

Red Lake Margaret Cochenour Memorial Hospital
Financial Statements
March 31, 2024

Red Lake Margaret Cochenour Memorial Hospital
Table of Contents
For the year ended March 31, 2024

Page

Independent Auditor's Report

Financial Statements

Statement of Financial Position	1
Statement of Operations	2
Statement of Remeasurement Gains (Losses)	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to the Financial Statements	6

Schedules

Schedule 1 - Other Revenue	16
Schedule 2 - Other Votes and Programs	17
Schedule 3 - Salaries & Wages	20
Schedule 4 - Employee Benefits	21
Schedule 5 - Medical Staff Remuneration	22
Schedule 6 - Supplies and Other Expenses	23
Schedule 7 - Diabetes Education Program	24
Schedule 8 - Ontario Health Team.....	25

To the Board of Directors of Red Lake Margaret Cochenour Memorial Hospital:

Qualified Opinion

We have audited the financial statements of Red Lake Margaret Cochenour Memorial Hospital (the "Hospital"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets, remeasurement gains (losses) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Hospital as at March 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Canadian public sector accounting standards ("PSAS") Section PS 3280 Asset Retirements Obligations ("ARO") requires the recognition of an ARO liability when there is a legal obligation that establishes a clear responsibility to incur retirement costs in relation to a tangible capital asset. The Hospital has not identified ARO liabilities as of March 31, 2024 and we were unable to satisfy ourselves concerning those liabilities by alternative means. Consequently, we were not able to determine whether any adjustments would be necessary to liabilities, net financial assets (net debt), tangible capital assets, accumulated surplus (deficit), expenses, excess (deficit) of revenues over expenses, change in net financial assets (net debt) for the year-ended March 31, 2024, and accumulated surplus as of March 31, 2024. The audit opinion for the prior year was qualified in respect of this matter.

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 qualified opinion.

Other Matters

The supplementary information contained in the schedules is presented for the purpose of additional analysis and is not part of the basic audited financial statements. The information in the schedules was derived from the accounting records tested in forming an opinion on the financial statements as a whole.

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

July 18, 2024

MNP LLP

Chartered Professional Accountants

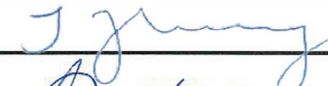
Licensed Public Accountants


MNP

Red Lake Margaret Cochenour Memorial Hospital
Statement of Financial Position

March 31,	2024	2023
Assets		
Current Assets		
Cash (Note 2)	\$ 3,071,909	\$ 1,327,884
Accounts Receivable (Note 3)	749,804	1,466,433
Inventories (Note 4)	138,523	131,811
Prepaid Expenses	205,899	163,647
Total Current Assets	4,166,135	3,089,775
Non-Current Assets		
Long Term Investments (Note 5)	2,870,960	2,601,142
Capital Assets (Note 6)	11,986,228	12,101,368
Total Non-Current Assets	14,857,188	14,702,510
Total Assets	\$ 19,023,323	\$ 17,792,285
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable (Note 7)	\$ 5,351,080	\$ 3,727,863
Demand Instalment Loan (Note 8)	1,738,095	-
Bankers' Acceptance	-	1,443,921
Deferred Contributions (Note 9)	10,878	3,305
Total Current Liabilities	7,100,053	5,175,089
Long Term Liabilities		
Deferred Capital Contributions (Note 10)	7,316,664	7,799,276
Post-Employment Benefits Liability (Note 11)	771,300	791,000
Total Long Term Liabilities	8,087,964	8,590,276
Net Assets		
Invested in Capital Assets (Note 12)	3,218,473	3,130,324
Unrestricted	182,866	651,912
Accumulated Remeasurement Gains (Losses)	433,967	244,684
Closing Net Assets Balance	3,835,306	4,026,920
Total Liabilities and Net Assets Balance	\$ 19,023,323	\$ 17,792,285

Approved on behalf of the Board:


