

**Sante Manitouwadge Health**  
**Financial Statements**  
*March 31, 2022*

# Sante Manitouwadge Health Contents

For the year ended March 31, 2022

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## Management's Responsibility

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To the Members and Board of Directors of Sante Manitowadge Health:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Hospital. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Hospital's external auditors.

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

June 21, 2022

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Finance Manager

To the Members and Board of Directors of Sante Manitowadge Health:

## Opinion

We have audited the financial statements of Sante Manitowadge Health (the "Hospital"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Hospital as at March 31, 2022, and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Hospital in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Hospital's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Hospital or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Hospital's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Hospital's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Hospital's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Hospital to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Thunder Bay, Ontario

June 21, 2022

*MNP LLP*

Chartered Professional Accountants


Licensed Public Accountants

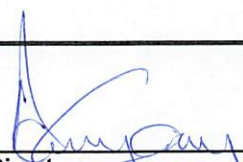
# Sante Manitowadge Health Statement of Financial Position

*As at March 31, 2022*

	2022	2021
<b>Assets</b>		
<b>Current</b>		
Unrestricted cash	1,086,100	943,841
Short-term investments (Note 3)	417,397	353,884
Accounts receivable (Note 4)	292,799	185,148
Inventory (Note 5)	92,260	85,024
Restricted cash (Note 6)	64,802	101,539
Prepays expenses and deposits	102,459	207,672
	2,055,817	1,877,108
<b>Capital assets (Note 7)</b>	6,890,393	6,807,899
<b>Long-term investments</b>	-	256,103
<b>Employee benefits receivable</b>	164,375	203,900
	9,110,585	9,145,010
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals (Note 9)	1,605,156	1,422,148
<b>Deferred contributions related to capital assets (Note 10)</b>	5,434,765	5,692,997
<b>Employee future benefits (Note 11)</b>	469,500	460,000
<b>Employee benefits payable</b>	39,154	40,332
	7,548,575	7,615,477
<b>Contingencies (Note 12)</b>		
<b>Net Assets</b>		
Invested in capital assets (Note 13)	1,455,628	1,114,902
Unrestricted	106,382	414,631
	1,562,010	1,529,533
	9,110,585	9,145,010

Approved on behalf of the Board

  
Director

  
Director

The accompanying notes are an integral part of these financial statements

**Sante Manitouwadge Health**  
**Statement of Operations**  
*For the year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Ministry of Health <i>(Note 14)</i>	<b>6,489,678</b>	6,209,577
Other agencies and self pay <i>(Note 14)</i>	<b>985,318</b>	616,819
Other <i>(Note 14)</i>	<b>437,969</b>	561,008
Amortization of deferred contributions <i>(Note 10)</i>	<b>126,621</b>	125,109
<b>Total revenue</b>	<b>8,039,586</b>	7,512,513
<b>Expenses</b>		
Administrative services and supplies	<b>384,432</b>	367,762
Amortization of equipment and information systems	<b>166,996</b>	148,436
Bad debts	<b>5,142</b>	87,705
Dietary food and supplies	<b>100,295</b>	99,893
Drugs	<b>50,377</b>	77,145
Family Health Team	<b>598,792</b>	657,941
Medical and surgical supplies	<b>62,563</b>	57,195
Nursing and other patient care supplies	<b>269,472</b>	280,580
Other programs	<b>156,436</b>	177,665
Telephone	<b>2,696</b>	2,097
Rent	<b>159,823</b>	139,949
Salaries and benefits <i>(Note 11), (Note 15)</i>	<b>5,242,925</b>	4,488,694
Support services	<b>188,395</b>	216,514
Utilities and insurance	<b>492,593</b>	448,279
	<b>7,880,937</b>	7,249,855
<b>Excess of revenue over expenses before the following</b>	<b>158,649</b>	262,658
Amortization of land improvements and building	<b>(479,739)</b>	(481,220)
Amortization of deferred capital contributions - land improvements and building <i>(Note 10)</i>	<b>353,567</b>	361,795
<b>Excess of revenue over expenses</b>	<b>32,477</b>	143,233

