

Erie Shores HealthCare

**Financial Statements
March 31, 2018**

INDEPENDENT AUDITOR'S REPORT

To the Directors and Members of Erie Shores HealthCare

We have audited the accompanying financial statements of Erie Shores HealthCare, which comprise the statement of financial position as at March 31, 2018, and the statement of changes in net assets, statement of operations, and statement of cash flow for the year then ended, and a summary of accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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 amount 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, these financial statements present fairly, in all material respects, the statement of financial position of Erie Shores HealthCare as at March 31, 2018, and the statement of changes in net assets, statements of operations, and statement of cash flow for the year then ended in accordance with Canadian public sector accounting standards.

**HICKS, MacPHERSON, IATONNA
& DRIEDGER LLP**

*Hicks, MacPherson, Iatonna
& Driedger LLP*

Chartered Professional Accountants
Licensed Public Accountants

Leamington, Ontario
May 29, 2018

Erie Shores HealthCare
Statement of Financial Position
as at March 31

	2018	2017 Restated (Note 17)
Assets		
Current		
Cash	\$ 5,506,217	\$ 3,101,949
Accounts receivable (notes 3 and 9)	1,476,472	4,153,559
Inventories (note 1)	114,875	155,012
Prepaid expenses	538,513	588,923
	7,636,077	7,999,443
Capital Assets (notes 1 and 4)	16,635,630	17,795,804
Long Term Receivable (notes 3 and 9)	2,100,000	1,100,000
	\$ 26,371,707	\$ 26,895,247
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 5,403,198	\$ 4,321,460
Unearned revenue	469,859	444,418
	5,873,057	4,765,878
Deferred Contributions Relating to Capital Assets (note 5)	14,698,076	15,389,985
Post-Employment Benefits (notes 1 and 13)	871,200	758,600
	21,442,333	20,914,463
Net Assets		
Invested in capital assets (note 12)	1,937,554	2,405,819
Unrestricted	2,991,820	3,574,965
	4,929,374	5,980,784
	\$ 26,371,707	\$ 26,895,247

See accompanying notes to financial statements

On Behalf of the Erie Shores HealthCare

_____ **Member**

_____ **Member**

Erie Shores HealthCare
Statement of Changes in Net Assets
for the years ended March 31

	Invested in Capital Assets	Unrestricted	2018 Total	2017 Total
Net Assets, Beginning of Year	\$ 2,405,819	\$ 3,574,965	\$ 5,980,784	\$ 6,969,195
Excess of (expenses over revenue)	-	(1,051,410)	(1,051,410)	(988,411)
Net change in net assets invested in capital assets (note 12)	(468,265)	468,265	-	-
Net Assets, End of Year	\$ 1,937,554	\$ 2,991,820	\$ 4,929,374	\$ 5,980,784

See accompanying notes to financial statements

Erie Shores HealthCare
Statement of Operations
for the years ended March 31

	2018	2017 Restated (Note 17)
Revenue		
Ministry of Health and Long Term Care/Local Health Integration Network (note 6)	\$ 34,221,306	\$ 32,702,452
Patient services	5,663,937	5,613,342
Cancer Care Ontario	1,002,979	1,298,872
Other revenues and recoveries (note 7)	833,694	959,954
Amortization of deferred capital contributions - equipment (note 5)	1,183,461	1,200,848
	42,905,377	41,775,468
Expenses		
Salaries and purchased services	19,231,158	18,933,221
Employee benefits	5,741,246	4,910,687
Post-employment benefits (note 13)	167,800	177,500
Medical staff remuneration	6,861,383	6,508,005
Medical and surgical supplies	1,630,559	1,607,826
Drugs and medical gases	720,281	668,743
Supplies and other expenses	7,833,817	8,065,854
Amortization of equipment	1,261,580	1,327,997
	43,447,824	42,199,833
Excess of (Expenses Over Revenue) From Operations	(542,447)	(424,365)
Amortization of deferred capital contributions - building (note 5)	1,020,197	922,157
Amortization of buildings	(1,529,160)	(1,486,203)
	\$ (1,051,410)	\$ (988,411)

