

Sioux Lookout Meno Ya Win Health Centre
Financial Statements
March 31, 2020

Sioux Lookout Meno Ya Win Health Centre
Contents

For the year ended March 31, 2020

Page

Management's Responsibility

Independent Auditor's Report

Financial Statements

Statement of Financial Position	1
Statement of Operations	2
Statement of Changes in Net Assets (Net Debt) - Operating Fund	3
Statement of Operations and Changes in Fund Balance - Trust Fund	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 and Purchased Services	18
Schedule 4 - Employee Benefits	19
Schedule 5 - Medical Staff Remuneration	20
Schedule 6 - Supplies and Other Expenses	21
Schedule 7 - Diabetes Education Program	22
Schedule 8 - Health Canada Programs	23

Management's Responsibility

To the Resource Utilization Committee and Board of Directors of Sioux Lookout Meno Ya Win Health Centre:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgement is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is comprised primarily of Directors who are neither management nor employees of the Health Centre. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Health Centre's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

June 29, 2020



Chief Executive Officer



Executive Vice President / Chief Operating Officer

Independent Auditor's Report

To the Resource Utilization Committee of Sioux Lookout Meno Ya Win Health Centre:

Opinion

We have audited the financial statements of Sioux Lookout Meno Ya Win Health Centre (the "Health Centre"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in net assets (net debt) 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 Health Centre as at March 31, 2020, and the results of its operations, changes in net assets (net debt) 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 Health Centre 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.

Supplementary Information

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 Health Centre'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 Health Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Health Centre'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 Health Centre'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 Health Centre'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 Health Centre to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Thunder Bay, Ontario

June 29, 2020

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP
LLP

Sioux Lookout Meno Ya Win Health Centre
Statement of Financial Position

As at March 31,	2020	2019
Current Assets		
Cash (Note 2)	\$ 3,395,211	\$ 2,243,507
Accounts Receivable (Note 3)	3,063,123	2,924,283
Inventory (Note 4)	312,965	224,164
Prepaid Expenses	668,693	555,621
Total Current Assets	7,439,992	5,947,575
Non-Current Assets		
Capital Assets (Note 5)	114,912,748	118,190,331
Total Assets	\$ 122,352,740	\$ 124,137,906
Trust Fund		
Short-Term Investments	\$ 5,775	\$ 8,775
Current Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	\$ 7,568,772	\$ 7,042,399
Deferred Revenue (Note 7)	66,321	69,759
Current Portion of Long-Term Debt (Note 8)	233,805	184,195
Current Portion of Post-Retirement Benefits Liability (Note 9)	114,600	123,100
Total Current Liabilities	7,983,498	7,419,453
Long-Term Liabilities		
Long-Term Debt (Note 8)	1,185,542	1,190,105
Post-Retirement Benefits Liability (Note 9)	2,449,600	2,257,400
Unamortized Deferred Capital Financing (Note 10)	108,160,542	111,316,924
Deferred Contributions - Restricted for Future Capital Asset Purchases (Note 11)	657,303	627,691
Total Long-Term Liabilities	112,452,987	115,392,120
Net Assets		
Unrestricted	(4,835,951)	(5,547,074)
Investment in Capital Assets (Note 12)	6,752,206	6,873,407
Closing Net Assets Balance	1,916,255	1,326,333
Total Liabilities and Net Assets Balance	\$ 122,352,740	\$ 124,137,906
Trust Fund		
Fund Balance - Dr. Hugh W. Allen Scholarship	\$ 5,775	\$ 8,775

Approved on behalf of the Board:

Director

Director

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

Sioux Lookout Meno Ya Win Health Centre
Statement of Operations

For the year ended March 31,	2020	2019
Revenue		
Ministry of Health and Long-Term Care Base Allocation	\$ 35,846,802	\$ 34,052,874
Ministry of Health and Long-Term Care One Time Payments	572,529	199,271
Ministry of Health and Long-Term Care Recoveries	(330,522)	(289,216)
Paymaster	50,000	86,372
Hospital On-Call Coverage	675,565	672,187
Visiting Specialist	88,510	90,785
Cancer Care Ontario Funding	69,142	126,300
Health Canada	562,546	343,872
Other Revenue (Schedule 1)	6,398,765	6,478,252
Amortization of Donations and Grants for Equipment	285,983	235,298
Total Revenue	44,219,320	41,995,995
Expenses		
Salaries, Wages and Purchased Services (Schedule 3)	23,491,534	22,172,032
Employee Benefits (Schedule 4)	5,033,335	4,724,043
Employee Future Benefits (Note 9)	173,700	180,900
Medical Staff Remuneration (Schedule 5)	1,846,556	1,977,021
Supplies and Other Expenses (Schedule 6)	9,354,140	9,293,705
Medical and Surgical Supplies	1,339,395	1,179,383
Drugs and Medical Gases	899,735	970,253
Equipment Amortization	836,353	694,116
Software Amortization	38,054	29,837
Bad Debts	351,724	705,075
Total Expenses	43,364,526	41,926,365
Excess of Revenue Over Expenses from Hospital Operations	854,794	69,630
Other Items		
Amortization of Deferred Contributions Related to Buildings	3,517,754	3,517,754
Amortization of Buildings	(3,734,776)	(3,755,359)
Interest on Long-Term Liabilities	(47,850)	(43,560)
(Loss) on Disposal of Capital Assets	-	(13,367)
	(264,872)	(294,532)
Other Votes and Programs - Revenues (Schedule 2)	2,842,148	2,944,242
Other Votes and Programs - Expenses (Schedule 2)	(2,842,148)	(2,944,242)
	-	-
Excess (Deficiency) of Revenue Over Expenses for the Year	\$ 589,922	\$ (224,902)

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

Sioux Lookout Meno Ya Win Health Centre
Statement of Changes in Net Assets (Net Debt)
Operating Fund

For the year ended March 31, 2020

	Invested in Capital Assets	Unrestricted	2020 Total
Balance, beginning of year	\$ 6,873,407	\$ (5,547,074)	\$ 1,326,333
Excess (deficiency) of revenue over expenses for the year (Note 12)	(805,446)	1,395,368	589,922
Net change in investment in capital assets (Note 12)	684,245	(684,245)	-
Balance, end of year	<u>\$ 6,752,206</u>	<u>\$ (4,835,951)</u>	<u>\$ 1,916,255</u>

For the Year Ended March 31, 2019

	Invested in Capital Assets	Unrestricted	2019 Total
Balance, beginning of year	\$ 6,186,675	\$ (4,635,440)	\$ 1,551,235
Excess (deficiency) of revenue over expenses for the year (Note 12)	(726,260)	501,358	(224,902)
Net change in investment in capital assets (Note 12)	1,412,992	(1,412,992)	-
Balance, end of year	<u>\$ 6,873,407</u>	<u>\$ (5,547,074)</u>	<u>\$ 1,326,333</u>

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

Sioux Lookout Meno Ya Win Health Centre
Statement of Operations and Changes in Fund Balance
Trust Fund

For the year ended March 31,	2020	2019
Revenue	\$ -	\$ -
Expenses	3,000	2,565
Deficiency of Revenue Over Expenses	(3,000)	(2,565)
Fund Balance, Beginning of Year	8,775	11,340
Fund Balance, End of Year	\$ 5,775	\$ 8,775

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

**Sioux Lookout Meno Ya Win Health Centre
Statement of Cash Flows**

March 31,	2020	2019
Cash Provided By (Used In) Operating Activities		
Excess (deficiency) of revenue over expenses for the year	\$ 589,922	\$ (224,902)
Items not involving cash		
Amortization of capital assets (Note 12)	4,609,183	4,479,312
Amortization of deferred provincial equipment and building grants (Note 10)	(3,803,737)	(3,753,052)
Loss on disposal of capital assets (Note 12)	-	13,367
	<u>1,395,368</u>	<u>514,725</u>
Changes in Non-Cash Working Capital Balances		
Accounts Receivable	(138,840)	1,241,543
Inventory	(88,801)	(49,058)
Prepaid Expenses	(113,072)	(22,288)
Accounts Payable and Accrued Liabilities	526,373	775,172
Deferred Revenue	(3,438)	3,438
Post-Retirement Benefits	183,700	190,900
	<u>365,922</u>	<u>2,139,707</u>
	<u>1,761,290</u>	<u>2,654,432</u>
Financing Activities		
Advances of long-term debt	250,000	
Repayment of long-term debt	(204,953)	(178,829)
	<u>45,047</u>	<u>(178,829)</u>
Capital Activities		
Purchase of capital assets (Note 12)	(1,331,600)	(1,488,722)
Capital grants and fund raising receipts (Note 12)	676,967	65,892
	<u>(654,633)</u>	<u>(1,422,830)</u>
Increase in cash during the year	1,151,704	1,052,773
Cash, beginning of year	2,243,507	1,190,734
Cash, end of year	<u>3,395,211</u>	<u>2,243,507</u>
Represented by:		
Bank balance	3,387,209	2,234,410
Unrestricted	8,002	9,097
Cash, end of year	\$ 3,395,211	\$ 2,243,507
Supplementary cash flow information		
Interest paid	\$ 47,850	\$ 43,560
Interest income	\$ 32,473	\$ 27,744

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

Sioux Lookout Meno Ya Win Health Centre

Notes to the Financial Statements

March 31, 2020

1. Significant Accounting Policies

Management's Responsibility for the Financial Statements

The financial statements of Sioux Lookout Meno Ya Win Health Centre (the "Health Centre") are the responsibility of management. They 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 Sioux Lookout Meno Ya Win Health Centre Foundation is a separate entity whose financial information is reported separately from the hospital.

