

Sante Manitouwadge Health
Financial Statements
March 31, 2023

Sante Manitouwadge Health Contents

For the year ended March 31, 2023

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Management's Responsibility

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.

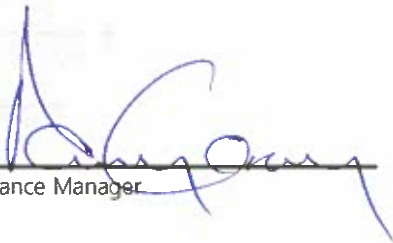
The Board of Directors is composed primarily of Directors who are neither management nor employees of the Hospital. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. 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 Members and Board of Directors 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 27, 2023



Chief Executive Officer



Finance Manager

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, 2023, 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, 2023, 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 27, 2023

MNP LLP

Chartered Professional Accountants

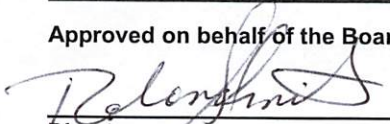
Licensed Public Accountants

Sante Manitowadge Health
Statement of Financial Position

As at March 31, 2023

	2023	2022
Assets		
Current		
Unrestricted cash	810,995	1,086,100
Short-term investments (Note 4)	401,637	417,397
Accounts receivable (Note 5)	534,338	292,799
Inventory (Note 6)	96,453	92,260
Restricted cash (Note 7)	96,100	64,802
Prepays expenses and deposits	107,127	102,459
	2,046,650	2,055,817
Capital assets (Note 8)	6,695,129	6,890,393
Employee benefits receivable	220,316	164,375
	8,962,095	9,110,585
Liabilities		
Current		
Accounts payable and accruals (Note 10)	1,606,382	1,605,156
Deferred contributions (Note 11)	5,318,750	5,434,765
Employee future benefits (Note 12)	465,100	469,500
Employee benefits payable	38,083	39,154
	7,428,315	7,548,575
Contingencies (Note 13)		
Net Assets		
Invested in Capital Assets (Note 14)	1,376,379	1,455,628
Unrestricted	157,401	106,382
	1,533,780	1,562,010
	8,962,095	9,110,585

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, 2023

	2023	2022
Revenue		
Ministry of Health <i>(Note 15)</i>	6,741,525	6,489,678
Other <i>(Note 15)</i>	661,914	437,969
Other agencies and self pay <i>(Note 15)</i>	562,471	985,318
Amortization of deferred contributions <i>(Note 11)</i>	116,507	126,621
	8,082,417	8,039,586
Expenses		
Administrative services and supplies	435,643	384,432
Amortization of equipment and information systems	182,995	166,996
Bad debts	2,748	5,142
Dietary food and supplies	113,806	100,295
Drugs	44,565	50,377
Family Health Team	849,741	598,792
Medical and surgical supplies	80,113	62,563
Nursing and other patient care supplies	280,333	269,472
Other programs	119,824	156,436
Rent	166,176	159,823
Salaries and benefits <i>(Note 12), (Note 16)</i>	5,072,794	5,247,367
Support services	192,923	183,953
Telephone	3,187	2,696
Utilities and insurance	434,537	492,593
	7,979,385	7,880,937
Excess of revenue over expenses before the following:	103,032	158,649
Amortization of land improvements and building	(501,421)	(479,739)
Amortization of deferred capital contributions - land improvements and building <i>(Note 11)</i>	370,159	353,567
Excess (deficiency) of revenue over expenses	(28,230)	32,477

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, 2023

	<i>Invested in Capital Assets</i>	<i>Unrestricted</i>	2023	<i>2022</i>
Net assets, beginning of year	1,455,628	106,382	1,562,010	1,529,533
Excess (deficiency) of revenue over expenses (Note 17)	(197,750)	169,520	(28,230)	32,477
Net change in capital assets (Note 17)	118,501	(118,501)	-	-
Net assets, end of year	1,376,379	157,401	1,533,780	1,562,010

The accompanying notes are an integral part of these financial statements

Sante Manitouwadge Health
Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Cash receipts from grants	9,838	-
Cash received from patients and funding agencies	7,601,801	7,848,954
Cash paid to suppliers and employees	(7,855,104)	(7,601,563)
Interest received	46,760	19,505
	(196,705)	266,896
Capital activities		
Capital contributions received	370,651	218,896
Purchases of tangible capital assets	(489,152)	(828,961)
	(118,501)	(610,065)
Investing		
Purchase of investments	(401,636)	(161,294)
Proceeds on disposal of investments	417,396	609,985
Restricted cash received in the year	24,341	36,737
	40,101	485,428
Increase (decrease) in cash resources	(275,105)	142,259
Cash resources, beginning of year	1,086,100	943,841
Cash resources, end of year	810,995	1,086,100

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. Change in accounting policies

Asset retirement obligations

Effective April 1, 2022, the Hospital adopted the Public Sector Accounting Board’s (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 *Asset Retirement Obligations*. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied retroactively, and prior periods have been restated.

There was no material impact on the financial statements from the retroactive application of the new accounting recommendations.

3. 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.

3. 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.

3. 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.

3. 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, 2023. 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.

