

**Four Counties Health Services  
Financial Statements  
For the year ended March 31, 2012**

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Financial Statements  
For the year ended March 31, 2012**

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## Independent Auditor's Report

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To the Board of Directors of  
Four Counties Health Services

We have audited the accompanying financial statements of Four Counties Health Services which comprise the statement of financial position as at March 31, 2012 and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Four Counties Health Services as at March 31, 2012 and the results of its operations and the changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*BDO Canada LLP*

Chartered Accountants, Licensed Public Accountants

Strathroy, Ontario

May 17, 2012

**Four Counties Health Services  
Statement of Financial Position**

**March 31** 2012 2011

**Assets**

**Current**

Cash	\$ 1,729,482	\$ 1,433,773
Short-term investments (Note 1)	2,176,576	1,978,325
Accounts receivable (Note 2)	229,397	309,621
Inventory (Note 3)	10,721	12,802
Prepaid expenses	132,584	61,019
Current portion of receivable from Villa (Note 8)	8,270	7,674

4,287,030 3,803,214

**Restricted**

Cash	1,503	1,496
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Long-term receivable from Villa (Note 8)	479,600	487,870
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Capital assets (Note 4)	4,953,574	5,139,516
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\$ 9,721,707 \$ 9,432,096

**Liabilities and Net Assets**

**Current**

Accounts payable and accrued charges	\$ 1,229,677	\$ 826,041
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Deferred capital contributions related to capital assets (Note 6)	3,178,328	3,238,986
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Employee future benefits (Note 7)	36,000	12,763
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4,444,005 4,077,790

**Net Assets**

Internally restricted	1,503	1,496
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Unrestricted	5,276,199	5,352,810
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5,277,702 5,354,306

\$ 9,721,707 \$ 9,432,096

On behalf of the Board of Directors:

 Director  
 Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Four Counties Health Services**  
**Statement of Changes in Net Assets**

<b>For the year ended March 31</b>	<b>2012</b>		<b>2011</b>
	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total</b>
Balance, beginning of year	\$ 1,496	\$ 5,352,810	\$ 5,354,306
(Deficiency) excess of revenues over expenditures	7	(76,611)	(76,604)
Balance, end of year	\$ 1,503	\$ 5,276,199	\$ 5,277,702
			\$ 5,083,436
			270,870
			5,354,306

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

## Four Counties Health Services Statement of Operations

For the year ended March 31	2012	2011
<b>Revenue</b>		
Ministry of Health and Long-Term Care	\$ 9,516,670	\$ 9,318,890
Patient revenues	490,152	436,556
Differential and co-payment	85,641	51,345
Recoveries and miscellaneous	425,468	515,471
Amortization of deferred capital contributions, equipment	322,844	421,466
Other votes	652,896	650,223
Other funding sources	5,060	7,808
	<b>11,498,731</b>	<b>11,401,759</b>
<b>Expenses</b>		
Salaries and wages	4,429,673	4,273,414
Employee benefits (Note 7)	842,680	875,338
Employee future benefits (Note 7)	25,269	324
Medical staff remuneration	1,989,266	1,712,297
Supplies and other expenses	2,699,416	2,545,833
Medical and surgical supplies	115,037	122,135
Drugs	93,954	134,209
Amortization - equipment (Note 4)	519,864	596,215
Other votes	728,407	735,524
Other funding sources	5,833	5,876
	<b>11,449,399</b>	<b>11,001,165</b>
<b>Operating excess of revenue over expenditures</b>	<b>49,332</b>	<b>400,594</b>
<b>Other</b>		
Amortization of deferred capital contributions, building	109,038	107,097
Amortization of building and land improvements (Note 4)	(234,974)	(236,821)
	<b>(125,936)</b>	<b>(129,724)</b>
<b>(Deficiency) excess of revenues over expenditures</b>	<b>\$ (76,604)</b>	<b>\$ 270,870</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