*The accompanying notes are an integral part of these financial statements*

**Sante Manitouwadge Health**  
**Statement of Changes in Net Assets**  
*For the year ended March 31, 2022*

	<i>Invested in Capital Assets</i>	<i>Unrestricted</i>	<b>2022</b>	<i>2021</i>
<b>Net assets, beginning of year</b>	<b>1,114,902</b>	<b>414,631</b>	<b>1,529,533</b>	1,386,300
<b>Excess (deficiency) of revenue over expenses</b> <i>(Note 16)</i>	<b>(166,791)</b>	<b>199,268</b>	<b>32,477</b>	143,233
<b>Net change in capital assets</b> <i>(Note 16)</i>	<b>507,517</b>	<b>(507,517)</b>	-	-
<b>Net assets, end of year</b>	<b>1,455,628</b>	<b>106,382</b>	<b>1,562,010</b>	1,529,533

*The accompanying notes are an integral part of these financial statements*



**Sante Manitouwadge Health**  
**Statement of Cash Flows**  
*For the year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Cash received from patients and funding agencies	7,848,954	7,122,994
Cash paid to suppliers and employees	(7,601,563)	(6,778,671)
Interest received	19,505	1,164
	<b>266,896</b>	<b>345,487</b>
<b>Capital activities</b>		
Capital contributions received	218,896	180,410
Purchases of tangible capital assets	(828,961)	(220,078)
	<b>(610,065)</b>	<b>(39,668)</b>
<b>Investing</b>		
Purchase of investments	(161,294)	(200,222)
Proceeds on disposal of investments	609,985	196,119
Restricted cash received in the year	36,737	(101,539)
	<b>485,428</b>	<b>(105,642)</b>
<b>Increase in cash resources</b>	<b>142,259</b>	<b>200,177</b>
<b>Cash resources, beginning of year</b>	<b>943,841</b>	<b>743,664</b>
<b>Cash resources, end of year</b>	<b>1,086,100</b>	<b>943,841</b>

*The accompanying notes are an integral part of these financial statements*

**1. Incorporation and nature of the organization**

Sante Manitouwadge Health (the "Hospital") is principally involved in providing health care services to the Township of Manitouwadge and surrounding region of Northwestern Ontario.

The Hospital is incorporated under the Provincial Corporation Act as a not-for-profit organization and is a registered charity under the Income Tax Act. Accordingly, the Hospital is not subject to income taxes.

***Impact on operations of COVID-19***

In early March 2020 the impact of the global outbreak of COVID-19 began to have a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The Hospital's operations were impacted by COVID-19 due to restrictions of operation, added cleaning and supply costs and additional PPE.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Hospital as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Hospital's business and financial condition.

**2. Significant accounting policies**

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards including the following significant accounting policies, including accounting standards that apply to government not-for-profit organizations:

***Cash and cash equivalents***

Cash and cash equivalents include balances with a chartered bank and cash on hand. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

***Inventory***

Inventory is valued at the lower of cost and net realizable value, less a provision for any obsolete or unusable inventory on hand. Cost of office and supplies is determined by the first in, first out method. Cost of pharmacy inventory is determined by the weighted average method.

***Capital assets***

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Rate</b>
Hospital building	2.5 - 5 years
Equipment	5 years
Land improvements	2.5 - 5 years
Information systems	10 years
Ambulance building	2.5 - 5 years
Clinic building	5 - 10 years
Residence building	2.5 - 5 years

**2. Significant accounting policies** *(Continued from previous page)*

***Long-lived assets and discontinued operations***

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Hospital determines that a long-lived asset no longer has any long-term service potential to the Hospital, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

***Leases***

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized on a declining balance basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

An arrangement contains a lease where the arrangement conveys a right to use the underlying tangible asset, and whereby its fulfillment is dependent on the use of the specific tangible asset. After the inception of the arrangement, a reassessment of whether the arrangement contains a lease is made only in the event that:

- there is a change in contractual terms;
- a renewal option is exercised or an extension is agreed upon by the parties to the arrangement;
- there is a change in the determination of whether the fulfillment of the arrangement is dependent on the use of the specific tangible asset; or
- there is a substantial physical change to the specified tangible asset.

