

**TIMMINS AND DISTRICT HOSPITAL
L'HÔPITAL DE TIMMINS ET DU DISTRICT
FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2007 & 2006**

TIMMINS AND DISTRICT HOSPITAL

L'HÔPITAL DE TIMMINS ET DU DISTRICT

(incorporated under the laws of the Province of Ontario as a corporation without Share Capital)

BOARD OF DIRECTORS

Mr. D. Wyatt, Chairman
Mr. A. Kean, Vice-Chairman
Mrs. M. Lawrence, Vice-Chairman
Mr. P. Rokeby, Treasurer
Mr. D. Alarie
Mr. S. Adams
Mrs. M. Boyd
Dr. C. Clark
Mr. S. Cress

Ms. M. Fortier
Dr. L. Griffiths
Mrs. M. Murphy
Mr. R. Perrault
Mrs. S. Rocheleau
Mr. D. Thomas
Dr. H. Voogjarv
Mr. W. Wiwchar

AUDITORS

Ross, Pope & Company, Chartered Accountants
Timmins, Ontario

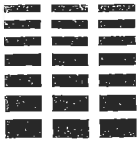
TIMMINS AND DISTRICT HOSPITAL

L'HÔPITAL DE TIMMINS ET DU DISTRICT

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YEARS ENDED MARCH 31, 2007 & 2006

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AUDITORS' REPORT

To the Board of Directors and Members of the
Timmins and District Hospital/l'Hôpital de Timmins et du district

We have audited the statement of financial position of the Timmins and District Hospital/l'Hôpital de Timmins et du district as at March 31, 2007 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the hospital's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the hospital as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ross, Pope & Company

Timmins, Ontario
May 15, 2007

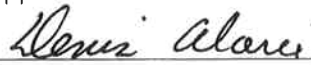
Ross, Pope & Company
Chartered Accountants
Licensed Public Accountants

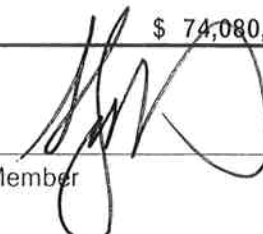
TIMMINS AND DISTRICT HOSPITAL
L'HÔPITAL DE TIMMINS ET DU DISTRICT
STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31

	2007	2006
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,842,524	\$ 3,698,935
Restricted cash (Note 2)	315,250	456,791
Accounts receivable (Note 3)	6,115,281	6,184,294
Inventories (Note 2)	733,324	725,737
Prepaid expenses	328,081	384,423
	10,334,460	11,450,180
LONG-TERM ACCOUNTS RECEIVABLE	268,615	289,212
CAPITAL ASSETS (Notes 2 & 4)	63,477,310	64,930,508
	\$ 74,080,385	\$ 76,669,900
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued charges	\$ 11,084,821	\$ 11,193,575
Deferred revenue (Note 2)	1,058,407	1,149,606
Current portion of long-term debt (Note 6)	237,341	739,533
Current portion of obligation under capital lease (Note 7)	402,698	402,698
Current portion of accrued benefit liability (Note 8)	130,300	130,300
	12,913,567	13,615,712
LONG-TERM DEBT (Note 6)	463,282	700,540
OBLIGATION UNDER CAPITAL LEASE (Note 7)	805,395	1,208,093
ACCRUED BENEFIT LIABILITY (Notes 2 & 8)	1,866,199	1,706,200
DEFERRED CONTRIBUTIONS (Note 9)	56,900,145	57,827,433
	72,948,588	75,057,978
Contingencies (Note 15)		
NET ASSETS		
INVESTED IN CAPITAL ASSETS (Note 10)	4,356,539	3,699,572
RESTRICTED FOR PACS (Note 10)	41,912	82,639
UNRESTRICTED	(3,266,654)	(2,170,289)
	1,131,797	1,611,922
	\$ 74,080,385	\$ 76,669,900

Approved on Behalf of the Board of Directors:


 Member


 Member

See accompanying notes.

