

Sante Manitouwadge Health
Financial Statements
March 31, 2024

Sante Manitouwadge Health Contents

For the year ended March 31, 2024

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

Opinion

We have audited the financial statements of Sante Manitouwadge Health (the "Hospital"), which comprise the statement of financial position as at March 31, 2024, 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, 2024, 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 25, 2024

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Sante Manitowadge Health
Statement of Financial Position

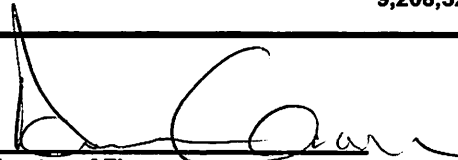
As at March 31, 2024

	2024	2023
Assets		
Current		
Cash	1,296,581	810,995
Short-term investments (Note 3)	103,225	401,637
Accounts receivable (Note 5)	415,530	534,338
Inventory (Note 6)	94,606	96,453
Restricted cash	-	96,100
Prepays expenses and deposits	99,894	107,127
	2,009,836	2,046,650
Capital assets (Note 7)	6,634,294	6,695,129
Long-term investments (Note 4)	320,495	-
Employee benefits receivable	243,904	220,316
	9,208,529	8,962,095
Liabilities		
Current		
Accounts payable and accruals (Note 9)	1,989,321	1,606,382
Deferred contributions (Note 10)	5,259,521	5,318,750
Employee future benefits (Note 11)	470,100	465,100
Employee benefits payable	41,260	38,083
	7,760,202	7,428,315
Contingencies (Note 12)		
Net Assets		
Invested in Capital Assets (Note 13)	1,374,773	1,376,379
Unrestricted	73,554	157,401
	1,448,327	1,533,780
	9,208,529	8,962,095

Approved on behalf of the Board



Chief Executive Officer



Director of Finance

The accompanying notes are an integral part of these financial statements

Sante Manitouwadge Health
Statement of Operations
For the year ended March 31, 2024

	2024	2023
Revenue		
Ministry of Health <i>(Note 14)</i>	7,243,398	6,741,525
Other agencies and self pay <i>(Note 14)</i>	588,767	562,471
Other <i>(Note 14)</i>	664,011	661,914
Amortization of deferred contributions <i>(Note 10)</i>	113,041	116,507
	8,609,217	8,082,417
Expenses		
Administrative services and supplies	419,651	435,643
Amortization of equipment and information systems	196,308	182,995
Bad debts	5,891	2,748
Dietary food and supplies	131,032	113,806
Drugs	44,044	44,565
Family Health Team	726,700	849,741
Medical and surgical supplies	51,595	80,113
Nursing and other patient care supplies	317,135	280,333
Other programs	163,211	119,824
Rent	157,321	166,176
Salaries and benefits <i>(Note 11), (Note 15)</i>	5,658,784	5,072,794
Support services	219,824	192,923
Telephone	2,156	3,187
Utilities and insurance	473,182	434,537
	8,566,834	7,979,385
Excess of revenue over expenses before the following:	42,383	103,032
Amortization of land improvements and building	(510,122)	(501,421)
Amortization of deferred capital contributions - land improvements and building <i>(Note 10)</i>	382,286	370,159
Deficiency of revenue over expenses	(85,453)	(28,230)

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, 2024

	<i>Invested in Capital Assets</i>	<i>Unrestricted</i>	2024	<i>2023</i>
Net assets, beginning of year	1,376,379	157,401	1,533,780	1,562,010
Excess (deficiency) of revenue over expenses <i>(Note 16)</i>	(211,103)	125,650	(85,453)	(28,230)
Net change in capital assets <i>(Note 16)</i>	209,497	(209,497)	-	-
Net assets, end of year	1,374,773	73,554	1,448,327	1,533,780

The accompanying notes are an integral part of these financial statements

Sante Manitouwadge Health
Statement of Cash Flows
For the year ended March 31, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating		
Cash receipts from grants	-	9,838
Cash received from patients and funding agencies	8,160,106	7,601,801
Cash paid to suppliers and employees	(7,489,102)	(7,855,104)
Interest received	65,416	46,760
	736,420	(196,705)
Capital activities		
Capital contributions received	436,098	370,651
Purchases of tangible capital assets	(673,605)	(489,152)
	(237,507)	(118,501)
Investing		
Purchase of investments	(423,720)	(401,636)
Proceeds on disposal of investments	410,393	417,396
Restricted cash received in the year	-	24,341
	(13,327)	40,101
Increase (decrease) in cash resources	485,586	(275,105)
Cash resources, beginning of year	810,995	1,086,100
Cash resources, end of year	1,296,581	810,995

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.

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 weighted average 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 plus all costs directly attributable to the acquisition.

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

	Years
Hospital building	5 - 40 years
Equipment	5 - 20 years
Land improvements	10 - 15 years
Information systems	5 - 10 years
Ambulance building	5 - 20 years
Clinic building	5 - 20 years
Residence building	5 - 20 years

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.

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

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 asset. 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.

Revenue recognition

The Hospital follows the deferral method of accounting for contributions. 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.

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

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 revenues 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.

Financial instruments

The Hospital recognizes its financial instruments when the Hospital becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value or amortized cost.

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.

