West Nipissing General Hospital
Financial Statements
For the year ended March 31, 2023

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Contents

BDO

Tel: 705-495-2000
Fax: 705-495-2001
Toll-Free: 800-461-6324
www.bdo.ca

BDO Canada LLP
101 McIntyre Street W
Suite 301
North Bay ON P1B 2Y5 Canada

Independent Auditor's Report

To the Members and Board of Directors of the West Nipissing General Hospital

Opinion

We have audited the financial statements of West Nipissing General Hospital (the "Hospital"), which comprise the statement of financial position as at March 31, 2023 and the statements of changes in net assets, operations 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 its results of operations 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.

Other Information

Management is responsible for the other information. The other information comprises of the unaudited schedules or exhibits on pages 28 through 30 of the Hospital's financial statements. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Hospital's financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the schedules prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario
July 24, 2023

West Nipissing General Hospital
Statement of Financial Position

March 31	2023	2022 (restated Note 2)
Assets		
Current		
Cash and cash equivalents (Note 8)	**$ 2,390,742**	$ 6,200,845
Accounts receivable (Note 5)	**3,129,587**	1,784,938
Inventories	**366,209**	289,655
Prepaid expenses	**936,373**	825,219
	6,822,911	9,100,657
Capital assets (Note 6)	**19,453,113**	17,998,099
Other assets (Note 7)	**324,167**	225,001
	$26,600,191	$ 27,323,757
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	**$ 4,259,699**	$ 3,570,605
Accounts payable - Province of Ontario	**2,934,769**	2,218,972
Deferred contributions (Note 9)	**610,236**	810,155
	7,804,704	6,599,732
Deferred capital contributions (Note 10)	**11,185,656**	10,167,185
Post-employment benefits (Note 11)	**1,742,700**	1,666,300
Asset retirement obligations (Note 15)	**355,000**	338,905
	21,088,060	18,772,122
Net Assets		
Invested in capital assets (Note 12)	**8,069,993**	7,649,543
Unrestricted	**(2,557,862)**	902,092
	5,512,131	8,551,635
	$26,600,191	$ 27,323,757

Ministry of Health Funding (Note 4)

Commitments and Contingencies (Note 14)

On behalf of the Board:

_______________ Director _______________ Director

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

West Nipissing General Hospital
Statement of Changes in Net Assets

For the year ended March 31 **2023**

	Invested in Capital Assets	Unrestricted	Total
Net assets, beginning of year	**$ 7,649,543**	**$ 902,092**	**$ 8,551,635**
Deficiency of revenues over expenses	**(899,756)**	**(2,139,748)**	**(3,039,504)**
Invested in capital assets (Note 12)	**1,320,206**	**(1,320,206)**	**-**
Net assets, end of year	**$ 8,069,993**	**$ (2,557,862)**	**$ 5,512,131**

2022
(restated Note 2)

	Invested in Capital Assets	Unrestricted	Total
Net assets, beginning of year	$ 7,509,299	$ 214,153	$ 7,723,452
Change in accounting policy (Note 2)	-	(157,535)	(157,535)
Net assets, beginning of year as restated	7,509,299	56,618	7,565,917
(Deficiency) excess of revenues over expenses	(874,738)	1,860,456	985,718
Invested in capital assets (Note 12)	1,014,982	(1,014,982)	-
Net assets, end of year	$ 7,649,543	$ 902,092	$ 8,551,635