***Deferred revenue***

Deferred revenue is received from contributors who have restricted use of the funds for specific purposes. Recognition of these amounts as revenue is deferred to periods when the specific expenditures are made.

***Deferred contributions related to capital assets***

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase the Hospital's capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

***Employee future benefits***

The Hospital accrues its obligation for employee benefit plans. The cost of non-pension post-retirement and post-employment benefits earned by employees is actuarially determined using the projected benefits method pro-rated on service and management's best estimate of retirement ages and expected health care costs. The attribution period for such cost begins the date of hire of the employee to the date of first payment. The discount rate used to determine accrued benefit obligations is reflective of the Hospital's long-term cost of borrowing.

Adjustments arising from plan amendments, including past service costs, are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment.

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

**2. Significant accounting policies** *(Continued from previous page)*

***Revenue recognition***

The Hospital follows the deferral method of accounting for revenue received. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Funds externally restricted for the purchase of capital assets are recognized as revenue in an amount equal to the annual amortization of the related assets. 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.

Revenue from the Provincial Insurance Plan, preferred accommodation, and marketed services is recognized when the goods are sold or the service is provided.

***Contributed materials***

The Hospital does not recognize the receipt of contributed materials and services.

***Measurement uncertainty (use of estimates)***

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Accounts payable and accruals are estimated based on historical charges for unbilled goods and services at year-end.

Deferred contributions related to capital assets and capital asset amortization are based on the estimated useful lives of capital assets.

Employee future benefits are based on actuarial valuations.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue over expenses in the periods in which they become known.

**2. Significant accounting policies** *(Continued from previous page)*

***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 and investments. Financial instruments in this category are initially recognized at cost and subsequently carried at fair value. 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 related to financial instruments in the fair value category are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

Amortized Cost

This category includes accounts receivable and accounts payable and accruals. 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.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Write-downs 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 write-down being recognized in the statement of operations.

**3. Short-term investments**

	<b>2022</b>	2021
CIBC GIC accounts paying interest ranging from 0.50% to 2.50% with maturity dates of June 2022 and February 2023 (cost - \$417,397; 2021 - \$353,884).	<b>417,397</b>	353,884

**4. Accounts receivable**

	<b>2022</b>	2021
Ministry of Health	<b>67,371</b>	91,190
Harmonized Sales Tax	<b>84,868</b>	55,699
Insurers and patients	<b>37,834</b>	42,167
Other	<b>107,177</b>	16,305
	<b>297,250</b>	205,361
Allowance for doubtful accounts	<b>(4,451)</b>	(20,213)
	<b>292,799</b>	185,148

**Sante Manitouwadge Health**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**5. Inventory**

The breakdown of inventory on hand at the end of the year is as follows:

	<b>2022</b>	<i>2021</i>
Office	<b>6,836</b>	5,949
Medical and surgical	<b>63,565</b>	54,364
Drugs	<b>21,859</b>	24,711
	<b>92,260</b>	<i>85,024</i>

**6. Restricted cash**

During the year, the Hospital received \$63,944 of restricted cash from the Ministry of Health. The use of the describe externally restricted funding is restricted for capital enhancements through the Health Infrastructure Renewal Fund.

**7. Capital assets**

	<i>Cost</i>	<i>Accumulated amortization</i>	<b>2022 Net book value</b>	<i>2021 Net book value</i>
Ambulance building	491,435	484,089	7,346	8,713
Clinic building	154,842	75,465	79,377	89,971
Equipment	4,702,188	3,749,082	953,106	686,492
Hospital building	14,078,650	8,456,101	5,622,549	5,685,592
Information systems	688,595	617,615	70,980	77,681
Land	59,209	-	59,209	59,209
Land improvements	298,185	294,838	3,347	3,946
Residence building	326,685	286,464	40,221	48,396
Construction-in-progress	54,258	-	54,258	147,899
	<b>20,854,047</b>	<b>13,963,654</b>	<b>6,890,393</b>	<i>6,807,899</i>

**8. Bank indebtedness**

At March 31, 2022, the Hospital had lines of credit totalling \$120,000 (2021 - \$120,000), bearing interest at bank prime plus 4% (2021 - 4%) none of which were drawn. The following has been collateralized in connection with this line of credit:

- General security agreement

**9. Accounts payable and accruals**

	<b>2022</b>	<i>2021</i>
Trade payables	<b>431,841</b>	376,132
Accrued salaries and benefits	<b>295,684</b>	334,397
Ministry of Health	<b>736,105</b>	588,636
Other	<b>141,526</b>	122,983
	<b>1,605,156</b>	<i>1,422,148</i>

**Sante Manitouwadge Health**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**10. Deferred contributions related to capital assets**

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	<i>Government</i>	<i>Donations</i>	<i>2022 Total</i>	<i>2021 Total</i>
Balance, beginning of year	4,731,566	961,431	5,692,997	5,999,491
Received during the year	218,896	-	218,896	180,410
Amount amortized to revenue	(295,277)	(184,911)	(480,188)	(486,904)
<b>Balance, end of year</b>	<b>4,655,185</b>	<b>776,520</b>	<b>5,431,705</b>	<b>5,692,997</b>

The deferred capital contributions amortized into revenue for \$480,188 is comprised of \$126,621 (2021 - \$125,109) for equipment and mixed contributions along with \$353,567 (2021 - \$361,795) for land improvements and the hospital building.

Unamortized portion	4,591,241	779,580	5,370,821	5,591,458
Unexpended portion	63,944	-	63,944	101,539
	<b>4,655,185</b>	<b>779,580</b>	<b>5,434,765</b>	<b>5,692,997</b>

A portion of the unexpended contributions may be used for future operating expenses but the amount cannot be determined.

**Health Infrastructure Renewal Fund ("HIRF")**

HIRF funding was received from the Ministry of Health and was provided to assist with the renewal of health care infrastructure activities. In fiscal 2022, \$63,944 of the funding received was unspent and is eligible for deferral to assist the Hospital with addressing COVID-19 related pressures and complete projects or services in 2022-2023.

**11. Employee future benefits**

The Hospital participates in a multi-employer benefit plan on behalf of its employees. The Hospital's contributions to this plan totalled \$489,394 (2021 - \$578,976). The data available from the administrator of the multi-employer pension plan is not sufficient to determine the accumulated benefit obligations, nor the net assets attributable to the multi-employer plan in which the Hospital employees participate.

Variances between actuarial funding estimates and actual experience may be material and any differences are generally to be funded by the participating members. The most recent actuarial valuation of the plan as at December 31, 2021 indicates the plan is 133% funded. The Hospital contributions to the plan made during the year on behalf of its employees are included in the statement of operations. Of this, \$272,848 (2021 - \$323,209) were Hospital contributions and \$216,546 (2021 - \$255,767) were employee contributions.

The Hospital's other post-retirement benefits programs include certain health care insurance benefits provided to retired employees and eligible surviving dependants. 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. At March 31, 2022, the Hospital's total accrued benefit obligation related to the post-retirement benefit plans (other than pension) is \$469,500 (2021 - \$460,000). The most recent actuarial valuation was provided March 31, 2021 and the next required actuarial valuation will be as at March 31, 2025.

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

Discount rate for calculation of net benefit cost	3.5% per annum
Dental cost trend rates	4.0% per annum
Extended health care trend rates	7.0% in 2016; decreasing by 0.25% per annum to an ultimate rate of 5.0% per annum
Retirement age	Age 60 or immediate if older than 60
Full eligibility age	Age 55
Members electing coverage at retirement	
ONA	50%
All other members	100%

	<b>2022</b>	<b>2021</b>
<b>Retirement and Other Employee Future Benefit Liability</b>		
Liability for post-retirement benefits - opening balance	<b>460,000</b>	442,900
Expense related to post-retirement benefits	<b>34,000</b>	32,400
Funding contributions	<b>(24,500)</b>	(15,300)
<b>Liability for post-retirement benefits - closing balance</b>	<b>469,500</b>	460,000
<b>Retirement and Other Employee Future Benefit Expense</b>		
Current period benefit cost	<b>25,500</b>	24,600
Post-retirement benefit interest expense	<b>14,600</b>	13,900
Amortization of actuarial losses	<b>(6,100)</b>	(6,100)
	<b>34,000</b>	32,400



**12. Contingent liabilities**

***Insurance***

A group of hospitals, including Sante Manitouwadge Health, have formed the Healthcare Insurance Reciprocal of Canada ("HIROC"). HIROC is a pooling of the public liability insurance risks of its members. All members of the pool pay annual premiums which are actuarially determined. All members are subject to reassessment for losses, if any, experienced by the pool for the years in which they were members, and these losses could be material. No reassessments have been made to March 31, 2022.

