

Financial Statements of

# **ONGWANADA HOSPITAL**

Year ended March 31, 2015

# ONGWANADA HOSPITAL

## Financial Statements

Year ended March 31, 2015

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## INDEPENDENT AUDITORS' REPORT

To the Members of Ongwanada Hospital

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

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for 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.

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ongwanada Hospital as at March 31, 2015, and its results of operations, its changes in net assets, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

June 17, 2015

Kingston, Canada

# ONGWANADA HOSPITAL

## Statement of Financial Position

March 31, 2015, with comparative information for 2014

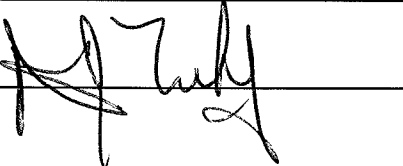
	2015	2014
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 7,504,242	\$ 5,127,977
Accounts receivable:		
Province of Ontario	5,239	-
Sundry (note 2)	688,169	539,592
Due from patient safekeeping account	1,062	-
Prepaid expenses	127,905	86,122
Inventories	138,463	127,373
Cash held as loan security (note 4)	1,000,000	3,000,000
	<u>9,465,080</u>	<u>8,881,064</u>
Restricted assets:		
Patient safekeeping accounts		
Cash	77,807	56,761
Due from (to) general account	(1,062)	4,446
	<u>76,745</u>	<u>61,207</u>
Capital assets (note 3)	9,554,200	9,650,675
Due from Ongwanada Non-Profit Housing Corporation (note 10(a))	246,511	117,475
	<u>\$ 19,342,536</u>	<u>\$ 18,710,421</u>

	2015	2014
<b>Liabilities, Deferred Contributions and Net Asset Deficiency</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 4,304,618	\$ 3,484,041
Due to patient safekeeping account	-	4,446
Current portion of long-term debt (note 4)	834,857	929,748
	<u>5,139,475</u>	<u>4,418,235</u>
Employee future benefits liability (note 6)	6,100,400	8,056,100
Patients' safekeeping accounts:		
Balances held in trust	76,745	61,207
Deferred capital contributions (note 7)	6,369,939	6,672,717
Net asset deficiency:		
Invested in capital assets (note 8(a))	3,184,261	2,977,958
Internally restricted	163,237	161,595
Unrestricted deficiency	(1,691,521)	(3,637,391)
	<u>1,655,977</u>	<u>(497,838)</u>
Contingent liabilities (note 11)		
Commitment (note 13)		
	<u>\$ 19,342,536</u>	<u>\$ 18,710,421</u>

See accompanying notes to financial statements.

On behalf of the Board:

  
 \_\_\_\_\_ Member

  
 \_\_\_\_\_ Member

# ONGWANADA HOSPITAL

## Statement of Operations

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

	Responsibility of Ministry of Community and Social Services				Plant and endowment fund	2015 Total	2014 Total
	General programs	Responsibility of hospital					
<b>Revenue:</b>							
Patient services:							
Approved funding	\$ 29,358,024	\$ -	\$ -	\$ -	\$ 29,358,024	\$ 29,609,982	
Other patient revenue	1,494,170	-	-	-	1,494,170	1,478,536	
Offset revenue and recoveries:							
Community residential services	252,822	-	-	-	252,822	247,206	
Client and community services - environmental support	2,723,099	-	-	-	2,723,099	2,548,614	
General administration	50,818	-	-	-	50,818	48,775	
Interest income	9,701	-	-	93,903	103,604	117,875	
Donations	-	-	-	16,729	16,729	11,423	
Amortization of deferred capital contributions (note 7)	-	-	-	546,067	546,067	560,947	
Change in employee future benefits liability (note 6)	-	1,955,700	-	-	1,955,700	-	
Other income	126,487	42,887	-	-	169,374	187,021	
	34,015,121	1,998,587	-	656,699	36,670,407	34,810,379	
<b>Expenses:</b>							
Developmental care:							
Community residential services (Schedule A)	17,276,485	-	-	-	17,276,485	17,178,115	
Client and community services - environmental support (Schedule B)	13,768,308	-	-	-	13,768,308	13,607,115	
General administration (Schedule C)	2,719,543	-	-	-	2,719,543	2,332,000	
Interest on pay equity and wage compression long-term debt	27,612	-	-	-	27,612	74,250	
Amortization of capital assets	-	-	-	719,240	719,240	662,556	
Change in vacation pay liability	-	10,234	-	-	10,234	(29,577)	
Change in sick pay liability	-	(14,090)	-	-	(14,090)	(4,431)	
Change in employee future benefits liability (note 6)	-	-	-	-	-	79,100	
Other expense	-	-	-	9,260	9,260	3,355	
	33,791,948	(3,856)	-	728,500	34,516,592	33,902,483	
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 223,173</b>	<b>\$ 2,002,443</b>	<b>\$ (71,801)</b>	<b>\$ (71,801)</b>	<b>\$ 2,153,815</b>	<b>\$ 907,896</b>	