See accompanying notes to financial statements

Erie Shores HealthCare
Statement of Cash Flow
for the years ended March 31

	2018	2017 Restated (Note 17)
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Cash Flows From Operating Activities		
Cash receipts from ministry, patients etc.	\$ 43,424,444	\$ 39,862,596
Cash paid to suppliers, employees etc.	(40,901,359)	(40,477,253)
	<hr/> 2,523,085	<hr/> (614,657)
<hr/>		
Cash Flows From Capital Activities		
Acquisition of capital assets	(1,814,094)	(3,128,711)
Receipt of capital contributions	1,511,749	2,977,293
Disposal of capital assets	183,528	-
	<hr/> (118,817)	<hr/> (151,418)
<hr/>		
Net Change in Cash	2,404,268	(766,075)
Cash, Beginning of Year	3,101,949	3,868,024
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Cash, End of Year	\$ 5,506,217	\$ 3,101,949
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See accompanying notes to financial statements

Erie Shores HealthCare
Notes to Financial Statements
for the years ended March 31

Nature of Business

Erie Shores HealthCare ("Hospital") is incorporated without share capital under the laws of Ontario. The Hospital is a registered charity and as such, is exempt from tax. The Hospital is principally involved in providing health care services to the Municipality of Leamington and its surrounding area.

1. Summary of Accounting Policies

Management Responsibility

The consolidated financial statements of the Erie Shores HealthCare are the representation of management prepared in accordance with accounting policies prescribed for government not-for-profit organizations as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Basis of Accounting

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").

Related Entities

These financial statements reflect the assets, liabilities and operations of the Hospital. They do not include the assets, liabilities or operations of its auxiliaries.

The Erie Shores HealthCare Auxiliary elects their own officers and formulates their own by-laws. The Hospital has a right to approve such and make changes where necessary. The Auxiliary's financial results are reported in Note 10.

Erie Shores Health Foundation is separately managed and reports to a separate board of Trustees. The Foundation's financial results are reported in Note 9.

Use of Estimates

The preparation of financial statements in conformity with PSAB for government NPOs requires management to make estimates and assumptions that affect the reported amount 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 these estimates. Areas of key estimation include determination of useful lives of capital assets, allowance for doubtful accounts, accrued liabilities, unearned revenue, deferred revenue relating to capital assets, inventory obsolescence, legal settlement/judgment and actuarial estimation of post-employment benefits.

Inventories

Inventories consist of medical, pharmaceutical and office supplies that are not for sale. Inventories are valued at the lower of cost and net realizable value, with cost being determined on a first-in, first-out basis.

Erie Shores HealthCare
Notes to Financial Statements
for the years ended March 31

1. Summary of Accounting Policies (Cont'd)

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 useful 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. Land for development is not amortized until its future use is certain and the land is being utilized to serve the Hospital. Amortization is provided on a straight-line basis over the estimated useful lives as set out below.

Land	0%
Parking Lots	10%
Land for Development	0%
Buildings	2% to 5%
Furnishings and Equipment	10% to 33 1/3%

Vacation Pay

Vacation pay is accrued for all employees as entitlement to these payments is earned.

Revenue Recognition

Under the Health Insurance Act and the 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 (the "Ministry") and is negotiated jointly between the Hospital and the Erie St. Clair Local Health Integration Network (the "LHIN"). These financial statements reflect agreed funding arrangements approved by the LHIN with respect to the year ending March 31, 2018. 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 a subsequent period.

The amount of any unrestricted contributions to the Hospital are not included in revenues until such time as funds are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions restricted for the purchase of capital assets are deferred and amortized on a straight-line basis at a rate corresponding with the amortization rate of the related asset.

In particular, the amount of revenue recognized from the LHIN is a significant estimate. The Hospital has entered into a Hospital Service Accountability Agreement (the "H-SAA") that sets out the rights and obligations of the two parties in respect of funding provided to the Hospital by the LHIN. The H-SAA sets out certain performance standards and obligations that establish acceptable results for the Hospital's performance in a number of areas.

