

Financial Statements of

**NORTH BAY REGIONAL
HEALTH CENTRE**

Year ended March 31, 2016



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INDEPENDENT AUDITORS' REPORT

To the Directors of North Bay Regional Health Centre

We have audited the accompanying financial statements of North Bay Regional Health Centre, which comprise the statement of financial position as at March 31, 2016, the statements of operations, changes in deficiency in net assets and cash flows for the year ended March 31, 2016 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 public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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 North Bay Regional Health Centre, as at March 31, 2016, and its results of operations and its cash flows for the year ended March 31, 2016 in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

June 10, 2016
North Bay, Canada

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NORTH BAY REGIONAL HEALTH CENTRE

Statement of Operations

Year ended March 31, 2016, with comparative information for 2015

(In thousands of dollars)

	2016	2015
Revenue:		
Ministry of Health and Long-Term Care / North East Local Health Integration Network	\$ 187,255	177,973
Cancer Care Ontario	7,226	6,110
Patient services	12,200	11,755
Preferred accommodation	2,237	2,129
Other	7,123	6,730
Uniquely funded programs (note 15)	27,870	27,516
Amortization of deferred capital contributions - equipment	5,307	7,096
	<u>249,218</u>	<u>239,309</u>
Expenses:		
Salaries and wages	110,664	118,965
Benefit contributions	37,965	37,195
Medical staff remuneration	21,072	22,016
Drugs	6,416	6,341
Medical and surgical supplies	7,233	7,575
Amortization - equipment	7,552	7,903
Other supplies and services	33,637	33,489
Uniquely funded programs (note 15)	27,866	27,519
	<u>252,405</u>	<u>261,003</u>
Deficiency of revenue over expenses before the undernoted	(3,187)	(21,694)
Amortization of deferred capital contributions - buildings	10,424	10,783
Amortization of buildings	(11,104)	(10,987)
Government contribution for interest on other long-term obligations	19,899	20,209
Interest on long-term obligations	(21,563)	(21,794)
Deficiency of revenue over expenses from health centre operations	(5,531)	(23,483)
Rightsizing review final settlement	-	16,248
Deficiency of revenue over expenses	\$ (5,531)	(7,235)

See accompanying notes to financial statements.

NORTH BAY REGIONAL HEALTH CENTRE

Statement of Financial Position

March 31, 2016, with comparative information for 2015
(In thousands of dollars)


	2016	2015
Assets		
Current assets:		
Cash	\$ 256	341
Marketable securities	-	509
Accounts receivable (note 2)	6,985	5,422
Inventories	2,434	2,516
Prepaid expenses	2,614	2,364
Current portion of long-term receivables (note 4)	10,415	1,545
	<u>22,704</u>	<u>12,697</u>
Capital assets (note 3)	501,321	514,912
Long-term receivables (note 4)	2,733	10,859
	<u>\$ 526,758</u>	<u>538,468</u>

Liabilities, Deferred Contributions and Deficiency in Net Assets


Current liabilities:		
Bank indebtedness (note 5)	\$ 34,066	26,833
Accounts payable and accrued liabilities (note 6)	45,626	50,879
Deferred contributions (note 7)	1,618	1,596
Current portion of long-term obligations (note 8)	8,952	7,887
	<u>90,262</u>	<u>87,195</u>
Long-term obligations (note 8)	378,771	385,411
Deferred capital contributions (note 9)	91,686	94,713
Post-retirement benefit obligation (note 10)	14,685	14,264
	<u>575,404</u>	<u>581,583</u>
Deficiency in net assets	(48,646)	(43,115)
Commitments and contingencies (note 13)		
	<u>\$ 526,758</u>	<u>538,468</u>

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

NORTH BAY REGIONAL HEALTH CENTRE

Statement of Changes in Deficiency in Net Assets

Year ended March 31, 2016, with comparative information for 2015
(In thousands of dollars)

		2016	2015
Deficiency in net assets, beginning of year	\$	(43,115)	(35,880)
Deficiency of revenue over expenses		(5,531)	(7,235)
Deficiency in net assets, end of year	\$	(48,646)	(43,115)

See accompanying notes to financial statements.