See accompanying notes to financial statements.

# ONGWANADA HOSPITAL

## Statement of Changes in Net Assets

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

	Invested in capital assets			2015 Total	2014 Total
	Unrestricted	Internally restricted	Unrestricted		
Balance (deficiency), beginning of year	\$ 2,977,958	\$ 161,595	\$ (3,637,391)	\$ (497,838)	\$ (1,405,734)
Excess (deficiency) of revenue over expenses (note 8(b))	(191,765)	1,642	2,343,938	2,153,815	907,896
Net change in investment in capital assets (note 8(b))	398,068	—	(398,068)	—	—
<b>Balance (deficiency), end of year</b>	<b>\$ 3,184,261</b>	<b>\$ 163,237</b>	<b>\$ (1,691,521)</b>	<b>\$ 1,655,977</b>	<b>\$ (497,838)</b>

See accompanying notes to financial statements.



# ONGWANADA HOSPITAL

## Statement of Cash Flows

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

	2015	2014
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 2,153,815	\$ 907,896
Items not involving cash:		
Amortization of deferred capital contributions	(546,067)	(560,947)
Amortization of capital assets	719,240	662,556
Loss (gain) on disposal of capital assets	18,592	(2,601)
Change in non-cash operating working capital:		
Accounts receivable:		
Province of Ontario	(5,239)	40,498
Sundry	(148,577)	46,036
Due from Ongwanada Non-Profit Housing Corporation	(129,036)	(44,664)
Prepaid expenses	(41,783)	624
Inventories	(11,090)	(288)
Cash held as loan security	2,000,000	-
Accounts payable and accrued liabilities	820,577	121,075
Due to patient safekeeping account	(5,508)	2,597
Change in employee future benefits liability	(1,955,700)	79,100
	<u>2,869,224</u>	<u>1,251,882</u>
Financing activities:		
Increase in deferred capital contributions	243,289	74,125
Repayment of long-term debt	(94,891)	(1,612,003)
	<u>148,398</u>	<u>(1,537,878)</u>
Capital activities:		
Additions to land, buildings and equipment	(643,757)	(350,129)
Proceeds on sale of capital assets	2,400	2,601
	<u>(641,357)</u>	<u>(347,528)</u>
Increase (decrease) in cash and cash equivalents	2,376,265	(633,524)
Cash and cash equivalents, beginning of year	5,127,977	5,761,501
Cash and cash equivalents, end of year	<u>\$ 7,504,242</u>	<u>\$ 5,127,977</u>

See accompanying notes to financial statements.

# ONGWANADA HOSPITAL

Notes to Financial Statements

Year ended March 31, 2015

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Ongwanada Hospital (the "Organization") was incorporated without share capital under the Ontario Corporations Act on November 23, 1945. The Organization is principally involved in providing support services to citizens with development disabilities in the rural and urban communities of South Eastern Ontario. The Organization is a registered charity under the Income Tax Act and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

## 1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook – Accounting.

### (a) Revenue recognition:

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

Under various Province of Ontario Acts and Regulations thereto, the Organization is funded primarily in accordance with budget arrangements established by the Ministry of Community and Social Services ("Ministry"). Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period. These financial statements reflect agreed arrangements approved by the Ministry with respect to the year ended March 31, 2015.