Erie Shores HealthCare
Notes to Financial Statements
for the years ended March 31

1. Summary of Accounting Policies (Cont'd)

Revenue Recognition (cont'd)

If the Hospital does not meet its performance standards or obligations, the LHIN has the right to adjust funding received by the Hospital. The 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 LHIN funding received during the year may be increased or decreased subsequent to year end. The amount of revenue recognized in these financial statements represents management's best estimates of amounts that have been earned during the year.

Revenue related to patient care and other activities is recognized when the service is provided.

Post-Employment Benefits

The Hospital provides defined retirement and post-employment benefits to certain employee groups. These benefits include health and dental. The Hospital has adopted the following policies with respect to accounting for these employee benefits:

- (a) The costs of post-employment future benefits are actuarially determined using management's best estimate of health care costs and discount rates. Adjustments 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.
- (b) The costs of the multi-employer defined benefit pension are the employer's contributions due to the plan in the period.
- (c) The discount used in the determination of the above-mentioned liabilities is equal to the Hospital's long term cost of borrowing.

Leased Equipment

Equipment leased on terms which transfer substantially all of the benefits and risks of ownership to the Hospital are accounted for as "capital leases", and are therefore accounted for as though an asset had been purchased and a liability incurred. All other items of equipment held on lease are accounted for as operating leases and expensed in the year incurred.

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:

Fair Value

This category includes cash.

Amortized Cost

This category includes accounts receivable, long term receivable, accounts payable and accrued liabilities, unearned revenue and post-employment benefits. 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.

Erie Shores HealthCare
Notes to Financial Statements
for the years ended March 31

1. Summary of Accounting Policies (Cont'd)

Amortized Cost (cont'd)

Transaction costs related to financial instruments 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.

Contributed Services

A substantial number of volunteers contribute a significant amount of time to assist the Hospital in carrying out its activities. The fair market value of these services is not readily determinable and, as such, it is not reflected in these statements.

2. 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 shown below.

	Fair Value	Amortized Cost	Total
Cash	\$ 5,506,217	\$ -	\$ 5,506,217
Accounts receivable	-	1,476,472	1,476,472
Long term receivable	-	2,100,000	2,100,000
Accounts payable and accrued liabilities	-	5,403,198	5,403,198
Unearned revenue	-	469,859	469,859
Post-employment benefits	-	871,200	871,200
	\$ 5,506,217	\$ 10,320,729	\$ 15,826,946

The cash is a fair value measurement which is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price.

3. Accounts Receivable

	2018	2017
Insurers and patients	\$ 797,876	\$ 803,735
Ministry of Health and Long-Term Care	20,783	309,309
Erie Shores Health Foundation	2,281,263	3,579,755
Other	534,830	597,159
	3,634,752	5,289,958
Less: Long term portion of Foundation receivable	2,100,000	1,100,000
Less: Allowance for doubtful accounts	58,280	36,399
	\$ 1,476,472	\$ 4,153,559

Erie Shores HealthCare
Notes to Financial Statements
for the years ended March 31

4. Capital Assets

	Cost	Accumulated Amortization	2018 Net Book Value	2017 Net Book Value
Land	\$ 8,104	\$ -	\$ 8,104	\$ 8,104
Parking lots	1,734,080	1,324,131	409,949	456,127
Land for development	742,186	-	742,186	925,714
Buildings	38,286,499	26,036,273	12,250,226	12,546,159
Furnishings and equipment	21,818,178	18,747,300	3,070,878	3,783,126
Construction in progress	154,287	-	154,287	76,574
	\$ 62,743,334	\$ 46,107,704	\$ 16,635,630	\$ 17,795,804

During the year, the Hospital sold land for development for \$195,000 and recognized a gain of \$861.