 _____ Director


 _____ Director

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

Red Lake Margaret Cochenour Memorial Hospital Statement of Operations

March 31,	2024	2023
Revenue		
Ministry of Health Base Allocation	\$ 7,640,855	\$ 7,475,704
Ministry of Health Pandemic Funding	-	618,386
Ministry of Health One - Time Payments	1,511,679	265,470
Visiting Specialist	1,946	-
Hospital On-Call Coverage	466,402	470,974
Cancer Care Ontario Funding	12,600	27,957
Other Revenue (Schedule 1)	1,659,435	1,326,419
Amortization of Equipment Grants/Donations	332,792	290,603
Total Revenue	11,625,709	10,475,513
Expenses		
Salaries and Wages (Schedule 3)	5,838,919	4,998,398
Employee Benefits (Schedule 4)	1,219,369	1,230,803
Employee Benefits Future Costs (Note 11)	(19,700)	(7,400)
Medical Staff Remuneration (Schedule 5)	1,085,561	839,275
Supplies and Other Expenses (Schedule 6)	2,859,311	2,587,563
Medical and Surgical Supplies	153,299	166,746
Drugs and Medical Gases	128,663	102,996
Bad Debts	140,750	88,146
Amortization of Equipment	397,584	353,677
Total Expenses	11,803,756	10,360,204
Excess (Deficiency) of Revenue over Expenses from Hospital Operations	(178,047)	115,309
Other Items		
Amortization of Building Grants/Donations	278,578	275,620
Amortization of Land Improvements and Building	(386,280)	(420,249)
Interest on Bankers' Acceptance	(99,148)	(54,044)
	(206,850)	(198,673)
Other Votes and Programs - Revenues (Schedule 2)	2,663,226	1,883,955
Other Votes and Programs - Expenses (Schedule 2)	(1,687,380)	(1,655,503)
Other Votes and Programs - Provisions for Recovery (Schedule 2)	(971,846)	(295,604)
	4,000	(67,152)
Excess (Deficiency) of Revenue over Expenses for the Year	\$ (380,897)	\$ (150,516)

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

Red Lake Margaret Cochenour Memorial Hospital
Statement of Remeasurement Gain (Losses)

March 31,	2024	2023
Accumulated remeasurement gains (losses) at the beginning of the year	\$ 244,684	\$ 425,508
Change in fair value attributable to:		
Investments	203,286	(181,301)
Amounts reclassified to the statement of operations:		
Realized gains (losses) on disposition of investments	(14,003)	477
Accumulated remeasurement gains at the end of the year	\$ 433,967	\$ 244,684

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

Red Lake Margaret Cochenour Memorial Hospital
Statement of Changes in Net Assets

For the year ended March 31, 2024

	Invested in Capital Assets	Unrestricted	2024 Total
Balance, beginning of year	\$ 3,130,324	\$ 651,912	\$ 3,782,236
Excess (deficiency) of revenue over expenses for the year	(172,494)	(208,403)	(380,897)
Net changes in investment in capital assets (Note 12)	260,643	(260,643)	-
Balance, end of year	<u>\$ 3,218,473</u>	<u>\$ 182,866</u>	<u>\$ 3,401,339</u>

For the year ended March 31, 2023

	Invested in Capital Assets	Unrestricted	2023 Total
Balance, beginning of year	\$ 3,307,442	\$ 625,310	\$ 3,932,752
Excess (deficiency) of revenue over expenses for the year	(207,703)	57,187	\$ (150,516)
Net changes in investment in capital assets (Note 12)	30,585	(30,585)	-
Balance, end of year	<u>\$ 3,130,324</u>	<u>\$ 651,912</u>	<u>\$ 3,782,236</u>

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

Red Lake Margaret Cochenour Memorial Hospital
Statement of Cash Flows

March 31,	2024	2023
Cash Provided By (Used In) Operating Activities		
Excess (Deficiency) of Revenue over Expenses for the year	\$ (380,897)	\$ (150,516)
Items not involving cash		
Amortization	783,864	773,926
Amortization of Deferred Capital Contributions	(611,370)	(566,223)
Realized (Gains) Losses on Disposal of Long Term Investments	(14,003)	477
	<u>(222,406)</u>	<u>57,664</u>
Changes in Non-Cash Working Capital Balances		
Accounts Receivable	716,629	(495,733)
Inventory	(6,712)	4,227
Prepaid Expenses	(42,252)	(55,832)
Accounts Payable	1,623,217	1,290,646
Deferred Contributions	7,573	2,044
Post-employment Benefits	(19,700)	(7,400)
	<u>2,278,755</u>	<u>737,952</u>
Investing Activities		
Net purchase of Long Term Investments	(66,532)	(72,681)
Financing Activities		
Demand Instalment Loan	294,174	-
Capital Activities		
Purchase of Capital Assets	(668,724)	(1,492,943)
Contributions Received for Capital Activities	128,758	897,205
	<u>(539,966)</u>	<u>(595,738)</u>
Increase in Cash and Equivalents	1,744,025	127,197
Cash, Beginning of year	1,327,884	1,200,687
Cash, End of year	\$ 3,071,909	\$ 1,327,884

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

Red Lake Margaret Cochenour Memorial Hospital

Notes to Financial Statements

March 31, 2024

1. Significant Accounting Policies

Nature and Purpose of Organization

Red Lake Margaret Cochenour Memorial Hospital provides health care services to the residents of the Municipality of Red Lake and surrounding areas. The Hospital, incorporated without share capital under the Corporations Act of Ontario, is a charitable organization within the meaning of the Income Tax Act and, as such, is exempt from Income Taxes under the Income Tax Act.

In addition to the Hospital's operating fund which reflects the activities of the day to day operations of the Hospital, the financial statements also include the activities of the following programs:

Ministry of Health

- Community Mental Health Program
- Community Addictions Program
- Community Problem Gambling Program
- Rent Supplement Program

Ministry of Labour, Training and Skills Development

- Employment Services
- Youth Job Connection
- Youth Job Connection Summer

The operating results of these programs are recorded in Schedule 2 to the financial statements and the assets and liabilities of these programs appear on the statement of financial position of the Hospital. Program surpluses and deficits are recorded as repayable or receivable in the year incurred and settlement adjustments by the Ministries or other funders are recorded when settled.

