

Annual Report *2013 - 2014*



Listowel Memorial Hospital
95th Annual Report



Wingham and District Hospital
107th Annual Report

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**LISTOWEL WINGHAM HOSPITALS ALLIANCE
Listowel Memorial Hospital Corporation
Wingham and District Hospital Corporation
ANNUAL MEETING
Thursday, June 12, 2013
Trillium Mutual Insurance Company, Listowel**

Welcome

Greetings were extended to all members and guests. It is noted that this is a concurrent meeting of the two corporations.

Presentation

Prior to the business portion of the meeting, Ron Coghlin, Kris Dekker and Michelle Matheson of the Listowel Memorial Hospital Foundation, and Russ Taylor of the Wingham and District Hospital Foundation gave informative presentations on the goals, activities and initiatives of the Foundations.

1.0 Call to Order

The meeting was called to order at 1923 hours.

2.0 Chair's Remarks

Andy McBride welcomed Corporation members, hospital staff and visitors, and noted he would be chairing the meeting with the assistance of Bert Johnson, Chair of the Listowel Memorial Hospital Board.

3.0 Minutes of the Previous Meeting

MOTIONS:

It was moved by Blair Burns, seconded by Tom Soltys to:

Adopt the minutes of the June 7, 2012 Annual Meeting of the Listowel Memorial Hospital corporation.

Motion Carried

It was moved by Penny Mulvey, seconded by Amy Miller to:

Adopt the minutes of the June 7, 2012 Annual Meeting of the Wingham and District Hospital corporation.

Motion Carried

4.0 Reports

4.1 Report of the Board Chairs and Chief Executive Officer

Karl Ellis and Andy McBride presented the report. Highlights from the report were:

- Key roles of the Board are in oversight and future planning
 - Admirable job done with the Clinical Services Plan in defining care that needs to be close to home and also deciding what services two small hospitals should share
 - The Strategic Plan consumed significant time and efforts of the Board
 - All of the Priority 1 items in the Quality Improvement Plan were defined from Board input and feedback
- Facility improvements are ongoing at both sites, and exciting news was received for the Wingham site with Ministry of Health funding support for significant renovations
- A project is underway to implement a closed loop medication system that will significantly reduce the potential for medication errors
- Appreciation was expressed to the Board Chairs and the Board members for their extraordinary commitment
- Appreciation was also expressed to the Foundations and community members for their ongoing support
- Management Team and Medical Staff of the Alliance were thanked for their hard work and leadership during tough years of wage and budget restraints

Gratitude was expressed and presentations were made to Denise Mino, departing Executive Assistant, and Chris Turner, departing VP of Operations, in recognition of their dedication and service to the Alliance.

Appreciation was expressed and presentation made to Rob Hutchison, departing Wingham Board Member, for his dedication and 11 volunteer years on the Board.

4.2 Report of the Chief of Staff – Listowel Memorial Hospital

Dr. Latuskie presented the Report of the Chief of Staff for the Listowel Memorial Hospital, and noted:

- The impressive dedication of the Board Members was noted with the many hours volunteered
- We are anticipating progress with recruitment efforts, and hoping that the full roster of medical Residents over the next year will aid in recruitment
- Progress in medical care and IT components will continue to improve patient care and safety
- Specialist manpower increased through the year with the addition of a Plastic Surgeon and increased Dermatologist availability
- The passing of our friend and colleague, Dr. Omole, was a significant loss and was felt very acutely by the medical staff

4.3 Report of the Chief of Staff – Wingham and District Hospital

The Report of the Chief of Staff for the Wingham and District Hospital was included in the meeting package for review. Unfortunately, Dr. Antoniadis, Chief of Staff, was unable to attend this portion of the meeting.

4.4 Treasurer's Report – Listowel Memorial Hospital

Tom Soltys presented the Report of the Treasurer for the Listowel Memorial Hospital. He noted that:

- Listowel Memorial Hospital finished the 2012/2013 fiscal year with a deficit of \$62,949 on Hospital operations and an overall deficit of \$408,203 after amortization
- Unfortunately, based on the direction of health care funding in Ontario, this is not likely the last deficit that will be reported
- The financial statements are notably longer due to the Public Sector Accounting Standards changes

4.4.1 Presentation of the Listowel Memorial Hospital Corporation Audited Financial Statements 2012/13:

Linda Bross from BDO Canada presented the independent auditor's report of the Listowel Memorial Hospital:

- BDO has audited the financial statements of the Listowel Memorial Hospital
- Management is responsible for the preparation and fair presentation of the financial statements in accordance with public sector accounting standards for government not-for-profit organizations
- The Auditors are responsible to express an opinion on the financial statements, based on their audit
- Auditor Opinion – The financial statements present fairly, in all material respects, the financial position of Listowel Memorial Hospital as at March 31, 2013, March 31, 2012 and April 1, 2011
- Revenue for the 2012/13 year was \$19,800,855 while expenses were \$19,863,804, resulting in an operating deficit of \$62,949

MOTION:

It was moved by Tom Soltys, seconded by Kris Dekker to:

Accept the Audited Financial Statements of the Listowel Memorial Hospital for the year ended March 31, 2013, as presented.

Motion Carried

4.4.2 Appointment of Auditors:

MOTION:

It was moved by Blair Burns, seconded by Mary Kerr to:

Appoint the firm of BDO Canada as Auditors for the Listowel Memorial Hospital for 2013/2014.

Motion Carried

4.5 **Treasurer's Report – Wingham and District Hospital**

Trevor Seip presented the Report of the Treasurer for the Wingham and District Hospital and noted that:

- The Wingham and District Hospital finished the fiscal year with a deficit of \$90,952 on Hospital operations and an overall deficit of \$361,544 after amortization
- Capital equipment investment was \$1,010,021
- Working capital has been maintained at \$1.37M
- The Foundation contributed \$259,441 as a result of the Radiothon and other initiatives
- The financial statements are significantly longer due to adoption of the Public Sector Accounting Standards
- Appreciation was expressed to the staff of the hospital for bringing us through a financially challenging year

4.5.1 Presentation of the Wingham and District Hospital Corporation Audited Financial Statements 2012/13:

Linda Bross from BDO Canada presented the independent auditor's report of the Wingham and District Hospital:

- BDO has audited the financial statements of the Wingham and District Hospital
- Management is responsible for the preparation and fair presentation of the financial statements in accordance with public sector accounting standards for government not-for-profit organizations
- The Auditors are responsible to express an opinion on the financial statements, based on their audit
- Auditor Opinion – The financial statements present fairly, in all material respects, the financial position of Wingham and District Hospital as at March 31, 2013, March 31, 2012, and April 1, 2011
- Revenue for the 2012/13 year was \$17,782,749 while expenses were \$17,873,701, resulting in an operating deficit of \$90,952

MOTION:

It was moved by Trevor Seip, seconded by Marg Carswell to:

Accept the Wingham and District Hospital's Audited Financial Statements for the year ended March 31, 2013, as presented.

Motion Carried

4.5.2 Appointment of Auditors:

MOTION:

It was moved by Gladys Peacock, seconded by Penny Mulvey to:

Appoint the firm of BDO Canada as Auditors for the Wingham and District Hospital for 2013/2014.

Motion Carried

4.6 Governance & Nominations Committee Report

4.6.1 Rob Hutchison leaves the Wingham Board after 11 years of continuous volunteering.

4.6.2 Election of Directors – Listowel Memorial Hospital

MOTION:

It was moved by Tom Soltys, seconded by Blair Burns to:

Re-appoint Kris Dekker, Bert Johnson, Dave Calder and Rosemary Rognvaldson for a 2-year term.

Motion Carried

4.6.3 Election of Directors – Wingham and District Hospital

MOTION:

It was moved by Trevor Seip, seconded by Gladys Peacock to:

Re-appoint Sandra Campbell (Central), Amy Miller (Western) and Penny Mulvey (Central) for a 2-year term.

Motion Carried

4.7 Report of the Listowel Memorial Hospital Auxiliary

The Auxiliary Report was available in the Annual Report document for review.

- It was noted that the Auxiliary donated funds this year for a med cart and contributed towards an ECG machine
- The Auxiliary holds many fundraising event and initiatives throughout the year along with the gift shop proceeds to donate to the hospital

4.8 Report of the Auxiliary to Wingham and District Hospital

The Auxiliary Report was available in the Annual Report document for review.

- Acknowledgement was given to the Auxiliary Executive for their many volunteer hours
- Jo English was officially recognized at the provincial level for her continuous 60 years of volunteering with Auxiliary

4.9 Report of the Listowel Memorial Hospital Foundation

The Foundation report was available in the Annual Report document for review.

4.10 Report of the Wingham and District Hospital Foundation

The Foundation report was available in the Annual Report document for review.

5.0 **Adjournment**

MOTION

It was moved by Mark Tarbush that:

The Annual Meeting be adjourned at 2004 hours.

Motion Carried

The Boards then convened for the Inaugural Meetings to elect the Executive of the Boards.

.....
Andy McBride, Chair

.....
Karl Ellis, Secretary

REPORTS

Listowel Wingham Hospitals Alliance (LWHA) Governance Report for 2013/2014

Accepting the responsibility of serving as a board member of a public hospital in Ontario is a significant commitment. The individuals who have served as board members of the Listowel Memorial Hospital and the Wingham and District Hospital over the last year have done their best to ensure the organization fulfills the Alliance mission of providing the best possible care for the people we serve today and in the future. A large number of local and health system initiatives have occupied the time and attention of the board during 2013/14. This Report summarizes some of those activities.

Strategic Planning

The Board continues to monitor progress on the initiatives outlined in the Clinical Services Plan for the LWHA. Having a local Clinical Services Plan has been very helpful to the LWHA as the South West Local Health Integration Network (SW-LHIN) undertakes its own clinical services planning. Work underway at the SW-LHIN with the potential to impact LWHA includes planning for endoscope procedures and stroke care. In addition, the SW-LHIN's Access to Care project has assessed the need for complex continuing care and rehabilitation beds within Huron and Perth.

A Human Resources Plan was adopted by the Board this year. The Plan is consistent with the expectation of the original Alliance goal to "Develop a single human resources plan for recruitment, retention, succession and talent development". The Human Resources Plan focused on:

- Increasing recruitment and retention opportunities
- Building a more positive environment and culture
- Providing greater learning opportunities

Hospital Leadership Supporting Board Activities

The Board welcomed Jodi Snell as the key administrative support to the Board and committees and are pleased to now have Tim Lewis settling into the role of Chief Financial Officer of the two corporations.