5. Deferred Contributions Relating to Capital Assets

	2018	2017
Balance, Beginning of Year	\$ 15,389,985	\$ 15,935,697
Additions	1,511,749	1,577,293
Amortization of completed projects - equipment	(1,183,461)	(1,200,848)
Amortization of completed projects - building	(1,020,197)	(922,157)
Balance, End of Year	\$ 14,698,076	\$ 15,389,985

6. Ministry of Health and Long Term Care/Local Health Integration Network

	2018	2017
LHIN global allocation	\$ 15,882,087	\$ 15,291,709
HBAM allocation	8,389,719	8,056,534
Quality based procedures	4,195,370	4,821,696
One time payments	3,621,160	2,755,538
Other revenue from MOHLTC/LHIN	2,132,970	1,776,975
	\$ 34,221,306	\$ 32,702,452

Erie Shores HealthCare
Notes to Financial Statements
for the years ended March 31

7. Other Revenues and Recoveries

	2018	2017
Interest	\$ 30,021	\$ 17,298
Rent	70,725	64,500
External recoveries	322,293	450,732
Parking	374,745	358,974
Other	35,910	68,450
	\$ 833,694	\$ 959,954

8. Pension Plan

Substantially all of the employees of the Hospital are members of the Hospitals of Ontario Pension Plan which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the Ontario Hospital Association. Contributions to the plan made during the year by the Hospital on behalf of its employees amounted to \$1,526,580 (2017 - \$1,472,254) and are included in employee benefits in the statement of operations.

9. Related Entities

(a) The Erie Shores Health Foundation

The Hospital has an economic interest in the Erie Shores Health Foundation (the "Foundation") as one of the Foundation's mandates is to raise funds to support the Hospital. The Foundation is a tax exempt entity without share capital incorporated under the laws of Ontario. The accounting policy followed in reporting the foundation is note disclosure.

The transactions with the Foundation include a total of \$2,281,263 (2017 - \$3,579,755) recorded as Accounts Receivable. The Board and management have determined that \$181,263 (2017 - \$2,479,755) will be collected within the next fiscal year and is included in current accounts receivable. The remainder of \$2,100,000 (2017 - \$1,100,000) has been classified as a long term receivable. All amounts have been recorded at the exchange amount.

Erie Shores HealthCare
Notes to Financial Statements
for the years ended March 31

9. Related Entities (Cont'd)

The assets, liabilities, results of operations and cash flows for the Foundation for the years ended March 31 are as follows:

	2018	2017
Financial position:		
Total assets	\$ 23,421,340	\$ 25,068,911
Total liabilities	\$ 4,227,052	\$ 5,896,603
Net assets	19,194,288	19,172,308
	\$ 23,421,340	\$ 25,068,911
Results of operations:		
Total revenue	\$ 2,124,827	\$ 4,749,414
Total expenses	2,102,847	1,980,998
Net income for the year	\$ 21,980	\$ 2,768,416
Cash flows:		
Operating	\$ (904,489)	\$ (974,372)
Investing	1,197,182	2,861,026
Financing	(450,000)	(1,850,000)

(b) TransForm Shared Services Organization

The Hospital along with Bluewater Health (BH), Chatham-Kent Health Alliance (CKHA), Hotel-Dieu Grace Healthcare (HDGH) and Windsor Regional Hospital (WRH) operates a not-for-profit without share capital under the laws of the Province of Ontario shared service organization called TransForm Shared Service Organization (TransForm). TransForm was a result of the amalgamation of PROcure Healthcare, which provided the purchasing and payment responsibilities and Consolidated Health Information Services (CHIS), which provided Information Technology/Information System services for the five hospitals.

10. Erie Shores HealthCare Auxiliary

The Auxiliary is a volunteer organization that is a registered charity under the Income Tax Act (Canada). Under its constitution and by-laws, the stated purpose of the Auxiliary is to assist the Hospital. For the year ended August 31, 2017, the Auxiliary reported gross revenues of \$134,469 and total expenses of \$80,294 with a resulting net income of \$54,175 (2017 - \$206,867, \$151,591 and \$55,276 respectively). During the year, the Auxiliary donated equipment with a value of \$72,877 (2017 - \$8,770) to the Hospital.

Erie Shores HealthCare
Notes to Financial Statements
for the years ended March 31

11. Commitments, Contingencies and Guarantees

The nature of the Hospital's activities is such that there is usually litigation pending or in progress at any time. With respect to claims at March 31, 2018, management believes the Hospital has valued defences and appropriate insurance in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the Hospital's financial position.