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

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

Other patient revenues are recognized when the goods are sold or the service is provided.

### (b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months.

# ONGWANADA HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 1. Significant accounting policies (continued):

### (c) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

### (d) Inventories:

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

### (e) Capital assets:

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expense as incurred. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis using the following annual rates:

Asset	Rate
Buildings	2.5%
Furniture and equipment	20%
Vehicles	10%

The costs incurred for major capital projects are classified separately as construction-in-progress until the project is complete. When complete, the costs are transferred to the appropriate capital asset category.

### (f) Compensated absences:

Compensation expense is accrued for all employees as entitlement to these payments is earned, in accordance with the Organization's benefit plans for vacation and sick leave.

### (g) Employee future benefits:

The Organization uses the immediate recognition approach to account for its defined benefit plans. The Organization accrues its obligations under the defined benefit plans as the employees render the services necessary to earn the non-pension post-retirement benefits. The cost of non-pension post-retirement benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service, which incorporates management's best estimate of future salary levels, other cost escalation, retirement ages of employees and other actuarial factors. The measurement date of the accrued benefit obligation coincides with the Organization's fiscal year. Actuarial gains (losses) that arise from changes in actuarial assumptions used to determine the accrued benefit obligation are recognized in income in the year of valuation.

# ONGWANADA HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 1. Significant accounting policies (continued):

### (g) Employee future benefits (continued):

The Organization is an employer member of the Healthcare of Ontario Pension Plan, which is a multi-employer, defined benefit pension plan. The Organization has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles.

### (h) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the reporting period they become known.

### (i) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has not elected to subsequently carry any such financial instruments at fair value.

Financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

# ONGWANADA HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2015

## 2. Sundry accounts receivable:

	2015	2014
Trade	\$ 266,868	\$ 213,840
HST	168,959	89,158
Copayment	143,816	144,546
Other	185,159	156,255
	764,802	603,799
Less allowance for doubtful accounts	76,633	64,207
	\$ 688,169	\$ 539,592

## 3. Capital assets:

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Land	\$ 911,723	\$ -	\$ 911,723	\$ 911,723
Buildings	15,284,380	7,804,951	7,479,429	7,860,357
Furniture and equipment	3,249,185	2,748,610	500,575	123,437
Vehicles	1,708,797	1,046,324	662,473	755,158
	\$ 21,154,085	\$ 11,599,885	\$ 9,554,200	\$ 9,650,675

Cost and accumulated amortization of capital assets at March 31, 2014 amounted to \$20,695,094 and \$11,044,419 respectively.

# ONGWANADA HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2015

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#### 4. Long-term debt:

	2015	2014
Bank term loan	\$ 834,857	\$ 929,748
Less: Current portion	834,857	929,748
	\$ —	\$ —

The bank term loan is a non-revolving one-year loan, maturing October 31, 2015, with interest only payable monthly at the bank's prime lending rate.

The bank term loan is secured by cash collateral of \$1,000,000 which earns interest at the bank's prime lending rate less 1.9%.

The remaining balance of principal and interest at October 31, 2021 is repayable in full by the pledged cash collateral.

It is the intention of the Organization to renew the bank term loan at maturity with the same terms and conditions.

#### 5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$280,472 (2014 - \$261,180), which includes amounts payable for harmonized sales tax and payroll-related taxes.

#### 6. Employee future benefits:

The Organization provides extended health care, dental and life insurance benefits to its employees. An independent actuarial study of the employee future benefits has been undertaken. The most recent valuation of the employee future benefits was completed as at March 31, 2015.

At March 31, 2015, the Organization's accrued benefit obligation relating to post-retirement benefit plans is \$6,100,400 (2014 - \$8,056,100).