## Four Counties Health Services Statement of Cash Flows

For the year ended March 31	2012	2011
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
(Deficiency) excess of revenues over expenditures	\$ (76,604)	\$ 270,870
Items not involving cash		
Amortization of capital assets	778,854	860,458
Amortization of deferred capital contributions	(451,491)	(717,047)
Gain on disposal of capital assets	(2,762)	(1,686)
Change in unrealized gain/loss on investments	992	(9,250)
	<u>248,989</u>	<u>403,345</u>
Net changes in non-cash working capital balances:		
Accounts receivable	80,224	(45,854)
Inventory	2,081	14,145
Prepaid expenses	(71,565)	18,864
Accounts payable and accrued charges	403,636	(187,929)
	<u>663,365</u>	<u>202,571</u>
<b>Investing activities</b>		
Payment received on long-term receivable	7,674	7,122
Net acquisition of capital assets	(592,911)	(468,842)
Proceeds from sale of capital assets	2,762	1,686
Purchase of investments	(788,275)	(1,763,882)
Proceeds from disposal of investments	589,031	728,293
	<u>(781,719)</u>	<u>(1,495,623)</u>
<b>Financing activities</b>		
Contributions received for capital assets	390,833	178,490
Payment of employee future benefits	-	(1,844)
Increase in employee future benefits liability	23,237	-
	<u>414,070</u>	<u>176,646</u>
<b>Increase (decrease) in cash and equivalents during the year</b>	<b>295,716</b>	<b>(1,116,406)</b>
<b>Cash and equivalents, beginning of year</b>	<b>1,435,269</b>	<b>2,551,675</b>
<b>Cash and equivalents, end of year</b>	<b>\$ 1,730,985</b>	<b>\$ 1,435,269</b>
<b>Represented by</b>		
Cash	\$ 1,729,482	\$ 1,433,773
Restricted cash	1,503	1,496
	<u>\$ 1,730,985</u>	<u>\$ 1,435,269</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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## Four Counties Health Services

### Summary of Significant Accounting Policies

March 31, 2012

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<b>Nature of Organization</b>	The Hospital provides health care services to the residents of the Four Counties area. The Hospital was incorporated on September 14, 1960 as a corporation without share capital under the Corporations Act of Ontario, and is a charitable organization within the meaning of the Income Tax Act (Canada). During 1998 the name was legally changed from Four Counties General Hospital.						
<b>Basis of Accounting Presentations</b>	<p>The financial statements have been prepared using the accrual method of accounting. Under the accrual method of accounting, revenue is recorded when earned and expenses are recorded when incurred.</p> <p>The financial statements do not include the assets, liabilities and activities of any organizations such as volunteer groups, which, although related to the Hospital, are not operated by it.</p>						
<b>Inventory</b>	Inventory is stated at the lower of cost and net realizable value. Cost is generally determined on the first-in, first-out basis. Reversals of previous write-downs to net realizable value are permitted when there is a subsequent increase in the value of inventory.						
<b>Capital Assets</b>	<p>Capital assets are recorded at cost and amortized on a straight-line basis over their estimated useful lives.</p> <table><tr><td>Land improvements</td><td style="text-align: right;">10 - 25 years</td></tr><tr><td>Buildings and related service equipment</td><td style="text-align: right;">5 - 40 years</td></tr><tr><td>Major equipment</td><td style="text-align: right;">3 - 20 years</td></tr></table> <p>Costs relating to the planning and implementation of major operational projects (construction in progress) are deferred and amortized on a straight-line basis over an appropriate number of years commencing in the year in which the respective projects become operational.</p>	Land improvements	10 - 25 years	Buildings and related service equipment	5 - 40 years	Major equipment	3 - 20 years
Land improvements	10 - 25 years						
Buildings and related service equipment	5 - 40 years						
Major equipment	3 - 20 years						
<b>Vacation Pay</b>	Vacation pay is accrued for all employees as entitlement is earned.						



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## Four Counties Health Services Summary of Significant Accounting Policies

March 31, 2012

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### Ministry of Health and Long-Term Care Funding

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 financial statements reflect agreed funding arrangements approved by the Ministry with respect to the year ended March 31, 2012.

### Financial Instruments

The Hospital utilizes various financial instruments.

All transactions related to financial instruments are recorded on a settlement date basis.

The Hospital classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The Hospital's accounting policy for each category is as follows:

#### *Held-for-trading*

This category is comprised of cash, T-Bill fund, common shares, and restricted cash. It is carried in the balance sheet at fair value with changes in fair value recognized in the statement of operations. Transaction costs related to instruments classified as held-for-trading are expensed as incurred.

#### *Held-to-maturity*

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Hospital's management has the positive intention and ability to hold to maturity and comprises certain investments in debt securities. These assets are initially recognized at fair value and subsequently carried at amortized cost, using the effective interest rate method, less any provision for impairment. Transaction costs related to held-to-maturity investments are included in the amount initially recognized.

