

Sioux Lookout Meno Ya Win Health Centre
Financial Statements
March 31, 2021

Sioux Lookout Meno Ya Win Health Centre

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For the year ended March 31, 2021

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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.

September 23, 2021



Chief Executive Officer



Executive Vice President / Chief Operating Officer

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, 2021, 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, 2021, 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.

Other Matter

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

September 23, 2021

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP

Sioux Lookout Meno Ya Win Health Centre
Statement of Financial Position

As at March 31,	2021	2020
Current Assets		
Cash (Note 2)	\$ 3,298,899	\$ 3,395,211
Accounts Receivable (Note 3)	4,720,688	3,063,123
Inventory (Note 4)	435,986	312,965
Prepaid Expenses	819,413	668,693
Total Current Assets	9,274,966	7,439,992
Non-Current Assets		
Capital Assets (Note 5)	111,404,238	114,912,748
Total Assets	\$ 120,679,204	\$ 122,352,740
Trust Fund		
Short-Term Investments	\$ 3,775	\$ 5,775
Current Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	\$ 8,749,574	\$ 7,568,772
Deferred Revenue (Note 7)	66,321	66,321
Current Portion of Long-Term Debt (Note 8)	447,561	233,805
Current Portion of Post-Retirement Benefits Liability (Note 9)	137,700	114,600
Total Current Liabilities	9,401,156	7,983,498
Long-Term Liabilities		
Long-Term Debt (Note 8)	942,385	1,185,542
Post-Retirement Benefits Liability (Note 9)	2,609,200	2,449,600
Unamortized Deferred Capital Financing (Note 10)	104,373,443	108,160,542
Deferred Contributions-Restricted for Future Capital Asset Purchases (Note 11)	738,822	657,303
Total Long-Term Liabilities	108,663,850	112,452,987
Contingent Liabilities and Commitments (Note 14)		
Net Assets		
Unrestricted	(4,416,597)	(4,835,951)
Investment in Capital Assets (Note 12)	7,030,795	6,752,206
Closing Net Assets Balance	2,614,198	1,916,255
Total Liabilities and Net Assets Balance	\$ 120,679,204	\$ 122,352,740
Trust Fund		
Fund Balance - Dr. Hugh W. Allen Scholarship	\$ 3,775	\$ 5,775

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,	2021	2020
Revenue		
Ministry of Health Base Allocation	\$ 36,527,002	\$ 35,846,802
Ministry of Health One-Time Payments	388,051	572,529
Ministry of Health Pandemic Funding (Note 18)	3,262,906	-
Ministry of Health Recoveries	(623,823)	(330,522)
Paymaster	203,285	50,000
Hospital On-Call Coverage	699,511	675,565
Visiting Specialist	88,510	88,510
Cancer Care Ontario Funding	73,355	69,142
Health Canada	583,095	562,546
Other Revenue (Schedule 1)	6,225,821	6,398,765
Amortization of Donations and Grants for Equipment	240,027	285,983
Total Revenue	47,667,740	44,219,320
Expenses		
Salaries, Wages and Purchased Services (Schedule 3)	26,629,741	23,491,534
Employee Benefits (Schedule 4)	5,249,194	5,033,335
Employee Future Benefits (Note 9)	172,700	173,700
Medical Staff Remuneration (Schedule 5)	1,781,592	1,846,556
Supplies and Other Expenses (Schedule 6)	10,255,523	9,354,140
Medical and Surgical Supplies	1,303,777	1,339,395
Drugs and Medical Gases	925,184	899,735
Equipment Amortization	767,797	836,353
Software Amortization	77,878	38,054
Bad Debts	285,839	351,724
Total Expenses	47,449,225	43,364,526
Excess of Revenue Over Expenses from Hospital Operations	218,515	854,794
Other Items		
Amortization of Deferred Contributions Related to Buildings	3,787,625	3,517,754
Amortization of Buildings	(3,747,582)	(3,734,776)
Ministry of Health Working Capital Funding (Note 17)	489,100	-
Interest on Long-Term Liabilities	(49,715)	(47,850)
	479,428	(264,872)
Other Votes and Programs - Revenues (Schedule 2)	3,155,250	3,165,180
Other Votes and Programs - Expenses (Schedule 2)	(2,672,686)	(2,842,148)
Other Votes and Programs - Provisions for Recovery (Schedule 2)	(482,564)	(323,032)
	-	-
Excess of Revenue Over Expenses for the Year	\$ 697,943	\$ 589,922