Quality

Embedding quality into the fabric of an organization takes time and diligence. An Integrated Quality and Risk Framework that links our strategic directions with legislative, governance, management, accreditation, risk management and emergency response activities has been developed. The Board adopted this framework and was pleased to note that quality, patient-centred care was a key aspect of the framework.

Following the Accreditation Canada on-site survey in November and the submission of follow-up documentation, the Listowel Wingham Hospitals Alliance received further verification of the quality of services provided through the receipt of an Accreditation with Commendation award. The Board and hospital staff were especially proud of having achieved 98.6% compliance on over 1,500 Accreditation Canada standards.

Preparing a Quality Improvement Plan has become much more than simply compliance with the Excellent Care for All Act. Over the course of the next year, management has been directed to focus on the following Priority 1 initiatives:

- Improve organizational financial health

- Improve proportion of patients receiving medication reconciliation at admission
- Avoid patient falls
- Reduce medication incidents

One of the most significant initiatives during the last year has been the implementation of a medication management system that also resulted in physicians and other providers entering their patient care orders directly into the Hospital Information System. Scanning and barcoding technology was implemented to ensure that all patients receive the right dose of the right medication at the right time. This was a large project involving 10 hospitals of various sizes across southwestern Ontario. Efforts continue throughout the region at improving functionality of this system.

Infrastructure

The Wingham and District Hospital has received approval from the South West LHIN of the Stage II submission for the redevelopment project. Ministry of Health and Long Term Care endorsement will allow the hospital to begin the detailed design for the renovation space. The final stage of the planning would follow the detailed design and result in tender documents being prepared. The Wingham and District Hospital Foundation is currently determining how it can best support the hospital redevelopment through a major capital fundraising campaign. As further evidence of the province's commitment to this project, the hospital received \$1.6 million as interim project funding.

One of three boilers in Wingham was replaced this year while renovations to improve the accessibility of the front entrance to the Wingham and District Hospital are expected to take place during the summer of 2014.

The former Wingham Public School was declared surplus by the Avon Maitland District School Board and was purchased by the Wingham and District Hospital. The hospital is currently preparing plans to convert this 3 acre parcel and 30,000 square foot building into a community health care facility offering primary and community care. Providing a range of health care services within a single campus will have many benefits for both providers and patients.

The Listowel Memorial Hospital will continue to undertake smaller renovation projects in the older sections of the facility. A new dining room was recently created adjacent to the Complex Continuing Care unit on the first floor. An accessible washroom and improved security were part of this project. New patient shower rooms will soon be created on both the first and second floor inpatient areas.

Accountability and Resources

The 2013/14 budget year was difficult financially for both Listowel and Wingham Hospitals. Several years of frozen funding levels combined with inflationary pressures impacting all expenditures have resulted in operating deficits at both hospitals. In order to comply with the legislated obligation to balance budgets, operations at both sites will be experiencing changes necessary to improve the financial results while limiting the impact on direct patient care services. Strengthening the financial status of the corporations is also a targeted goal within the Quality Improvement Plans. Both Hospitals have balance sheets that support the hospital as going concerns and continue to benefit from strong community and Foundation support.

Communications

The third annual newsletter will arrive in all households in the region served by our Hospitals in early June. This newsletter is used as one of the means of communicating with our community about the activities and initiatives within our hospitals. We also enjoy good support from our local print and radio media who regularly attend board meetings and cover hospital and Foundation activities and events.

Health Professionals Recruitment

Both communities continue efforts to recruit health professionals to our communities. The retirement of Dr. Barry Neable earlier this year heightened awareness of this need in North Perth. Dr. Lauren Hayward joined the practice in May and was able to provide services to approximately ½ of Dr. Neable's patients. Both communities also expended a lot of time and energy recruiting nurse practitioners to fill vacant positions within the Family Health Teams.

Governance

Board leadership changed hands in June with Amy Miller assuming the Chair's role in Wingham following Andy McBride and Blair Burns taking over from Bert Johnson in Listowel. Marc Pittock of Wingham joined the Wingham and District Hospital Board for the first regular meeting of the Board in September. The Board accepted the resignation of Sandra Campbell of Wingham in January 2014. Sandra's commitment to the activities of the Board and insightful comments will be missed. Trevor Seip assumed the vice chair role allowing Penny Mulvey to accept the role of Treasurer. Each board has been actively recruiting for board members. Listowel is working to replace vice chair, Dave Calder who is unable to complete the second year of his term along with Kathy Mitchell who is not seeking re-appointment. Wingham needs to fill Sandra Campbell's position. Each time the board is faced with filling a vacancy, they review the skills of existing board members to ensure the board has a full range of expertise around the table.

In an effort to streamline the work of the board, the Governance and Nominating Committee was combined with the Executive Committee while the Audit Committee was combined with the Resources Committee.

The complexity of the health care system requires that the Board Members spend time and effort to keep up to date. Over the course of the last year Board education sessions were presented on the following topics:

- North Huron and North Perth Health Professional Recruitment Activities
- Accreditation Canada Survey Preparation
- Wingham and District Hospital Redevelopment Plans
- MPP, Randy Pettapiece
- HUGO Demonstration
- South West LHIN – Board Leadership and CEO
- Quality Improvement Plan

Looking Ahead

At the annual board retreat, significant effort was spent exploring options for improving the governance structure of the Alliance. The boards acknowledged that following ten years of operating within an Alliance structure, the two Boards were effectively conducting their business as a single board governing the two hospital corporations. This realization led to a commitment to further investigate the merits of creating a single board to govern the two corporations. This work will take place in 2014/15.

The following topics and issues that are expected to be at the forefront of Board discussions over the next year:

- Health System Funding Reform
- Complex Continuing Care and Rehabilitation Bed allocation – SW-LHIN
- SW-LHIN Clinical Services Planning and Quality Based Procedure impacts – Endoscope, Stroke
- Former Wingham Public School development
- Wingham and District Hospital Capital Redevelopment

Once again, we would like to thank the many Hospital staff, physicians, volunteers and community members for their individual and combined contributions to health care within the Listowel Wingham Hospitals Alliance.

Respectfully Submitted,

Amy Miller
Chair, Wingham and District Hospital Board
Co-Chair Listowel Wingham Hospitals Alliance

Blair Burns
Chair, Listowel Memorial Hospital Board
Co-Chair Listowel Wingham Hospitals Alliance

Karl Ellis,
President and CEO, Listowel Memorial Hospital
President and CEO, Wingham and District Hospital
Listowel Wingham Hospitals Alliance

CHIEFS OF STAFF REPORTS

Listowel Memorial Hospital Chief of Staff Report 2013-2014

This year has been eventful in several ways at Listowel Memorial Hospital and in the LWHA. There have been some successes however there remain challenges for us to face.

We discontinued our association with the EDCDP ER coverage program with our ER once again being covered by Local Family Docs and a small group of dedicated Locum ER Doctors. This provides much better continuity and reduced costs in this time of focus on Quality and Finances.

The retirement on the venerable, Dr. Barry Neable was a major event in December 2013 and even after only a few months the local Physicians and Staff feel his departure acutely. We have been very fortunate to have recruited a new physician, Dr Lauren Hayward, who started practicing at the clinic in May 2014. Her arrival has highlighted some of the issues faced by a new arriving doctor in our Health System, especially some of the difficulties in transferring patients from one physician to another and signing up a new rostering physician in a practice. Thanks go to our Clinic Staff and Dr. Hayward for their persistence in this frustrating process which is finally coming to a conclusion. It should also be noted that the Local Physicians have committed to provide ongoing healthcare for the group of Dr Neable's former patients who have not been rostered by Dr Hayward.

We also continue vigorous efforts at recruitment with the Community and Municipality continuing their support by ongoing employment of Kim Kowch, our recruitment officer. I believe this is a vital part of our future given that many of our Physicians are reaching their career twilights (or at least late afternoon anyway). There are finally some newly trained Docs looking for Practices and we must remain active in recruiting if we are to ensure good healthcare for our community going forward.

Information Technology continues to play an increasing role in Medicine and the commonest boy's name on our lips in 2014 has undoubtedly been HUGO (Healthcare Under-Going Optimization). This new Electronic System, to allow Provider Order Entry in the Hospital and assist in automating drug administration, has resulted in many long hours of discussion and a large number of headaches for Physicians, Staff and Management. There have been considerable efforts made locally and in London to deal with our concerns and improve processes but the software remains challenging to deal with and there remain varied opinions among Physicians about the future of this system. I want to thank everyone for their patience and team spirit in advancing as far as we have come and it is to be hoped that we will continue to improve this part of our Practice as there remain safety concerns about its use and the time-consuming nature of order entry.

I would like to congratulate all at the Hospital for their success in Accreditation which was a major achievement in which it seemed that our efforts over the years were truly recognized. Finally I would once again like to thank my fellow Physicians and Staff for their help over the last year and my fellow Board Members for their hours of service and good work.

Respectfully Submitted,

Dr. Russell Latuskie,
LMH Chief of Staff

**Wingham and District Hospital
Chief of Staff Report
2013/2014**

I can't believe another year has come and gone, it is surprising how quickly time flies by. Summer has finally arrived!

This year at Wingham & District Hospital we have experienced many changes and are working on projects which will hopefully enhance the care we provided.

We have had the opportunity to move forward with the redevelopment project at WDH, which was a major announcement made by the Ministry of Health and Long-Term Care in 2012-2013. Once completed this redevelopment will bring WDH up to Ministry standards and we will experience significant updates.

In addition to the redevelopment project, the WDH purchased the former Wingham Public School, which is situated directly across the street from the hospital. Many community discussions have occurred with respect to the best use for this property. It is the hope that it will be utilized as a type of healthcare/wellness centre. The WDH physicians look forward to hearing more about the plans and the possibility of the clinic being able to make use of some of this space.

Overall, our physician manpower has remained the same. We are lucky to have the physicians that allow our ER to remain open 24 hours a day 7 days a week. This is due to the dedicated commitment of our local physician team along with the relying on the efforts of the recruitment committee, which has assisted with providing us with both regular and occasional locums throughout the year. In addition, we have had the opportunity to welcome a new specialist to the Wingham Hospital Ambulatory Unit. Dr. Gobburu is a pediatrician, in the Stratford area, who will be travelling to Wingham once a month in order to provide services to those within the community. This allows us to continue to provide healthcare services close to home.

Implemented at both LWHA hospitals this year was the new medication reconciliation program (HUGO). When the program was first implemented there were a number of hiccups and physicians were greatly concerned with the program and the problems we were encountering. We have continued to work with the Cerner in London, the management team and staff throughout the last few months and have seen minor improvements.