NORTH BAY REGIONAL HEALTH CENTRE

Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015
(In thousands of dollars)

	2016	2015
Cash flows from operating activities:		
Deficiency of revenue over expenses	\$ (5,531)	(7,235)
Adjustments for:		
Amortization of capital assets	18,656	18,890
Amortization of deferred capital contributions	(15,731)	(17,879)
Increase in post-employment benefit obligation	421	462
	<u>(2,185)</u>	<u>(5,762)</u>
Change in non-cash working capital:		
Accounts receivable	(1,563)	13,042
Inventories	82	12
Prepaid expenses	(250)	987
Accounts payable and accrued liabilities	(5,253)	9,967
Deferred contributions	22	(25,487)
	<u>(9,147)</u>	<u>(7,241)</u>
Cash flows from investing activities:		
Decrease (increase) in long-term receivables	(744)	1,317
Proceeds from disposal of marketable securities	509	-
	<u>(235)</u>	<u>1,317</u>
Cash flows from capital activities:		
Purchase of capital assets	(5,101)	(8,179)
Proceeds from disposal of capital assets	36	-
	<u>(5,065)</u>	<u>(8,179)</u>
Cash flows from financing activities:		
Deferred capital contributions received	12,704	9,198
Principal repayment of long-term obligations	(7,562)	(7,412)
Proceeds on long-term obligations	1,987	2,700
Increase in bank indebtedness	7,233	9,763
	<u>14,362</u>	<u>14,249</u>
Net increase (decrease) in cash	(85)	146
Cash, beginning of year	341	195
Cash, end of year	<u>\$ 256</u>	<u>341</u>

See accompanying notes to financial statements.

NORTH BAY REGIONAL HEALTH CENTRE

Notes to Financial Statements

Year ended March 31, 2016

(In thousands of dollars)

The North Bay Regional Health Centre (the "Health Centre") is incorporated without share capital under the laws of Ontario. Its principal activity is the provision of health care services in the District of Nipissing, Ontario and mental health services in Northeastern Ontario. The Health Centre is a registered charity under the Income Tax Act and, accordingly, is exempt from income taxes under section 149 of the Income tax Act.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations. A statement of remeasurement gains and losses has not been included as there are no matters to report therein.

(a) Revenue recognition:

The Health Centre accounts for contributions, which include donations and government grants, under the deferral method of accounting.

Under the Health Insurance Act and Regulations thereto, the Health Centre is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health and Long-term Care ("MOHLTC") and the North East Local Health Integration Network ("NELHIN"). 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 the subsequent period.

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

Externally restricted contributions are recognized as revenue in the period in which the related expenses are recognized.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on the straight-line basis, at rates corresponding to those of the related capital assets.

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

(b) Inventories:

Inventories are stated at the lower of average cost and net realizable value. Cost comprises all costs to purchase, convert and any other costs in bringing the inventories to their present location and condition.

NORTH BAY REGIONAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2016

(In thousands of dollars)

1. Significant accounting policies (continued):

(c) Capital assets:

Capital assets are recorded at cost. Assets acquired under capital leases are initially recorded at the present value of the future minimum lease payments and amortized over the useful life of the assets. Minor equipment replacements are expensed in the year of replacement.

Construction in progress is not amortized until construction is complete and the facilities come into use.

Amortization is provided on the straight-line basis at the following range of annual rates:

Buildings, roads, sidewalks and landscaping	Various rates to 10%
Leasehold improvements	Various rates to 20%
Furniture and equipment	Various rates to 33%
Equipment under capital leases	30%

Long-lived assets, including capital assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. When quoted market prices are not available, the Health Centre uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value.

Assets to be disposed of would be separately presented in the statement of financial position and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer amortized. The asset and liabilities of a disposed group classified as held for sale would be presented separately in the appropriate asset and liability sections of the statement of financial position.

(d) Related entities:

The notes to financial statements include information for the following entity (note 12):

North Bay Regional Health Centre Foundation ("NBRHC Foundation")

NORTH BAY REGIONAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2016

(In thousands of dollars)

1. Significant accounting policies (continued):

(e) Employee post-retirement benefits:

The Health Centre accrues its obligations for employee benefit plans. The cost of non-pension post-retirement and post-employment benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of retirement ages of employees and expected health care costs.

Actuarial gains (losses) on the accrued benefit obligation arise from changes in actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains (losses) are amortized over the average remaining service period of active employees. The average remaining service period of the active employees covered by the employee benefit plan is 13 years.

Past service costs arising from plan amendments are recognized immediately in the period the plan amendments occur.

The Health Centre is an employer member of the Health Care of Ontario Pension Plan (the "Plan"), which is a multi-employer, defined benefit pension plan. The Health Centre has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Health Centre records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.