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, 2021

	Invested in Capital Assets	Unrestricted	2021 Total
Balance, beginning of year	\$ 6,752,206	\$ (4,835,951)	\$ 1,916,255
Excess (deficiency) of revenue over expenses for the year (Note 12)	(565,604)	1,263,547	697,943
Net change in investment in capital assets (Note 12)	844,193	(844,193)	-
Balance, end of year	<u>\$ 7,030,795</u>	<u>\$ (4,416,597)</u>	<u>\$ 2,614,198</u>

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>

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,	2021	2020
Revenue	\$ -	\$ -
Expenses	2,000	3,000
Deficiency of Revenue Over Expenses	(2,000)	(3,000)
Fund Balance, Beginning of Year	5,775	8,775
Fund Balance, End of Year	\$ 3,775	\$ 5,775

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

Sioux Lookout Meno Ya Win Health Centre Statement of Cash Flows

March 31,	2021	2020
Cash Provided By (Used In) Operating Activities		
Excess of revenue over expenses for the year	\$ 697,943	\$ 589,922
Items not involving cash		
Amortization of capital assets (Note 12)	4,593,257	4,609,183
Amortization of deferred provincial equipment and building grants (Note 10)	(4,027,653)	(3,803,737)
	<u>1,263,547</u>	<u>1,395,368</u>
Changes in Non-Cash Working Capital Balances		
Accounts Receivable	(1,657,545)	(138,840)
Inventory	(123,021)	(88,801)
Prepaid Expenses	(150,720)	(113,072)
Accounts Payable and Accrued Liabilities	1,180,802	526,373
Deferred Revenue	-	(3,438)
Post-Retirement Benefits	182,700	183,700
	<u>(567,784)</u>	<u>365,922</u>
	<u>695,763</u>	<u>1,761,290</u>
Financing Activities		
Advances of long-term debt	204,405	250,000
Repayment of long-term debt	(233,806)	(204,953)
	<u>(29,401)</u>	<u>45,047</u>
Capital Activities		
Purchase of capital assets (Note 12)	(1,084,747)	(1,331,600)
Capital grants and fund raising receipts (Note 12)	322,073	676,967
	<u>(762,674)</u>	<u>(654,633)</u>
Increase (Decrease) in cash during the year	(96,312)	1,151,704
Cash, beginning of year	3,395,211	2,243,507
Cash, end of year	\$ 3,298,899	\$ 3,395,211
Supplementary cash flow information		
Interest paid	\$ 49,715	\$ 47,850
Interest income	\$ 13,554	\$ 32,473

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, 2021

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 Health Centre.

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:

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

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 of Health. Adjustment settlements by the Ministry of Health are recorded when settled.

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.

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 ("MOH"), and the Local Health Integration Network ("LHIN"). The Health Centre has entered into a Hospital Service Accountability Agreement (the "H-SAA") for fiscal 2021 with the MOH 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 MOH/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, 2021

1. Significant Accounting Policies (continued)

Revenue Recognition (continued)

If the Health Centre does not meet its performance standards or obligations, the MOH/LHIN has the right to adjust funding received by the Health Centre. The MOH/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 MOH/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, 2021

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 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

Long-lived Assets and Discontinued Operations

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies. When the Health Centre determines that a long-lived asset no longer has any long-term service potential to the Health Centre, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Deferred Revenue

Deferred revenue is received from contributors who have restricted use of the funds for specific purposes. Recognition of these amounts as revenue is deferred to periods when the specific expenditures are made.

Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase the Health Centre's capital assets. Recognition of these amounts as revenue is deferred to periods when the capital assets are amortized.

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.

Sioux Lookout Meno Ya Win Health Centre

Notes to the Financial Statements

March 31, 2021

1. Significant Accounting Policies (continued)

Post- Retirement Benefits (continued)

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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

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.

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

March 31, 2021

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 MasterCards repayable on demand and in accordance with standard terms and conditions. As at March 31, 2021 prime less 0.5% is 1.95% (2020 - 2.95%). As at March 31, 2021, there were unused credit facilities of \$4,000,000 (2020 - \$4,000,000).

3. Accounts Receivable

	2021	2020
Other	\$ 2,028,880	\$ 1,748,223
Insurers and Patients	1,594,076	1,687,320
Ministry of Health	1,989,659	450,000
Due from Trust Fund	14,000	12,000
Allowance for Doubtful Accounts	(905,947)	(834,420)
	<u>\$ 4,720,668</u>	<u>\$ 3,063,123</u>

4. Inventory

	2021	2020
Opening Balance	\$ 312,965	\$ 224,164
Purchases	2,000,038	2,060,767
Expensed	(1,877,017)	(1,971,966)
Ending Balance	<u>\$ 435,986</u>	<u>\$ 312,965</u>