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

West Nipissing General Hospital
Statement of Operations

For the year ended March 31	2023	2022 (restated see Note 2)
Revenues		
Provincial funding	**$24,903,192**	$ 22,165,196
Provincial funding - pandemic and other one-time (Note 4)	**1,682,514**	2,497,915
Amortization of deferred contributions (Note 9)	**52,071**	52,071
Patient and other	**3,851,862**	5,011,849
Investment income	**125,684**	32,605
Amortization of deferred capital contributions (Note 10)	**85,849**	77,288
	30,701,172	29,836,924
Expenses		
Salaries and wages	**13,005,846**	12,244,156
Employee benefits	**4,814,100**	4,475,513
Medical staff remuneration	**4,505,549**	3,571,285
Agency staffing costs	**2,137,608**	170,274
Other supplies and expenses	**1,793,377**	1,377,669
Contracted services	**1,771,115**	1,607,316
Drugs and medical gases	**1,550,446**	1,453,386
Equipment maintenance expense	**881,179**	715,018
Food and dietary supplies	**697,712**	687,857
Facility operations	**606,029**	563,331
Medical and surgical supplies	**388,748**	378,620
Buildings and grounds	**353,757**	298,150
Diagnostic and therapeutic supplies	**250,962**	298,343
Bad debts (recovery)	**(1,357)**	58,262
Accretion expense	**16,095**	15,368
Amortization - equipment	**748,888**	711,350
	33,520,054	28,625,898
Excess of revenues over expenses before amortization of building and deferred capital contributions	**(2,818,882)**	1,211,026
Amortization - building, building service equipment and land improvements	**(998,872)**	(965,958)
Amortization of deferred capital contributions - building, building service equipment and land improvements (Note 10)	**778,250**	740,650
Excess of revenues over expenses for the year	**$ (3,039,504)**	$ 985,718

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

West Nipissing General Hospital
Statement of Cash Flows

For the year ended March 31	2023	2022
		(restated Note 2)
Cash provided by (used in)		
Operating		
Excess of revenues over expenses for the year	**$ (3,039,504)**	$ 985,718
Items not involving cash		
Amortization of capital assets	**1,747,760**	1,677,308
Amortization of deferred capital contributions - building, building service equipment and land improvements	**(778,250)**	(740,650)
Amortization of deferred capital contributions	**(85,849)**	(77,288)
Amortization of deferred contributions	**(52,071)**	(52,071)
Amortization of deferred recruitment incentives	**125,834**	138,333
Accrual for post-employment benefits	**130,200**	128,200
Asset retirement obligation - accretion expense	**16,095**	15,368
	(1,935,785)	2,074,918
Changes in non-cash working capital balances		
Accounts receivable	**(1,344,649)**	(957,066)
Inventories	**(76,554)**	23,106
Prepaid expenses	**(111,154)**	(115,975)
Accounts payable and accrued liabilities	**689,061**	775,507
Accounts payable - Province of Ontario	**715,797**	1,119,301
Deferred contributions	**(147,848)**	167,635
	(2,211,132)	3,087,426
Investing		
Advances of recruitment incentives	**(225,000)**	(25,000)
Financing		
Post employment benefits paid	**(53,765)**	(82,800)
Capital		
Purchase of capital assets	**(3,202,983)**	(2,182,800)
Deferred contributions received for capital purposes	**1,882,777**	1,167,818
	(1,320,206)	(1,014,982)
(Decrease) increase in cash and cash equivalents during the year	**(3,810,103)**	1,964,644
Cash and cash equivalents, beginning of year	**6,200,845**	4,236,201
Cash and cash equivalents, end of year	**$ 2,390,742**	$ 6,200,845

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

March 31, 2023

1. Significant Accounting Policies

Nature and Purpose of Organization

The West Nipissing General Hospital (the "Hospital") provides health care services in the West Nipissing area. The Hospital, incorporated without share capital under the Corporations Act of Ontario, is a registered charity under the Income Tax Act (Canada) and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

Basis of 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 ("PSAB for Government NPOs").

Contributed Services

Consistent with other hospitals, there are a number of volunteers that contribute a significant amount of their time each year to the Hospital to assist the Hospital in carrying out certain charitable aspects of its service delivery activities. Because of the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, deposits at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on the first-in first-out basis. Inventory consists of medical and general supplies that are used in the Hospital's operations and not for resale purposes.

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 budget arrangements established by the Ministry of Health and Long-Term Care ("MOHLTC"), and the Local Health Integration Network ("LHIN"). The Hospital has entered into a Hospital Service Accountability Agreement (the "H-SAA") for fiscal 2017 with the Ministry and LHIN that sets out rights and obligations of the parties to the H-SAA in respect of funding provided to the Hospital by the Ministry/LHIN. 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 Ministry/LHIN has the right to adjust funding received by the Hospital. The Ministry/LHIN 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 Ministry/LHIN funding received by the Hospital during the year may be increased or decreased subsequent to year end.

Grants approved but not yet received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

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

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

Amortization of buildings is not funded by the LHIN and accordingly the amortization of buildings has been reflected as an undernoted item in the statement of operations with the corresponding realization of revenue for deferred contributions.