***Employee fringe benefits***

The Hospital, together with a group of other regional hospitals, has a self-insured employee benefit plan for semi-private, dental and extended health care benefits. Under the terms of the plan, the Hospital will pay for certain employee benefit claims not exceeding \$5,000 per employee per year. Any excess claims would be insured.

***Litigation***

The Hospital is a defendant in an action, the outcome of which is not readily determinable. As a result, no provision has been made in these financial statements for losses, if any, which may arise as a result of the resolution of this claim. If this action is successful, it will be recognized in the period in which the settlement occurs.

***Funding contingency***

In 2016, the Hospital received funding from the Ministry of Health ("MOH") in relation to the renovations of the Family Health Team clinic. A stipulation of the funding is that the Hospital must continue operating the Family Health Team clinic through March 31, 2025. If the Hospital were to stop operating the clinic before this time, an amount would be repayable to the MOH. The amount repayable is reduced each year that the Hospital continues to operate the clinic. If the Hospital were to stop operating the clinic on or before March 31, 2023, an amount of \$238,530 would be repayable to the MOH.

**13. Invested in capital assets**

	<b>2022</b>	2021
Capital assets at net book value	<b>6,890,393</b>	6,807,899
Amounts financed by deferred capital contributions	<b>(5,434,765)</b>	(5,692,997)
	<b>1,455,628</b>	1,114,902

**Sante Manitouwadge Health**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**14. Revenue**

	2022	2021
<b>Ministry of Health</b>		
Operating grant	5,890,883	5,551,636
Family Health Team	598,795	657,941
	6,489,678	6,209,577
<b>Other agencies and self pay</b>		
In-patient	236,682	259,750
Out-patient	118,698	97,924
Other programs	629,938	259,145
	985,318	616,819
<b>Other</b>		
Donations	21,796	9,886
Interest and other investment income	10,316	8,535
Food services	13,768	14,556
Recoveries and sundries	62,364	130,920
Rental	326,339	340,199
Other	3,386	56,912
	437,969	561,008

**15. Salaries and benefits**

	2022	2021
Administrative	559,846	554,152
Employee benefits	916,326	905,972
Medical staff remuneration	65,358	51,602
Nursing	2,165,393	1,421,960
Other patient care services	820,642	815,079
Support services	715,360	739,929
	5,242,925	4,488,694

**16. Changes in net assets invested in capital assets**

	2022	2021
Balance, beginning of year	1,114,902	1,217,986
Amortization of deferred capital contributions	480,188	486,904
Amortization of capital assets	(646,979)	(629,656)
	(166,791)	(142,752)
Purchase of capital assets	828,961	220,078
Amounts funded by deferred capital contributions	(321,444)	(180,410)
Net change in capital assets	507,517	39,668
	1,455,628	1,114,902

**17. Commitments**

The Hospital has entered into various lease agreements with estimated minimum annual payments as follows:

2023	1,080
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**18. Economic dependence**

The Hospital's primary source of revenue is funding from the Ministry of Health. The grant funding can be cancelled if the Hospital does not observe certain established guidelines. The Hospital's ability to continue viable operations is dependent upon maintaining its right to follow the criteria within Ministry guidelines. As at the date of these financial statements the Hospital believes that it is in compliance with the guidelines.

**19. Financial instruments**

The Hospital, as part of its operations, carries a number of financial instruments. It is management's opinion that the Hospital is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Hospital is exposed to interest rate price risk on its short-term as they have fixed rates. The Hospital's short-term have fixed interest rates ranging from 0.75% to 2.5% (2021 - 1.95% to 2.5%).

***Other price risk***

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Hospital enters into transactions to purchase stocks in publicly traded companies, for which the market price fluctuates.

**20. Comparative figures**

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