Nature and Purpose of the Organization

The Health Centre was created by Bill PR15 of the Ontario Legislature that received Royal Assent on December 14, 2001. The Health Centre's vision is to "be a centre of excellence for health through New and Expanded Services and Partnerships". The Health Centre is a not-for-profit organization that is exempt from corporate income taxes.

These financial statements reflect the assets, liabilities and operations of the Health Centre. They do not include the assets, liabilities or operations of the Sioux Lookout Meno Ya Win Health Centre Foundation, which, although associated with the Health Centre, is separately managed, and reports to a separate Board of Trustees.

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

Ministry of Health and Long-Term Care:

- | | |
|---|--|
| - Community Mental Health and Addictions Programs | - Community Support Services - Foot Care |
| - Rent Supplement | - Diabetes Education Program |
| - Community Health Promotion | |

The Scholarship or Trust Fund, which records the activities related to the investments and granting of scholarships to students, is for students enrolled at a post secondary institution in a health discipline.

The operating results of these programs are recorded in Schedule 2 and Schedule 7 to the financial statements and their assets and liabilities are reported on the statement of financial position of the Health Centre. Program surpluses are recorded as repayable in the year incurred, except for those programs for which permission has been obtained to carry over surpluses for future program expenditures. In these cases, program surpluses have been recorded as deferred contributions. Program deficits are included in general operations, since they are not funded by the Ministry. Adjustment settlements by the Ministry are recorded when settled.

Revenue Recognition

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

Under the Health Insurance Act and Regulations thereto, the Health Centre is funded primarily by the Province of Ontario in accordance with accountability arrangements established by the Ministry of Health and Long-Term Care ("MOHLTC"), and the Local Health Integration Network ("LHIN"). The Health Centre has entered into a Hospital Service Accountability Agreement (the "H-SAA") for fiscal 2020 with the MOHLTC and LHIN that sets out the rights and obligations of the parties to the H-SAA in respect of funding provided to the Health Centre by the MOHLTC/LHIN. The H-SAA also sets out the performance standards and obligations of the Health Centre that establish acceptable results for the Health Centre's performance in a number of areas.

Sioux Lookout Meno Ya Win Health Centre

Notes to the Financial Statements

March 31, 2020

1. Significant Accounting Policies (continued)

Revenue Recognition (continued)

If the Health Centre does not meet its performance standards or obligations, the MOHLTC/LHIN has the right to adjust funding received by the Health Centre. The MOHLTC/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 MOHLTC/LHIN funding received by the Health centre 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.

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.

Contributed Services

There are a substantial number of volunteers who contribute a significant amount of their time each year to the Health Centre. Because of the difficulty of determining the fair value, contributed services are not recognized in these financial statements.

Cash and Cash Equivalents

Cash includes balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Investments

Investments are recorded at fair value. Transaction costs related to the acquisition of investments are recorded against investment income. Sales and purchases of investments are recorded on the settlement date.

Fair value is determined at quoted market prices. The calculation of fair value is based upon market conditions and at a specific point in time and may not be reflective of future fair value.

Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is determined on an average cost basis. Inventories consist of medical and general supplies that are used in the Health Centre's operations and not for resale purposes.

Sioux Lookout Meno Ya Win Health Centre

Notes to the Financial Statements

March 31, 2020

1. Significant Accounting Policies (continued)

Capital Assets

Purchased capital assets are initially recorded at cost, except for capital assets purchased for other programs. The capital assets policy for other programs is described below under Ministry of Health and Long-Term Care Programs. Contributed capital assets are recorded at fair value at the date of contribution. When a capital asset no longer contributes to the Health Centre's ability to provide services, its carrying amount is written down to its residual value.

Minor equipment replacements are expensed in the year purchased, and software over a three year period. Construction in progress is not amortized until the project is complete and the facilities come into use.

