

**COLLINGWOOD  
GENERAL AND MARINE HOSPITAL  
FINANCIAL STATEMENTS  
MARCH 31, 2009**

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**GAVILLER & COMPANY LLP**  
CHARTERED ACCOUNTANTS

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**AUDITORS' REPORT**

To the members of the  
**Collingwood General and Marine Hospital:**

We have audited the balance sheet of **Collingwood General and Marine Hospital** as at March 31, 2009, and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Hospital's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Collingwood General and Marine Hospital as at March 31, 2009 and the results of its operations and the changes in its net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

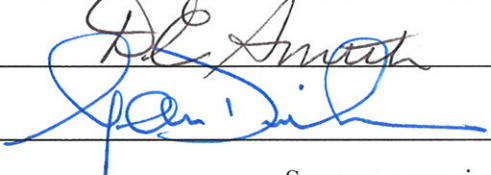
*Gaviller & Company LLP*  
Licensed Public Accountants  
Collingwood, Ontario  
May 6, 2009

# COLLINGWOOD GENERAL AND MARINE HOSPITAL

## BALANCE SHEET AS AT MARCH 31

	2009	2008
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	3,199,338	3,049,896
Accounts Receivable (Note 7)	1,204,240	1,301,002
Inventories (Note 3)	302,487	304,040
Prepaid Expenses	107,841	156,702
Total Current Assets	4,813,906	4,811,640
CAPITAL (Note 4)	21,458,620	22,365,954
	26,272,526	27,177,594
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts Payable and Accruals	4,917,944	5,078,468
EMPLOYEE FUTURE BENEFITS (Note 8)	588,334	455,870
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 5)	19,844,185	20,300,740
<b>NET ASSETS</b>		
Invested in Capital Assets (Note 6)	1,614,435	2,065,214
Unrestricted	(692,372)	(722,698)
Total Net Assets	922,063	1,342,516
	26,272,526	27,177,594

APPROVED ON BEHALF OF THE BOARD:

  
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See accompanying notes to the financial statements

# COLLINGWOOD GENERAL AND MARINE HOSPITAL

## STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31

	2009	2008
	\$	\$
<b>REVENUES</b>		
Ministry of Health - Patient Services	30,445,533	29,772,681
Patient Services - Other	7,547,722	6,915,934
Inpatient Services	311,659	311,766
Differential Accommodation	581,163	429,044
Dietary Recoveries, Ambulance, Investment and Other Income	1,712,335	1,649,579
Amortization of Deferred Contributions - Equipment	1,219,624	1,453,455
	41,818,036	40,532,459
<b>EXPENSES</b>		
Salaries and Wages	20,588,781	19,607,951
Medical Staff Remuneration	6,094,203	5,619,710
Employee Benefits	4,808,051	4,968,133
Supplies and Other	5,887,471	5,511,447
Medical and Surgical Supplies	2,545,134	2,190,455
Drugs and Gases	1,061,530	1,107,556
Bad Debts	30,000	26,586
Amortization of Equipment	1,321,603	1,540,543
	42,336,773	40,572,381
<b>Deficiency of revenue over expenses before other items, votes and programs</b>	<b>(518,737)</b>	<b>(39,922)</b>
<b>OTHER ITEMS</b>		
Prior Year Waitlist and Dialysis Funding Reconciliation	104,141	9,250
<b>OTHER VOTES AND PROGRAMS (Note 11)</b>		
Revenue	1,476,356	1,489,158
Expense	(1,476,356)	(1,489,158)
Net Other Votes and Programs	-	-
<b>Deficiency of revenue over expenses before amortization</b>	<b>(414,596)</b>	<b>(30,672)</b>
<b>AMORTIZATION</b>		
Amortization of Deferred Contributions	587,295	577,617
Amortization of Building and Equipment	(593,152)	(589,581)
Net Amortization	(5,857)	(11,964)
<b>DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<b>(420,453)</b>	<b>(42,636)</b>

See accompanying notes to the financial statements

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# COLLINGWOOD GENERAL AND MARINE HOSPITAL

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## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31