Patient and other ancillary income are recognized as revenue when the services are provided or when goods are sold.

1. Significant Accounting Policies (continued)

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. Assets acquired under capital leases are amortized over the estimated life of the assets or over the lease term, as appropriate. Repairs and maintenance costs are charged to expenses. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Hospital's ability to provide services or the value of future economic benefits associated with the capital asset is less than its net book value, the carrying value of the capital asset is reduced to reflect the decline in the asset's value. Construction in progress is not amortized until construction is substantially complete and the assets are ready for use.

Capital assets are capitalized on acquisition and amortized on a straight-line basis over their useful lives, which has been estimated to be as follows:

Land	-	no amortization
Land improvements	-	10% of original cost
Buildings	-	2.5% - 5% of original cost
Equipment	-	5% - 20% of original cost

The Hospital follows the policy of calculating amortization commencing the first full month the capital asset is commissioned and ready for service.

Asset Retirement Obligations

A liability for asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a capital asset; 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 liability is recorded at an amount that is the best estimate of the expenditure required to retire the capital asset at the financial statement date. The liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related capital asset if it is still in productive use. The cost is amortized over the useful life of the capital asset. If the related capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

March 31, 2023

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, 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, disability recovery rates 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 are the employer's contributions due to the plan in the period.

(iii) The discount used in the determination of the above-mentioned liabilities is equal to the Hospital's internal rate of borrowing.

Management Estimates

The preparation of financial statements in conformity with PSAB for Government NPOs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

Accounts receivable and post-employment benefits are reported based on amounts expected to be recovered or incurred and reflect an appropriate allowance for unrecoverable amounts based on management's estimates. Amounts recorded for inventory obsolescence and amortization of capital assets are based on estimates of useful service life. Asset retirement obligations are based on estimates for future costs as well as expected inflation increases.

1. Significant Accounting Policies (continued)

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 cash equivalents which is initially recognized at cost and subsequently carried at fair value. Unrealized 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 investments, accounts receivable and accounts payable and accrued liabilities. 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.

Writedowns 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 writedown being recognized in the statement of operations.

2. Change in Accounting Policy

Effective April 1, 2022, the Hospital adopted Public Sector Accounting Handbook Standard, Section PS 3280, Asset Retirement Obligations. As a result of the adoption, the presentation of the financial statements changed from the prior year. The standard requires an obligation to be recognized related to legal obligations associated with the retirement of capital assets and when al conditions listed in Note 1 - Significant Accounting Policies - Asset Retirement Obligations are met. Modified retroactive approach has been selected to reflect this adoption of the new accounting policy and therefore, the following financial statement balances and amounts in the prior year have been affected. The impact of adoption of this standard on the March 31, 2022 comparative figures is as follows:

	March 31, 2022
Increase in asset retirement obligations	$ 338,905
Increase in capital assets	$ 138,335
Decrease in excess of revenue over expenses for the year (accretion and amortization expense)	$ 43,035
Decrease in opening unrestricted net assets	$ 157,535

3. 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.

			2023
	Fair Value	Amortized Cost	Total
Accounts receivable	$ -	$ 3,129,587	$ 3,129,587
Accounts payable and accrued liabilities	-	7,194,468	7,194,468
	$ -	$ 10,324,055	$ 10,324,055

			2022
	Fair Value	Amortized Cost	Total
Accounts receivable	$ -	$ 1,784,938	$ 1,784,938
Accounts payable and accrued liabilities	-	5,789,577	5,789,577
	$ -	$ 7,574,515	$ 7,574,515

3. Financial Instrument Classification (continued)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 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).

			2023
Level 1	**Level 2**	**Level 3**	**Total**

			2022
Level 1	Level 2	Level 3	Total

There were no transfers between Level 1, 2 and Level 3 for the years ended March 31, 2023 and 2022.

March 31, 2023

4. Ministry of Health Funding

On March 11, 2020 the World Health Organization declared the COVID-19 outbreak a pandemic. Since then and through until the World Health Organization declared the end of the COVID-19 outbreak in May of 2023, the result was significant financial, market and societal impacts in Canada and around the world.