Capital Assets are amortized over the useful life of the asset using the straight-line method. The capital assets are amortized as follows:

Land improvements	3 to 20 Years
Building and building service equipment	10 to 40 Years
Major equipment	3 to 20 Years
Residence - other land and buildings	10 to 40 Years
Residence - furniture and fixtures	3 to 20 Years

Compensated Absences

Compensation expense is accrued for all employees as entitlement to these payments is earned, in accordance with the Health Centre's benefit plans for vacation, sick leave and retirement allowances.

Post-Retirement Benefits

The Health Centre accrues its obligation for employee benefit plans. The cost of non-pension post-retirement and post-employment benefits earned by employees is actuarially determined using the projected benefits method pro-rated on service and management's best estimate of retirement ages and expected health care costs. The attribution period for such cost begins the date of hire of the employee to the date the employee becomes fully eligible to receive the benefits. The discount rate used to determine accrued benefit obligations is based on a year-end market rate of interest for high quality debt instruments with cash flows that match the timing and amount of expected benefit payments.

Adjustments arising from plan amendments, including past service costs, are amortized on a straight-line basis over the average remaining service period of employees active at the date of the amendment.

The Health Centre is an employer member of the Healthcare of Ontario Pension Plan (the "Plan"), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Health Centre has adopted defined contribution plan accounting principles for the Plan because insufficient information is available to apply defined benefit plan accounting principles. The Health Centre records as pension expense the current service cost, amortization of past service costs and interest costs related to future employer contributions to the Plan for past employee service.

Use of Estimates

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

Sioux Lookout Meno Ya Win Health Centre

Notes to the Financial Statements

March 31, 2020

1. Significant Accounting Policies (continued)

Use of Estimates (continued)

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization of capital assets and deferred capital contributions are based on the estimated useful lives of capital assets. Accounts payable and accruals are based on historical charges for unbilled goods and services at year end. The post retirement benefits liability is based on a tri-annual actuarial evaluation which is revised and updated annually.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known.

Financial Instruments

The Health Centre recognized its financial instruments when the Health Centre becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Health Centre may irrevocably elect to subsequently measure any financial instrument at fair value. The Health Centre has not made such an election during the year.

The Health Centre subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that is linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Health Centre's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the organization, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the surplus/deficit for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

2. Cash

The Health Centre's bank accounts are held at one chartered bank. The Health Centre is exposed to credit risk on balances in excess of those guaranteed by the Canadian Deposit Insurance Corporation. The bank account earns interest at prime less 1.9%.

The Health Centre has an operating line of credit of \$4,000,000 that bears an interest rate of prime less 0.5%, is unsecured and is due on demand, and Corporate MasterCard repayable on demand and in accordance with standard terms and conditions. As at March 31, 2020 prime less 0.5% is 2.95% (2019 - 3.45%). As at March 31, 2020, there were unused credit facilities of \$4,000,000 (2019 - \$4,000,000).

Sioux Lookout Meno Ya Win Health Centre
Notes to the Financial Statements

March 31, 2020

3. Accounts Receivable	2020	2019
Other	\$ 1,058,564	\$ 947,760
HST Rebate	689,659	861,425
Insurers and Patients	1,687,320	1,692,645
Ministry of Health and Long-Term Care	450,000	-
Cancer Care Ontario	-	77,100
Due from Trust Fund	12,000	9,000
Allowance for Doubtful Accounts	(834,420)	(663,647)
	<u>\$ 3,063,123</u>	<u>\$ 2,924,283</u>

4. Inventory	2020	2019
Opening Balance	\$ 224,164	\$ 175,106
Purchases	2,060,767	1,955,420
Expensed	(1,971,966)	(1,906,362)
Ending Balance	<u>\$ 312,965</u>	<u>\$ 224,164</u>

5. Capital Assets	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 363,026	\$ -	\$ 363,026	\$ -
Land Improvements	516,459	107,638	516,459	56,614
Building and Building Service Equipment	144,601,936	33,606,227	144,137,753	29,922,475
Major Equipment	19,152,477	16,019,785	18,285,059	15,145,377
Residence - Other Land and Buildings	79,548	67,048	79,548	67,048
Residence - Furniture and Fixtures	1,448	1,448	1,448	1,448
	<u>\$ 164,714,894</u>	<u>\$ 49,802,146</u>	<u>\$ 163,383,293</u>	<u>\$ 45,192,962</u>
Net Book Value	<u>\$ 114,912,748</u>		<u>\$ 118,190,331</u>	

During the year capital assets were acquired with an aggregate cost of \$1,331,600 (2019 - \$1,488,722) using operating cash flows.

Assets with a net book value of \$227,854 (2019 - \$192,338) are under construction and have not been amortized in the financial statements.

