

Sante Manitouwadge Health
Financial Statements
March 31, 2021

Sante Manitouwadge Health Contents

For the year ended March 31, 2021

	<i>Page</i>
Management's Responsibility	
Independent Auditor's Report	
Financial Statements	
Statement of Financial Position.....	1
Statement of Operations.....	2
Statement of Changes in Net Assets.....	3
Statement of Cash Flows.....	4
Notes to the Financial Statements.....	5

Management's Responsibility

To the Members and Board of Directors of Sante Manitouwadge 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.

July 27, 2021



Chief Executive Officer



Finance Manager

Independent Auditor's Report

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

Opinion

We have audited the financial statements of Sante Manitouwadge Health, which comprise the statement of financial position as at March 31, 2021, 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 Sante Manitouwadge Health as at March 31, 2021, 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 Sante Manitouwadge Health 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 Sante Manitouwadge Health'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 Sante Manitouwadge Health or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Sante Manitouwadge Health'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 Sante Manitouwadge Health internal controls.
- 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 Sante Manitouwadge Health'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 Sante Manitouwadge Health 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

July 27, 2021

MNP LLP

Chartered Professional Accountants

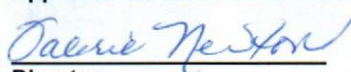
Licensed Public Accountants


Sante Manitowadge Health
Statement of Financial Position

As at March 31, 2021

	2021	2020
Assets		
Current		
Unrestricted cash	943,841	743,664
Short-term investments (Note 3)	353,884	196,119
Accounts receivable (Note 4)	185,148	166,726
Inventory (Note 5)	85,024	83,385
Restricted cash	101,539	-
Prepays expenses and deposits	207,672	96,545
	1,877,108	1,286,439
Capital assets (Note 6)	6,807,899	7,216,369
Long-term investments (Note 7)	256,103	409,764
Employee benefits receivable	203,900	153,906
	9,145,010	9,066,478
Liabilities		
Current		
Accounts payable and accruals (Note 9)	1,422,148	1,208,150
Deferred contributions related to capital assets (Note 10)	5,692,997	5,999,491
Employee future benefits (Note 11)	460,000	442,900
Employee benefits payable	40,332	29,637
	7,615,477	7,680,178
Contingencies (Note 12)		
Net Assets		
Invested in capital assets (Note 13)	1,114,902	1,217,986
Unrestricted	414,631	168,314
	1,529,533	1,386,300
	9,145,010	9,066,478

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, 2021

	2021	2020
Revenue		
Ministry of Health <i>(Note 14)</i>	6,159,953	6,170,180
Other agencies and self pay <i>(Note 14)</i>	666,443	696,833
Other <i>(Note 14)</i>	561,008	604,735
Amortization of deferred contributions <i>(Note 10)</i>	125,109	123,723
Total revenue	7,512,513	7,595,471
Expenses		
Administrative services and supplies	367,762	443,557
Amortization of equipment and information systems	148,436	140,304
Bad debts	87,705	207,901
Dietary food and supplies	99,893	111,251
Drugs	77,145	48,938
Family Health Team	657,941	723,150
Medical and surgical supplies	57,195	40,702
Nursing and other patient care supplies	280,580	281,338
Other programs	177,665	202,135
Telephone	2,097	-
Rent	139,949	171,815
Salaries and benefits <i>(Note 11), (Note 15)</i>	4,488,694	4,324,768
Support services	216,514	219,889
Utilities and insurance	448,279	434,184
	7,249,855	7,349,932
Excess of revenue over expenses before the following	262,658	245,539
Amortization of land improvements and building	(481,220)	(475,675)
Amortization of deferred capital contributions - land improvements and building <i>(Note 10)</i>	361,795	361,795
Excess of revenue over expenses	143,233	131,659

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, 2021

	<i>Invested in Capital Assets</i>	<i>Unrestricted</i>	<i>2021</i>	<i>2020</i>
Net assets, beginning of year	1,217,986	168,314	1,386,300	1,254,641
Excess (deficiency) of revenue over expenses <i>(Note 16)</i>	(142,752)	285,985	143,233	131,659
Net change in capital assets <i>(Note 16)</i>	39,668	(39,668)	-	-
Net assets, end of year	1,114,902	414,631	1,529,533	1,386,300

The accompanying notes are an integral part of these financial statements

Sante Manitouwadge Health
Statement of Cash Flows
For the year ended March 31, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating		
Cash received from patients and funding agencies	7,122,994	7,808,723
Cash paid to suppliers and employees	(6,778,671)	(6,888,048)
Interest received	1,164	14,751
	345,487	935,426
Capital activities		
Capital contributions received	180,410	97,720
Purchases of tangible capital assets	(220,078)	(375,636)
	(39,668)	(277,916)
Investing		
Purchase of investments	(200,222)	(605,883)
Proceeds on disposal of investments	196,119	714,166
Restricted cash received in the year	(101,539)	-
	(105,642)	108,283
Increase in cash resources	200,177	765,793
Cash resources (deficiency), beginning of year	743,664	(22,129)
Cash resources, end of year	943,841	743,664

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.