In connection with the ongoing coronavirus pandemic (“COVID-19"), the MOH provided a number of funding programs intended to assist hospitals with incremental operating and capital costs and revenue decreases resulting from COVID-19.

In addition to these funding programs, the MOH permitted hospitals to redirect unused funding from certain programs towards COVID-19 costs, revenue losses and other budgetary pressures through a broad-based funding reconciliation.

Details of the MOH funding for COVID-19 recognized as revenue in the current year are summarized below:

	2023	2022
Funding - other (CTSLPE, TRIN, Temporary Physician Funding)	**$ 224,017**	$ 156,224
Funding - Health Human Resources	**462,481**	95,700
Funding - LTC program - Prevention and containment	**347,099**	783,626
Funding - AFA (COVID-19)	**312,487**	306,330
Funding - incremental COVID-19 operating expenses	**312,347**	791,833
Funding - wage enhancement	**24,083**	103,700
Funding - revenue losses resulting from COVID-19	**-**	260,502
Total	**$ 1,682,514**	$ 2,497,915

Included in revenue total above, is $370,396 (2022 - $1,179,346) in unused COVID-19 funding that is estimated to be payable back to the MOH. MOH revenue for COVID, net of estimated funding payable back to the MOH, is $1,312,118 (2022 - $1,318,569).

In addition to the above, the Hospital has also recognized $Nil (2022 - $Nil) in MOH funding for COVID-19 related to capital expenditures, which has been recorded as an addition to deferred capital contributions during the year.

5. Accounts Receivable

	2023	2022
Patient care	**$ 652,030**	$ 665,078
Province of Ontario	**1,433,634**	-
Province of Ontario - pandemic funding	**157,309**	974,321
HST receivable	**886,614**	145,539
	$ 3,129,587	$ 1,784,938

6. Capital Assets

	2023		2022 (restated)	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Land	**$ 39,514**	**$ -**	$ 39,514	$ -
Land improvements	**746,114**	**746,114**	746,114	746,114
Buildings	**33,398,890**	**19,865,575**	31,803,803	18,517,359
Equipment	**18,872,092**	**15,778,731**	18,556,249	15,404,664
Construction in progress (i)	**2,786,923**	**-**	1,520,556	-
	$55,843,533	**$36,390,420**	$ 52,666,236	$ 34,668,137
Net book value		**$19,453,113**		$ 17,998,099

(i) Construction in progress represents the costs incurred to date with regards to the Hospital's Meditech Expanse project. At the beginning of the fiscal year, the Hospital entered into a membership agreement along with twenty-two other Hospitals in Northeastern Ontario to incorporate and establish a new organization to provide Health Information System (HIS) support services to the member Hospitals. At the date of financial statement preparation, this new organization has been incorporated under letters patent dated October 2021 and started to provide HIS support services to the member Hospitals on a few for service basis. The Hospital paid $85,280 and $675,363 in the fiscal year for Operating and Capital respectively under the terms of this agreement.

March 31, 2023

7. Other Assets

Other assets are comprised of deferred physicians' recruitment incentives. These costs will be recognized over the terms of the physicians' contracts. Unamortized amounts may become receivable from the physician in the event of a default of their contract.

	2023	2022
Balance, beginning of year	$ 225,001	$ 338,334
Add: Payments under new agreements signed during the year	225,000	25,000
	450,001	363,334
Less: Amortization of deferred recruitment	(125,834)	(138,333)
Balance, end of year	$ 324,167	$ 225,001

8. Credit Facility

The Hospital has an authorized line of credit in the amount of $1,200,000 bearing interest at the bank's prime lending rate minus 0.5% and is repayable on demand. At year end the line of credit was unused.

9. Deferred Contributions

Deferred contributions represent the unamortized and unspent balances of money received for specific purposes. The details of the continuity of these funds are as follows:

	2023	2022
Deferred contributions related to medical clinic		
Balance, beginning of year	**$ 468,633**	$ 520,704
Less: Amounts amortized to revenue	**(52,071)**	(52,071)
Balance, end of year	**416,562**	468,633
Deferred contributions related to operations		
Balance, beginning of year	**341,522**	173,887
Add: Contributions during the year	**62,290**	169,139
Add: Other recovery	**(210,138)**	(1,504)
Balance, end of year	**193,674**	341,522
Total deferred contributions	**$ 610,236**	$ 810,155