Sioux Lookout Meno Ya Win Health Centre
Notes to the Financial Statements

March 31, 2020

6. Accounts Payable and Accrued Liabilities	2020	2019
Accrued Salaries and Benefits	\$ 2,578,535	\$ 2,364,276
Trade Accounts Payable	2,232,559	2,706,828
Other Payables and Accruals	676,918	547,262
Ministry of Health and Long-Term Care	1,640,924	988,311
Payroll Remittances	439,836	435,722
	<u>\$ 7,568,772</u>	<u>\$ 7,042,399</u>

7. Deferred Revenue	2020	2019
Research and Operations	\$ 66,321	\$ 66,321
Received during the year	-	3,438
	<u>\$ 66,321</u>	<u>\$ 69,759</u>

8. Long-Term Debt	2020	2019
Loan, bearing interest fixed at 2.96% (2019 - 2.96%), repayable in blended monthly payments of \$18,532, maturing January 2026. Unsecured.	1,190,105	1,374,300
Loan, bearing interest fixed at 8%, repayable in blended monthly payments of \$5,069, maturing September 2024. Unsecured.	229,242	-
	<u>1,419,347</u>	<u>1,374,300</u>
Less: current portion	233,805	184,195
	<u>\$ 1,185,542</u>	<u>\$ 1,190,105</u>

Principal repayments on debt in each of the next five years, assuming long-term debt subject to refinancing is renewed at similar rates and terms, are estimated as follows:

2021	233,805
2022	243,157
2023	252,982
2024	263,313
2025	243,255
Thereafter	182,835
	<u>\$ 1,419,347</u>

Long-term debt is subject to certain covenants with respect to insuring against all risks relevant to its business operations for amounts of the loans and assign the policies to the bank and assign, hypothecate or otherwise ensure all amounts are payable to the bank.

Sioux Lookout Meno Ya Win Health Centre Notes to the Financial Statements

March 31, 2020

9. Post-Retirement Benefits Liability

The Health Centre provides extended health care, dental and life insurance to all full time employees who enroll in the benefit plans and extends this coverage to the post-retirement period. The Health Centre accrues its obligations under these plans as the benefits are earned. Similar to most post-employment benefit plans (other than pension) in Canada, the Health Centre's plan is not pre-funded, resulting in a plan deficit equal to the accrued benefit obligation.

	2020	2019
Accrued benefit obligation	\$ 2,174,800	\$ 2,115,600
Unamortized actuarial gain	389,400	264,900
	<u>2,564,200</u>	<u>2,380,500</u>
Less: current portion	114,600	123,100
Accrued employee future benefits obligation liability at March 31	<u>\$ 2,449,600</u>	<u>\$ 2,257,400</u>
	2020	2019
Current year benefit costs	\$ 255,800	\$ 223,600
Amortized actuarial gain	(24,100)	(13,300)
Interest on accrued benefit obligation	75,100	77,800
Reconciliation of plan funds (benefit payments)	(123,100)	(97,200)
	<u>\$ 183,700</u>	<u>\$ 190,900</u>
	2020	2019
Employee Future Benefit Costs from Operations	\$ 173,700	\$ 180,900
Employee Future Benefit Costs from Other Votes and Programs	10,000	10,000
	<u>\$ 183,700</u>	<u>\$ 190,900</u>

Retirement Benefits

Substantially all of the full-time employees and some of the part-time employees are members of Healthcare of Ontario Pension Plan. The plan is a multi-employer plan and therefore the Health Centre's contributions are accounted for as if the plan were a defined contribution plan with the Health Centre's contributions being expensed in the period they become due. Contributions made to the plan during the year by the Health Centre amounted to \$1,958,967 (2019 - \$1,858,382).

Post-Employment Benefits

The Health Centre extends post-employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The Health Centre 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, 2020 of the future benefits was determined using a discount rate of 3.75% (2019 - 3.25%).

b) Extended Health Care Trend Rates

Extended health care costs were assumed to increase at 7.0% per annum in 2020 and decrease by 0.25% per annum thereafter to an ultimate rate of 5.0%.

c) Dental Costs

Dental costs were assumed to be 4.0% per annum.