I would like to take this opportunity to thank my fellow physicians, the staff at both the clinic and the hospital and the community for their dedication and continued support towards the services being provided at the Wingham & District Hospital throughout the year.

Respectfully Submitted,

Dr. Greg Antoniadis
WDH Chief of Staff

TREASURERS' REPORTS

Listowel Memorial Hospital
Report of the Treasurer
2013/14

The Resource Committee of the Board is responsible for oversight of the management of the Hospital's financial and human resources. The committee regularly receives reports on financial performance and forecasting, budgeting issues, audit, property and human resources matters, and makes recommendations to the Board. For the 2013/14 fiscal year, committee members were myself, Kathy Mitchell, Bert Johnson, Blair Burns, Rosemary Rognvaldson, Dr Russell Latuskie, and Dr Arif Qureshi. The committee met during the past year jointly with the WDH Resource Committee.

The Board, the committee and the community appreciate the ongoing support that we receive from the Listowel Memorial Hospital Foundation. Much of the renewal and investment of our vital equipment is supported by the Foundation through its fundraising initiatives. Their annual gala is a well supported event which generates much needed donations for the hospital.

The investment in fixed assets during the year totalled more than \$1.7 million dollars, which included investment in the HUGO system of \$891,000 for computerized medical and pharmacy records. This investment in patient records and care will significantly increase patient safety.

The Listowel Memorial Hospital finished the 2013/14 with a deficit of \$446,054 from hospital operations. The continuing funding environment of no increases in base funding from the MOHLTC has made it challenging for the Hospital to manage within its mandate of maintaining a balanced budget, given inflationary pressures in staffing costs, supplies and drugs. This deficit reflects that reality. Amortization of fixed assets, net of deferred contributions, resulted in an overall deficit for the year of \$899,394.

The Audit Committee is pleased to report that our Auditors have issued an unqualified audit opinion for this fiscal year. The Auditor's report and the Financial Statements are contained in this Annual Report.

On behalf of the Resource Committee and the Board of Directors I would like to extend our thanks to the Senior Management Team and the LMH staff for bringing us through another challenging year.

Respectfully submitted,

Tom Soltys
Treasurer

Listowel Memorial Hospital
Financial Statements
For the year ended March 31, 2014

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Tel: 519 357 3231
Fax: 519 357 3230
www.bdo.ca

BDO Canada LLP
47 Alfred Street West
PO Box 1420
Wingham Ontario N0G 2W0 Canada

Independent Auditor's Report

To the Board of Directors of Listowel Memorial Hospital

We have audited the accompanying financial statements of Listowel Memorial Hospital, which comprise the statement of financial position as at March 31, 2014 and the statements of changes in net assets, operations, remeasurement gains (losses) 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 for government not-for-profit organizations, 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 Listowel Memorial Hospital as at March 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

"BDO CANADA LLP"

Chartered Accountants, Licensed Public Accountants

Wingham, Ontario

May 21, 2014

Listowel Memorial Hospital Statement of Financial Position

March 31	2014	2013
Assets		
Current		
Cash (Note 2)	\$ 670,045	\$ 1,176,277
Accounts receivable	957,922	1,681,605
Inventory	128,072	120,372
Prepaid expenses	157,788	129,218
Current portion of investments (Note 4)	722,000	552,000
	<u>2,635,827</u>	<u>3,659,472</u>
Investments (Note 4)	2,297,147	2,363,250
Other assets (Note 5)	81,554	81,554
Capital assets (Note 6)	26,702,211	26,587,141
	<u>\$ 31,716,739</u>	<u>\$ 32,691,417</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 2,192,729	\$ 2,281,361
Deferred contributions (Note 7)	64,317	107,062
Current portion of long-term debt (Note 8)	127,923	127,923
	<u>2,384,969</u>	<u>2,516,346</u>
Deferred contributions (Note 7)	960,547	1,018,865
Long-term debt (Note 8)	810,208	938,131
Post-employment benefits (Note 9)	739,989	706,464
Deferred capital contributions (Note 10)	13,986,213	13,817,892
	<u>18,881,926</u>	<u>18,997,698</u>
Contingencies (Note 13)		
Net Assets		
Invested in capital assets	11,777,868	11,703,195
Unrestricted	991,285	1,965,352
	<u>12,769,153</u>	<u>13,668,547</u>
Accumulated remeasurement gains	65,660	25,172
	<u>12,834,813</u>	<u>13,693,719</u>
	<u>\$ 31,716,739</u>	<u>\$ 32,691,417</u>

On behalf of the Board:

Tom Saltys
Rhina Burn

Director

Director

The accompanying notes are an integral part of these financial statements.

Listowel Memorial Hospital Statement of Changes in Net Assets

For the year ended March 31	2014			2013
	Invested in Capital Assets	Unrestricted	Total	Total
Balance, beginning of year	\$ 11,703,195	\$ 1,965,352	\$ 13,668,547	\$ 14,087,160
Excess (deficiency) of revenue over expenses for the year	(863,601)	(35,793)	(899,394)	(408,203)
Investment in capital assets, net	938,274	(938,274)	-	-
Reclassification of unrealized gains on adoption of PS 3450	-	-	-	(10,410)
Balance, end of year	\$ 11,777,868	\$ 991,285	\$ 12,769,153	\$ 13,668,547

Statement of Remeasurement Gains (Losses)

For the year ended March 31	2014	2013
Accumulated remeasurement gains, beginning of year	\$ 25,172	\$ -
Adjustment on adoption of PS 3450 - Financial Instruments	-	10,410
Unrealized gains (losses) attributable to portfolio investments	37,732	14,762
Amounts reclassified to statement of operations: Loss on dispositions of portfolio investments	2,756	-
Net remeasurement gains for the year	40,488	25,172
Accumulated remeasurement gains, end of year	\$ 65,660	\$ 25,172

The accompanying notes are an integral part of these financial statements.

Listowel Memorial Hospital Statement of Operations

For the year ended March 31	2014	2013
Revenue		
Ministry of Health and Long Term Care	\$ 15,778,224	\$ 15,519,534
Inpatient	169,552	240,451
Outpatient	967,771	1,003,162
Investment income	82,895	79,432
Recoveries and other income	2,329,915	2,656,741
Amortization of deferred capital contributions	351,041	301,535
	<u>19,679,398</u>	<u>19,800,855</u>
Expenses		
Salaries and wages	9,817,100	9,842,435
Medical staff remuneration	2,328,761	2,288,661
Employee benefits	2,676,113	2,516,735
Supplies and other expenses	3,756,775	3,848,856
Medical and surgical supplies	385,956	385,237
Drug expense	237,993	199,836
Amortization of equipment	761,302	760,657
Interest on long-term debt	25,452	21,387
Restructuring costs	136,000	-
	<u>20,125,452</u>	<u>19,863,804</u>
Excess (deficiency) of revenue over expenses before building amortization	(446,054)	(62,949)
Amortization of land improvements and building	(995,163)	(864,000)
Amortization of deferred capital contributions for building and land improvements	<u>541,823</u>	<u>518,746</u>
Deficiency of revenue over expenses for the year	\$ (899,394)	\$ (408,203)

The accompanying notes are an integral part of these financial statements.

Listowel Memorial Hospital Statement of Cash Flows

For the year ended March 31	2014	2013
Cash provided by (used in)		
Operating activities		
Deficiency of revenue over expenses for the year	\$ (899,394)	\$ (408,203)
Items not involving cash:		
Amortization of property and equipment	1,756,465	1,623,951
Change in employee future benefits liability	33,525	32,315
Deferred contributions recognized as revenue	(107,063)	(51,963)
Amortization of deferred capital contributions	(892,864)	(820,281)
Realized loss on sale of investments	2,756	-
Deferred contributions	6,000	185,170
Changes in non-cash working capital items:		
Accounts receivable	723,684	(933,305)
Inventory	(7,700)	(39,373)
Prepaid expenses	(28,570)	78,252
Accounts payable and accrued liabilities	(88,634)	(93,018)
	<u>498,205</u>	<u>(426,455)</u>
Investing activities		
Disposal (acquisition) of investments, net	<u>(66,163)</u>	<u>531,239</u>
Capital activities		
Purchase of capital assets	(1,871,536)	(2,155,066)
Grants and donations for property and equipment	<u>1,061,185</u>	<u>1,543,358</u>
	<u>(810,351)</u>	<u>(611,708)</u>
Financing activities		
Proceeds on issue of long-term debt	-	1,161,966
Repayment of long-term debt	<u>(127,923)</u>	<u>(95,912)</u>
	<u>(127,923)</u>	<u>1,066,054</u>
Net increase (decrease) in cash during the year	(506,232)	559,130
Cash, beginning of year	<u>1,176,277</u>	<u>617,147</u>
Cash, end of year	<u>\$ 670,045</u>	<u>\$ 1,176,277</u>

The accompanying notes are an integral part of these financial statements.

Listowel Memorial Hospital Notes to Financial Statements

March 31, 2014

1. Significant Accounting Policies

Description of Organization

The Listowel Memorial Hospital is incorporated without share capital under the laws of the Province of Ontario. The hospital provides health care services to the residents of North Perth and surrounding areas. The Hospital is a registered charity under the Income Tax Act and, as such, is exempt from income tax and may issue income tax receipts to donors.

Basis of Presentation

The financial statements of the Hospital have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPOs"). The Listowel Memorial Hospital Foundation is a separate entity whose financial information is reported separately from the Hospital.

Financial Instruments

The Hospital classifies its financial instruments as either fair value or amortized cost. The Hospital's accounting policy for each category is as follows:

The fair value category includes cash and equity investments. They are initially recognized at cost and subsequently carried at fair value. 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 operation. Changes in fair value on restricted assets are recognized as a liability until the criterion attached to the restriction has been met. Transaction costs relate to financial instruments in the fair value category are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

The amortized cost category includes bonds, guaranteed investment certificates, accounts receivable, accounts payable and accrued liabilities and long term debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. Transaction costs related to financial instrument in the amortized cost category are added to the carrying value of the instrument. Writedowns on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the writedown being recognized in the statement of operations.

Inventory

Inventory is valued at the lower of average cost and replacement value.

Listowel Memorial Hospital Notes to Financial Statements

March 31, 2014

1. Significant Accounting Policies (continued)

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

Under the Health Insurance Act and Regulations thereto, the Hospital is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health and Long-term Care ("MOHLTC") and the South West Local Health Integration Network ("LHIN"). The Hospital has entered into a Hospital Service Accountability Agreement (the "H-SAA") for fiscal 2014 with the Ministry and LHIN that sets out the rights and obligations of the parties to the H-SAA in respect of funding provided to the Hospital by the Ministry/LHIN. The H-SAA also sets out the performance standards and obligations of the Hospital that establish acceptable results for the Hospital's performance in a number of areas.