	Invested in Capital Assets	Unrestricted	2009 Total	2008 Total
	\$	\$	\$	\$
<b>BALANCE, Beginning of Year</b>	2,065,214	(722,698)	1,342,516	1,385,152
Deficiency of revenue over expenses	(90,629)	(329,824)	(420,453)	(42,636)
Investment in Capital Assets (Note 6)	(360,150)	360,150	-	-
<b>BALANCE, End of Year</b>	<u>1,614,435</u>	<u>(692,372)</u>	<u>922,063</u>	<u>1,342,516</u>

See accompanying notes to the financial statements

# COLLINGWOOD GENERAL AND MARINE HOSPITAL

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31

	2009	2008
	\$	\$
<b>CASH FLOWS FROM (FOR) OPERATING ACTIVITIES</b>		
Deficiency of Revenue Over Expenses for the year	(420,453)	(42,636)
Items Not Involving Cash		
Amortization of Capital Assets	1,914,755	2,130,124
Loss (Gain) on Sale of Capital Assets	(17,207)	8,359
Amortization of Deferred Contributions	(1,806,919)	(2,031,072)
	(329,824)	64,775
Changes in		
Accounts Receivable	118,007	(392,198)
Inventories	1,553	(19,392)
Prepaid Expenses	48,861	(2,061)
Accounts Payable and Accruals	(204,471)	68,071
Employee Future Benefits	132,464	64,718
	(233,410)	(216,087)
<b>FINANCING ACTIVITIES</b>		
Deferred Contributions	1,350,365	1,151,600
<b>INVESTING ACTIVITIES</b>		
Capital Asset Acquisitions	(1,010,363)	(1,276,274)
Proceeds From Sale of Capital Assets	20,148	2,000
Accounts Receivable for Capital Acquisitions	(21,245)	49,324
Accounts Payable for Capital Acquisitions	43,947	(94,763)
	(967,513)	(1,319,713)
<b>CHANGE IN CASH POSITION DURING THE YEAR</b>	149,442	(384,200)
Cash Position, Beginning of Year	3,049,896	3,434,096
<b>CASH POSITION END OF YEAR</b>	3,199,338	3,049,896

See accompanying notes to the financial statements

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# COLLINGWOOD GENERAL AND MARINE HOSPITAL

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## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2009

### 1. PURPOSE OF THE ORGANIZATION

The corporation was incorporated under the Canada Corporation Act by Parliamentary assent on June 23, 1887 to establish a hospital for the assistance, benefit and relief of persons sick or injured by accidents. It is an exempt corporation under the Income Tax Act.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Definition

The accounting policies of the Hospital are in accordance with Ontario Ministry of Health accounting guidelines and the Canadian Institute of Chartered Accountants' handbook.

(b) Revenue recognition

The Hospital follows the deferral method of accounting for contributions. Contributions relating to depreciable capital assets are deferred and amortized over the useful life of the depreciable capital asset acquired. Contributions relating to non-depreciable assets are recognized as direct increases to net assets. Restricted contributions for operations are recognized as revenue in the year in which the related expenses are incurred. 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.

(c) Capital assets

Capital assets are recorded at cost. Capital assets are amortized on a straight line basis over their estimated useful life using rates established by management information system guidelines as approved by the Ministry of Health, ranging from 2% to 20%.

(d) Inventories

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

(e) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These may affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Employee future benefits are a significant area where estimates are used. An actuarial report is completed to provide measurement of that estimate.

# COLLINGWOOD GENERAL AND MARINE HOSPITAL

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2009

### 3. ADOPTION OF NEW ACCOUNTING STANDARDS

(a) Capital disclosures

Effective April 1, 2008, the Hospital adopted the Canadian Institute of Chartered Accounts (“CICA”) Handbook Section 1535, *Capital Disclosures*, which establishes standards for disclosing information about an entity’s capital and how it is managed. Adoption of these recommendations had no effect on the financial statements for the year ending March 31, 2009, except for the additional note disclosure in Note 12.

(b) Inventory

Effective April 1, 2008, the Hospital adopted the CICA Handbook Section 3031, *Inventories*, which provides guidance on the measurement and disclosure requirements for inventories. The implementation of this new section had no significant impact on the Hospital’s financial statements.