Basis of Accounting and Presentation

The financial statements of the Hospital have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board.

The Red Lake Margaret Cochenour Memorial Hospital Foundation is a separate entity whose financial information is reported separately from the hospital.

Cash and Cash Equivalents

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

Inventories

Inventories are stated at the lower of cost and net replacement value. Cost is determined on a First-In, First-Out basis. Inventories consist of medical and general supplies that are used in the Hospital's operations and not for resale purposes.

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates

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 life 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 period in which they become known.

Red Lake Margaret Cochenour Memorial Hospital

Notes to Financial Statements

March 31, 2024

1. Significant Accounting Policies (continued)

Revenue Recognition

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

Under the Health Insurance Act and Regulations thereto, the Hospital is funded primarily by the Province of Ontario in accordance with accountability arrangements established by the Ministry of Health ("MOH"), and the Ontario Health North ("OH North"). The Hospital has entered into a Hospital Service Accountability Agreement (the "H-SAA") for fiscal 2024 with the MOH and OH North that sets out the rights and obligations of the parties to the H-SAA in respect of funding provided to the Hospital by the MOH/OH North. The H-SAA also sets out the performance standards and obligations of the Hospital that establish acceptable results for the Hospital's performance in a number of areas.

If the Hospital does not meet its performance standards or obligations, the MOH/OH North has the right to adjust funding received by the Hospital. The MOH/OH North is not required to communicate certain funding adjustments until after the submission of year end data. Since this data is not submitted until after the completion of the financial statements, the amount of MOH/OH North funding received by the Hospital during the year may be increased or decreased subsequent to year end.

Contributions approved but not received at year end are accrued. Where a portion of a contribution relates to a future period, it is deferred and recognized in that subsequent period.

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

Restricted contributions related to general operations are recognized as revenue in the year in which the related expenses are incurred.

Restricted contributions for the acquisition of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Unrestricted investment income is recognized when earned. Restricted investment income is recognized in the year in which the related expenses are recognized.

Patient related revenues are recognized as revenue when services are rendered and the amount to be received can be reasonably estimated and collection is reasonably assured.

Recoveries are recognized as revenue when the amount of the recovery can be reasonably estimated and collection is reasonably assured.

Capital Assets

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments that extend the estimated useful life of an asset are capitalized.

Construction in progress is not amortized until construction is substantially complete and the assets are ready for use.

Amortization is provided for on a straight-line basis over the estimated useful lives of the tangible capital asset as follows:

Buildings and building improvements	10 to 50 years
Equipment	3 to 20 years
Parking lot	50 years

Deferred Contributions

Deferred contributions are 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.

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.

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.

Red Lake Margaret Cochenour Memorial Hospital

Notes to Financial Statements

March 31, 2024

1. Significant Accounting Policies (continued)

Asset Retirement Obligations

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.

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, accounts payable and the demand instalment loan. 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.

Contributed Services

There are a substantial number of volunteers who contribute a significant amount of their time each year to Red Lake Margaret Cochenour Memorial Hospital. The fair value of these contributed services is not readily determinable and, as such, is not reflected in these financial statements.

Red Lake Margaret Cochenour Memorial Hospital

Notes to Financial Statements

March 31, 2024

1. Significant Accounting Policies (continued)

Retirement and Post-employment Benefits

The Hospital provides defined retirement and post-employment benefits to certain employee groups. These benefits include pension and health and dental. The Hospital has adopted the following policies with respect to accounting for these employee benefits:

- i) The costs of post-employment future benefits are actuarially determined using management's best estimate of health care costs, and discount rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight-line basis. Plan amendments, including past service costs are recognized as an expense in the period of the plan amendment.
- ii) The costs of the multi-employer defined benefit pension plan are the employer's contributions due to the plan in the period.
- iii) The discount rate used in the determination of the above mentioned liabilities is equal to the Hospital's internal rate of borrowing.

2. Cash

The Hospital has total credit facilities of \$4,066,500 consisting of:

- a) A revolving line of credit to a maximum of \$500,000 bearing interest at prime plus 0.25%, repayable on demand. Nothing was drawn on this facility at year-end;
- b) Corporate Visas to a maximum of \$66,500 payable on demand in accordance with standard terms and conditions. \$12,815 was owing on this facility at year-end; and
- c) Demand equipment/term installment loan to a maximum of \$3,500,000. See note 8 for additional terms.