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## Four Counties Health Services Summary of Significant Accounting Policies

March 31, 2012

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### Financial Instruments (continued)

#### *Loans and receivables*

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They arise principally through the provision of goods and services to patients (accounts receivable), but also incorporate other types of contractual, monetary assets. They are initially recognized at fair value and subsequently carried at amortized cost, using the effective interest rate method, less any provision for impairment. Transaction costs related to loans and receivables are included in the amount initially recognized.

#### *Other financial liabilities*

Other financial liabilities include all financial liabilities, and are comprised of trade payables and other short-term monetary liabilities. These liabilities are initially recognized at fair value and subsequently carried at amortized cost using the effective interest rate method. Transaction costs related to other financial liabilities are netted against the amount initially recognized.

#### *Fair values*

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arms length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, the fair values of financial instruments that are quoted in active markets are based on bid prices for financial assets held and offer prices for financial liabilities. When independent prices are not available, fair values are determined by using valuation techniques that refer to observable market data.

### Revenue Recognition

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

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.

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## Four Counties Health Services Summary of Significant Accounting Policies

March 31, 2012

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<b>Revenue Recognition (continued)</b>	<p>Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.</p> <p>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.</p>
<b>Use of Estimates</b>	<p>The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.</p>
<b>Employee Future Benefit Liability</b>	<p>Employee future benefit liability is actuarially determined and reflects management's best estimate of future cost trends associated with such benefits and interest rates. Cumulative gains and losses in excess of 10% of the beginning of year accrued benefit obligation are amortized on a straight-line basis over the expected average remaining service to expected retirement age of the active employees. Past service costs and plan amendments are amortized over the expected average remaining service to full eligibility of the active employees.</p>
<b>Pension Plan</b>	<p>The Hospital participates in a multi-employer defined benefit pension plan, however, sufficient information is not available to use defined benefit accounting. Therefore, the Hospital accounts for the plan as if it were a defined contribution plan, recognizing contributions as an expense in the year to which they relate.</p>

## Four Counties Health Services Notes to Financial Statements

March 31, 2012

### 1. Short-Term Investments

	2012		2011	
	Cost	Fair Value	Cost	Fair Value
<i>Held-to-maturity:</i>				
Guaranteed investment certificates	\$ 1,521,800	\$ 1,521,800	\$ 1,785,300	\$ 1,785,300
Accrued interest	21,474	21,474	25,720	25,720
<b>Total held-to-maturity</b>	<b>\$1,543,274</b>	<b>\$1,543,274</b>	<b>\$ 1,811,020</b>	<b>\$ 1,811,020</b>
<i>Held-for-trading:</i>				
Investment cash	3,000	3,000	5,059	5,059
Common shares	164,844	171,152	151,466	162,246
Mutual funds	416,808	416,808	-	-
Foreign securities	38,862	42,342	-	-
<b>Total held-for-trading</b>	<b>623,514</b>	<b>633,302</b>	<b>156,525</b>	<b>167,305</b>
<b>Total investments</b>	<b>\$2,166,788</b>	<b>\$2,176,576</b>	<b>\$ 1,967,545</b>	<b>\$ 1,978,325</b>

Guaranteed investment certificates earn interest at 2.00 to 3.00% (2011 - 1.40 to 3.00%) and mature from June 2012 to December 2014 (2011 - June 2011 to December 2014).

The fair values of investments were determined by reference to published price quotations in an active market.

Income from investments has been included in recoveries and miscellaneous revenue on the statement of operations.

### 2. Accounts Receivable

	2012	2011
<i>Loans and receivables:</i>		
Inpatients	\$ 11,834	\$ 20,056
Outpatients	72,134	61,291
Ministry of Health and Long-Term Care	-	7,000
Miscellaneous	151,429	221,274
	<b>235,397</b>	<b>309,621</b>
Deduct: Allowance for doubtful accounts	<b>(6,000)</b>	<b>-</b>
	<b>\$ 229,397</b>	<b>\$ 309,621</b>

## Four Counties Health Services Notes to Financial Statements

March 31, 2012

### 3. Inventory

	2012	2011
Pharmacy inventory	\$ 10,721	\$ 12,802

All inventories are carried at cost, which exceed net-realizable value.