### 4. CAPITAL

	2009	2008
	\$	\$
<b>COST</b>		
Land and Improvements	645,060	635,370
Buildings	22,292,381	22,290,799
Equipment and Furnishings	20,480,074	20,862,985
Construction in Progress	68,479	-
	<u>43,485,994</u>	<u>43,789,154</u>
<b>ACCUMULATED AMORTIZATION</b>		
Land and Improvements	424,469	403,515
Buildings	5,043,936	4,568,659
Equipment and Furnishings	16,558,969	16,451,026
	<u>22,027,374</u>	<u>21,423,200</u>
	<u>21,458,620</u>	<u>22,365,954</u>

Assets included in Construction in Progress are not amortized until available for use.



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# COLLINGWOOD GENERAL AND MARINE HOSPITAL

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## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2009

### 5. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets represent contributions restricted by the donors for the purchase of capital assets. The changes in the deferred contributions balance for the period are as follows:

	2009	2008
	\$	\$
Balance, Beginning of Year	20,300,740	21,180,212
Donations From the Collingwood General & Marine Hospital Foundation	1,189,872	1,014,113
Government Grants	160,493	137,487
Amortization of Deferred Contributions	(1,806,920)	(2,031,072)
	<hr/>	<hr/>
Balance, End of Year	19,844,185	20,300,740

Deferred Contributions of \$795,915 (2008 - \$434,047) are not being amortized as the assets for which these funds have been received have yet to be acquired.

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# COLLINGWOOD GENERAL AND MARINE HOSPITAL

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## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2009

### 6. NET ASSETS INVESTED IN CAPITAL ASSETS

Net assets invested in capital assets is comprised of the following:

	2009	2008
	\$	\$
Capital assets	21,458,620	22,365,954
Deferred contributions related to capital assets	<u>(19,844,185)</u>	<u>(20,300,740)</u>
Total net capital assets	<u>1,614,435</u>	<u>2,065,214</u>

Investment in capital assets is reconciled as follows:

	2009
	\$
Purchases of capital assets, net of proceeds on sale of capital assets	990,215
Government grants received and receivable	(160,493)
Donations from the Collingwood General & Marine Hospital Foundation	<u>(1,189,872)</u>
Total investment in capital assets during the year	<u>(360,150)</u>

### 7. RELATED PARTY TRANSACTIONS

Accounts receivable includes \$163,421 (2008 – \$171,274) from the Collingwood General & Marine Hospital Foundation.

The Collingwood General & Marine Hospital Foundation was founded to receive, accumulate and distribute funds and/or the income therefrom for the benefit of the Hospital. The Foundation is incorporated under the Ontario Corporations Act and is a registered charity under the Income Tax Act. The Hospital has representation on the Foundation's Board of Directors. Net resources of the Foundation must be provided to the Hospital or used for the Hospital's benefit according to the Foundation's bylaws. Thus, as defined in the accounting recommendations of the Canadian Institute of Chartered Accountants, the Hospital has an economic interest in the Foundation.

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# COLLINGWOOD GENERAL AND MARINE HOSPITAL

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## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2009

### 7. RELATED PARTY TRANSACTIONS (continued)

The Foundation has not been consolidated in the Hospital's financial statements. Financial statements of the Foundation are available on request. Audited financial summaries for the Foundation as at December 31, 2008 and 2007 are as follows:

	2008	2007
	\$	\$
Financial position		
Total assets	8,591,451	8,647,910
Total liabilities	555,516	538,696
Total net assets	<u>8,035,935</u>	<u>8,109,214</u>
Results of operations		
Total revenues	1,685,017	1,888,561
Total expenses	569,485	543,153
Excess of revenues over expenses	<u>1,115,532</u>	<u>1,345,408</u>
Cash flows		
Cash from operations	1,990,284	1,692,343
Cash used in investing and financing activities	(1,701,672)	(1,755,766)
Change in cash	<u>288,612</u>	<u>(63,423)</u>

### 8. EMPLOYEE FUTURE BENEFITS

The employees of the Collingwood General and Marine Hospital participate in the Hospitals of Ontario Pension Plan ("HOOPP"). Although the plan has a defined retirement benefit for employees, the related obligation of individual hospitals cannot be identified. The HOOPP plan has several unrelated participating hospitals. During the year the Collingwood General and Marine Hospital made contributions of \$1,634,765 (2008 - \$1,549,339) to the HOOPP plan.