# ONGWANADA HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2015

## 6. Employee future benefits (continued):

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

Discount rate for calculation of accrued benefit obligation	3.25% per annum
Discount rate for calculation of net benefit costs	4.00% per annum
Salary escalation	3.0% per annum
Dental benefits escalation	3.75% per annum
Health benefits escalation	5.50% in 2016, decreasing by 0.25% per year to an ultimate rate of 4.75%

Information with respect to the Organization's post-retirement obligations is as follows:

	2015	2014
Accrued benefit obligation, beginning of year	\$ 8,056,100	\$ 7,977,000
Expense recognized for the year	663,000	639,400
Benefits paid for the year	(355,700)	(333,300)
Actuarial experience loss (gain) recognized	(2,263,000)	(227,000)
Accrued benefit obligation, end of year	\$ 6,100,400	\$ 8,056,100

## 7. Deferred capital contributions:

Deferred capital contributions related to capital assets represent the unamortized 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.

	2015	2014
Balance, beginning of year	\$ 6,672,717	\$ 7,159,539
Additional contributions received	243,289	74,125
Less amortization of deferred capital contributions	(546,067)	(560,947)
	\$ 6,369,939	\$ 6,672,717

# ONGWANADA HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2015

## 8. Investment in capital assets:

(a) Investment in capital assets is calculated as follows:

	2015	2014
Capital assets	\$ 9,554,200	\$ 9,650,675
Amounts financed by:		
Deferred contributions	(6,369,939)	(6,672,717)
	\$ 3,184,261	\$ 2,977,958

(b) Change in net assets invested in capital assets is calculated as follows:

	2015	2014
Excess of revenue over expenses:		
Amortization of deferred capital contributions	\$ 546,067	\$ 560,947
Amortization of capital assets	(719,240)	(662,556)
Gain (loss) on disposal of capital assets	(18,592)	2,601
	\$ (191,765)	\$ (99,008)
Net change in investment in capital assets:		
Purchase of capital assets	\$ 643,757	\$ 350,129
Disposal of capital assets	(2,400)	(2,601)
Amounts funded by deferred contributions	(243,289)	(74,125)
	\$ 398,068	\$ 273,403

## 9. Pension plan:

Substantially all of the employees of the Organization are members of the Healthcare of Ontario Pension Plan (the "Plan"), which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the Ontario Hospital Association. The Plan specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay

Contributions to the Plan made during the year by the Organization on behalf of its employees amounted to \$1,479,149 (2014 - \$1,472,028) and are included in the statement of operations.



# ONGWANADA HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2015

## 10. Related entities:

### (a) Ongwanada Non-Profit Housing Corporation:

The Organization currently controls Ongwanada Non-Profit Housing Corporation (the "Housing Corporation") by virtue of having common board members. The Board members of the Housing Corporation are also the Executive Committee members of the Organization's Board. In addition, general members of the Housing Corporation are board members of the Organization. The Housing Corporation is incorporated without share capital under the laws of Ontario to provide non-profit housing services and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

The Housing Corporation has not been consolidated in the Organization's financial statements. Financial statements of the Housing Corporation are available on request. Financial summaries of this unconsolidated entity as at March 31, 2015 and March 31, 2014, and for the years ended March 31, 2015 and March 31, 2014, are as follows:

	2015	2014
Assets:		
Current	\$ 178,505	\$ 53,928
Replacement reserve fund	81,606	68,932
Capital assets	2,519,824	2,617,529
	<u>2,779,935</u>	<u>2,740,389</u>
Liabilities and fund balance:		
Current	283,024	152,688
Long-term	2,415,305	2,518,769
Replacement reserve fund	81,606	68,932
	<u>2,779,935</u>	<u>2,740,389</u>
Net assets	\$ -	\$ -

# ONGWANADA HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2015

## 10. Related entities (continued):

### (a) Ongwanada Non-Profit Housing Corporation (continued):

The amount owing to the Organization is composed of \$74,001 (2014 - \$68,517) owing from the replacement reserve fund and \$172,510 (2014 - \$48,958) included in current liabilities.