3. Accounts Receivable

	2024	2023
Ministry of Health	\$ 50,000	\$ 824,671
Nursing Grad Initiative	19,883	19,883
Cancer Care Ontario	5,335	6,900
Ministry of Labour, Training and Skills Development	58,793	34,355
Insurers and Patients	223,436	253,100
Harmonized Sales Tax	236,161	234,645
Other	156,196	92,879
	\$ 749,804	\$ 1,466,433

4. Inventories

	2024	2023
Opening Balance, April 1	\$ 131,811	\$ 136,038
Purchases	288,674	265,515
Expensed	(281,962)	(269,742)
Closing Balance, March 31	\$ 138,523	\$ 131,811

5. Long Term Investments

	2024	2023
Cash	\$ 18,326	\$ 13,375
Pooled funds (cost - \$1,321,675)	1,790,053	1,596,675
Bonds (cost - \$1,094,168)	1,062,581	991,092
	\$ 2,870,960	\$ 2,601,142

Red Lake Margaret Cochenour Memorial Hospital
Notes to Financial Statements

March 31, 2024

6. Capital Assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 52,300	\$ -	\$ 52,300	\$ -
Building and building improvements	19,159,501	11,615,770	19,159,501	11,230,057
Equipment	8,652,993	7,176,933	8,374,167	6,779,350
Parking lot	28,382	28,382	28,382	27,815
Construction in progress	2,914,137	-	2,524,240	-
	\$ 30,807,313	\$ 18,821,085	\$ 30,138,590	\$ 18,037,222
Net Book Value		\$ 11,986,228		\$ 12,101,368

The net book value of capital assets not being amortized because they are under construction is \$2,914,137 (2023 - \$2,524,240). During the year, capital assets were acquired with an aggregate cost of \$668,724 using provincial grant funding of \$128,758, donations of \$Nil, financed with the Demand Instalment Loan in the amount of \$294,175 and operating cash of \$245,791.

7. Accounts Payable

	2024	2023
Trade	\$ 675,799	\$ 402,833
Accrued Salaries and Benefits	714,655	615,257
Other	553,630	523,235
Ministry of Health		
Community Mental Health and Case Management Programs	1,580,806	678,060
Visiting Specialist Program	44,778	23,362
Hospital Infrastructure Renewal Fund / Hospital Energy Efficiency Program	55,679	55,679
Ontario Health Team	1,358,894	624,711
Other	276,816	740,965
Ministry of Labour, Training and Skills Development	90,023	63,761
	\$ 5,351,080	\$ 3,727,863

8. Demand Instalment Loan

The Hospital has an equipment and installation loan available to finance eligible ongoing capital expenditures as follows:

An unsecured, non-revolving Canadian dollar loan bearing interest at prime plus 0.25%. An initial principal payment is due on July 1, 2024 and thereafter regular equal monthly principal payments sufficient to amortize all principal over a term of not more the 10 years, plus accrued interest, is payable at each monthly payment date.

At March 31, 2024, the outstanding balance of the demand instalment loan was \$1,738,095, bearing interest at 7.45% .

9. Deferred Contributions

Deferred contributions represent unspent externally restricted funding that has been received and relates to a subsequent year. Changes in the contributions deferred to future periods are as follows:

	2024	2023
Balance, beginning of year	\$ 3,305	\$ 1,261
Contributions received during the year	11,274	3,305
Contributions recognized during the year	(3,701)	(1,261)
Balance, end of year	\$ 10,878	3,305

Red Lake Margaret Cochenour Memorial Hospital
Notes to Financial Statements

March 31, 2024

10. Deferred Capital Contributions

Deferred capital contributions represent the unamortized amount and unspent amount of contributions received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations. Changes in the contributions capital deferred to future periods are as follows:

	2024	2023
Balance, beginning of year	\$ 7,799,276	\$ 7,468,294
Capital contributions received during the year	128,758	897,205
Amortization	(611,370)	(566,223)
Balance, end of year	\$ 7,316,664	\$ 7,799,276

As at March 31, 2024 there was \$287,004 (2023 - \$277,004) of deferred capital contributions received which were not yet utilized.

11. Post-Employment Benefits Liability

The following tables outline the components of the Hospital's post-employment benefits and the related expenses.

	2024	2023
Accrued benefit obligation	\$ 252,600	\$ 448,800
Unamortized actuarial gain	518,700	342,200
Total Liability	\$ 771,300	\$ 791,000

	2024	2023
Current year benefits costs	\$ 36,100	\$ 38,300
Amortized actuarial gains	(39,900)	(37,100)
Interest on accrued benefit obligation	21,300	18,300
Reconciliation of plan funds (benefit payments)	(37,200)	(26,900)
	\$ (19,700)	\$ (7,400)

Above amounts exclude pension contributions to the Hospitals of Ontario Pension Plan ("HOOPP"), a multi-employer plan, described below.

Retirement Benefits

Substantially all of the full-time employees and some of the part-time employees are members of HOOPP. The plan is a multi-employer plan and therefore the Hospital's contributions are accounted for as if the plan were a defined contribution plan with the Hospital's contributions being expensed in the period they become due. Contributions made to the plan during the year by the Hospital amounted to \$439,184. (2023 - \$425,396).