The Hospital provides extended health care, dental benefits and life insurance to substantially all full-time employees. At March 31, 2009, the Hospital's future benefit obligation relating to post-retirement benefits using assumptions detailed in the actuarial valuation dated April 1, 2008 is \$989,100 (2008 - \$746,245). The portion of this benefit obligation included on the Balance Sheet at March 31, 2009 is \$588,334 (2008 - \$455,870). Significant fluctuations in anticipated healthcare costs are not expected to materially affect the accrued liability benefit. Actuarial valuations will be prepared every third year or when there are significant changes in the workforce.

# COLLINGWOOD GENERAL AND MARINE HOSPITAL

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2009

### 8. EMPLOYEE FUTURE BENEFITS (continued)

Information about the hospital's benefit obligation is as follows:

	2009	2008
	\$	\$
<b>ACCRUED BENEFIT OBLIGATION</b>		
Balance beginning of period	746,245	713,800
Service cost for one year	56,300	28,016
Interest on the accrued benefit obligation	64,500	35,741
Prior service costs	200,800	-
Expected benefit payments/contributions	(29,200)	(31,312)
Reconciliation of beginning of period balance	(49,545)	-
	989,100	746,245
Unamortized prior service costs	(197,000)	(18,900)
Unamortized net actuarial loss	(203,766)	(271,475)
	588,334	455,870

The significant actuarial assumptions included in the actuarial report dated April 1, 2008 and adopted in estimating the Hospital's accrued benefit obligation are as follows:

Discount Rate	6.00%
Dental Benefits Cost Escalation	4.0%
Extended Health Care Cost Escalation	9.0% decreasing .5% annually to 5.0%

Employee benefits expense for 2009 includes \$161,700 (2008 - \$93,700) for employee future benefits. During the year, actual payments for extended health care, dental and life insurance premiums of \$29,236 (2008 - \$28,982) were made for retired employees.

### 9. FINANCIAL INSTRUMENTS

The Hospital's financial instruments consist of cash, accounts receivable, accounts payable and employee future benefits. It is management's opinion that the Hospital is not exposed to significant interest, currency or credit risks arising from these instruments.

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# COLLINGWOOD GENERAL AND MARINE HOSPITAL

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## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2009

### 10. MINISTRY OF HEALTH/PHYSICIAN AGREEMENTS

#### ALTERNATIVE FUNDING AGREEMENT

The hospital has an agreement with the Emergency Physicians and the Ministry of Health for alternative funding for emergency services. The revenues and expenses included in the statement of operations are as follows:

	2009	2008
	\$	\$
Revenue - MOHLTC	2,590,382	2,476,846
Expenses - Physician Remuneration	2,572,007	2,409,747
- Other	18,375	67,099
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Hospital's Contribution to Agreement	-	-
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#### PHYSICIAN ON CALL COVERAGE

The Hospital has an agreement with the Ministry of Health for Physician on Call Coverage. The revenues and expenses included in the statement of operations are as follows:

	2009	2008
	\$	\$
Revenue - MOHLTC	1,187,476	1,232,878
Expenses - Physician Remuneration	1,263,299	1,262,374
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Hospital's Contribution to Agreement	(75,823)	(29,496)
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# COLLINGWOOD GENERAL AND MARINE HOSPITAL

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## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2009

### 11. OTHER VOTES & PROGRAMS – REVENUE AND EXPENSE

	2009	2008
	\$	\$
<b>REVENUE</b>		
Community Mental Health Programs	1,073,893	1,117,588
Psychogeriatric Program	196,754	192,400
Diabetes Program	199,559	173,020
Municipal Taxes	6,150	6,150
	<hr/>	<hr/>
	1,476,356	1,489,158
<b>EXPENSE</b>		
Community Mental Health	640,237	634,342
Crisis Intervention	164,705	216,853
Case Management	268,951	266,393
Psychogeriatric Program	196,754	192,400
Diabetes Program	199,559	173,020
Municipal Taxes	6,150	6,150
	<hr/>	<hr/>
	1,476,356	1,489,158
<b>NET OTHER VOTES AND PROGRAMS</b>	<hr/> <hr/>	<hr/> <hr/>
	-	-

### 12. CAPITAL DISCLOSURES

The Hospital defines capital as its net assets. The Hospital's overall objective with respect to its capital is to fund capital assets, future projects and ongoing operations. The Hospital is not subject to externally imposed capital requirements and its overall strategy with respect to capital remains unchanged from the year ended March 31, 2008.

### 13. COMPARATIVE INFORMATION

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