### 4. Capital Assets

	2012		2011	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 2,000	\$ -	\$ 2,000	\$ -
Land improvements	277,151	156,935	277,151	143,835
Building and related service equipment	16,886,532	12,073,119	17,626,070	12,624,771
Construction in progress	17,945	-	2,901	-
	\$ 17,183,628	\$ 12,230,054	\$ 17,908,122	\$ 12,768,606
Net book value	\$ 4,953,574		\$ 5,139,516	

The amortization charge for the year is as follows:

	2012	2011
Building	\$ 234,974	\$ 236,821
Other votes	24,016	27,422
Equipment	519,864	596,215
	\$ 778,854	\$ 860,458

## Four Counties Health Services Notes to Financial Statements

March 31, 2012

### 5. Bank indebtedness

As at March 31, 2012, the Hospital had \$400,000 in available credit (2011 - \$400,000), consisting of a \$400,000 operating line. At year end, the operating line was not drawn upon.

### 6. Deferred Contributions Relating to Capital Assets

Deferred capital contributions relating 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.

	2012	2011
Balance, beginning of year	\$ 3,238,986	\$ 3,777,543
Contributions received	390,833	178,490
Amortized to revenue	(451,491)	(717,047)
Balance, end of year	\$ 3,178,328	\$ 3,238,986

Included in other votes revenue are \$19,609 (2011 - \$21,469), other funding sources are \$nil (2011 - \$3,023), recoveries and miscellaneous revenue are \$nil (2011 - \$16,824), and Ministry of Health and Long-Term Care revenue are \$nil (2011 - \$147,168) of amortization of capital contributions.

## Four Counties Health Services Notes to Financial Statements

March 31, 2012

### 7. Pension Plan and Employee Future Benefits

Substantially all of the full-time employees and some of the part-time employees are members of the Hospitals of Ontario Pension Plan. Contributions to the plan made during the year by the hospital on behalf of these employees amounted to \$345,088 (2011 - \$350,170) and are included in employee benefits in the statement of operations.

Due to restructuring and staff reductions in previous years, early retirement packages have been made available to eligible Hospital employees. Eligible full-time employees who opted for early retirement received a continuation of their current health care benefits plan, up to the age of 65. The hospital also pays 50% of the premiums for health and dental benefits of Ontario Nurses' Association (ONA) members that retired after April 1, 2011 from the date of the retirement until the employee reaches the age of 65.

Employee future benefit liability is actuarially determined using the projected accrued benefit cost method pro-rata on service and reflects management's best estimate of future cost trends associated with such benefits and interest rates. Plan amendments are amortized over the expected average remaining service to full eligibility of the active employees (7.5 years). Cumulative gains and losses in excess of 10% of the beginning of year accrued benefit obligation are amortized over the expected average remaining service to the expected retirement age of active employees (12.3 years).

Information about the Hospital's accrued benefit obligation relating to its post-retirement benefit plan at March 31, 2012, is as follows:

	2012	2011
Accrued benefit obligation	\$ 221,800	\$ 12,763
Less unamortized losses		
Unamortized past service costs	(74,900)	-
Unamortized net actuarial (gain)/loss	(110,900)	-
Accrued Benefit Liability - end of year	\$ 36,000	\$ 12,763

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

Discount rate - beginning of the year	4.80%
Discount rate - end of the year	4.10%
Weighted average health care trend rate	
- Initial	7.5%
- Ultimate	4.5%
- Year Ultimate Reached	2033

The actuarial valuation is for the period April 1, 2011 to March 31, 2012. Included in employee benefits on the statement of operations is an amount of \$25,269 (2011 - \$1,803) regarding employee future benefits.

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## Four Counties Health Services Notes to Financial Statements

March 31, 2012

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### 8. Related Party Transactions

The Hospital has an economic interest in Four Counties Health Services Foundation.

During the year, the Four Counties Health Services Foundation transferred \$158,395 (2011 - \$132,564) to the Four Counties Health Services.

The Foundation receives the following materials and services from Health Services at no cost to the Foundation: Office space, telephone service, and computer support.

The Hospital has an economic interest in Four Counties Community Villa (Non-Profit) Inc.

During the year, Four Counties Health Services received loan repayments of \$44,580 from Four Counties Community Villa (Non-Profit) Inc (2011 - \$44,580). Funds in the amount of \$1,560,000 were advanced in fiscal 2000 and 2001 to Four Counties Community Villa (Non-Profit) Inc., interest free, to finance the construction of a non-profit supportive housing facility on the Hospital's land. The loan is to be repaid over thirty-five years, in equal monthly instalments. The land lease is for a period of ninety-nine years and no rental payments are required for the first thirty-five years.