	2015	2014
Revenue	\$ 619,090	\$ 534,222
Expense	619,090	534,222
Excess of revenue over expense	\$ -	\$ -
Cash flows provided by (used for):		
Operating activities	\$ 97,705	\$ 92,522
Financing and investing activities	(97,705)	(92,522)
Increase in cash	\$ -	\$ -

The Housing Corporation follows an appropriate disclosed basis of accounting, under which the following accounting policies differ from those followed by the Organization:

- (i) Amortization of lands, building and equipment is provided at an amount equivalent to the principal repayment of debt rather than being amortized over their useful lives.
- (ii) Capital assets purchased after initial project construction are reported as direct expenses of the replacement reserve fund rather than being capitalized on the statement of financial position and amortized over their useful life.
- (iii) Transfers to the replacement reserve fund are accounted for on the statement of operations, rather than as an interfund transfer on the statement of changes in net assets.

The Organization enters into transactions with the Housing Corporation in the normal course of operations.

The Organization leases certain residential properties from the Housing Corporation on a month-to-month basis. These properties are sublet to clients receiving support services from the Organization on the same terms and conditions.

The Organization provides project management and maintenance services to the Housing Corporation. In return for these services the Housing Corporation paid fees of \$67,620 (2014 - \$67,620) to the Organization.

# ONGWANADA HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 10. Related entities (continued):

### (a) Ongwanada Non-Profit Housing Corporation (continued):

During the year, the Organization provided temporary financing to the Housing Corporation to offset cash flow delays related to the timing of receipt of operating grants from the Ministry of Community and Social Services. At March 31, 2015, a balance of \$246,511 (2014 - \$117,475) was receivable from the Housing Corporation and is reported on the statement of financial position. The balance has no fixed terms of repayment, is unsecured and is non-interest bearing.

### (b) Kingston Regional Hospital Laundry Incorporated:

Kingston Regional Hospital Laundry Incorporated, a corporation incorporated under the laws of the Province of Ontario, provides laundry services, linen replacement, uniforms and other related laundry services to the five hospitals in the Kingston region. The Organization exercises significant influence, but not control, over Kingston Regional Hospital Laundry Incorporated.

Kingston Regional Hospital Laundry Incorporated provides laundry services to the Organization based on rates reflecting the costs, expenses and disbursements incurred by them in the normal course of business relating to the provision of laundry services. The Organization contributes toward approved capital improvements and replacement costs incurred by Kingston Regional Hospital Laundry Incorporated. During the year, the Organization paid \$8,037 (2014 - \$7,451) to Kingston Regional Hospital Laundry Incorporated for laundry services.

### (c) Ongwanada Auxiliary:

The Organization has an economic interest in Ongwanada Auxiliary. Ongwanada Auxiliary promotes and extends the interests of the Organization through the provision of volunteer auxiliary services and raising funds for the Organization. During the year, Ongwanada Auxiliary granted \$Nil (2014 - \$Nil) to the Organization to fund equipment purchases and special program costs. At March 31, 2015, the Organization owed the Ongwanada Auxiliary \$71,196 (2014 - \$55,273). The balance owing is unsecured, bears interest at the bank's prime rate minus 1% and has no fixed terms of repayment.

## 11. Contingent liabilities:

### (a) Reciprocal:

The Organization is a member of the Healthcare Insurance Reciprocal of Canada (HIROC), which is a self-funding public liability insurer. In the event that public liability claims exceed the balance in the fund, the Organization would be liable for its pro rata share of the deficiency. No assessments for losses have been made to March 31, 2015.

# ONGWANADA HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 11. Contingent liabilities (continued):

### (b) Pay equity:

An agreement has been reached on a new pay equity plan, incorporating a mutually agreed-upon job evaluation system, covering all Organization employees. The costs arising from this agreement have been recognized in the financial statements.

### (c) General:

The nature of the Organization's activities is such that there may be litigation pending at any time. With respect to claims at March 31, 2015 against the Organization, management believes there are valid defenses and appropriate insurance coverages in place. In the event any claims specifically are successful, management believes that such claims are not expected to have a material effect on the financial position of the Organization.