(f) Funding adjustments:

The Health Centre receives grants from the NELHIN, MOHLTC and Cancer Care Ontario for specific services. Pursuant to the related agreements, if the Health Centre does not meet specified levels of activity, the MOHLTC, NELHIN or Cancer Care Ontario may be entitled to seek recoveries. Should any amounts become recoverable, the recoveries would be charged to operations in the period in which the recovery is determined to be payable. Should programs and activities incur a deficit, the Health Centre records any recoveries thereon when additional funding is received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

(g) Contributed services:

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

NORTH BAY REGIONAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2016

(In thousands of dollars)

1. Significant accounting policies (continued):

(h) Financial instruments:

All financial instruments are initially recorded on the statement of financial position at fair value.

All investments, if any, held in equity instruments that trade in an active market are recorded at fair value. Management has elected to record investments at fair value as they are managed and evaluated on a fair value basis. Freestanding derivative instruments that are not equity instruments that are quoted in an active market are subsequently measured at fair value.

Unrealized 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.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

All financial assets are assessed for impairment on an annual basis. Where a decline in fair value is determined to be other than temporary, the amount of the loss is recognized in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses. On sale, the statement of remeasurement gains and losses associated with that instrument are reversed and recognized in the statement of operations.

(i) 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 periods specified. Significant items subject to such estimates and assumptions include the carrying amount of capital assets; valuation allowances for receivables, and inventories; valuation of financial instruments; and assets and obligations related to employee future benefits. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

2. Accounts receivable:

	2016	2015
MOHLTC/NELHIN	\$ 661	438
Cancer Care Ontario	736	360
Insurers and patients	3,322	3,264
Other	2,266	1,360
	\$ 6,985	5,422

The reported balance of accounts receivable are net of an allowance for doubtful accounts of \$363 (2015 - \$353).

NORTH BAY REGIONAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2016
(In thousands of dollars)

3. Capital assets:

2016	Cost	Accumulated Amortization	Net book Value
Land	\$ 1,226	–	1,226
Buildings, roads, sidewalks and landscaping	526,687	62,619	464,068
Leasehold improvements	2,019	1,182	837
Furniture and equipment	102,719	67,529	35,190
	<hr/>	<hr/>	<hr/>
	\$ 632,651	131,330	501,321

2015	Cost	Accumulated Amortization	Net book Value
Land	\$ 1,226	–	1,226
Buildings, roads, sidewalks and landscaping	526,479	51,803	474,676
Leasehold improvements	2,019	947	1,072
Furniture and equipment	98,342	60,404	37,938
	<hr/>	<hr/>	<hr/>
	\$ 628,066	113,154	514,912

NORTH BAY REGIONAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2016
(In thousands of dollars)

4. Long-term receivables:

	2016	2015
Municipal contributions (i)	\$ 887	9,622
Recruitment loans:		
Acute care physicians (ii)	1,722	2,581
Psychiatrists (iii)	124	201
	2,733	12,404
Current portion of long-term receivables	10,415	1,545
	\$ 13,148	10,859

- (i) Municipal contributions receivable are recorded at their net present value using the effective interest rate method and a discount rate of 4.75%.
- (ii) Recruitment loans for acute care physicians are non-interest bearing and partially forgivable provided certain contractual conditions are met by the recipient physician.
- (iii) Recruitment loans for psychiatrists are non-interest bearing and fully forgivable provided certain contractual conditions are met by the recipient physician.
- (iv) The reported balance of long-term receivable are net of an allowance for doubtful accounts of \$124 (2015 - \$201).

5. Bank indebtedness:

Bank indebtedness consists of draws on an unsecured line of credit of \$45,000 (2015 - \$35,000). The credit facility bears interest at the bank's prime lending rate less 0.75%.

NORTH BAY REGIONAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2016
(In thousands of dollars)

6. Accounts payable and accrued liabilities:

	2016	2015
Accounts payable and accrued liabilities:		
- NELHIN/MOHLTC	\$ 8,946	6,737
- Cancer Care Ontario	246	251
- Other funding agencies	578	724
- Trade payables	14,507	15,502
Payroll accruals:		
- Salaries and wages	9,395	16,591
- Employee deductions payable	5,698	4,230
- Vacation pay and other entitlements	6,256	6,844
	\$ 45,626	50,879

7. Deferred contributions:

Deferred contributions represent unspent funding externally restricted for specific programs received in the current and/or prior period that are related to a subsequent period.