4. Short-term investments

	2023	2022
Measured at cost:		
CIBC GIC accounts paying interest ranging from 1.40% to 2.70% with maturity dates of June 2023 (cost - \$401,637; 2022 - \$417,397).	401,637	417,397

5. Accounts receivable

	2023	2022
Ministry of Health	306,769	67,371
Other	61,642	107,177
Harmonized Sales Tax	130,852	84,868
Insurers and patients	43,448	37,834
	542,711	297,250
Allowance for doubtful accounts	(8,373)	(4,451)
	534,338	292,799

6. Inventory

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

	2023	2022
Office	7,000	6,836
Medical and surgical	66,629	63,565
Drugs	22,824	21,859
	96,453	92,260

Sante Manitouwadge Health
Notes to the Financial Statements
For the year ended March 31, 2023

7. Restricted cash

During the year, the Hospital received \$96,100 of restricted cash from the Ministry of Health, the Province of Ontario and Ministry of Long Term Care. The use of the describe externally restricted funding is restricted for the use of various capital enhancements.

8. Capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Hospital building	14,478,146	8,938,876	5,539,270	5,622,549
Equipment	4,548,418	3,690,682	857,736	953,106
Land	59,209	-	59,209	59,209
Land improvements	298,185	295,438	2,747	3,347
Information systems	692,873	638,461	54,412	70,980
Ambulance building	491,435	487,880	3,555	7,346
Clinic building	154,842	86,058	68,784	79,377
Residence building	326,686	292,645	34,041	40,221
Construction-in-progress	75,375	-	75,375	54,258
	21,125,169	14,430,040	6,695,129	6,890,393

9. Bank indebtedness

At March 31, 2023, the Hospital had lines of credit totalling \$120,000 (2022 - \$120,000), bearing interest at bank prime plus 4% (2022 - 4%) none of which were drawn. The following has been collateralized in connection with this line of credit:

- General security agreement

10. Accounts payable and accruals

	2023	2022
Accrued salaries and benefits	676,551	364,965
Trade payables	218,976	431,841
Other	52,737	72,245
Ministry of Health	658,118	736,105
	1,606,382	1,605,156

Sante Manitouwadge Health
Notes to the Financial Statements
For the year ended March 31, 2023

11. 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>2023</i>	<i>2022</i>
Balance, beginning of year	4,655,185	779,580	5,434,765	5,692,997
Received during the year	370,651	-	370,651	218,896
Amount amortized to revenue	(305,260)	(181,406)	(486,666)	(480,188)
Balance, end of year	4,720,576	598,174	5,318,750	5,431,705

The deferred capital contributions amortized into revenue for \$486,666 is comprised of \$116,507 (2022 - \$126,621) for equipment and mixed contributions along with \$370,159 (2022 - \$353,567) for land improvements and the hospital building.

Unamortized portion	4,642,291	598,174	5,240,465	5,370,821
Unexpended portion	78,285	-	78,285	63,944
Balance, end of year	4,720,576	598,174	5,318,750	5,434,765

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.

Sante Manitouwadge Health Notes to the Financial Statements

For the year ended March 31, 2023

12. 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 \$543,361 (2022 - \$489,394). 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, 2022 indicates the plan is 112% 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, \$312,027 (2022 - \$272,848) were Hospital contributions and \$231,334 (2022 - \$216,546) 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, 2023, the Hospital's total accrued benefit obligation related to the post-retirement benefit plans (other than pension) is \$465,100 (2022 - \$469,500). 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%

	2023	2022
Retirement and Other Employee Future Benefit Liability		
Liability for post-retirement benefits - opening balance	469,500	460,000
Expense related to post-retirement benefits	38,800	34,000
Funding contributions	(43,200)	(24,500)
<hr/>		
Liability for post-retirement benefits - closing balance	465,100	469,500
<hr/>		
Retirement and Other Employee Future Benefit Expense		
Current period benefit cost	24,300	25,500
Post-retirement benefit interest expense	18,100	14,600
Amortization of actuarial losses	(3,600)	(6,100)
<hr/>		
	38,800	34,000
<hr/>		

13. 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, 2023.

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, 2024, an amount of \$159,020 would be repayable to the MOH.

14. Invested in capital assets

	2023	2022
Capital assets at net book value	6,695,129	6,890,393
Amounts financed by deferred capital contributions	(5,318,750)	(5,434,765)
	1,376,379	1,455,628

Sante Manitouwadge Health
Notes to the Financial Statements
For the year ended March 31, 2023

15. Revenue	2023	2022
Ministry of Health		
Operating grant	5,891,784	5,890,883
Family Health Team	849,741	598,795
	6,741,525	6,489,678
Other agencies and self pay		
In-patient	236,602	236,682
Out-patient	144,175	118,698
Other programs	181,694	629,938
	562,471	985,318
Other		
Donations	20,957	21,796
Interest and other investment income	46,760	10,316
Food services	17,075	13,768
Recoveries and sundries	220,203	62,364
Rental	353,766	326,339
Other	3,153	3,386
	661,914	437,969
16. Salaries and benefits		
	2023	2022
Administrative	653,536	559,846
Employee benefits	867,801	916,326
Medical staff remuneration	72,549	65,358
Nursing	1,842,463	2,165,393
Other patient care services	862,629	820,642
Support services	773,816	715,360
	5,072,794	5,242,925

Sante Manitouwadge Health
Notes to the Financial Statements
For the year ended March 31, 2023

17. Changes in net assets invested in capital assets

	2023	2022
Balance, beginning of year	1,455,628	1,114,902
Amortization of deferred capital contributions	486,666	480,188
Amortization of capital assets	(684,416)	(646,979)
	(197,750)	(166,791)
Purchase of capital assets	489,152	828,961
Amounts funded by deferred capital contributions	(370,651)	(321,444)
Net change in capital assets	118,501	507,517
	1,376,379	1,455,628

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 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.

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 1.40% to 2.70% (2022 - 0.75% 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.