5. Capital Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 363,026	\$ -	\$ 363,026	\$ -
Land Improvements	516,459	158,662	516,459	107,638
Building and Building Service Equipment	144,920,611	37,302,785	144,601,936	33,606,227
Major Equipment	19,918,549	16,865,460	19,152,477	16,019,785
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>\$ 165,799,641</u>	<u>\$ 54,395,403</u>	<u>\$ 164,714,894</u>	<u>\$ 49,802,146</u>
Net Book Value		<u>\$ 111,404,238</u>		<u>\$ 114,912,748</u>

Assets with a net book value of \$438,576 (2020 - \$227,854) 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, 2021

6. Accounts Payable and Accrued Liabilities	2021	2020
Accrued Salaries and Benefits	\$ 3,117,709	\$ 2,578,535
Trade Accounts Payable	1,809,196	2,232,559
Other Payables and Accruals	550,834	676,918
Ministry of Health	2,753,177	1,640,924
Payroll Remittances	518,658	439,836
	<u>\$ 8,749,574</u>	<u>\$ 7,568,772</u>

7. Deferred Revenue	2021	2020
Research and Operations	\$ 66,321	\$ 66,321

8. Long-Term Debt	2021	2020
Loan, bearing interest fixed at 2.96% (2020 - 2.96%), repayable in blended monthly payments of \$18,532, maturing January 29, 2026. Unsecured.	\$ 1,000,382	\$ 1,190,105
Loan, bearing interest fixed at 8.0% (2020 - 8.0%), repayable in blended monthly payments of \$5,069, maturing August 31, 2024. Unsecured.	185,159	229,242
Demand loan, approved up to \$2.5 million, bearing interest at prime (2.45%), repayable in interest only payments until November 2021, at which time the interest only period will be extended through construction, or a long-term financing agreement will be established upon construction completion.	204,405	-
	<u>1,389,946</u>	<u>1,419,347</u>
Less: current portion	<u>(447,561)</u>	<u>(233,805)</u>
	<u>\$ 942,385</u>	<u>\$ 1,185,542</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:

2022	\$ 447,561
2023	252,983
2024	263,313
2025	243,255
2026	182,834
	<u>\$ 1,389,946</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, 2021

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.

	2021	2020
Accrued benefit obligation	\$ 2,555,000	\$ 2,174,800
Unamortized actuarial gain	191,900	389,400
	<u>2,746,900</u>	<u>2,564,200</u>
Less: current portion	137,700	114,600
Accrued employee future benefits obligation liability at March 31	<u>\$ 2,609,200</u>	<u>\$ 2,449,600</u>

	2021	2020
Current year benefit costs	\$ 244,400	\$ 255,800
Amortized actuarial gain	(35,700)	(24,100)
Interest on accrued benefit obligation	88,600	75,100
Reconciliation of plan funds (benefit payments)	(114,600)	(123,100)
	<u>\$ 182,700</u>	<u>\$ 183,700</u>

	2021	2020
Employee Future Benefit Costs from Operations	\$ 172,700	\$ 173,700
Employee Future Benefit Costs from Other Votes and Programs	10,000	10,000
	<u>\$ 182,700</u>	<u>\$ 183,700</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 \$1,965,840 (2020 - \$1,958,967).

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, 2021 of the future benefits was determined using a discount rate of 3.25% (2020 - 3.75%).

b) Extended Health Care Trend Rates

Extended health care costs were assumed to increase at 7.0% per annum in 2021 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, 2021

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:

	2021	2020
Balance, beginning of year as stated	\$ 108,160,542	\$ 111,316,924
Contributions received during the year	322,073	676,967
Contributions received during the year - restricted for future capital asset purchases	(81,519)	(29,612)
Amortization	(4,027,653)	(3,803,737)
Balance, end of year	<u>\$ 104,373,443</u>	<u>\$ 108,160,542</u>

11. Deferred Contributions - Restricted for Future Capital Asset Purchases

	2021	2020
Health Canada - New Hospital	\$ 345,236	\$ 345,236
Employee 50/50 Draw	41,214	37,525
Health Canada - Telehealth Equipment	12,722	12,722
Northern Ontario School of Medicine - Equipment	149,390	149,390
Ministry of Health - Equipment	86,376	86,376
Vending Machine	11,637	18,307
Extended Care Unit - Activity Fund	2,747	2,747
Bursary Donation	5,000	5,000
COVID-19 Capital Funding	84,500	-
	<u>\$ 738,822</u>	<u>\$ 657,303</u>

12. Investment in Capital Assets

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

	2021	2020
Capital assets	\$ 111,404,238	\$ 114,912,748
Amounts financed by Deferred Contributions	(104,373,443)	(108,160,542)
	<u>\$ 7,030,795</u>	<u>\$ 6,752,206</u>