Post-employment Benefits

The Hospital extends post-employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The Hospital recognizes these benefits as they are earned during the employee's tenure of service. The related benefit liability was determined by an actuarial valuation study.

The major assumptions employed for the valuations are as follows:

a) Discount Rate

The present value as at March 31, 2024 of the future benefits was determined using a discount rate of 4.75% (2023 - 4.0%).

b) Extended Health Care Trend Rates

Extended health care costs were assumed to increase at 5.5% per annum and decrease by 0.10% per annum thereafter to an ultimate rate of 4.0%

c) Dental Costs

Dental costs were assumed to increase at 4.0% per annum.

Red Lake Margaret Cochenour Memorial Hospital
Notes to Financial Statements

March 31, 2024

12. Net Assets Invested in Capital Assets

a) Investment in capital assets is calculated as follows:

	2024	2023
Capital Assets	\$ 11,986,228	\$ 12,101,368
Amounts financed by Deferred Contributions	(7,029,660)	(7,527,123)
Amounts financed by Demand Instalment Loan	(1,738,095)	(1,443,921)
	\$ 3,218,473	\$ 3,130,324

b) The change in net assets invested in capital assets is calculated as follows:

	2024	2023
Excess (deficiency) of revenue over expenses:		
Amortization of Deferred Grants and Donations related to:		
Equipment	\$ 332,792	\$ 290,603
Buildings	278,578	275,620
Amortization related to:		
Equipment	(397,584)	(353,677)
Buildings	(386,280)	(420,249)
	\$ (172,494)	\$ (207,703)

Net change in investment in capital assets:

	2024	2023
Purchase of Capital Assets	\$ 668,724	\$ 2,227,403
Amounts funded by Deferred Grants and Donations and Demand Instalment Loan	(408,081)	(2,196,818)
	\$ 260,643	\$ 30,585
	\$ 88,149	\$ (177,118)

13. Related Entity

The Red Lake Margaret Cochenour Hospital Foundation is an independent corporation incorporated without share capital which has its own independent Board of Directors and is a registered charity under the Income Tax Act. The Foundation receives and maintains funds for charitable purposes, which it donates to the Hospital for use in operations, renovations, maintenance and equipment purchases of the Hospital.

The Foundation holds funds of approximately \$1.2 million (2023 - \$1.01 million), the benefit of which are to be used for capital projects or capital asset purchases of the Hospital. During the year, the Foundation contributed \$17,221 (2023 - \$247,080) to the Hospital.

14. Contingent Liabilities and Commitments

Contingent Liabilities

Red Lake Margaret Cochenour Memorial Hospital is a member of Health Care 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 are members and losses could be material. The Hospital joined HIROC in 1998 and no reassessments have been made to March 31, 2024.

Commitments

The Hospital has committed to financial and financial management services for a period of eight years starting July 1, 2023. Monthly payments are \$18,441 for the first year, with 2-5% increases each successive year.

The hospital has also committed to contracts for building and building service equipment improvements totalling \$2,839,541. The project is expected to be completed and ready for use in fiscal year 2025.

Red Lake Margaret Cochenour Memorial Hospital
Notes to Financial Statements

March 31, 2024

15. Economic Dependence

The Hospital receives the majority of its funding from the Ministry of Health and is therefore economically dependent on the government.

16. Financial Instrument Classification

The following table provides cost and fair value information of financial instruments by category. The maximum exposure to credit risk would be the carrying value as shown below.

	2024		
	Fair Value	Amortized Cost	Total
Cash	\$ 3,071,909	\$ -	\$ 3,071,909
Accounts Receivable	-	749,804	749,804
Long Term Investments	2,870,960	-	2,870,960
Accounts Payable	-	(5,351,080)	(5,351,080)
Demand Instalment Loan	-	1,738,095	1,738,095
	\$ 5,942,869	\$ (2,863,181)	\$ 3,079,688

	2023		
	Fair Value	Amortized Cost	Total
Cash	\$ 1,327,884	\$ -	1,327,884
Accounts Receivable	-	1,466,433	1,466,433
Long Term Investments	2,601,142	-	2,601,142
Accounts Payable	-	(3,727,863)	(3,727,863)
Bankers' Acceptance	1,443,921	-	1,443,921
	\$ 5,372,947	\$ (2,261,430)	\$ 3,111,517

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2024			
	Level 1	Level 2	Level 3	Total
Cash	\$ 3,071,909	\$ -	\$ -	\$ 3,071,909
Investments	1,080,907	1,790,053	-	2,870,960
Total	\$ 4,152,816	\$ 1,790,053	\$ -	\$ 5,942,869

	2023			
	Level 1	Level 2	Level 3	Total
Cash	\$ 1,327,884	\$ -	\$ -	\$ 1,327,884
Investments	2,601,142	-	-	2,601,142
Total	\$ 3,929,026	\$ -	\$ -	\$ 3,929,026

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2024 and 2023. There were also no transfers in or out of Level 3.