To the extent permitted by law the Hospital indemnifies present and former directors and officers against certain claims that may be made against them as a result of their service as directors or officers. The Hospital purchases directors' and officers' liability insurance that may be available in certain instances. The likelihood of these arrangements preclude the Hospital from making a reasonable estimate of the maximum potential amount the Hospital could be required to pay to counterparties.

The Hospital entered into a funding agreement with the Ministry of Health and Long Term Care whereby allocated funds were to be spent prior to March 31, 2017 on a specified project. As detailed in Note 17, these funds were not spent in the agreed upon timeframe, however such funds were spent within the current fiscal year. The Hospital is currently working with the Ministry to reach an agreeable solution.

The Hospital along with the four Hospitals within the Erie St. Clair LHIN entered into an agreement in 2009 that resulted in the creation of a non-share capital, not-for-profit corporation known as TransForm to provide supply chain and IT services to the member hospitals. During 2015, Transform obtained a 3 year demand loan from CIBC at 2.98%. Transform has repaid this loan during the year.

Transform carries a number of leases on behalf of the five member hospitals for shared IT data equipment. The Hospital's share of the lease payments over the terms of these leases are as follows:

	2019	\$	71,292
	2020		66,313
	2021		36,197
	2022		18,572
	2023		7,032
		\$	199,406

12. Net Assets Invested in Capital Assets

	2018	2017
<i>Net assets invested in capital assets is calculated as follows:</i>		
Capital assets - net	\$ 16,635,630	\$ 17,795,804
<i>Less amounts funded by:</i>		
Deferred capital contributions	(14,698,076)	(15,389,985)
	\$ 1,937,554	\$ 2,405,819

Erie Shores HealthCare
Notes to Financial Statements
for the years ended March 31

12. Net Assets Invested in Capital Assets (Cont'd)

	2018	2017
<i>The net change in net assets invested in capital assets is calculated as follows:</i>		
Purchase of capital assets	\$ 1,814,094	\$ 3,128,711
Amounts funded by deferred capital contributions	(1,511,749)	(1,577,293)
Amortization of capital assets	(2,790,740)	(2,814,200)
Amortization of deferred capital contributions	2,203,658	2,123,005
Disposal of assets	(183,528)	-
	\$ (468,265)	\$ 860,223

13. Post-Employment Benefits

The Hospital provides extended health care and dental insurance benefits to certain of its employees and extends this coverage to the post-retirement period. The most recent actuarial valuation of employee future benefits was completed in April, 2017.

As at March 31, 2018, the Hospital's post-employment benefits and related expenses are as follows:

	2018	2017
Accrued benefit obligation	\$ 1,315,000	\$ 1,220,500
Unamortized losses	(443,800)	(461,900)
Accrued liability	\$ 871,200	\$ 758,600

	2018	2017
Current year service cost	\$ 75,800	\$ 74,600
Interest on accrued benefit obligation	45,200	48,700
Amortized actuarial loss	46,800	54,200
Total expense	\$ 167,800	\$ 177,500

Erie Shores HealthCare
Notes to Financial Statements
for the years ended March 31

13. Post-Employment Benefits (Cont'd)

Above amounts exclude pension contributions to the Hospitals of Ontario Pension Plan ("HOOP"), a multi-employer plan, described in note 8.

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

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

Discount rate - 2018	3.37%
Discount rate - 2017	3.56%
Dental benefits cost escalation	4%
Medical benefits cost escalation - prescription drugs	7.8% in 2018 decreasing by 0.20% per annum to an ultimate rate of 4% in 2027 and thereafter

14. Capital Management

In managing capital, the Hospital focuses on liquid resources available for operations. The Hospital's objective is to have sufficient liquid resources to continue operating despite adverse financial events and to provide it with the flexibility to take advantage of opportunities that will advance its purposes. In addition, the Hospital is required to achieve certain performance measures related to working capital set out in the H-SAA. The need for sufficient liquid resources and achieving the performance measures is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget. As at March 31, 2018, the Hospital met its objective of having sufficient liquid resources to meet its current obligations and the performance measures related to working capital set out in the H-SAA.