	2016	2015
Provincial funding for long-term obligation	\$ -	171
Other programs	1,618	1,425
	\$ 1,618	1,596

NORTH BAY REGIONAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2016

(In thousands of dollars)

8. Long-term obligations

	2016	2015
Long-term obligation, unsecured, payable in monthly instalments of \$2,389, bearing interest at 5.55%, final instalment due June 2040	\$ 381,350	388,587
Available \$3 million credit facility, unsecured, principal repayable on each draw in equal annual instalments over a period of six years, bearing interest at bank prime lending interest rate	1,686	2,011
Long-term obligation, secured over related assets, payable in monthly instalments of \$22, bearing interest at 4.00% and payable over 20 years at the completion of the project. At March 31, 2016, payments have not yet commenced.	4,687	2,700
	387,723	393,298
Current portion of long-term obligations	(8,952)	(7,887)
	\$ 378,771	385,411

Scheduled principal repayments in each of the next five years and thereafter are as follows:

2017	\$ 8,952
2018	8,741
2019	9,074
2020	9,435
2021 and thereafter	351,521
	\$ 387,723

NORTH BAY REGIONAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2016

(In thousands of dollars)

9. Deferred capital contributions:

Deferred capital contributions represent the unamortized and unspent balances of donations and grants restricted for capital asset acquisitions. Details of the continuity of these funds are as follows:

	2016	2015
Balance, beginning of year	\$ 94,713	103,394
Contributions received during the year	12,704	9,198
Less: amounts amortized to revenue	(15,731)	(17,879)
Balance, end of year	\$ 91,686	94,713

10. Post-employment benefit obligation:

The Health Centre sponsors a post-retirement defined benefit plan for medical, life insurance and dental benefits for employees with various cost-sharing arrangements as determined by their collective agreements and conditions of employment. The most recent valuation of the employee future benefits was completed as at April 1, 2015. The next full valuation of the plan will be as of April 1, 2018.

The accrued benefit obligation is recorded in the financial statements as follows:

	2016	2015
Balance, beginning of year	\$ 14,264	13,802
Add: Benefit costs	1,312	1,149
	15,576	14,951
Less: Benefit contributions	(891)	(687)
Balance, end of year	\$ 14,685	14,264

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

NORTH BAY REGIONAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2016
(In thousands of dollars)

10. Post-employment benefit obligation (continued):

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

	2016	2015
Discount rate	5.31%	5.41%
Dental cost trend rates	3.75%	3.75%

Extended health care costs are 7.5% in the first year, decreasing by 0.25% per annum to an ultimate rate of 4.75% (2015 – 4.75%)

11. Pension plan:

The majority of full-time and part-time employees of the Health Centre are eligible to be members of the Plan which is a multi-employer defined benefit plan. Contributions to the Plan made during the year on behalf of employees amounted to \$10,988 (2015 - \$11,551).

12. Related entity:

The Health Centre has an economic interest in the NBRHC Foundation. The NBRHC Foundation was incorporated by Letters Patent under the Ontario Corporations Act on September 30, 1999 as a not-for-profit organization and is a registered charity under the Income Tax Act. Its primary goal is to provide ongoing resources for patient-focused care, education and research.

During the current year, the Health Centre received total contributions of \$3,735 from the NBRHC Foundation (2015 - \$1,771).

13. Commitments and contingencies:

(a) Lifecycle and maintenance costs

In February 2007, the former North Bay General Hospital ("NBGH") signed an agreement with Plenary Health North Bay GP ("Plenary") to build, maintain and finance the NBRHC facility. Plenary commenced facility construction in March 2007 with substantial completion in June 2010.

Upon completion of construction, annual payments of approximately \$6.8 million for lifecycle and facility maintenance costs commenced for a period of 30 years, with the final payment due in May 2041. A portion of the payment is subject to indexing for increases in cost of living, labour, insurance and energy and utilities.

The MOHLTC has approved an annual grant to fund the lifecycle component of these payments and negotiations are ongoing for a long-term funding arrangement for the MOHLTC's share of the facility maintenance costs, with the expectation being that this funding will be incorporated into the Health Centre's operating grants.

NORTH BAY REGIONAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2016

(In thousands of dollars)

13. Commitments and contingencies (continued):

(b) HealthCare Insurance Reciprocal of Canada:

The Health Centre is a member of the HealthCare Insurance Reciprocal of Canada ("HIROC"). HIROC is a pooling of the liability insurance risk of its members. All members pay annual deposit premiums which are actuarially determined and are subject to further assessment for losses, if any, experienced by the pool for the years in which they are members. As at March 31, 2016, no assessments have been received by the Health Centre.