Sioux Lookout Meno Ya Win Health Centre
Notes to the Financial Statements

March 31, 2020

10. Unamortized Deferred Capital Financing

Deferred capital contributions represent the unamortized amount and unspent amount of donations and grants 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:

	2020	2019
Balance, beginning of year as stated	\$ 111,316,924	\$ 115,007,613
Contributions received during the year	676,967	65,892
Contributions received during the year - restricted for future capital asset purchases	(29,612)	(3,529)
Amortization of deferred provincial equipment and building grants	(3,803,737)	(3,753,052)
Balance, end of year	<u>\$ 108,160,542</u>	<u>\$ 111,316,924</u>

11. Deferred Contributions - Restricted for Future Capital Asset Purchases

	2020	2019
Health Canada - New Hospital	\$ 345,236	\$ 345,236
Employee 50/50 Draw	37,525	33,967
Health Canada - Telehealth Equipment	12,722	12,722
Northern Ontario School of Medicine - Equipment	149,390	149,390
Ministry of Health and Long-Term Care - Equipment	86,376	86,376
Vending Machine	18,307	-
Extended Care Unit - Activity Fund	2,747	-
Bursary Donation	5,000	-
	<u>\$ 657,303</u>	<u>\$ 627,691</u>

12. Investment in Capital Assets

(a) Investment in capital assets is calculated as follows:

	2020	2019
Capital assets	\$ 114,912,748	\$ 118,190,331
Amounts financed by Deferred Contributions	(108,160,542)	(111,316,924)
	<u>\$ 6,752,206</u>	<u>\$ 6,873,407</u>

(b) Changes in net assets invested in capital assets is calculated as follows:

	2020	2019
Excess (deficiency) of revenue over expenses:		
Amortization of capital grants	\$ 3,803,737	\$ 3,753,052
Amortization of capital assets	(4,609,183)	(4,479,312)
	<u>(805,446)</u>	<u>(726,260)</u>

Sioux Lookout Meno Ya Win Health Centre
Notes to the Financial Statements

March 31, 2020

12. Investment in Capital Assets (continued)

	2020	2019
Net changes in investment in capital assets:		
Purchase of capital assets	1,331,600	1,488,722
Contributions received during the year - restricted for future capital asset purchases	29,612	3,529
Loss on disposal of capital assets	-	(13,367)
Deferred capital financing received	(676,967)	(65,892)
	684,245	1,412,992
	\$ (121,201)	\$ 686,732

13. Pension Agreement

Healthcare of Ontario Pension Plan (the "Plan") provides pension service to more than 381,000 active and retired members and approximately 594 employers. Each year an independent actuary determines the funding status of the Plan 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 actuarial valuation as at December 31, 2019 disclosed an actuarial surplus of \$13,634 million. The results of this valuation disclosed total actuarial liabilities of \$73,547 million in respect of benefits accrued for service with actuarial assets at that date of \$87,181 million. Because the Plan is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario Hospitals and their employees. As a result, the Health Centre does not recognize any share of the Plan surplus or deficit. Contributions made by the Health Centre to the Plan during the year amounted to \$1,958,967 (2019 - \$1,858,382).

14. Contingent Liabilities and Commitments

The Health Centre 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. No reassessments have been made to March 31, 2020.

The Health Centre entered into a contract for a period of three years starting July 1, 2019 for dietary, laundry and housekeeping supply and management. The contract will expire June 30, 2022. The annual value of this contract cannot be determined at this time.

Sioux Lookout Meno Ya Win Health Centre Notes to the Financial Statements

March 31, 2020

15. Financial Instruments

The Health Centre, as part of its operations, carries a number of financial instruments. It is management's opinion that the Health Centre is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity Risk

Liquidity risk is the risk that the Health Centre will not be able to meet its financial obligations as they fall due. The Health Centre has a planning budgeting process in place to help determine the funds required to support the Health Centre's normal operating requirements on an ongoing basis. The Health Centre ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. To achieve this aim, it seeks to maintain cash balances to meet, at a minimum, expected requirements for a period of at least 90 days. All amounts in accounts payable are current.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Health Centre is exposed to interest rate risk on its long-term debt as they are fixed rates. The Health Centre's long-term debt have fixed interest rates between 2.96% and 8% (2019 - 2.96%).

Contractual maturities of long-term debt are disclosed in Note 8.

16. Economic Dependence

The Health Centre receives 85.8% (2019 - 83.1%) of its funding from the Ministry of Health and Long-Term Care and the Northwest Local Health Integration Network.

17. Uncertainty With Respect to COVID-19

COVID-19 has had a significant impact on the Canadian and global economies. As the impacts of COVID-19 continue, there could be further effects on the Health Centre, its funders and donors. Management is actively monitoring the effect on its financial condition and operations. As a result, management anticipates a temporary decline in donation revenues, including contributions from the Sioux Lookout Meno Ya Win Health Centre Foundation, which has had to postpone its fundraisers and other activities. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Health Centre is not able to fully estimate the effects of the pandemic on its results of operations or financial condition at this time.