15. Economic Dependence

The Hospital received a significant portion of its total revenue from the Erie St. Clair LHIN and Ministry of Health and Long-Term Care.

Erie Shores HealthCare
Notes to Financial Statements
for the years ended March 31

16. Financial Instrument Risk Management

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 to its cash and accounts receivable. The Hospital holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, each of the Hospital's cash accounts are insured up to \$100,000 (2017 - \$100,000).

Accounts receivable is primarily due from OHIP, the Ministry of Health and Long-Term Care, the Foundation 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 collection. The amounts outstanding at the year end were as follows:

	Total	1 - 30	31 - 60	61 - 90	> 90
Inpatients	\$ 76,135	\$ 18,710	\$ 31,877	\$ 3,147	\$ 22,401
Outpatients	66,166	14,618	10,692	6,474	34,382
OHIP/Other provinces	655,575	289,853	354,467	6,257	4,998
MOH-LTC	20,783	-	20,783	-	-
Erie Shores Health Foundation	181,263	24,977	23,726	26,740	105,820
Miscellaneous	534,830	399,746	6,727	6,765	121,592
Gross receivables	1,534,752	\$ 747,904	\$ 448,272	\$ 49,383	\$ 289,193
Less: allowance	<u>(58,280)</u>				
Net receivables	<u>\$ 1,476,472</u>				

The amounts aged greater than 90 days that have not had corresponding impairment allowance set up against them are collectible based on the Hospital's past experience. Management has reviewed the individual balances and based on credit quality of debtors and their past history of payment.

Long term receivables are aged greater than 90 days but are owing from a related entity. Management believes the balance is collectible and no allowance is necessary.

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.

Erie Shores HealthCare
Notes to Financial Statements
for the years ended March 31

16. Financial Instrument Risk Management (Cont'd)

Market Risk

Market risk is the risk that the fair value or 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 or equity risk as it does not transact materially in foreign currency or hold equity financial instruments.

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.

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 guarantee on TransForm's operating leases.

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.

Liquidity Rate Risk

Liquidity risk is the risk that the Hospital will not be able to meet all cash outflow obligations as they come due. The Hospital mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining sufficient cash resources at all times. The following table sets out the contractual maturities (representing undiscounted contractual cash flows of financial liabilities):

	Within 6 months	6 months to 1 year	1 - 5 years
Accounts payable and accrued liabilities	\$ 4,545,861	\$ 572,731	\$ 284,606
Unearned revenue	469,859	-	-
	\$ 5,015,720	\$ 572,731	\$ 284,606

Erie Shores HealthCare
Notes to Financial Statements
for the years ended March 31

17. Comparative Figures

Comparative figures have been restated to correct an error that has been discovered in the prior period financial statements. Certain capital assets were recorded as complete and amortization was recorded despite construction on the asset not being started until the current fiscal year. The following is a summary of the changes that have been made as at March 31, 2017.

	Previously Reported	Change	Restated March 31, 2017
Statement of Financial Position			
Capital assets	\$ 18,209,983	\$ (414,179)	\$ 17,795,804
Accounts payable and accrued liabilities	4,786,391	(464,929)	4,321,462
Deferred contributions relating to capital assets	15,339,235	50,750	15,389,985
Net assets invested in capital assets	2,870,748	(464,929)	2,405,819
Net assets - unrestricted	3,110,036	464,929	3,574,965
Statement of Operations			
Amortization of deferred capital contributions - buildings	972,907	(50,750)	922,157
Amortization of buildings	1,536,953	(50,750)	14,862,503
Statement of Cash Flow			
Cash paid to suppliers, employees, etc.	(40,012,324)	464,929	(40,477,253)
Acquisition of capital assets	(3,593,640)	(464,929)	(3,128,711)

Other items appearing in the Notes to the Financial Statements have been adjusted to reflect the above figures.

Certain other comparative figures have been reclassified to conform to current year presentation.

18. Subsequent Event

As of April 1, 2018, the Hospital will be re-designated as a Non HSFR Small Hospital by the Ministry of Health and Long Term Care. The effects of this change are being examined by Hospital management.