## 12. Financial risk and concentration of risk:

### (a) Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2014.

### (b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Organization is exposed to credit risk with respect to the accounts receivable. The Organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

### (c) Interest rate risk:

The Organization's long-term debt has a variable interest rate based on the bank's prime lending rate. Floating-rate financial instruments subject the Organization to a cash flow risk. As a result, the Organization is exposed to interest rate risk due to fluctuations in the bank's prime lending rate.

## 13. Commitment:

The Organization has entered into a contract with NucleusLabs to deploy the Client Information Management System. Total cost of the project is \$375,000 before harmonized sales tax.

The project will be broken down in three phases, and the first payment of \$125,000 has already been made in 2015 to cover phase 1 of the project. After the completion of the project, the monthly maintenance fees are expected to be \$5,825 before harmonized sales tax.

# ONGWANADA HOSPITAL

Expenses of Developmental Care (Community Residential Services)

SCHEDULE A

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

	2015	2014
High support - 24 hour nursing:		
Barclay	\$ 992,171	\$ 999,117
Elizabeth	1,132,808	1,029,729
Inverness	725,220	858,967
High support:		
Baxter	836,781	800,664
Sydenham	920,907	895,633
James	776,828	757,155
Respite:		
Wilson	207,759	201,322
Out of Home	103,429	78,795
Low support:		
Dundas	10,651	21,523
Seaforth	611,556	595,482
Douglas	615,869	609,394
Montreal North	624,883	620,761
Aberfoyle	9,567	8,466
Portsmouth	556,941	579,606
Montreal South	581,185	605,047
Mulcaster	619,718	616,513
Prince Charles	647,374	626,292
Richard	620,116	675,321
Gore	42,744	31,229
Church	649,875	660,421
Robinson	654,594	610,319
Cunningham	537,973	573,753
Henry	593,030	577,391
McKeown	598,589	643,764
Henrietta	689,492	600,046
Grosvenor	655,033	661,663
Muirfield	595,732	576,198
Mowat	613,866	607,846
Residential administration and support:		
Administration	518,692	524,705
Scheduling	232,807	237,649
Transportation	300,295	293,344
	<u>\$ 17,276,485</u>	<u>\$ 17,178,115</u>

# ONGWANADA HOSPITAL

Expenses of Developmental Care (Client and Community Services,  
Environmental Support)

SCHEDULE B

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

	2015	2014
Housekeeping	\$ 393,214	\$ 361,616
Laundry and linen	8,037	7,451
Maintenance - Resource Centre	1,110,061	1,121,551
Maintenance - Crescent Centre	75,982	218,055
Maintenance - Balsam Grove	43,530	36,552
Adult Protective Services	186,683	178,899
Home share	1,507,613	1,488,668
Out of Home Respite	45,037	44,608
Continuing education	873,863	824,967
Client services, administration	61,992	58,215
Chaplaincy	37,684	32,446
Medical associates	272,486	248,631
Radiology	224,611	216,463
Clinical lab	55,676	55,123
Cytogenetics	120,324	120,324
Pharmacy	1,329,731	1,226,688
Physiotherapy and Occupational therapy	424,393	421,170
Crescent community services	1,614,276	1,606,287
Psychology	355,425	332,919
Behavior management	296,638	302,248
Social services	335,957	329,790
Volunteer services	42,900	44,741
Client facilitation	431,707	420,126
Planning and vocational services	208,605	219,566
Clinical records	206,791	243,356
Joint service agreements	828,654	693,438
Dietary	407,095	395,755
Community Network of Specialized Care	448,467	555,860
Video-conferencing	616,110	636,877
Treatment home	1,204,766	1,164,725
	<b>\$ 13,768,308</b>	<b>\$ 13,607,115</b>

# ONGWANADA HOSPITAL

Expenses of Developmental Care (General Administration)

SCHEDULE C

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

	2015	2014
Administration	\$ 687,589	\$ 430,422
Financial Services	520,556	503,469
Human Resources	534,559	528,964
Occupational Health and Safety	188,342	188,979
Support Services	462,995	399,743
Management Information System	325,502	280,423
	<u>\$ 2,719,543</u>	<u>\$ 2,332,000</u>