Amounts amortized to revenue during the year:		
Medical Clinic	**$ 52,071**	$ 52,071

March 31, 2023

10. Deferred Capital Contributions

Deferred capital contributions represent the unamortized and unspent balances of grants, donations and contributions received for capital asset acquisitions. The details of the continuity of these funds are as follows:

	2023	2022
Deferred contributions related to equipment:		
Balance, beginning of year	$ 394,935	$ 472,223
Add: Contributions during the year	118,120	-
Less: Amounts amortized to revenue	(86,056)	(77,288)
Balance, end of year	426,999	394,935
Deferred contributions relating to building, building service equipment and land improvements:		
Balance, beginning of year	9,772,250	9,345,082
Add: Contributions during the year	1,764,657	1,167,818
Less: Amounts amortized to revenue	(778,250)	(740,650)
Balance, end of year	10,758,657	9,772,250
Total	$11,185,656	$ 10,167,185

11. Post-Employment Benefits Liability

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

	2023	2022
Accrued post-retirement benefit expense liability	**$ 1,742,700**	$ 1,666,300

	2023	2022
Current year benefit cost	**$ 78,000**	$ 75,100
Interest on liability	**62,900**	53,100
Amortization of net actuarial (gain) / losses	**(10,700)**	-
Total expense	**$ 130,200**	$ 128,200

The Hospital paid $53,800 (2022 - $82,800) in benefit payments during the year. Above amounts exclude pension contributions to the Hospital's pension plan, a multi-employer plan, described below.

Retirement Benefits

Healthcare of Ontario Pension Plan ("HOOPP")

HOOPP provides pension services to 439,630 members and approximately 646 employers. 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 come due. Each year, an independent actuary determines the funding status of HOOPP by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The results of the most recent valuation as at December 31, 2022 disclosed a surplus of $10,953 million. The results of this valuation disclosed total actuarial liabilities and pension obligations of $174,144 million in respect of benefits accrued for service with actuarial assets at that date of $185,097 million. Because HOOPP is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario member organizations and their employees. As a result, the organization does not recognize any share of the HOOPP surplus or deficit. Contributions by the Hospital to the plan during the year by the Hospital amounted to $971,530 (2022 - $962,965).

March 31, 2023

11. Post-Employment Benefits Liability (continued)

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 employees' tenure of service. The related benefit liability was determined by an actuarial valuation study completed with a date of March 31, 2023.

The major actuarial assumptions employed for the valuations are as follows:

a) Discount rate

The present value as at March 31, 2023 of the future benefits was determined using a discount rate of 4.04% (2022 – 3.89%).

b) Hospital and other medical

Hospital and other medical costs were assumed to decrease to 5.0% per annum in 2023 (2022 – 5.5%).

Medical premium costs were assumed to decrease to 5.0% per annum in 2023 (2022 – 5.5%).

c) Dental costs

Dental costs were assumed to increase to 4.0% per annum in 2023 (2022 - 3.0%).

12. Invested in Capital Assets

Invested in capital assets is calculated as follows:

	2023	2022
Capital assets, net book value	**$19,453,113**	$ 17,998,099
Less: Asset retirement obligations	**197,464**	181,370
Less: Amounts financed by deferred contributions	**11,185,656**	10,167,185
	$ 8,069,993	$ 7,649,544

The change in invested in capital assets is calculated as follows:

	2023	2022
Amortization of deferred contributions - building, building service equipment and land improvements	**$ 778,250**	$ 740,650
Amortization of deferred contributions - equipment	**85,849**	77,288
Amortization of capital assets	**(1,747,760)**	(1,677,308)
Accretion expense relating to capital assets	**(16,095)**	(15,368)
	$ (899,756)	$ (874,738)

Net change in invested in capital assets:

	2023	2022
Acquisition of capital assets	**$ 3,202,983**	$ 2,182,800
Less: Amounts funded by deferred contributions	**1,882,777**	1,167,818
	$ 1,320,206	$ 1,014,982

13. Hospital Foundation

The West Nipissing General Hospital Foundation ("the Foundation") was created for the purpose of promoting and participating in fund-raising programs in order to raise money for capital projects and to undertake, carry-out, encourage and assist the Hospital and others associated with it directly or indirectly in any or all phases of medical research, education and the advancement of the Hospital's objectives. Funds received from the Foundation during the year totaled $59,811 (2022 - $58,295). The Foundation is not controlled and therefore is not consolidated in these financial statements.