(c) Legal matters and litigation:

The Health Centre is involved in certain legal matters and litigation, the outcomes of which are not presently determinable. The loss, if any, from these contingencies will be accounted for in the periods in which the matters are resolved. With the exception of specific matters noted below, management is of the opinion that these matters are mitigated by adequate insurance coverage.

Prior to the current year, the NBGH was named as a co-defendant in a statement of claim. The action is claiming damages that are in excess of the insurance coverage that the NBGH held at the time of the incident. It is the Health Centre's position and that of its legal counsel that the likelihood of loss, if any, is not determinable at this time and the Health Centre has not recorded a liability for any amount relating to this claim. Damages and legal costs, if any, relating to this matter would be recognized in the year they become determinable.

Prior to the current year the NBGH was named as a co-defendant in a statement of claim where the date of occurrence was prior to the current insurance policy period. There is a dispute between the previous and current insurers as to which policy coverage extends to this claim. It is the Health Centre's position and that of its legal counsel that the likelihood of loss that is not covered by insurance, if any, is not determinable at this time and the Health Centre has not recorded a liability for any amount relating to this claim. Damages and legal costs, if any, relating to this matter would be recognized in the year they become determinable.

(d) Employment matters:

During the normal course of business, the Health Centre is involved in certain employment related negotiations and has recorded accruals based on management's estimate of potential settlement amounts where these amounts are reasonably determinable. Where amounts are not reasonably determinable, costs, if any, relating to these matter would be recognized when known.

(e) Letters of credit:

As at March 31, 2016, \$1,835 (2015 - \$1,234) of letters of credit have been issued with respect to performance contracts. These arrangements are secured by a general security agreement.

NORTH BAY REGIONAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2016

(In thousands of dollars)

14. Financial risks and concentration of credit risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Health Centre is exposed to credit risk with respect to accounts receivable and other investments.

The Health Centre assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Health Centre at March 31, 2016 is the carrying value of these assets.

Management considers credit risk to be minimal as most of the accounts receivable balance is collected in a timely fashion.

There have been no significant changes to the credit risk exposure from 2015.

(b) Liquidity risk:

Liquidity risk is the risk that the Health Centre will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Health Centre manages its liquidity risk by monitoring its operating requirements. The Health Centre prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 60 days of receipt of an invoice.

There have been no significant changes to the liquidity risk exposure from 2015.

NORTH BAY REGIONAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2016

(In thousands of dollars)

15. Uniquely funded programs:

The Health Centre administers a number of programs which are separately funded. The revenues and expenses related to these programs are recorded separately from the base funding operations of the Health Centre and any excess or deficiency of revenue over expenses is settled with the funding agencies on an annual basis.

(a) MOHLTC/NELHIN funded programs:

	2016	2015
Revenue:		
Community mental health	\$ 6,809	5,857
Substance abuse	2,608	2,624
Community support services	2,701	2,377
Central ambulance communication centre	2,388	2,306
Other programs	172	284
	<u>14,678</u>	<u>13,448</u>
Expenses:		
Community mental health	6,809	5,857
Substance abuse	2,608	2,624
Community support services	2,701	2,377
Central ambulance communication centre	2,388	2,306
Other programs	168	287
	<u>14,674</u>	<u>13,451</u>
Excess (deficiency) of revenue over expenses	\$ 4	(3)

NORTH BAY REGIONAL HEALTH CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2016

(In thousands of dollars)

15. Uniquely funded programs (continued):

(b) Other government funded programs:

	2016	2015
Revenue:		
Land ambulance service	\$ 6,370	6,037
Regional children's psychiatric centre	–	2,031
Grants assistance	4,530	3,760
Wordplay	1,598	1,574
Client information management system	597	621
Paramedicine	97	45
	13,192	14,068
Expenses:		
Land ambulance service	6,370	6,037
Regional children's psychiatric centre	–	2,031
Grants assistance	4,530	3,760
Wordplay	1,598	1,574
Client information management system	597	621
Paramedicine	97	45
	13,192	14,068
Excess of revenue over expenses	\$ –	–

16. Working capital relief funding:

In March 2014, the Health Centre was advised that it was eligible for one-time working capital relief funding over the next three fiscal years to improve its adjusted working funds deficit position. The Health Centre is eligible to receive these funds in three annual instalments of \$6,854, provided that it meets certain conditions. The funding received is restricted in use to reducing the Health Centre's working capital deficit and cannot be used to fund operating or capital expenditures. For the year ended March 31, 2016, the Health Centre did not meet the condition of the funding and did not receive the annual instalment of \$6,854.