Red Lake Margaret Cochenour Memorial Hospital
Notes to Financial Statements

March 31, 2024

17. Financial Instrument Risk

Credit Risk

Credit risk is the risk of financial loss to the Hospital if a debtor fails to make payments of interest and principal when due. The Hospital is exposed to this risk relating to its cash, debt holdings in its investment portfolio, accounts receivable and the demand instalment loan. The Hospital holds its cash accounts with a federally regulated chartered bank which is insured by the Canadian Deposit Insurance Corporation. In the event of default, the Hospital's cash accounts are insured up to \$100,000.

The Hospital's investment policy operates within the constraints of the investment guidelines issued by the MOH in relation to the funding agreements and puts limits on the investment portfolio including portfolio composition limits, issuer type limits, bond quality limits, aggregate issuer limits, corporate sector limits and general guidelines for geographic exposure.

The maximum exposure to investment credit risk is outlined in Notes 5 and below.

Accounts receivable are primarily due from OHIP, the Ministry of Health and patients. Credit risk is mitigated by the financial solvency of the provincial government and the highly diversified nature of the patient population.

The Hospital measures its exposure to credit risk based on how long the amounts have been outstanding. Accounts receivable that are not considered to be collectible are written off at year-end based on the Hospital's historical experience regarding collections. The amounts outstanding at year end were as follows:

		2024					
		Total	Current	Past Due			91 +
				1-30	31-60	61-90	
OHIP, WISB etc.	\$	435,186	\$ 20,581	\$ (7,708)	\$ 43,725	\$ 32,521	\$ 346,067
MOH/Ontario Health		69,883	69,883	-	-	-	-
Other clients		116,139	30,155	99,766	12,387	(5,101)	(21,068)
Other		340,346	340,346				
Less: Allowance for Doubtful Accounts		(211,750)	-	-	-	-	(211,750)
	\$	749,804	\$ 460,965	\$ 92,058	\$ 56,112	\$ 27,420	\$ 113,249

		2023					
		Total	Current	Past Due			91 +
				1-30	31-60	61-90	
OHIP, WISB etc.	\$	324,100	\$ 26,347	\$ (3,331)	\$ 30,958	\$ 16,614	\$ 253,512
MOH/Ontario Health		844,554	844,554	-	-	-	-
Other clients		83,690	45,676	29,934	310	324	7,446
Other		285,089	285,089	-	-	-	-
Less: Allowance for Doubtful Accounts		(71,000)	-	-	-	-	(71,000)
	\$	1,466,433	\$ 1,201,666	\$ 26,603	\$ 31,268	\$ 16,938	\$ 189,958

The amounts aged greater than 90 days owing from patients that have not had a corresponding impairment allowance setup against them are collectible based on the Hospital's past experience. Management has reviewed the individual balances based on the credit quality of the debtors' past history of payment. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk and equity risk. The Hospital is not exposed to significant currency risk as it does not transact materially in foreign currency. The Hospital is exposed to equity risks with regards to its investments in pooled funds and interest risk with its investments in bonds.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Hospital is exposed to this risk through its interest bearing investments included in long term investments and the demand instalment loan.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Red Lake Margaret Cochenour Memorial Hospital
Notes to Financial Statements

March 31, 2024

17. Financial Instrument Risk (continued)

Liquidity Risk

Liquidity risk is the risk that the Hospital will not be able to meet all cash outflow obligations as they come due. The Hospital mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows of financial liabilities):

		2024			
		Within 6 months	6 months to 1 year	1-5 years	> 5 years
	Demand Instalment Loan	1,738,095	-	-	-
	Accounts payable	5,351,080	-	-	-
		\$ 7,089,175	\$ -	\$ -	\$ -
		2023			
		Within 6 months	6 months to 1 year	1-5 years	> 5 years
	Bankers' Acceptance	1,443,921	-	-	-
	Accounts payable	3,727,863	-	-	-
		\$ 5,171,784	\$ -	\$ -	\$ -

There have been no significant changes from the previous year in the nature of these risks or policies, procedures and methods used to measure the risk.

Red Lake Margaret Cochenour Memorial Hospital
Schedule 1 - Other Revenue
(Unaudited)

March 31,	2024	2023
Inpatient Revenue		
Non-Residents of the Province	\$ 13,812	\$ 19,245
Non-Residents of Canada	3,660	600
Workplace Safety & Insurance Board	(4,143)	16,778
Insured/Uninsured Resident	1,149	10,953
	\$ 14,478	\$ 47,576
Outpatient Revenue		
Ontario Health Insurance Plan	\$ 237,741	\$ 238,372
Non-Residents of the Province	114,566	92,688
Non-Residents of Canada	42,371	21,925
Workplace Safety & Insurance Board	14,653	14,219
Insured/Uninsured Resident	19,348	22,197
Ambulance	20,679	26,586
	\$ 449,358	\$ 415,987
Co-Payment Revenue		
Chronic Care Patients	\$ 82,481	\$ 51,407
Differential Revenue		
Acute Care Patients	\$ (4,250)	\$ 9,275
Recoveries		
Non-Patient Food Services	\$ 251,558	\$ 237,251
Investment Revenue	213,475	140,082
Compensation and Services	511,951	322,735
Donations	13,474	381
Materials	34,596	33,755
Rentals	92,314	67,970
	\$ 1,117,368	\$ 802,174
Total Other Revenue	\$ 1,659,435	\$ 1,326,419