14. Commitments and Contingencies

a. Equipment Repair Commitments

Under the terms of capital acquisitions of X-Ray and Ultrasound equipment, the Hospital is committed to making minimum payments as follows:

2024	$ 221,983
2025	221,983
2026	191,833
2027	120,500
2028	120,500
Thereafter	70,292
	$ 947,091

b. Grants

The Hospital receives grants from the MOHLTC and the Northeastern Ontario Home and Community Care Support Services for specific services. Pursuant to the related agreement, if the Hospital does not meet specified levels of activity, the MOHLTC or Northeastern Ontario Home and Community Care Support Services are entitled to seek repayments. Should any amounts become payable, the amounts would be charged to operations in the period in which the amount of the repayment is determined to be payable.

c. Legal and Litigation Matters

In the normal course of operations the Hospital is involved in certain legal matters and litigations, the outcomes of which are not presently determinable. The loss, if any, from these contingencies will be accounted for in the periods in which the matters are resolved or become determinable. Management is of the opinion that these matters are mitigated by adequate insurance coverage.

d. Ontario Bill 124

Effective June 2019, the Province of Ontario enacted Bill 124 "Protecting a Sustainable Public Sector for Future Generations Act, 2019". This legislation limited compensation increases to 1.0% per year for a three year moderation period for both unionized and non-unionized employees in the Ontario Public Sector. The starting dates of the moderation period varied across entities and employee groups. On November 9, 2022 the Ontario Superior Court of Justice struck down Bill 124, finding it unconstitutional and declaring it to be "void and of no effect". On December 29, 2022 the Ontario government filed a Notice to Appeal with the Ontario Court of Appeal. The impact to the Hospital as a result of the Ontario Superior Court decision has been considered. However, no amount has been disclosed in these financial statements as not to advertently impact future negotiations.

March 31, 2023

15. Asset Retirement Obligations

The Hospital's financial statements include an asset retirement obligation for three fuel tanks that would require removal costs at the end of their useful life. The estimated Asset Retirement Obligation cost is $355,000 at March 31, 2023. The assessment does not indicate when the future liability would be payable. For the purpose of the calculations it was assumed that the cost is at the present value of the completion of the assessment.

The carrying amount of the liability is as follows:

	2023	2022
Balance, beginning of year	**$ 338,905**	$ 323,537
Accretion expense for the year	**16,095**	15,368
Balance, end of the year	**$ 355,000**	$ 338,905

16. Financial Instrument Risk Management

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 and cash equivalents and accounts receivable. The Hospital holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Hospital’s cash accounts are insured up $100,000 (2022 - $100,000).

The Hospital's investment policy operates within the constraints of the investment guidelines issued by the MOHLTC in relation to the funding agreements described in Note 3 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 Note 3.

16. Financial Instrument Risk Management (continued)

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

Credit risk (continued)

The Hospital measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the Hospital's historical experience regarding collections. The amounts outstanding at year end were as follows:

2023

			Past due		
	Total	Current	1-30 days	31-60 days	61+ days
Patients	$ 671,511	$ -	$ 166,389	$ 118,152	$ 386,970
HST receivable	886,614	-	214,899	75,029	596,686
Province of Ontario	1,590,943	-	675,515	-	915,428
Gross receivables	$ 3,149,068	$ -	1,056,803	193,181	1,899,084
Less: impairment allowances	(19,481)	-	-	-	(19,481)
Net receivables	$ 3,129,587	$ -	$ 1,056,803	$ 193,181	$ 1,879,603

2022

			Past due		
	Total	Current	1-30 days	31-60 days	61+ days
Patients	$ 665,078	$ -	$ 290,926	$ 82,156	$ 291,996
HST receivable	145,539	-	145,539	-	-
Province of Ontario	974,321	-	974,321	-	-
Gross receivables	$ 1,784,938	$ -	1,410,786	82,156	291,996
Less: impairment allowances	-	-	-	-	-
Net receivables	$ 1,784,938	$ -	$ 1,410,786	$ 82,156	$ 291,996

16. Financial Instrument Risk Management (continued)

The amounts aged greater than 90 days owing from patients that have not had a corresponding impairment allowance setup against them are considered collectible based on the Hospital's past experience. Management has reviewed the individual balances and based on the credit quality of the debtors and their 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 or equity risk as it does not transact materially in foreign currency or hold equity financial instruments.