If the Hospital does not meet its performance standards or obligations, the Ministry/LHIN has the right to adjust funding received by the Hospital. The Ministry/LHIN is not required to communicate certain funding adjustments until after the submission of year-end data. Since this data is not submitted until after the completion of the financial statements, the amount of Ministry/LHIN funding received by the Hospital during the year may be increased or decreased subsequent to year-end.

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 that subsequent period.

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.

Restricted contributions for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Amortization of buildings is not funded by the LHIN and accordingly the amortization of buildings has been reflected as an undernoted item in the statement of operations with the corresponding realization of revenue for deferred contributions.

Externally restricted investment income is accounted for as a liability until the restrictions imposed on the income have been met by the Hospital.

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

Ancillary revenue is recognized when the goods are sold and services provided.

Listowel Memorial Hospital Notes to Financial Statements

March 31, 2014

1. Significant Accounting Policies (continued)

Contributed Services Volunteers contribute numerous hours to assist the Hospital in carrying out certain charitable aspects of its service delivery activities. The fair value of these contributed services is not readily determinable and, as such, is not reflected in these financial statements.

Capital assets Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments that extend the estimated life of an asset are capitalized. When a capital asset no longer contributes 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. Construction in progress is not amortized until construction is substantially complete and the assets are ready for use.

Capital assets are capitalized on acquisition and amortized on a straight line basis over their estimated useful lives as follows:

Land improvements	-	20 years
Buildings	-	20 to 40 years
Equipment	-	4 to 20 years

**Retirement and
Post-employment
Benefits**

The Hospital provides defined retirement and post-employment health, dental and life insurance benefits to eligible retired employees. The Hospital has adopted the following policies with respect to accounting for these employee benefits:

- (i) The costs of post-employment benefits are actuarially determined using management's best estimate of health care costs and discount rates. Adjustment to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight line basis. Plan amendments, including past service costs are recognized as an expense in the period of the plan amendment.
- (ii) The costs of the multi-employer defined benefit pension plan are the employer's contributions due to the plan in the period.

**Management
Estimates**

The preparation of financial statements in accordance with PSAB for Government NPOs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. Areas of key estimation include determination of allowance for doubtful accounts, funding recognition and actuarial estimation of post-employment benefits.

Listowel Memorial Hospital Notes to Financial Statements

March 31, 2014

2. Cash

Cash consists of bank deposits that are held at one chartered bank. The accounts earn interest at a rate of bank prime less 1.8%, payable monthly.

3. Financial Instrument Classification

The following table provides cost and fair value information of financial instruments by category. The maximum exposure to credit risk would be the carrying value as shown below.

	2014		2013	
	Fair Value	Amortized Cost	Total	Total
Cash	\$ 670,045	\$ -	\$ 670,045	\$ 1,176,277
Accounts receivable	-	957,922	957,922	1,681,605
Investments - GICs	-	2,776,000	2,776,000	2,710,000
Investments - equities	243,147	-	243,147	205,250
Accounts payable	-	(2,192,729)	(2,192,729)	(2,281,361)
Long-term debt	-	(938,131)	(938,131)	(1,066,054)
	\$ 913,192	\$ 603,062	\$ 1,516,254	\$ 2,425,717

Listowel Memorial Hospital Notes to Financial Statements

March 31, 2014

3. Financial Instrument Classification (Continued)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which their fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the latest bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that includes inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2014				
	Level 1	Level 2	Level 3	Total
Cash	\$ 670,045	-	-	\$ 670,045
Investments - equities	243,147	-	-	243,147
Total	\$ 913,192	-	-	\$ 913,192

2013				
	Level 1	Level 2	Level 3	Total
Cash	\$ 1,176,277	-	-	\$ 1,176,277
Investments - equities	205,250	-	-	205,250
Total	\$ 1,381,527	-	-	\$ 1,381,527

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2014 and March 31, 2013. There were also no transfers in or out of Level 3.

Listowel Memorial Hospital Notes to Financial Statements

March 31, 2014

4. Investments

	2014	2013
Sun Life Financial shares (cost - \$20,890)	\$ 59,028	\$ 42,744
Equity Investment Portfolio (cost - \$156,596, (2013 - \$159,188))	184,119	162,506
Guaranteed Investment Certificates, 1.20% - 2.90%, maturing between June 2014 and July 2018	2,776,000	2,710,000
	3,019,147	2,915,250
Less: current portion	722,000	552,000
	<u>\$ 2,297,147</u>	<u>\$ 2,363,250</u>

5. Other Assets

	2014	2013
Bequest receivable	<u>\$ 81,554</u>	<u>\$ 81,554</u>

The hospital has been named as one of the beneficiaries of an estate. Under the provisions of the estate, an individual has a life interest in the income from the capital invested. At the individual's death, the capital will be transferred to the residual beneficiaries.

6. Capital Assets

	2014		2013	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 1,386,890	\$ -	\$ 1,386,890	\$ -
Land improvements	537,321	237,354	537,321	183,503
Buildings	20,790,971	3,572,138	20,587,683	2,975,355
Equipment	17,320,891	9,560,510	15,531,751	8,514,649
	40,036,073	13,370,002	38,043,645	11,673,507
Construction in progress	36,140	-	217,003	-
	<u>\$ 40,072,213</u>	<u>\$ 13,370,002</u>	<u>\$ 38,260,648</u>	<u>\$ 11,673,507</u>
Net book value		<u>\$ 26,702,211</u>		<u>\$ 26,587,141</u>

Listowel Memorial Hospital Notes to Financial Statements

March 31, 2014

7. Deferred Contributions

Deferred contributions represent unspent externally restricted funding that has been received and relates to a subsequent year. Changes in the contributions deferred to future periods are as follows:

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 1,125,927	\$ 992,720
Less amounts recognized as revenue in the year	(107,063)	(51,963)
Contributions received during the year	<u>6,000</u>	<u>185,170</u>
Balance, end of year	<u>\$ 1,024,864</u>	<u>\$ 1,125,927</u>

Deferred contributions are comprised of:

	<u>2014</u>	<u>2013</u>
North Perth Family Health Team prepaid rent for medical clinic lease expiring in February 2032	\$ 1,016,230	\$ 1,072,687
Other funding	6,000	48,746
Other prepaid rent	<u>2,634</u>	<u>4,494</u>
	1,024,864	1,125,927
Less current portion	<u>64,317</u>	<u>107,062</u>
Balance, end of year	<u>\$ 960,547</u>	<u>\$ 1,018,865</u>

Listowel Memorial Hospital Notes to Financial Statements

March 31, 2014

8. Long-Term Debt

	<u>2014</u>	<u>2013</u>
Listowel Memorial Hospital Foundation, prime less 0.5%, loan repayable in monthly instalments of \$10,660 plus interest, due August 2021	\$ 938,131	\$ 1,066,054
Less current portion	<u>127,923</u>	<u>127,923</u>
	<u>\$ 810,208</u>	<u>\$ 938,131</u>

Scheduled principal payments required over the next five fiscal years are as follows:

2015	\$ 127,923
2016	127,923
2017	127,923
2018	127,923
2019	127,923

Listowel Memorial Hospital Notes to Financial Statements

March 31, 2014

9. Post-Employment Benefits

Pension Plan

Substantially all of the employees of the hospital are eligible to be members of the Healthcare of Ontario Pension Plan. The plan is a multi-employer plan and therefore the Hospital's contributions are accounted for as if the plan were a defined contribution plan with the Hospital's contributions being expensed in the period they come due. Contributions made to the plan during the year by the Hospital amounted to \$780,811 (2013 - \$700,954) and are included in employee benefits on the statement of operations.

Other Benefits

The hospital provides post-employment health care, dental and life insurance benefits to eligible retired employees. The hospital's liability at March 31 for this plan is as follows:

	<u>2014</u>	<u>2013</u>
Accrued benefit obligation	\$ 763,675	\$ 717,249
Unamortized net actuarial gain (loss)	<u>(23,686)</u>	<u>(10,785)</u>
Post-employment benefits liability	<u>\$ 739,989</u>	<u>\$ 706,464</u>

In measuring the hospital's accrued benefit obligation, a discount rate of 3.75% (2013 - 3.9%) was assumed. For extended health care costs, a 8% annual rate of increase was assumed then decreasing by 0.25% per year to a rate of 5% and, for dental costs, a 4% annual rate of increase was assumed. The most recent actuarial valuation was prepared as at April 1, 2013. Actual results could differ from this estimate as additional information becomes available in the future.

	<u>2014</u>	<u>2013</u>
Current year benefit cost	\$ 62,200	\$ 40,429
Interest on accrued benefit obligation	29,480	30,750
Amortized actuarial losses	<u>2,545</u>	<u>4,236</u>
Expense for the year	<u>\$ 94,225</u>	<u>\$ 75,415</u>
Benefits paid during the year	<u>\$ 62,200</u>	<u>\$ 49,123</u>

Listowel Memorial Hospital Notes to Financial Statements

March 31, 2014

10. Deferred Capital Contributions

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

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 13,817,892	\$ 13,094,815
Contributions received	1,061,185	1,543,358
Amortization of deferred contributions - equipment	(351,041)	(301,535)
Amortization of deferred contributions - building and land improvements	<u>(541,823)</u>	<u>(518,746)</u>
Balance, end of year	<u>\$ 13,986,213</u>	<u>\$ 13,817,892</u>

As at March 31, 2014 there was \$109,807 (2013 - \$0) of deferred capital contributions received which were not spent.

11. Hospital Foundation and Auxiliary

Listowel Memorial Hospital Foundation

The Listowel Memorial Hospital Foundation is an independent corporation incorporated without share capital which has its own independent Board of Directors and is a registered charity under the Income Tax Act. The Foundation was established to raise funds for the use of the hospital. Donations received during the year were \$473,074 (2013 - \$429,665).

At March 31, 2014, the Hospital has a receivable from the Foundation of \$301,371 (2013 - \$829).

Listowel Hospital Auxiliary

The Listowel Hospital Auxiliary is a volunteer organization affiliated with the Listowel Memorial Hospital and is engaged in a wide range of services for the betterment of the Hospital. The organization periodically transfers funds to the Hospital to be used for the purchase of equipment and supplies for the hospital. During the year, the Auxiliary donated \$15,000 (2013 - \$18,000) to the Hospital.