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

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the Hospital to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2024. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the Hospital reviews the carrying amount of the liability. The Hospital recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The Hospital continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

3. Short-term investments

	2024	2023
Measured at fair value:		
CIBC GIC account paying interest at 4.25% with a maturity date of June 2024 (cost - \$100,000; 2023 - \$401,637).	103,225	401,637

4. Long-term investments

	2024	2023
Measured at fair value:		
CIBC GIC account paying interest at 4.15% with a maturity date of June 2025 (cost - \$310,357 ; 2023 - \$Nil).	320,495	-

5. Accounts receivable

	2024	2023
Ministry of Health	203,624	306,769
Other	49,517	61,642
Harmonized Sales Tax	102,232	130,852
Insurers and patients	62,299	43,448
	417,672	542,711
Allowance for doubtful accounts	(2,142)	(8,373)
	415,530	534,338

Sante Manitouwadge Health
Notes to the Financial Statements
For the year ended March 31, 2024

6. Inventory

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

	2024	2023
Office	7,412	7,000
Medical and surgical	67,574	66,629
Drugs	19,620	22,824
	94,606	96,453

7. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2024 Net book value</i>	<i>2023 Net book value</i>
Hospital building	14,979,512	9,433,143	5,546,369	5,539,270
Equipment	4,628,368	3,825,279	803,089	857,736
Land	59,209	-	59,209	59,209
Land improvements	298,185	296,037	2,148	2,747
Information systems	738,682	667,828	70,854	54,412
Ambulance building	491,435	489,016	2,419	3,555
Clinic building	160,629	96,854	63,775	68,784
Residence building	326,686	298,825	27,861	34,041
Construction-in-progress	58,570	-	58,570	75,375
	21,741,276	15,106,982	6,634,294	6,695,129

8. Bank indebtedness

At March 31, 2024, the Hospital had lines of credit totalling \$120,000 (2023 - \$120,000), bearing interest at bank prime plus 4% (2023 - 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

	2024	2023
Accrued salaries and benefits	556,245	676,551
Trade payables	340,154	218,976
Other	28,588	52,737
Ministry of Health	1,064,334	658,118
	1,989,321	1,606,382

Sante Manitouwadge Health Notes to the Financial Statements

For the year ended March 31, 2024

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>2024</i>	<i>2023</i>
Balance, beginning of year	4,720,576	598,174	5,318,750	5,434,765
Received during the year	413,225	22,873	436,098	370,651
Amount amortized to revenue	(382,286)	(113,041)	(495,327)	(486,666)
Balance, end of year	4,751,515	508,006	5,259,521	5,318,750

The deferred capital contributions amortized into revenue for \$495,327 is comprised of \$113,041 (2023 - \$116,507) for equipment and mixed contributions along with \$382,286 (2023 - \$370,159) for land improvements and the hospital building.

Unamortized portion	4,743,703	491,505	5,235,208	5,240,465
Unexpended portion	7,813	16,500	24,313	78,285
Balance, end of year	4,751,516	508,005	5,259,521	5,318,750

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.

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 \$613,754 (2023 - \$543,361). 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, 2023 indicates the plan is 110% 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, \$341,620 (2023 - \$312,027) were Hospital contributions and \$272,134 (2023 - \$231,334) 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, 2024, the Hospital's total accrued benefit obligation related to the post-retirement benefit plans (other than pension) is \$470,100 (2023 - \$469,100). The most recent actuarial valuation was provided March 31, 2022 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	4.0% per annum
Dental cost trend rates	4.0% per annum
Extended health care trend rates	7.0% in 2022; 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%

	2024	2023
Retirement and Other Employee Future Benefit Liability		
Liability for post-retirement benefits - opening balance	465,100	469,500
Expense related to post-retirement benefits	40,000	38,800
Funding contributions	(35,000)	(43,200)
Liability for post-retirement benefits - closing balance	470,100	465,100
Retirement and Other Employee Future Benefit Expense		
Current period benefit cost	25,300	24,300
Post-retirement benefit interest expense	18,300	18,100
Amortization of actuarial losses	(3,600)	(3,600)
Total	40,000	38,800

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, 2024.

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 \$10,000 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, 2025, an amount of \$79,510 would be repayable to the MOH.

13. Invested in capital assets

	2024	2023
Capital assets at net book value	6,634,294	6,695,129
Amounts financed by deferred capital contributions	(5,259,521)	(5,318,750)
	1,374,773	1,376,379

Sante Manitouwadge Health Notes to the Financial Statements

For the year ended March 31, 2024

14. Revenue	2024	2023
Ministry of Health		
Operating grant	5,870,208	5,789,884
One time funding	646,490	101,900
Family Health Team	726,700	849,741
	7,243,398	6,741,525
Other agencies and self pay		
In-patient	300,516	236,602
Out-patient	138,062	144,175
Other programs	150,189	181,694
	588,767	562,471
Other		
Donations	33,403	20,957
Interest and other investment income	65,416	46,760
Food services	21,741	17,075
Recoveries and sundries	190,573	220,203
Rental	352,878	353,766
Other	-	3,153
	664,011	661,914
15. Salaries and benefits	2024	2023
Administrative	677,050	653,536
Employee benefits	914,586	867,801
Medical staff remuneration	86,587	72,549
Nursing	2,261,371	1,842,463
Other patient care services	946,502	862,629
Support services	772,688	773,816
	5,658,784	5,072,794
16. Changes in net assets invested in capital assets	2024	2023
Balance, beginning of year	1,376,379	1,455,628
Amortization of deferred capital contributions	495,327	486,666
Amortization of capital assets	(706,430)	(684,416)
	(211,103)	(197,750)
Purchase of capital assets	673,605	489,152
Amounts funded by deferred capital contributions	(436,098)	(370,651)
Disposal of capital assets	(28,010)	-
Net change in capital assets	209,497	118,501
	1,374,773	1,376,379

17. 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 compliance with the criteria within Ministry guidelines. As at the date of these financial statements the Hospital believes that it is in compliance with the guidelines.

18. 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 investments as they have fixed rates. The Hospital's investments have fixed interest rates ranging from 4.15% to 4.25% (2023 - 1.40% to 2.70%).

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.