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.

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.

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 follow table sets out the contractual maturities (representing undiscounted contractual cash-flows of financial liabilities):

March 31, 2023

16. Financial Instrument Risk Management (continued)

	2023			
	Within 6 months	6 months to 1 year	1-5 years	>5 years
Accounts payable	$ 7,194,468	$ -	$ -	$ -

Liquidity risk (continued)

	2022			
	Within 6 months	6 months to 1 year	1-5 years	>5 years
Accounts payable	$ 5,789,577	$ -	$ -	$ -

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.

West Nipissing General Hospital
Schedule of Operations - Hospital Sector
(Unaudited)

For the year ended March 31	2023	2022
Revenues		
Provincial funding	**$21,511,351**	$ 20,185,553
Other funding sources	**3,157,660**	4,226,860
Investment income	**125,684**	32,605
Amortization of deferred contributions	**52,071**	52,071
Amortization of deferred capital contributions	**70,698**	64,555
	24,917,464	24,561,644
Expenses		
Salaries and wages	**9,832,483**	9,427,505
Medical staff remuneration	**4,455,507**	3,539,220
Employee benefits	**3,537,758**	3,270,680
Agency staffing costs	**2,137,608**	170,274
Other supplies and expenses	**1,613,246**	1,265,416
Drugs and medical gases	**1,541,145**	1,445,263
Contracted services	**1,079,377**	928,292
Equipment maintenance expense	**844,760**	702,027
Facility operations	**572,900**	530,787
Medical and surgical supplies	**364,668**	347,840
Building and grounds	**353,175**	297,454
Food and dietary supplies	**270,711**	260,191
Diagnostic and therapeutic supplies	**250,962**	298,343
Post-employment benefits	**166,539**	132,870
Bad debts	**(1,357)**	38,401
Amortization - equipment	**716,864**	653,020
	27,736,346	23,307,583
Excess of revenues over expenses relating to operations	**(2,818,882)**	1,254,061
Amortization of deferred contributions - building, building service equipment and land improvements	**778,250**	740,650
Amortization - building, building service equipment and land improvements	**(998,872)**	(965,958)
Excess of revenues over expenses for the year	**$ (3,039,504)**	$ 1,028,753

West Nipissing General Hospital
Schedule of Operations - Community Mental Health Sector
(Unaudited)

For the year ended March 31	2023	2022
Revenues		
Provincial funding	**$ 1,205,917**	$ 1,098,255
Other funding sources	**536**	13,548
	1,206,453	1,111,803
Expenses		
Salaries and wages	**857,867**	750,440
Employee benefits	**292,638**	302,495
Other supplies and expenses	**38,133**	53,159
Equipment	**16,130**	3,846
Building and grounds	**582**	696
Medical and surgical supplies	**131**	85
Facility operations	**86**	196
Amortization - building	**886**	886
	1,206,453	1,111,803
Excess of revenues over expenses for the year	**$ -**	$ -

West Nipissing General Hospital
Schedule of Operations - Long-Term Care Sector
(Unaudited)

For the year ended March 31	2023	2022
Revenues		
Provincial funding	**$ 3,868,438**	$ 3,379,303
Other funding sources	**693,666**	771,441
Amortization of deferred capital contributions	**15,152**	12,732
	4,577,256	4,163,476
Expenses		
Salaries and wages	**2,315,494**	2,066,208
Employee benefits	**817,164**	769,468
Contracted services	**691,737**	679,025
Food and dietary supplies	**427,001**	427,666
Other supplies and expenses	**141,999**	59,094
Medical staff remuneration	**50,043**	32,065
Equipment	**36,384**	9,145
Facility operations	**33,046**	32,348
Medical and surgical supplies	**23,949**	30,695
Drugs and medical gases	**9,301**	8,123
Bad debts	**-**	19,862
Amortization - equipment	**31,138**	29,777
	4,577,256	4,163,476
Excess of revenues over expenses for the year	**$ -**	$ -