Listowel Memorial Hospital Notes to Financial Statements

March 31, 2014

12. Related Party Transactions

The Hospital has an alliance agreement with the Wingham and District Hospital and shares a senior management team and other resources. The Hospital's share of the operating revenues and expenditures, and the assets and liabilities of the alliance have been recorded in the accounts of the Hospital. Shared expenditures paid by Listowel for Wingham are shown as an expense and recovery. As at March 31, 2014 amounts due from (to) Wingham and District Hospital totaled \$140,590 (2013 - \$146,502).

13. Contingent Liability

The Hospital participates in the Healthcare Insurance Reciprocal of Canada (HIROC), a pooling of the public liability insurance risks of its hospital members. Members of the pool pay annual premiums, which are actuarially determined. Members are subject to assessment for losses, if any, experienced by the pool for the year in which they were members. No assessments have been made to March 31, 2014, with respect to claims.

14. Financial Instrument Risks

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk, and equity risk. The Hospital is not exposed to significant currency risk or equity risk as it does not transact materially in foreign currency or hold significant equity financial instruments. The Hospital's investment policy limits equity instruments to 10% of the fair value of the total investment portfolio. At March 31, 2014, a 10% movement in stock markets with all other variables held constant, could impact the market value of the equity instruments held by \$24,300 (2013 - \$20,500).

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 its interest bearing investments and term debt.

Credit Risk

Credit risk is the risk of financial loss to the Hospital if a debtor fails to make payments of interest and principal when due. The Hospital is exposed to this risk relating its cash, accounts receivable, and debt holdings in its investment portfolio. The Hospital holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

The maximum exposure to investment credit risk is outlined in Note 3.

Listowel Memorial Hospital Notes to Financial Statements

March 31, 2014

14. Financial Instrument Risks (Continued)

Accounts receivable are primarily due from OHIP, the Ministry of Health and Long-term Care and patients. Credit risk is mitigated by the financial solvency of the provincial government and the highly diversified nature of the patient population.

The Hospital measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the Hospital's historical experience regarding collections. The amounts outstanding at year end were as follows:

As at March 31, 2014	Total	Current	31-61 days	61-90 days	91-120 days	121 + days
Patient services	\$ 249,221	\$ 223,041	\$ 19,012	\$ 3,507	\$ 1,373	\$ 2,288
Other	725,854	636,757	10,700	11,822	8,419	58,156
Gross receivables	975,075	859,798	29,712	15,329	9,792	60,444
Less: impairment allowances	(17,153)	-	-	-	-	(17,153)
Net receivables	\$ 957,922	\$ 859,798	\$ 29,712	\$ 15,329	\$ 9,792	\$ 43,291

As at March 31, 2013	Total	Current	31-61 days	61-90 days	91-120 days	121 + days
MOHLTC	\$ 492,496	\$ 492,496	\$ -	\$ -	\$ -	\$ -
Patient services	282,108	183,435	23,489	36,177	6,497	32,510
Other	924,124	651,532	17,560	45,722	-	209,310
Gross receivables	1,698,728	1,327,463	41,049	81,899	6,497	241,820
Less: impairment allowances	(17,153)	-	-	-	-	(17,153)
Net receivables	\$ 1,681,575	\$ 1,327,463	\$ 41,049	\$ 81,899	\$ 6,497	\$ 224,667

The amounts aged greater than 120 days owing from patients have a corresponding impairment allowance set up against them based on the Hospital's past experience. Management has reviewed the individual balances and established the impairment allowance based on the credit quality of the debtors and their past history of payment.

Liquidity Risk

Liquidity risk is the risk that the Hospital will not be able to meet its financial obligations as they fall due. The Hospital has a planning and budgeting process in place to help determine the funds required to support the Hospital's normal operating requirements on an ongoing basis. The Hospital 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 investments. Liquidity risk arises primarily from accounts payable and accrued liabilities and long-term debt.

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

Wingham and District Hospital
Report of the Treasurer
2013/14

The Resource Committee of the Board is responsible for overseeing the management of the Hospital's financial and human resources. The committee regularly receives reports on financial performance and forecasting, budgets issues, audit issues, property and human resources matters. They make recommendations to the Board. For the 2013/14 fiscal year, committee members representing Wingham and District Hospital were Trevor Seip, Penny Mulvey, and Dr Jim Shuffield. The Resource Committee would like to thank Sandra Campbell for her service prior to her retirement from the Board and Committees this year.

Wingham and District Hospital finished the 2013/14 with a deficit of \$553,897 from hospital operations. A number of factors contributed to this financial performance: increased costs in supplies, drugs and other expenses due to inflation, increased salary costs due to centrally awarded pay increases and zero percent funding increase to deal with these inflationary pressures. Amortization of fixed assets, net of deferred contributions, resulted in an overall deficit for the year of \$843,722.

There was strong investment in fixed assets during the year, totaling more than \$2.2 million dollars, which included investment in the HUGO system for computerized medical and pharmacy records and the former Wingham Public School property. Both of these investments are expected to improve operations for the hospital and increase patient safety and overall care.

The Board, Committee and community appreciate the outstanding support that we receive from the foundation. Much of the renewal and investment of our vital equipment is supported by the foundation through their fundraising initiatives.

The Audit Committee is pleased to report that our Auditors have issued an unqualified audit opinion for this fiscal year. The Auditor's report and the Financial Statements are contained in this Annual Report.

On behalf of the Resource Committee and the Board of Directors I would like to extend our thanks to the Senior Management Team and the WDH staff for bringing us through a challenging year.

Respectfully submitted,

Penny Mulvey
Treasurer

Wingham and District Hospital
Financial Statements
For the year ended March 31, 2014

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Tel: 519 357 3231
Fax: 519 357 3230
www.bdo.ca

BDO Canada LLP
47 Alfred Street West
PO Box 1420
Wingham Ontario N0G 2W0 Canada

Independent Auditor's Report

To the Board of Directors of Wingham and District Hospital

We have audited the accompanying financial statements of Wingham and District Hospital, which comprise the statement of financial position as at March 31, 2014 and the statements of changes in net assets, operations, remeasurement gains (losses) 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 for government not-for-profit organizations, 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 Wingham and District Hospital as at March 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

"BDO CANADA LLP"

Chartered Accountants, Licensed Public Accountants

Wingham, Ontario

May 28, 2014

Wingham and District Hospital Statement of Financial Position

March 31 **2014** **2013**

Assets

Current

Cash (Note 2)	\$ 1,173,113	\$ 939,110
Accounts receivable	809,505	1,743,697
Inventory	276,664	245,047
Prepaid expenses	106,718	106,336
Current portion of investments (Note 4)	270,000	70,000
	<u>2,636,000</u>	<u>3,104,190</u>

Investments (Note 4) **798,245** **1,057,542**

Capital assets (Note 5) **8,462,506** **6,995,950**

\$ 11,896,751 **\$ 11,157,682**

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 1,047,937	\$ 1,671,262
Deferred contributions (Note 6)	22,151	-
	<u>1,070,088</u>	<u>1,671,262</u>

Post-employment benefits (Note 7) **561,952** **571,924**

Deferred capital contributions (Note 8) **4,548,672** **2,366,560**

6,180,712 **4,609,746**

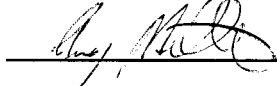
Contingencies (Note 12)

Net Assets

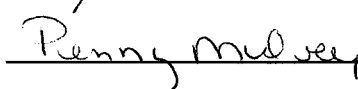
Invested in capital assets	3,913,834	4,629,390
Unrestricted	1,788,657	1,916,823
	<u>5,702,491</u>	<u>6,546,213</u>
Accumulated remeasurement gains	13,548	1,723
	<u>5,716,039</u>	<u>6,547,936</u>

\$ 11,896,751 **\$ 11,157,682**

On behalf of the Board:



Director



Director

The accompanying notes are an integral part of these financial statements.

Wingham and District Hospital Statement of Changes in Net Assets

For the year ended March 31	2014			2013
	Invested in Capital Assets	Unrestricted	Total	Total
Balance, beginning of year	\$ 4,629,390	\$ 1,916,823	\$ 6,546,213	\$ 6,905,340
Excess (deficiency) of revenue over expenses for the year	(549,016)	(294,706)	(843,722)	(361,544)
Investment in capital assets, net	(166,540)	166,540	-	-
Reclassification of unrealized gains on adoption of PS 3450	-	-	-	2,417
Balance, end of year	\$ 3,913,834	\$ 1,788,657	\$ 5,702,491	\$ 6,546,213

Statement of Remeasurement Gains (Losses)

For the year ended March 31	2014	2013
Accumulated remeasurement gains, beginning of year	\$ 1,723	\$ -
Adjustment on adoption of PS 3450 - Financial Instruments	-	(2,417)
Unrealized gains (losses) attributable to portfolio investments	10,398	4,140
Amounts reclassified to statement of operations:		
Loss on dispositions of portfolio investments	1,427	-
Net remeasurement gains for the year	11,825	1,723
Accumulated remeasurement gains, end of year	\$ 13,548	\$ 1,723

The accompanying notes are an integral part of these financial statements.

Wingham and District Hospital Statement of Operations

For the year ended March 31	2014	2013
Revenue		
Ministry of Health and Long Term Care	\$ 13,520,212	\$ 13,597,964
Inpatient	91,415	86,962
Outpatient	574,065	662,092
Investment income	38,178	42,015
Recoveries and other income	2,843,396	3,115,367
Amortization of deferred capital contributions	258,158	278,349
	<u>17,325,424</u>	<u>17,782,749</u>
Expenses		
Salaries and wages	8,668,550	8,530,562
Medical staff remuneration	1,931,287	2,089,017
Employee benefits	2,311,110	2,251,194
Supplies and other expenses	2,917,323	2,884,520
Medical and surgical supplies	415,268	318,702
Drug expense	1,012,341	1,245,123
Amortization of equipment	541,442	554,583
Restructuring costs	82,000	-
	<u>17,879,321</u>	<u>17,873,701</u>
(Deficiency) Excess of revenue over expenses before building amortization	(553,897)	(90,952)
Amortization of land improvements and building	(335,541)	(307,632)
Amortization of deferred capital contributions for building and land improvements	<u>45,716</u>	<u>37,040</u>
Deficiency of revenue over expenses for the year	\$ (843,722)	\$ (361,544)

The accompanying notes are an integral part of these financial statements.