	Rate
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

	2021	2020
CIBC GIC accounts paying interest ranging from 0.75% to 2.45% with maturity dates of June and July 2021 (cost - \$353,884; 2020 - \$196,119).	353,884	196,119

4. Accounts receivable

	2021	2020
Ministry of Health	91,190	39,814
Harmonized Sales Tax	55,699	16,208
Insurers and patients	42,167	90,357
Other	16,305	28,560
	205,361	174,939
Allowance for doubtful accounts	(20,213)	(8,213)
	185,148	166,726

Sante Manitouwadge Health
Notes to the Financial Statements
For the year ended March 31, 2021

5. Inventory

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

	2021	2020
Office	5,949	6,863
Medical and surgical	54,364	52,936
Drugs	24,711	23,586
	85,024	83,385

6. Capital assets

	Cost	Accumulated amortization	Net book value	2020 Net book value
Ambulance building	488,577	479,864	8,713	12,797
Clinic building	154,842	64,871	89,971	100,564
Equipment	4,291,606	3,605,114	686,492	630,569
Hospital building	13,685,549	7,999,957	5,685,592	6,125,009
Information systems	674,917	597,236	77,681	98,236
Land	59,209	-	59,209	59,209
Land improvements	298,185	294,239	3,946	4,546
Residence building	326,686	278,290	48,396	42,577
Construction-in-progress	147,899	-	147,899	142,862
	20,127,470	13,319,571	6,807,899	7,216,369

7. Long-term investments

	2021	2020
CIBC GIC accounts paying interest of 2.5% with a maturity date of June 2022 (cost - \$256,103; 2020 - \$409,764).	256,103	409,764

8. Bank indebtedness

At March 31, 2021, the Hospital had lines of credit totalling \$120,000 (2020 - \$100,000), bearing interest at bank prime plus 4% (2021 - 6.45%) 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

	2021	2020
Trade payables	376,132	282,469
Accrued salaries and benefits	334,397	435,375
Ministry of Health	588,636	406,198
Other	122,983	84,108
	1,422,148	1,208,150

Sante Manitouwadge Health
Notes to the Financial Statements
For the year ended March 31, 2021

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>2021 Total</i>	<i>2020 Total</i>
Balance, beginning of year	4,854,875	1,144,616	5,999,491	6,387,284
Received during the year	180,410	-	180,410	97,725
Amount amortized to revenue	(303,719)	(183,185)	(486,904)	(485,518)
Balance, end of year	4,731,566	961,431	5,692,997	5,999,491

The deferred capital contributions amortized into revenue for \$486,904 is comprised of \$125,109 (2020 - \$123,723) for equipment and mixed contributions along with \$361,795 (2020 - \$361,795) for land improvements and the hospital building.

Unamortized portion	4,630,027	961,431	5,591,458	5,998,633
Unexpended portion	101,539	-	101,539	858
	4,731,566	961,431	5,692,997	5,999,491

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 2021, \$100,681 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 2021-2022.

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 \$578,976 (2020 - \$591,434). 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 130% 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, \$323,209 (2020 - \$329,737) were Hospital contributions and \$255,767 (2020 - \$261,697) 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, 2021, the Hospital's total accrued benefit obligation related to the post-retirement benefit plans (other than pension) is \$460,000 (2020 - \$442,900). The most recent actuarial valuation was provided March 31, 2018 and the next required actuarial valuation will be as at March 31, 2021. This actuarial valuation has not been completed as at the financial statement report date.

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%

	2021	2020
Retirement and Other Employee Future Benefit Liability		
Liability for post-retirement benefits - opening balance	442,900	426,600
Expense related to post-retirement benefits	32,400	30,800
Funding contributions	(15,300)	(14,500)
Liability for post-retirement benefits - closing balance	460,000	442,900
Retirement and Other Employee Future Benefit Expense		
Current period benefit cost	24,600	23,800
Post-retirement benefit interest expense	13,900	13,100
Amortization of actuarial losses	(6,100)	(6,100)
	32,400	30,800

Sante Manitouwadge Health Notes to the Financial Statements

For the year ended March 31, 2021

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, 2021.

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, 2022, an amount of \$318,040 would be repayable to the MOH.

13. Invested in capital assets

	2021	2020
Capital assets at net book value	6,807,899	7,216,369
Amounts financed by deferred capital contributions	(5,692,997)	(5,998,383)
	1,114,902	1,217,986

Sante Manitouwadge Health
Notes to the Financial Statements
For the year ended March 31, 2021

14. Revenue

	2021	2020
Ministry of Health		
Operating grant	5,502,012	5,447,030
Family Health Team	657,941	723,150
	6,159,953	6,170,180
Other agencies and self pay		
In-patient	259,750	315,515
Out-patient	97,924	140,847
Other programs	308,769	240,471
	666,443	696,833
Other		
Donations	9,886	22,659
Interest and other investment income	8,535	14,751
Food services	14,556	27,225
Recoveries and sundries	130,920	109,808
Rental	340,199	377,929
Other	56,912	52,363
	561,008	604,735

15. Salaries and benefits

	2021	2020
Administrative	554,152	508,770
Employee benefits	905,972	880,884
Medical staff remuneration	51,602	57,137
Nursing	1,421,960	1,446,704
Other patient care services	815,079	747,159
Support services	739,929	684,114
	4,488,694	4,324,768

16. Changes in net assets invested in capital assets

	2021	2020
Balance, beginning of year	1,217,986	1,071,241
Amortization of deferred capital contributions	486,904	485,518
Amortization of capital assets	(629,656)	(616,689)
	(142,752)	(131,171)
Purchase of capital assets	220,078	375,636
Amounts funded by deferred capital contributions	(180,410)	(97,720)
Net change in capital assets	39,668	277,916
	1,114,902	1,217,986

17. Commitments

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

2022	1,440
2023	1,080
	<hr/>
	2,520

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 and long-term investments as they have fixed rates. The Hospital's short-term and long-term investments have fixed interest rates ranging from 0.75% to 2.5% (2020 - 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.