Sioux Lookout Meno Ya Win Health Centre
Schedule 1 - Other Revenue
(Unaudited)

For the year ended March 31,	2020	2019
Service Recipient		
Ontario Health Insurance Plan	\$ 1,568,122	\$ 1,755,791
Chronic and Long-Term Care Co-Payments	643,245	553,471
Uninsured Residents of Ontario	(52,964)	222,458
Other Province Insurance	200,435	181,928
Other Service Recipient Revenue	94,940	95,742
Non-resident of Canada	52,539	52,153
Preferred Accommodation Charges	9,810	17,692
Ambulance Services	65,495	70,605
Workplace Safety and Insurance Board	22,631	17,327
Federal Government	1,849	973
	<u>2,606,102</u>	<u>2,968,140</u>
Other Revenue and Recoveries		
Other Revenue and Recoveries	1,261,339	1,030,634
Food Services	849,913	851,480
Interdepartmental Recoveries	349,415	354,893
Centre for Complex Diabetes Care	508,359	458,152
Office Rent	561,556	563,870
Pharmacy Services	80,372	99,383
Building and Grounds Services	96,875	99,607
Speech/Language Pathology Services	20,168	10,286
Accommodation Rent	32,192	13,563
Interest Income	32,474	27,744
Operational Grants and Donations	-	500
	<u>3,792,663</u>	<u>3,510,112</u>
Total Revenue	<u>\$ 6,398,765</u>	<u>\$ 6,478,252</u>

Sioux Lookout Meno Ya Win Health Centre
Schedule 2 - Other Votes and Programs
(Unaudited)

Community Mental Health and Addictions Programs										
	Substance Abuse	Problem Gambling	Community Mental Health	Supportive Housing	Administration	Rent Supplement	Community Health Promotion	Community Support Services	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue										
Ministry of Health and Long-Term Care	1,401,198	34,793	861,660	210,000	-	82,117	344,300	106,869	3,040,937	3,131,153
Ministry of Health and Long-Term Care Recoveries	-	(16,018)	(258,504)	-	-	-	-	(47,510)	(323,032)	(211,138)
Sessional Fee Funding	-	-	8,640	-	-	-	-	-	8,640	8,640
Other Revenue and Recoveries	-	-	78,089	-	36,504	-	-	-	115,603	15,587
Total Revenue	1,401,198	18,775	689,895	210,000	36,504	82,117.00	344,300	59,359	2,842,148	2,944,242
Expenses										
Salaries and Wages	852,527	14,092	361,101	-	241,355	-	-	24,788	1,493,843	1,757,045
Employee Benefits	176,298	4,683	94,164	-	55,137	-	-	6,118	336,400	401,750
Employee Future Benefits (Note 9)	-	-	-	-	10,000	-	-	-	10,000	10,000
Medical Fees	22,704	-	5,338	-	-	-	-	-	5,338	1,383
Supplies and Other Expenses	13,115	-	155	210,000	295,703	82,117	344,300	4,580	959,559	740,791
Medical and Surgical Supplies	-	-	-	-	-	-	-	23,893	37,008	33,273
Total Expenses	1,064,644	18,775	460,758	210,000	602,195	82,117.00	344,300	59,359	2,842,148	2,944,242
Net Revenue (Expense) Before Other Items	336,554	-	229,137	-	(565,691)	-	-	-	-	-
Allocated Administration	(336,554)	-	(229,137)	-	565,691	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-	-

Sioux Lookout Meno Ya Win Health Centre
Schedule 3 - Salaries, Wages and Purchased Services
(Unaudited)

For the year ended March 31,	2020	2019
Patient Care		
Ambulatory Care	\$ 2,289,335	\$ 2,066,261
Centre for Complex Diabetes Care	331,828	290,521
Community Health and Support Services	320,292	335,158
Diabetes Education	445,242	516,005
Diagnostics Imaging	1,533,268	1,473,159
Extended Care Unit	928,008	948,948
Inpatient Wards	5,295,633	5,170,186
Laboratory	1,627,572	1,493,991
Operating Room	962,202	872,124
Pharmacy	501,930	337,466
Therapeutic Services	1,019,839	969,694
Total Patient Care	15,255,149	14,473,513
Support Services		
Administration	2,815,126	2,425,375
Environmental Services	1,345,748	1,378,143
Food Services	816,376	819,606
Information System Support	416,612	401,977
In House Education	214,429	193,629
Marketed Services	214,908	216,119
Materials Management	393,960	329,595
Patient Information	1,058,792	1,033,811
Physical Plant	960,434	900,264
Total Support Services	8,236,385	7,698,519
Total Salaries, Wages and Purchased Services	\$ 23,491,534	\$ 22,172,032