Wingham and District Hospital Statement of Cash Flows

For the year ended March 31	2014	2013
Cash provided by (used in)		
Operating activities		
Deficiency of revenue over expenses for the year	\$ (843,722)	\$ (361,544)
Items not involving cash		
Amortization of property and equipment	876,983	862,215
Change in employee future benefits liability	(9,972)	9,028
Amortization of deferred capital contributions	(303,874)	(315,389)
Realized loss on sale of investments	1,427	-
Loss (gain) on disposal of property and equipment	(24,093)	485
Changes in non-cash working capital items:		
Accounts receivable	934,192	(1,145,786)
Inventory	(31,617)	31,261
Prepaid expenses	(381)	70,819
Accounts payable and accrued liabilities	(623,326)	423,654
Deferred contributions	22,151	-
	<u>(2,232)</u>	<u>(425,257)</u>
Investing activities		
Disposal (acquisition) of investments, net	<u>69,695</u>	<u>561,545</u>
Capital activities		
Purchase of capital assets	(2,338,409)	(1,014,026)
Grants and donations for property and equipment	2,485,986	739,737
Proceeds from sale of equipment	18,963	-
	<u>166,540</u>	<u>(274,289)</u>
Net increase (decrease) in cash during the year	234,003	(138,001)
Cash, beginning of year	<u>939,110</u>	<u>1,077,111</u>
Cash, end of year	\$ 1,173,113	\$ 939,110

The accompanying notes are an integral part of these financial statements.

Wingham and District Hospital Notes to Financial Statements

March 31, 2014

1. Significant Accounting Policies

**Description
of Organization**

The Wingham and District Hospital is incorporated without share capital under the laws of the Province of Ontario. The hospital provides health care services to the residents of North Huron and surrounding area. The Hospital is a registered charity under the Income Tax Act and, as such, is exempt from income tax and may issue income tax receipts to donors.

**Basis of
Presentation**

The financial statements of the Hospital have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPOs"). The Wingham and District Hospital Foundation is a separate entity whose financial information is reported separately from the Hospital.

Financial Instruments

The Hospital classifies its financial instruments as either fair value or amortized cost. The Hospital's accounting policy for each category is as follows:

The fair value category includes cash and equity investments. They are initially recognized at cost and subsequently carried at fair value. 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. Changes in fair value on restricted assets are recognized as a liability until the criterion attached to the restriction has been met. Transaction costs relate to financial instruments in the fair value category are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

The amortized cost category includes bonds, guaranteed investment certificates, accounts receivable, accounts payable and accrued liabilities and long term debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. Transaction costs related to financial instrument in the amortized cost category are added to the carrying value of the instrument. Writedowns on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the writedown being recognized in the statement of operations.

Wingham and District Hospital Notes to Financial Statements

March 31, 2014

1. Significant Accounting Policies (continued)

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

Under the Health Insurance Act and Regulations thereto, the Hospital is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health and Long-term Care ("MOHLTC") and the South West Local Health Integration Network ("LHIN"). The Hospital has entered into a Hospital Service Accountability Agreement (the "H-SAA") for fiscal 2014 with the Ministry and LHIN that sets out the rights and obligations of the parties to the H-SAA in respect of funding provided to the Hospital by the Ministry/LHIN. The H-SAA also sets out the performance standards and obligations of the Hospital that establish acceptable results for the Hospital's performance in a number of areas.

If the Hospital does not meet its performance standards or obligations, the Ministry/LHIN has the right to adjust funding received by the Hospital. The Ministry/LHIN is not required to communicate certain funding adjustments until after the submission of year-end data. Since this data is not submitted until after the completion of the financial statements, the amount of Ministry/LHIN funding received by the Hospital during the year may be increased or decreased subsequent to year-end.

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 that subsequent period.

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.

Restricted contributions for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Amortization of buildings is not funded by the LHIN and accordingly the amortization of buildings has been reflected as an undernoted item in the statement of operations with the corresponding realization of revenue for deferred contributions.

Externally restricted investment income is accounted for as a liability until the restrictions imposed on the income have been met by the Hospital.

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

Ancillary revenue is recognized when the goods are sold and services provided.

Wingham and District Hospital Notes to Financial Statements

March 31, 2014

1. Significant Accounting Policies (continued)

Contributed Services	Volunteers contribute numerous hours to assist the Hospital in carrying out certain charitable aspects of its service delivery activities. The fair value of these contributed services is not readily determinable and, as such, is not reflected in these financial statements.									
Inventory	Inventory is valued at the lower of average cost and replacement value.									
Capital assets	<p>Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments that extend the estimated life of an asset are capitalized. When a capital asset no longer contributes 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. Construction in progress is not amortized until construction is substantially complete and the assets are ready for use.</p> <p>Capital assets are capitalized on acquisition and amortized on a straight line basis over their estimated useful lives as follows:</p> <table><tr><td>Land improvements</td><td>-</td><td>20 years</td></tr><tr><td>Buildings</td><td>-</td><td>20 to 40 years</td></tr><tr><td>Equipment</td><td>-</td><td>4 to 20 years</td></tr></table>	Land improvements	-	20 years	Buildings	-	20 to 40 years	Equipment	-	4 to 20 years
Land improvements	-	20 years								
Buildings	-	20 to 40 years								
Equipment	-	4 to 20 years								
Retirement and Post-employment Benefits	<p>The Hospital provides defined retirement and post-employment health, dental and life insurance benefits to eligible retired employees. The Hospital has adopted the following policies with respect to accounting for these employee benefits:</p> <ul style="list-style-type: none">(i) The costs of post-employment benefits are actuarially determined using management's best estimate of health care costs and discount rates. Adjustment to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight line basis. Plan amendments, including past service costs are recognized as an expense in the period of the plan amendment.(ii) The costs of the multi-employer defined benefit pension plan are the employer's contributions due to the plan in the period.									
Management Estimates	<p>The preparation of financial statements in accordance with PSAB for Government NPOs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. Areas of key estimation include determination of allowance for doubtful accounts, and estimation of post-employment benefits.</p>									

Wingham and District Hospital Notes to Financial Statements

March 31, 2014

2. Cash

Cash consists of bank deposits that are held at one chartered bank. The accounts earn interest at a rate of bank prime less 1.8%, payable monthly.

3. Financial Instrument Classification

The following table provides cost and fair information of financial instruments by category. The maximum exposure to credit risk would be the carrying value as shown below.

	2014			2013
	Fair Value	Amortized Cost	Total	Total
Cash	\$ 1,173,113	\$ -	\$ 1,173,113	\$ 939,110
Accounts receivable	-	809,505	809,505	1,743,697
Investments - GICs	-	980,000	980,000	1,050,000
Investments - equities	88,245	-	88,245	77,542
Accounts payable	-	(1,047,937)	(1,047,937)	(1,671,262)
	\$ 1,261,358	\$ 741,568	\$ 2,002,926	\$ 2,139,087

Wingham and District Hospital Notes to Financial Statements

March 31, 2014

3. Financial Instrument Classification (Continued)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which their fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the latest bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that includes inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2014				
	Level 1	Level 2	Level 3	Total
Cash	\$ 1,173,113	-	-	\$ 1,173,113
Investments - equities	88,245	-	-	88,245
Total	\$ 1,261,358	-	-	\$ 1,261,358

2013				
	Level 1	Level 2	Level 3	Total
Cash	\$ 939,110	-	-	\$ 939,110
Investments - equities	77,542	-	-	77,542
Total	\$ 1,016,652	-	-	\$ 1,016,652

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2014 and 2013. There were also no transfers in or out of Level 3.

Wingham and District Hospital Notes to Financial Statements

March 31, 2014

4. Investments

	2014	2013
Equity Investment Portfolio (cost - \$77,988, (2013 - \$75,819))	\$ 88,245	\$ 77,542
Guaranteed Investment Certificates, 2.50% - 3.25%, maturing between May 2014 and May 2017	980,000	1,050,000
	1,068,245	1,127,542
Less: current portion	270,000	70,000
	<u>\$ 798,245</u>	<u>\$ 1,057,542</u>

5. Capital Assets

	2014		2013	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 916,541	\$ -	\$ 648,188	\$ -
Land improvements	193,464	61,755	193,464	52,290
Buildings	7,945,336	4,674,633	7,689,321	4,441,213
Equipment	9,752,193	6,131,004	8,020,644	5,565,664
	18,807,534	10,867,392	16,551,617	10,059,167
Construction in progress	522,364	-	503,500	-
	<u>\$ 19,329,898</u>	<u>10,867,392</u>	<u>17,055,117</u>	<u>10,059,167</u>
Net book value		<u>\$ 8,462,506</u>		<u>\$ 6,995,950</u>

Wingham and District Hospital Notes to Financial Statements

March 31, 2014

6. Deferred Contributions

Deferred contributions represent unspent externally restricted funding that has been received and relates to a subsequent year. Changes in the contributions deferred to future periods are as follows:

	<u>2014</u>	<u>2013</u>
Contributions received during the year	\$ 50,746	\$ -
Less amounts recognized as revenue in the year	<u>(28,595)</u>	<u>-</u>
Balance, end of year	<u>\$ 22,151</u>	<u>\$ -</u>

Deferred contributions are comprised of:

	<u>2014</u>	<u>2013</u>
Patient experience funding	\$ 20,151	\$ -
Other funding	<u>2,000</u>	<u>-</u>
	22,151	-
Less current portion	<u>22,151</u>	<u>-</u>
Balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Wingham and District Hospital Notes to Financial Statements

March 31, 2014

7. Post-Employment Benefits

Pension Plan

Substantially all of the employees of the hospital are eligible to be members of the Healthcare of Ontario Pension Plan. The plan is a multi-employer plan and therefore the Hospital's contributions are accounted for as if the plan were a defined contribution plan with the Hospital's contributions being expenses in the period they come due. Contributions made to the plan during the year by the Hospital amounted to \$581,655 (2013 - \$589,577) and are included in employee benefits on the statement of operations.

Other Benefits

The hospital provides post-employment health care, dental and life insurance benefits to eligible retired employees. The hospital's liability at March 31 for this plan is as follows:

	<u>2014</u>	<u>2013</u>
Accrued benefit obligation	\$ 531,493	\$ 530,346
Unamortized net actuarial gain (loss)	<u>30,459</u>	<u>41,578</u>
Post-employment benefits liability	<u>\$ 561,952</u>	<u>\$ 571,924</u>

In measuring the hospital's accrued benefit obligation, a discount rate of 3.75% (2013 - 3.90%) was assumed. For extended health care costs, a 6.5% annual rate of increase was assumed beginning in 2012 for 5 years, then decreasing to a 5.5% increase over the next 5 years, then decreasing to a 5% increase thereafter, for dental costs, a 3.5% annual rate of increase was assumed. The most recent actuarial valuation was prepared as at April 1, 2011. Actual results could differ from this estimate as additional information becomes available in the future.