TIMMINS AND DISTRICT HOSPITAL

L'HÔPITAL DE TIMMINS ET DU DISTRICT

STATEMENT OF OPERATIONS

YEARS ENDED MARCH 31

	2007	2006
REVENUES		
Ministry of Health - Hospital Funding	\$ 54,347,683	\$ 52,584,304
Ministry of Health - Other Programs (Schedule B)	2,478,115	2,344,162
Ministry of Health - Emergency Physician Funding	2,204,714	1,876,572
Ministry of Health - One Time Hospital Funding	4,613,970	2,120,508
Preferred accommodation	643,914	937,420
Investment income	174,105	146,524
Amortization of deferred contributions (Note 9)	4,311,889	4,113,544
Other Revenue (Schedule A)	13,373,740	12,885,139
	82,148,130	77,008,173
EXPENSES		
Salaries, wages and fees	45,281,898	41,964,314
Medical staff honouraria	741,611	450,844
Employee benefits (Schedule C)	9,891,197	9,504,082
Medical and surgical supplies	3,438,796	3,105,902
Drugs	2,689,458	2,807,266
Food and dietary supplies	650,603	601,696
Other supplies and expenses	6,914,304	5,847,627
Plant maintenance and operations	2,632,747	2,768,126
Administration (Schedule D)	1,816,593	1,750,924
Amortization of capital assets	6,092,933	5,750,685
Ministry of Health - Other Programs (Schedule B)	2,478,115	2,344,162
	82,628,255	76,895,628
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	(480,125)	112,545
GRANTS FORGIVEN BY THE MINISTRY OF HEALTH	-	174,994
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (480,125)	\$ 287,539

**TIMMINS AND DISTRICT HOSPITAL
L'HÔPITAL DE TIMMINS ET DU DISTRICT
STATEMENT OF CHANGES IN NET ASSETS
YEARS ENDED MARCH 31**

	INVESTED CAPITAL ASSETS	RESTRICTED FOR PACS	UNRESTRICTED	2007	2006
Balance, beginning of year	\$ 3,699,572	\$ 82,639	\$ (2,170,289)	\$ 1,611,922	\$ 1,324,383
Excess (deficiency) of revenues over expenses (Note 10)	(1,785,834)	-	1,305,709	(480,125)	287,539
Purchase (disposal) of capital assets	4,677,914	(33,271)	(4,644,643)	-	-
Amounts funded by financing arrangements	1,142,147	-	(1,142,147)	-	-
Amounts funded by deferred contributions	(3,377,260)	(7,456)	3,384,716	-	-
Balance, end of year	\$ 4,356,539	\$ 41,912	\$ (3,266,654)	\$ 1,131,797	\$ 1,611,922

TIMMINS AND DISTRICT HOSPITAL
L'HÔPITAL DE TIMMINS ET DU DISTRICT
STATEMENT OF CASH FLOWS

YEARS ENDED MARCH 31

	2007	2006
OPERATING ACTIVITIES		
Revenue received from Ministry of Health	\$ 63,881,022	\$ 58,706,480
Revenue received from other sources	14,142,501	12,232,224
Expenses paid for operations	(76,574,779)	(70,792,738)
Interest paid	(44,622)	(70,858)
CASH PROVIDED BY OPERATING ACTIVITIES	1,404,122	75,108
FINANCING AND INVESTING ACTIVITIES		
Increase in deferred contributions	3,384,716	1,325,407
Purchase of capital assets	(4,644,643)	(4,636,565)
Net decrease in short-term debt	-	(760,875)
Net decrease in long-term debt	(739,450)	(233,807)
Net increase (decrease) in obligation under capital lease	(402,697)	1,610,791
CASH USED IN FINANCING AND INVESTING ACTIVITIES	(2,402,074)	(2,695,049)
CHANGE IN CASH	(997,952)	(2,619,941)
CASH, beginning of year	4,155,726	6,775,667
CASH, end of year	\$ 3,157,774	\$ 4,155,726
CASH CONSISTS OF:		
Cash	\$ 2,842,524	\$ 3,698,935
Restricted cash	315,250	456,791
	\$ 3,157,774	\$ 4,155,726

TIMMINS AND DISTRICT HOSPITAL

L'HÔPITAL DE TIMMINS ET DU DISTRICT

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2007 & 2006

1. HOSPITAL ORGANIZATION

The Timmins and District Hospital/L'Hôpital de Timmins et du district is incorporated without share capital by Letters Patent issued by the Province of Ontario. The hospital is regulated by the Public Hospitals Act and accordingly, the accounting for the operations of the hospital are based on reporting procedures approved by the Ministry of Health.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) REVENUE RECOGNITION

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

Under the Health Insurance Act and 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. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period. These financial statements reflect agreed arrangements approved by the Ministry with respect to the year ended March 31, 2007.

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

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

The financial statements do not include the assets, liabilities and activities of any organizations such as the Ladies Auxiliary or the Foundation which, although related to the hospital, are not operated by it.

(b) INVENTORIES

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

(c) PLEDGES

The amount of any pledges to donate funds to the hospital are not included in revenues until such time as funds are received.

(d) RESTRICTED CASH

Restricted cash represents funds received to offset specific obligations.

(e) CAPITAL ASSETS

Capital assets are recorded at cost and amortized on a straight-line basis using the following rates:

Land improvements	10 years
Buildings	40 years
Medical office complex	25 years
Equipment	3-20 years
Picture archiving communications system (PACS)	5 years