Sioux Lookout Meno Ya Win Health Centre
Schedule 4 - Employee Benefits
(Unaudited)

For the year ended March 31,	2020	2019
Benefit and Vacation % in Lieu	\$ 342,898	\$ 323,408
Canada Pension Plan	903,873	834,446
Dental Insurance	120,794	134,595
Employer Health Tax	450,139	421,405
Employment Insurance	353,771	342,808
Extended Health Care Insurance	273,736	266,734
Group Life and Accidental Death & Dismemberment	95,705	83,281
Hospital Pension Plan	1,838,636	1,711,832
Long-Term Disability Insurance	319,172	301,227
Other	13,960	9,985
Semi-Private Insurance	13,002	15,833
Workplace Safety & Insurance Board	307,649	278,489
Total Employee Benefits	\$ 5,033,335	\$ 4,724,043

Sioux Lookout Meno Ya Win Health Centre
Schedule 5 - Medical Staff Remuneration

(Unaudited)

For the year ended March 31,	2020	2019
Centre for Complex Diabetes Care	\$ 10,000	\$ 10,000
Clinical Laboratory	13,768	18,414
Diagnostic Readings	988,979	1,110,098
Employee Health	72,000	72,000
Hospital On Call Coverage	675,565	672,187
Visiting Specialist	86,244	94,322
Total Medical Staff Remuneration	\$ 1,846,556	\$ 1,977,021

Sioux Lookout Meno Ya Win Health Centre
Schedule 6 - Supplies and Other Expenses
(Unaudited)

For the year ended March 31,	2020	2019
Patient Care		
Ambulatory Care	\$ 68,649	\$ 64,928
Centre for Complex Diabetes Care	60,962	58,211
Community Health and Support Services	24,595	4,138
Diabetes Education	131,656	207,233
Diagnostics Imaging	359,804	360,908
Extended Care Unit	95,479	91,893
Inpatient Wards	399,000	422,205
Laboratory	1,132,481	1,101,655
Operating Room	49,258	57,658
Pharmacy	232,185	273,875
Therapeutic Services	54,892	37,810
Total Patient Care	2,608,961	2,680,514
Support Services		
Administration	1,237,608	1,302,978
e-ICU Project	260,075	-
Environmental Services	339,972	325,486
Food Services	428,158	435,542
Information System Support	1,575,853	1,230,662
In House Education	121,097	118,378
Marketed Services	753,181	699,858
Materials Management	70,175	56,513
Patient Information	132,117	152,999
Physical Plant	1,826,943	2,290,775
Total Support Services	6,745,179	6,613,191
Total Supplies and Other Expenses	\$ 9,354,140	\$ 9,293,705

Sioux Lookout Meno Ya Win Health Centre
Schedule 7 - Diabetes Education Program

(Unaudited)

For the year ended March 31,	2020	2019
Revenue		
Ministry of Health and Long-Term Care Base Allocation	\$ 878,166	\$ 878,166
Operating Expenses		
Salaries and Wages	445,242	516,005
Employee Benefits	98,738	109,206
Supplies and Other Expenses	140,364	122,926
Total Operating Expenses	684,344	748,137
Net Revenue Before Amount Repayable	\$ 193,822	\$ 130,029
Amount Repayable	(193,822)	(130,029)
Net Expense	\$ -	\$ -

Sioux Lookout Meno Ya Win Health Centre
Schedule 8 - Health Canada Programs
(Unaudited)

	Radiology	Admitting	Non-Invasive Cardiology	Discharge Planner	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue						
Health Canada	198,831	107,097	225,787	43,221	574,936	343,872
Ontario Health Insurance Plan MOH/LHIN	20,364	-	-	-	20,364	51,478
	-	-	-	39,292	39,292	-
Total Revenue	219,195	107,097	225,787	82,513	634,592	395,350
Expenses						
Salaries and Benefits	177,896	73,256	164,501	90,554	506,207	157,576
Administration Fee	19,659	9,753	19,668	-	49,080	34,484
Medical Fees	16,028	-	18,944	-	34,972	49,241
Supplies and Other Expenses	2,664	24,271	12,491	-	39,426	66,098
Equipment	-	-	740	-	740	71,925
Total Expenses	216,247	107,280	216,344	90,554	630,425	379,324
Net Revenue (Expense)	2,948	(183)	9,443	(8,041)	4,167	16,026