	<u>2014</u>	<u>2013</u>
Current year benefit cost	\$ 23,821	\$ 28,995
Interest on accrued benefit obligation	<u>20,638</u>	<u>25,683</u>
Amortized actuarial (gains) losses	<u>(4,431)</u>	<u>4,350</u>
Expense for the year	<u>\$ 40,028</u>	<u>\$ 59,028</u>
Benefits paid during the year	<u>\$ 108,152</u>	<u>\$ 74,356</u>

Wingham and District Hospital Notes to Financial Statements

March 31, 2014

8. Deferred Capital Contributions

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

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 2,366,560	\$ 1,942,212
Contributions received	2,485,986	739,737
Amortization of deferred contributions - equipment	(258,158)	(278,349)
Amortization of deferred contributions - building and land improvements	<u>(45,716)</u>	<u>(37,040)</u>
Balance, end of year	<u>\$ 4,548,672</u>	<u>\$ 2,366,560</u>

9. Wingham and District Hospital Foundation

The Wingham and District Hospital Foundation is an independent corporation incorporated without share capital which has its own independent Board of Directors and is a registered charity under the Income Tax Act. The Foundation was established to raise funds for the use of the hospital. Donations received during the year for equipment and training were \$476,022 (2013 - \$259,441).

10. Related Party Transactions

The Hospital has an alliance agreement with the Listowel Memorial Hospital and shares a senior management team and other resources. The Hospital's share of the operating revenues and expenditures, and the assets and liabilities of the alliance have been recorded in the accounts of the Hospital. Shared expenditures paid by Listowel for Wingham are shown as an expense and recovery. As at March 31, 2014, amounts due to (from) Listowel Memorial Hospital totalled \$140,590 (2013 - \$146,502).

Wingham and District Hospital Notes to Financial Statements

March 31, 2014

11. Financial Instrument Risks

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk, and equity risk. The Hospital is not exposed to significant currency risk or equity risk as it does not transact materially in foreign currency or hold significant equity financial instruments. The Hospital's investment policy limits equity instruments to 10% of the fair value of the total investment portfolio. At March 31, 2014, a 10% movement in stock markets with all other variables held constant, could impact the market value of the equity instruments held by \$8,825 (2013 - \$7,754).

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 its interest bearing investments.

Liquidity Risk

Liquidity risk is the risk that the Hospital will not be able to meet its financial obligations as they fall due. The Hospital has a planning and budgeting process in place to help determine the funds required to support the Hospital's normal operating requirements on an ongoing basis. The Hospital 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 investments. Liquidity risk arises primarily from accounts payable and accrued liabilities and long-term debt.

Credit Risk

Credit risk is the risk of financial loss to the Hospital if a debtor fails to make payments of interest and principal when due. The Hospital is exposed to this risk relating its cash, accounts receivable, and debt holdings in its investment portfolio. The Hospital holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

The maximum exposure to investment credit risk is outlined in Note 3.

Accounts receivable are primarily due from OHIP, the Ministry of Health and Long-term Care and patients. Credit risk is mitigated by the financial solvency of the provincial government and the highly diversified nature of the patient population.

Wingham and District Hospital Notes to Financial Statements

March 31, 2014

11. Financial Instrument Risks (Continued)

The Hospital measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the Hospital's historical experience regarding collections. The amounts outstanding at year end were as follows:

As at March 31, 2014	Total	Current	31-61 days	61-90 days	91-120 days	121 + days
MOHLTC	\$ 122,777	\$ -	\$ -	\$ -	\$ -	\$ 122,777
Patient services	94,971	64,225	10,937	5,246	5,834	8,729
Other	595,438	296,539	132,370	61,903	33,483	71,143
Gross receivables	813,186	360,764	143,307	67,149	39,317	202,649
Less: impairment allowances	(3,681)	-	-	-	-	(3,681)
Net receivables	\$ 809,505	\$ 360,764	\$ 143,307	\$ 67,149	\$ 39,317	\$ 198,968

As at March 31, 2013	Total	Current	31-61 days	61-90 days	91-120 days	121 + days
MOHLTC	\$ 482,113	\$ 482,113	\$ -	\$ -	\$ -	\$ -
Patient services	151,342	129,181	14,379	1,643	1,620	4,519
Other	1,113,923	599,459	80,952	95,623	58,411	279,478
Gross receivables	1,747,378	1,210,753	95,331	97,266	60,031	283,997
Less: impairment allowances	(3,681)	-	-	-	-	(3,681)
Net receivables	\$ 1,743,697	\$ 1,210,753	\$ 95,331	\$ 97,266	\$ 60,031	\$ 280,316

The amounts aged greater than 120 days owing from patients have a corresponding impairment allowance set up against them based on the Hospital's past experience. Management has reviewed the individual balances and established the impairment allowance based on the credit quality of the debtors and their past history of payment.

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

12. Contingent Liability

The Hospital participates in the Healthcare Insurance Reciprocal of Canada (HIROC), a pooling of the public liability insurance risks of its hospital members. Members of the pool pay annual premiums, which are actuarially determined. Members are subject to assessment for losses, if any, experienced by the pool for the year in which they were members. No assessments have been made to March 31, 2014, with respect to claims.

AUXILIARY REPORTS

Listowel Memorial Hospital Auxiliary Annual Report for 2013/2014

The Auxiliary consists of 20 members and meet on the first Wednesday of each month except July and August.

Highlights of the year included:

- January
 - Installation of new officers and review of constitution
 - Purchase of \$11,050.00 worth of equipment for the hospital
- February
 - Bake Sale
 - Purchase of \$1925.00 worth of equipment for the hospital
- March
 - Bake Sale
- April
 - Volunteer Month
 - Guest Speaker on Osteoporosis
- May
 - Held Listowel Greenhouse Fundraiser
 - Helped decorate for Hospital Gala
 - Gift shop starts travelling to the Nursing Home
 - Held Basket Raffle
- June
 - Dinner meeting at LGC
- August
 - Made jams and jellies for sale in gift shop
- September
 - Guest Speaker on eating healthy for older people
- October
 - Helped with Radiothon
 - Bake Sale
 - Author David Turner donates portion of his book sales to the club
 - Moved our meeting place to the Outpatient Auditorium
- November
 - Held Christmas Bazaar and Bake Sale
 - Formed a nominating committee
- December
 - Hosted the Soundsations Christmas Concert
 - Zehrs tape program came to an end
 - Held our Christmas party

A successful year was enjoyed by the members through hard work, dedication and friendship.

Respectfully submitted,

Rhonda Beirnes
Secretary

Wingham & District Hospital Auxiliary Annual Report 2013/2014

The Wingham & District Hospital Auxiliary meets regularly throughout the year in January, April, June, September and November on the fourth Monday of the month. The average attendance is 25 to 30 members. Anyone is most welcome to join us and the annual membership fee is \$5.00.

The main objective of the Auxiliary is to support the hospital in any way possible. Our main focus this year was to purchase an ultra-sound cardiac stretcher. In order to achieve this, we held various fund raising activities, such as ticket sales on donated items, gift shop sales, spring and fall rummage sales, Tag Days in May, hospital bridge and euchre groups, poinsettia tea and bake sale in November and used book sales. These events are supported well in our community.

The 2013/2014 Executive is:

President	Janice Taylor
Vice President	-
Treasurer	Trudy Thomson
Secretary	Catherine Mulvey
Past President	Verna Steffler
Membership	Noreen Gray

President, Janice Taylor, attended the Annual Presidents Conference as well as the HAAO Spring Conference in Guelph. Our Auxiliary was well represented at these events and they were reported to be worthwhile events.

Our volunteers assist at the gift shop, directing visitors to our hospital, ordering items for sale in the gift shop, selling tickets, and organizing rummage sales, teas, bridge and euchre events. Many hours are donated in order to support the Auxiliary.

In addition, an Annual Bursary is donated for an FE Madill student to further their education in a health care field.

Thank you to all who support our Auxiliary through donations of time and resources and thus making another successful year.

The Auxiliary Annual Meeting is June 23, 2014.

Respectfully submitted,

Helen Rintoul,
Auxiliary Representative on the Wingham & District Hospital Board

FOUNDATIONS

Listowel Memorial Hospital Foundation Report 2013/2014

The Listowel Memorial Hospital Foundation has had a very good year bringing the profile of the Foundation to a new level for local residents and surrounding areas.

The Foundation has held several fundraisers in the last year such as:

- The Spring Gala, June 2013 was held at the Elma Community Centre, Atwood, hosted 256 people to an evening of fine dining, music and auction items. This successful event profited a net \$299,000 towards purchase for the hospital.
- Other events held were the Car & Motorcycle Poker Rally, M& M Hamburg BBQ in June 2013, golf tournament with the doctor recruitment committee in September, Radiothon event @ Knox Presbyterian Church, Listowel same day as Radiothon. This Radiothon event has entertainment, bake sale, food booth and generates over \$17,000 from our local donors for Radiothon.

The Foundation now is hosting four events each year bringing awareness of the importance of fundraising for our hospital to the area. The Foundation's new website is updated regularly with events going on and many other donations made by cheque presentation throughout the year.

Upcoming Events for 2014/2015

- Spring Gala 2014, theme "New York State of Mind" will be held Saturday, June 7, 2014, hosting 264 people proceeds to "Automatic Medication Dispensing Cabinets" cost in excess of \$420,000. To date Gala 2014 has brought in over \$264,000 corporate dollars!
- LMH Staff Appreciation hosted by LMH Foundation members, Thursday, June 19th, 2014
- BBQ at M & M Meats June 20th, 2014
- LMHF Car & Motorcycle Poker Rally, Saturday, September 20th, 2014
- Fall fundraiser, proceeds to Radiothon 2014 TBD
- Radiothon Knox Presbyterian Church Hall event, music, etc, Saturday, October 18th, 2014

Newsletters

The Spring 2014 newsletter just went out in the mail show casing our Automatic Dispensing Cabinets, Current Needs List, Chief of Staff comments, Donations throughout the Fall 2013. The Foundation circulated 2 newsletters in the Spring 2013 and Fall 2013 to over 8500 residents. The newsletters make people aware of what is going on at the Foundation, some of the donations made, in memory donations, and what the current needs are for the hospital. The newsletters have been very well received and generate donations plus awareness about the needs and what's going on at their local hospital.

New Donor Wall

The Foundation had the new Donor Recognition Wall placed next to the current Circle of Care Donor Wall. The new Donor wall has been very well received. Donors will be recognized from a certain donation amount and will date back to donations from January 2008.

