revenue over expenses	(63,526)	-	(183)	(63,709)	(71,419)

Sioux Lookout Meno Ya Win Health Centre
Schedule 4 - Regional Small Hospital Projects

For the year ended March 31, 2015

(Unaudited)

	Small Hospitals Quality Scorecard	Medication Management	e-ICU Project	2015	2014
Revenues					
Ministry of Health and Long-Term Care	152,780	759,000	284,959	1,196,739	2,384,141
Expenses					
Salaries	-	-	-	-	36,911
Employee benefits	-	-	-	-	3,168
Other expense	152,780	759,000	284,959	1,196,739	2,344,062
Total expenses	152,780	759,000	284,959	1,196,739	2,384,141
Surplus (deficiency) of revenue over expenses	-	-	-	-	-

Sioux Lookout Meno Ya Win Health Centre
Schedule 5 - Local Education Group
For the year ended March 31, 2015
(Unaudited)

	2015	2014
Revenue	107,221	30,303
Expenses		
Salaries and benefits	28,508	24,785
Supplies and other expenses	63,718	20,512
Total expenses	92,226	45,298
Surplus (deficiency) of revenue over expenses for the year	14,995	(14,995)