Red Lake Margaret Cochenour Memorial Hospital
Schedule 2 - Other Votes and Programs
(Unaudited)

March 31,	2024	2023
Community Mental Health Programs		
Revenue		
Ministry of Health Allocation	\$ 1,685,141	\$ 929,141
Services Recovery	5,000	5,200
Total Revenue	\$ 1,690,141	\$ 934,341
Operating Expenses		
Salaries and Wages	\$ 507,479	\$ 627,966
Employee Benefits	135,819	138,206
Sessional Fees	2,000	-
Supplies and Other Expenses	88,571	102,745
Equipment, Building, Grounds	96,127	76,269
Rent and Utilities	35,435	28,186
Total Operating Expenses	\$ 865,431	\$ 973,372
Net Revenue Before Amount Repayable	\$ 824,710	\$ (39,031)
Amount Repayable to Ministry of Health	(836,029)	(26,796)
Net Revenue	\$ (11,319)	\$ (65,827)
Community Addictions Programs		
Revenue		
Ministry of Health Allocation	\$ 524,535	\$ 505,735
Operating Expenses		
Salaries and Wages	\$ 311,944	\$ 225,847
Employee Benefits	83,659	51,256
Supplies and Other Expenses	41,339	11,140
Rent and Utilities	8,593	15,256
Total Operating Expenses	\$ 445,535	\$ 303,499
Net Revenue Before Amount Repayable	\$ 79,000	\$ 202,236
Amount Repayable to Ministry of Health	(66,717)	(202,236)
Net Revenue	\$ 12,283	\$ -
Community Problem Gambling Program		
Revenue		
Ministry of Health Allocation	\$ 91,731	\$ 87,331
Operating Expenses		
Salaries and Wages	\$ 71,205	\$ 66,565
Employee Benefits	23,809	22,091
Supplies and Other Expenses	5,000	-
Total Operating Expenses	\$ 100,014	\$ 88,656
Net Revenue (Expenses)	\$ (8,283)	\$ (1,325)

Red Lake Margaret Cochenour Memorial Hospital
Schedule 2 (Continued) - Other Votes and Programs
(Unaudited)

March 31,	2024	2023
Rent Supplement Program		
Revenue		
Ministry of Health Allocation	\$ 25,600	\$ 25,600
Operating Expenses		
Supplies and Other Expenses	\$ 14,281	\$ 19,603
Net Revenue Before Amount Repayable	\$ 11,319	\$ 5,997
Amount Repayable to Ministry of Health	-	(5,997)
Net Revenue	<u>\$ 11,319</u>	<u>\$ -</u>
Municipal Taxes		
Revenue		
Ministry of Health Allocation	\$ 2,100	\$ 2,100
Total Expenses	\$ 2,100	\$ 2,100
Net Revenue	<u>\$ -</u>	<u>\$ -</u>
Employment Services		
Revenue		
Ministry of Labour, Training and Skills Development	\$ 273,414	\$ 273,414
Recoveries	205	(66)
Total Revenue	<u>\$ 273,619</u>	<u>\$ 273,348</u>
Operating Expenses		
Participant Wages and Stipends	\$ 169,350	\$ 165,621
Operating	60,879	50,840
Training Subsidies	-	1,500
Training Support	568	917
Total Operating Expenses	<u>\$ 230,797</u>	<u>\$ 218,878</u>
Net Revenue Before Amount Repayable	\$ 42,822	\$ 54,470
Amount Repayable to Ministry of Labour, Training and Skills Development	(42,822)	(54,470)
Net Revenue (Expenses)	<u>\$ -</u>	<u>\$ -</u>

Red Lake Margaret Cochenour Memorial Hospital
Schedule 2 (Continued) - Other Votes and Programs
(Unaudited)

March 31,	2024	2023
Youth Job Connection		
Revenue		
Ministry of Labour, Training and Skills Development	\$ 46,200	\$ 46,200
Operating Expenses		
Operating	\$ 19,124	\$ 36,681
Training Support	5,339	4,850
Total Operating Expenses	\$ 24,463	\$ 41,531
Net Revenue Before Amount Repayable	\$ 21,737	\$ 4,669
Amount Repayable to Ministry of Labour, Training and Skills Development	(21,737)	(4,669)
Net Revenue	\$ -	\$ -
Youth Job Connection Summer		
Revenue		
Ministry of Labour, Training and Skills Development	\$ 9,300	\$ 9,300
Operating Expenses		
Operating	\$ 4,434	\$ 7,958
Financial Supports	325	(94)
Total Operating Expenses	\$ 4,759	\$ 7,864
Net Revenue Before Amount Repayable	\$ 4,541	\$ 1,436
Amount Repayable to Ministry of Labour, Training and Skills Development	(4,541)	(1,436)
Net Revenue	\$ -	\$ -