The Foundation is grateful for the support from the staff at LMH and the citizens and businesses of North Perth and surrounding areas. **The Listowel Memorial Hospital Foundation was able to purchase \$347,000 of equipment and also support the purchase of automated dispensing units and medication carts for \$420,000 in 2013.**

Respectfully submitted,

LMH Foundation

Wingham & District Hospital Foundation Report 2013/2014

Radiothon

In 2013, the Wingham & District Hospital Foundation raised over \$83,300 for the purchase of an OR Table and Stretchers. On Saturday, October 19, 2013, the Foundation received over \$45,000 in on-air donations and over \$24,000 during the weeks that followed the Radiothon. As part of the 2013 Radiothon, the Foundation ran a new event – The Great Radiothon Race – which took place on Radiothon day. The event raised \$5,300 towards the Radiothon project. The 2014 Radiothon will be held on Saturday, October 18, 2014. The Foundation will be raising funds for a Cardiac Ultrasound Machine at the 2014 Radiothon.

Equipment

On April 23, 2014, the Foundation was pleased to officially present the Wingham & District Hospital Board with a cheque in the amount of \$475,979.84. These funds were generated through the Radiothon, memorial donations, and other events in 2013. The money donated funded the purchase of the following pieces of equipment: HUGO cabinets and carts, OR table, Cystoscope, 2 Vital signs monitors, Defibrillator, Stretcher, Cardiograph equipment, Sleeper chair, Rehabilitation assessment/education tools, as well as a contribution to the palliative care program.

Grants Received

The Wingham & District Hospital Foundation was lucky to be the recipient of three grants this year. The Royal Canadian Legion Ontario Command Charitable Trust granted the Foundation with \$6,000 towards a 15-Lead Electrocardiograph. The Charles H. Ivey Foundation granted the Foundation \$2,500 and the J.P. Bickell Foundation granted \$3,000.

Not-For-Profit Act Transition

The WDH Foundation has submitted Articles of Continuance and updated By-Laws to Corporations Canada and is now in compliance with the new federal Not-For-Profit Act. All federally incorporated not-for-profit organizations must transition to the new Act by October 2014.

Capital Campaign

The WDH Foundation has engaged professional fundraiser Glen Boy of Campaign Coaches, a not-for-profit consulting firm from Waterloo, to complete a feasibility study. The study will determine the catchment area's ability and willingness to support the capital campaign which will be required to complete the planned renovations to the Wingham & District Hospital.

Respectfully submitted,

WDH Foundation

MEDICAL STAFF

Listowel Memorial Hospital

Professional Staff 2013/14

Dr. R. Latuskie - Chief of Staff

Dr. A. Qureshi – President

Dr. Barb Matthews – Vice-President

Dr. R. Warren - Secretary

ACTIVE STAFF

Dr. R. Annis
Dr. G. Edmonds
Dr. R. Latuskie
Dr. B. Matthews
Dr. B. Neable

Dr. A. Qureshi
Dr. P. Rutherford
Dr. T. Suggitt
Dr. R. Warren
Dr. E. Westen

DENTAL STAFF

Dr. K. Clemes	Dr. A. Shellnutt
Dr. N. Hogg	Dr. A. Thompson
Dr. D. Nuhn	Dr. P. Trainor
Dr. O. Panich	

MIDWIFERY STAFF

Kimberly Cleland
Madeline Clin
Mhairi Colgate
Sabrina Connor
Catherine Goudy
Catherine Kipp

Mianh Lamson
Amanda Levenecrown
Jillian Nafziger
Laura Pierce
Amy Sjaarda
Cynthia Soulliere

NURSE PRACTITIONERS

Wendy Dunn
Lorna Labbe

CONSULTING & COURTESY STAFF

Dr. G. Antoniadis
Dr. K. Blaine
Dr. M. Bucur
Dr. M. Carlson
Dr. M. Chan
Dr. J. Conners
Dr. C. Cressey
Dr. C. Donald
Dr. Y. Erenberg
Dr. D. Finnigan
Dr. M. Gillett
Dr. J. Guy
Dr. A. Haider
Dr. G. Hancock

Dr. J. Hardwick
Dr. G. Heaton
Dr. B. Hughes
Dr. A. Hussey
Dr. T. Kalos
Dr. M. Korvemaker
Dr. M. Klassen
Dr. M. MacLeod
Dr. M. Mann
Dr. K. Miller
Dr. D. Mowbray
Dr. W. Papoff
Dr. S. Prasad
Dr. R. Puley

Dr. R. Ramsewak
Dr. E. Scott
Dr. G. Semelhago
Dr. V. Sharma
Dr. O. Spanglet
Dr. P. Squires
Dr. D. Stewart
Dr. C. Tamblyn
Dr. S. Tamblyn
Dr. G. Tarulli
Dr. S. Tejpar
Dr. J. Vettors
Dr. D. Wycoco
Dr. O. Yousef

Wingham and District Hospital

Professional Staff 2013/2014

Dr. G. Antoniadis – Chief of Staff

Dr. J. Shuffield – President

Dr. B. Marshall – Vice-President/Secretary/Treasurer

ACTIVE STAFF

Dr. G. Antoniadis
Dr. M. Gear
Dr. B. Marshall

Dr. J. Shuffield
Dr. S. Marshall
Dr. M. Moores

Dr. M. Shubat
Dr. S. Vanderklippe

DENTAL STAFF

Dr. R. Bateman
Dr. J. Hall
Dr. Y. Liu

Dr. J. O'Young
Dr. D. Magee
Dr. W. Spink

NURSE PRACTITIONERS

Alison Clark

CONSULTING & COURTESY STAFF

Dr. R. Alfayadh
Dr. C. Bloch
Dr. B. Bukala
Dr. M. Carlson
Dr. C. Church
Dr. P. Conlon
Dr. C. Cramer
Dr. D. Dittmer
Dr. G. Edmonds
Dr. Y. Erenberg
Dr. M. Flowers

Dr. R. Gasparelli
Dr. M. Korvemaker
Dr. L. Krishna
Dr. M. Loubani
Dr. E. MacRae
Dr. A. Montgomery
Dr. D. Mowbray
Dr. C. O'Neill
Dr. W. Papoff
Dr. F. Perera
Dr. R. Ramsewak

Dr. H. Ringrose
Dr. J. Schwalm
Dr. S. Sleeth
Dr. O. Spanglet
Dr. P. Squires
Dr. J. Tarulli
Dr. C. Tomlinson
Dr. J. Vettters
Dr. D. Wycoco
Dr. O' Yousef

Listowel Memorial Hospital

Visiting Consultants

Clinic	Physician	Clinic Held
Dermatology	Dr. A. Haider	Weekly – Thursday
E.N.T.	Dr. B. Hughes	Bi-Weekly
Gerontology	Dr. S. Prasad	Monthly - Thursday
Internal Medicine - Cardiology	Dr. D. Tamblyn	Weekly – Tuesday
	Dr. M. Gillett	Weekly – Thursday
	Dr. O. Spanglet	Weekly – Monday
Internal Medicine - Gastroenterology	Dr. V. Sharma	Bi-Weekly – Friday
Neurology	Dr. D. Stewart	Monthly – Friday
Obstetrics/Gynaecology	Dr. G. Hancock	Bi-Weekly – Wednesday
	Dr. T. Kalos	Bi-Weekly – Monday
Oral & Maxillofacial Surgeon	Dr. N. Hogg	Bi-Weekly – Wednesday
Orthopaedics	Dr. J. Guy	Bi-Weekly – Friday
Paediatric	Dr. K. Blaine	Bi-Weekly – Tuesday
Plastic Surgery	Dr. G. Heaton	Bi-Weekly – Tuesday
Surgical	Dr. R. Ramsewak	Weekly – Tuesday, Wednesday and Thursday
Urology	Dr. A. Hussey	Bi-Weekly – Friday

Wingham & District Hospital

Visiting Consultants

<u>Clinic</u>	<u>Physician</u>	<u>Clinic Held</u>
Cancer Clinic	Dr. Perera	Monthly - 2 nd Tues.
Cardiology/Echocardiography/ Carotid Doppler Studies*	Dr. C. Tomlinson*	Monthly
	Dr. A. Montgomery	Monthly
	Dr. J. Schwalm	Monthly
Echo Lab	Mr. Mike Cooper	Weekly - Friday
Ear, Nose, Throat	Dr. E. MacRae	Twice Monthly
Geriatric Outreach Program	Dr. Crilly / Team	As needed
Internal Medicine - Cardiology	Dr. O. Spanglet	Weekly - Thursday
Internal Medicine - Gastroenterology	Dr. M. Flowers	5 days per week
Obstetrical & Gynecology	Dr. C. Bloch	Monthly
Paediatrics	Dr. P. Squires	Monthly
Physical Medicine & Rehab	Dr. D. Dittmer	Monthly
Surgical	Dr. R. Ramsewak	Weekly - Monday
	Dr. C. O'Neill	Bi-Weekly - Tuesday
Urology	Dr. B. Bukala	Monthly

**Listowel Memorial Hospital
Board of Directors
2013/2014**

Chair – Mr. Blair Burns
Vice-Chair – Mr. David Calder
Treasurer – Mr. Tom Soltys

Directors

Ms. Kris Dekker
Mr. Robert Johns
Mr. Bert Johnson
Ms. Kathy Mitchell
Ms. Rosemary Rognvaldson

Appointed Member

Representative of Auxiliary - Ms. Mary Kerr

Ex-Officio Members

Chief of Staff - Dr. Russell Latuskie
President of Medical Staff - Dr. Arif Qureshi
Chief Executive Officer - Karl Ellis
Chief Nursing Executive - Angela Stanley

**Wingham and District Hospital
Board of Directors
2013/2014**

Chair – Ms. Amy Miller
Vice-Chair – Mr. Trevor Seip
Treasurer – Ms. Sandra Campbell*
Ms. Penny Mulvey*

Directors

Ms. Marg Carswell
Mr. Andy McBride
Ms. Gladys Peacock
Mr. Marc Pittock

Appointed Member

Representative of Auxiliary - Ms. Helen Rintoul

Ex-Officio Members

Chief of Staff - Dr. Greg Antoniadis
President of Medical Staff - Dr. Jim Shuffield
Chief Executive Officer - Karl Ellis
Chief Nursing Executive - Angela Stanley

*Ms. Sandra Campbell retired from the Wingham & District Hospital Board in January 2014

*Ms. Penny Mulvey was appointed as the Wingham & District Hospital Board Treasurer in January 2014