At April 1, 2007, the loan was classified as loans and receivables, and was discounted using an interest rate comparable to similar mortgages at the time of issue. It is subsequently being carried at amortized cost. Since the loan originated as a result of a related party transaction, fair value of the loan is not readily determinable, and as such, has not been presented. Interest income earned on the loan have been included in other funding sources on the statement of operations.

The Auxiliary to Four Counties Health Services is an ancillary 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 and the community.

The Hospital is related to Strathroy Middlesex General Hospital as they are governed by a common board of directors. Staff resources are shared by the hospital. During the year, the Hospital recovered remuneration of \$405,006 (2011 - \$378,942) from Strathroy Middlesex General Hospital, and reimbursed Strathroy Middlesex General Hospital \$779,928 (2011 - \$678,209) for remuneration paid by Strathroy Middlesex General Hospital. Joint purchases of supplies are expensed to each Hospital at point of purchase.

The Hospital signed an agreement with Strathroy Middlesex General Hospital, in which they can advance up to \$1,000,000 at an interest rate of prime less 1.7%, should Strathroy Middlesex General Hospital require the funds. At year end, no funds have been advanced as part of this agreement.



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## Four Counties Health Services Notes to Financial Statements

March 31, 2012

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### 9. Economic Dependence

The Hospital received 83% of its total revenue for the year ended March 31, 2012 (2011 - 81%) from the Southwest Local Health Integration Network (LHIN) and Ministry of Health and Long Term Care.

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### 10. Joint Venture Agreement

The Hospital was part of an agreement with the Regional Shared Services ("RSS") which was initially formed by the Thames Valley Hospital Planning Partnership ("TVHPP") to develop and operate a shared electronic health information management system. An agreement was executed by all involved hospitals in order to outline the rights, obligations and duties of each joint venture partner. The Hospital had an economic interest in RSS and paid to the RSS its share of capital, staffing and operating costs incurred by the RSS. The shared assets of the RSS resided on the financial statements of the London Health Sciences Centre ("LHSC"). The Hospital accounted for the joint venture on an equity basis.

Effective July 21, 2011 the parties revised their contractual relationship in order to adopt a purchased service model for existing services, and to create advisory and decision-making committees composed of London Health Sciences Centre and St. Joseph's Health Care, London, collectively known as the Service Provider, and the Customers.

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## Four Counties Health Services Notes to Financial Statements

March 31, 2012

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### 11. Public Sector Salary Disclosure Act

The Public Sector Salary Disclosure Act requires that the Hospital disclose in its annual statement, the amount of salary and benefits paid in excess of \$100,000. In calendar year 2011, Paul Long, Chief Financial Officer of the Middlesex Hospital Alliance received salary of \$104,571 and taxable benefits of \$4,468; Alessandro Sullo, Director of Environmental Services received salary of \$101,557 and taxable benefits of \$391; and Denise Lutz, Registered Nurse received salary of \$100,033 and taxable benefits of \$366. Generally, the Act defines salary as the amount received by an employee required by the Income Tax Act (Canada) and defines benefits as amounts reported to Revenue Canada, Taxation, under the Income Tax Act (Canada).

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### 12. Capital Requirements

The Hospital's primary objective when managing capital is to safeguard the entity's ability to deliver comprehensive family-centred patient care in a rural and community-focused health service setting in collaboration and integration with our healthcare partners. The Hospital defines its capital as its cash, both restricted and unrestricted, investments, and net assets, both restricted and unrestricted.

The Hospital monitors its cash position on a weekly basis and reviews the current ratio and working capital position on a monthly basis. Investments are reviewed monthly in accordance with the Hospital's investment policy.

The Hospital manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Four Counties Health Services Foundation provides annual capital equipment support, which is paid on a predetermined basis during the fiscal year. In order to adjust the capital structure the Hospital may sell or purchase investments, utilize the approved operating line of credit, or any advances from the Southwest Local Health Integration Network (LHIN).

There have been no changes in what the Hospital defines as capital, or the objectives, policies and procedures for managing capital, in the year.

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### 13. Contingencies

The Hospital has been named defendant in certain legal actions. The final liability, if any, of these claims is indeterminable as the hospital has established defense actions and further, in the opinion of legal counsel and the Hospital's insurance adjustors, should any claim be successful, it would be subject to material coverage by the Hospital's policies of insurance.

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### 14. Comparative Information

The comparative information presented in the financial statements has been restated to conform to the current year's presentation.