Red Lake Margaret Cochenour Memorial Hospital
Schedule 3 - Salaries and Wages
(Unaudited)

March 31,	2024	2023
Patient Care		
Inpatient Wards	\$ 2,121,160	\$ 1,661,237
Diabetes Education	66,808	25,189
Ambulatory Care	597,739	603,788
Laboratory	413,288	417,203
Diagnostic Imaging	351,269	280,798
Pharmacy	87,688	105,191
Therapeutic Services	180,367	149,742
Total Patient Care	\$ 3,818,319	\$ 3,243,148
Support Services		
General Administration	\$ 627,005	\$ 529,795
Information System Support	88,381	83,608
Physical Plant	210,259	180,309
Environmental Services	305,372	278,524
Food Services	415,534	371,267
Patient Information	217,470	173,387
Marketed Services	8,521	8,998
Materials Management	148,058	129,362
Total Support Services	\$ 2,020,600	\$ 1,755,250
Total Salaries and Wages	\$ 5,838,919	\$ 4,998,398

Red Lake Margaret Cochenour Memorial Hospital
Schedule 4 - Employee Benefits
(Unaudited)

March 31,	2024	2023
Canada Pension Plan	\$ 216,293	\$ 226,326
Hospital Pension Plan	375,099	352,109
Employment Insurance	81,529	85,844
Workplace Safety & Insurance Board	50,863	47,046
Long-Term Disability Insurance	82,150	79,253
Employer Health Tax	95,820	100,834
Semi-Private Insurance	2,673	2,729
Extended Health Care Insurance	68,362	72,782
Dental Insurance	41,484	44,910
Group Life and Accidental Death & Dismemberment Benefit and Vacation % in Lieu	17,188	16,846
	187,908	202,124
Total Employee Benefits	\$ 1,219,369	\$ 1,230,803

Red Lake Margaret Cochenour Memorial Hospital
Schedule 5 - Medical Staff Remuneration
(Unaudited)

March 31,	2024	2023
Honorariums	\$ 24,000	\$ 26,000
Hospital On Call Coverage	466,402	470,974
CTSLPE: Temporary Physician Compensation during COVID-19	471,918	217,941
Clinical Laboratory	13,768	13,768
Imaging	109,473	110,592
Total Medical Staff Remuneration	\$ 1,085,561	\$ 839,275

Red Lake Margaret Cochenour Memorial Hospital
Schedule 6 - Supplies and Other Expenses
(Unaudited)

March 31,	2024	2023
Patient Care		
Inpatient Wards	234,091	\$ 149,112
Diabetes Education	-	356
Ambulatory Care	85,485	95,041
Laboratory	244,511	258,804
Diagnostic Imaging	106,407	81,176
Pharmacy	50,962	44,046
Therapeutic Services	3,208	3,528
Total Patient Care	724,664	\$ 632,063
Support Services		
General Administration	656,167	\$ 540,934
Information System Support	257,763	201,191
Physical Plant	401,954	410,771
Environmental Services	56,817	49,186
Food Services	147,261	105,031
Patient Information	23,065	7,033
Health System Development	325,235	404,559
Marketed Services	215,672	187,179
Materials Management	50,713	49,616
Total Support Services	2,134,647	\$ 1,955,500
Total Supplies and Other Expenses	2,859,311	\$ 2,587,563

Red Lake Margaret Cochenour Memorial Hospital
Schedule 7 - Diabetes Education Program
(Unaudited)

March 31,	2024	2023
Revenue		
Ministry of Health Allocation	\$ 151,283	\$ 151,283
Compensation & Services Recovery	-	-
Total Revenue	\$ 151,283	\$ 151,283
Operating Expenses		
Salaries and Wages	\$ 72,968	\$ 23,317
Employee Benefits	355	4,162
Supplies and Other Expenses	-	356
Total Operating Expenses	\$ 73,323	\$ 27,835
Net Revenue (Expense)	\$ 77,960	\$ 123,448

Red Lake Margaret Cochenour Memorial Hospital
Schedule 8 - Ontario Health Team
(Unaudited)

March 31,	2024	2023
Revenue		
Ministry of Health Allocation	\$ 900,000	\$ 750,000
Total Revenue	\$ 900,000	\$ 750,000
Operating Expenses		
Digital health, Information Management, and Virtual Care Implementation	\$ 2,942	\$ 50,000
Physician and other Clinician Leadership	-	8,580
Project Management and Leadership	229,486	130,750
Planning / Implementing a population-health management (Consulting)	16,687	112,548
Total Operating Expenses	\$ 249,115	\$ 301,878
Net Revenue (Expense)	\$ 650,885	\$ 448,122