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

	2021	2020
Excess (deficiency) of revenue over expenses:		
Amortization of capital grants	\$ 4,027,653	\$ 3,803,737
Amortization of capital assets	(4,593,257)	(4,609,183)
	<u>(565,604)</u>	<u>(805,446)</u>

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

March 31, 2021

12. Investment in Capital Assets (continued)

	2021	2020
Net changes in investment in capital assets:		
Purchase of capital assets	1,084,747	1,331,600
Contributions received during the year - restricted for future capital asset purchases	81,519	29,612
Deferred capital financing received	(322,073)	(676,967)
	844,193	684,245
	\$ 278,589	\$ (121,201)

13. Pension Agreement

Healthcare of Ontario Pension Plan (the "Plan") provides pension service to more than 398,000 active and retired members and approximately 610 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, 2020 disclosed an actuarial surplus of \$15,345 million. The results of this valuation disclosed total actuarial liabilities of \$79,852 million in respect of benefits accrued for service with actuarial assets at that date of \$95,197 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 to the plan during the year by the Health Centre amounted to \$1,965,840 (2020 - \$1,958,967).

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, 2021.

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.

The Health Centre entered into a contract for the construction of two four-plex housing units. As of March 31, 2021, the project had not yet begun construction. The projected costs are estimated at \$1.215 million plus HST and will be financed through commercial debt.

15. Economic Dependence

The Health Centre receives 87.2% (2020 - 85.8%) of its funding from the Ministry of Health and the Northwest Local Health Integration Network.

Sioux Lookout Meno Ya Win Health Centre

Notes to the Financial Statements

March 31, 2021

16. 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 of 2.95% and 8% (2020 - 2.96% and 8%).

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

17. Ministry of Health Working Capital Funding

In March 2021, the Health Centre was advised that it was eligible for one-time funding to address its working capital deficit. The Health Centre is eligible to receive this funding based on defined eligibility criteria with the stipulation that the funding will only be used to reduce the Health Centre's working capital deficit and is not to be used for operating purposes.

As at the date of approval of these financial statements, the MOH has provided a preliminary estimate of working capital funding and has indicated that the final amount of funding is subject to further analysis and validation by the MOH. Any future adjustments to working capital funding will be reflected in the Health Centre's financial statements in the year of settlement.

18. Ministry of Health Pandemic Funding

In connection with the ongoing coronavirus pandemic (COVID-19), the MOH has announced 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 is also permitting hospitals to redirect unused funding from certain programs towards COVID-19 costs, revenue losses and other budgetary pressures through a broad-based funding reconciliation.

While the MOH has provided guidance with respect to the maximum amount of funding potentially available to the Health Centre, as well as criteria for eligibility and revenue recognition, this guidance continues to evolve and is subject to revision and clarification subsequent to the time of approval of these financial statements. The MOH has also indicated that all funding related to COVID-19 is subject to review and reconciliation, with the potential for adjustments during the subsequent fiscal year.

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

March 31, 2021

18. Ministry of Health Pandemic Funding (continued)

Management's estimate of MOH revenue for COVID-19 is based on the most recent guidance provided by MOH and the impacts of COVID-19 on the Health Centre's operations, revenues and expenses. As a result of Management's estimation process, the Health Centre has determined a range of reasonably possible amounts that are considered by Management to be realistic, supportable and consistent with the guidance provided by the MOH. However, given the potential for future changes to funding programs that could be announced by the MOH, the Health Centre has recognized revenue related to COVID-19 based on the lower end of the range. Any adjustments to Management's estimate of MOH revenues will be reflected in the Health Centre's financial statements in the year of settlement.

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

	2021
Funding for incremental COVID-19 operating expenses	\$ 1,483,700
COVID-19 assessment centre funding	197,638
Funding for revenue losses resulting from COVID-19	511,168
Pandemic pay funding	919,235
Other pandemic funding	151,165
	<u>\$ 3,262,906</u>

Details of MOH funding for COVID-19 recognized as revenue with Other Votes and Programs in the current year are summarized below:

Community Mental Health and Additions	<u>\$ 4,388</u>
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Details of MOH funding for COVID-19 included in deferred contributions in the current year are summarized below:

COVID-19 one-time renovations	<u>\$ 97,400</u>
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19. COVID-19 Impacts

In response to COVID-19 and consistent with guidance provided by the MOH and other government agencies, the Health Centre has implemented a number of measures to protect patients and staff from COVID-19. In addition, the Health Centre has actively contributed towards the care of COVID-19 patients and the delivery of programs that protect public health.

The Health Centre continues to respond to the pandemic and plans for continued operational and financial impacts during the 2022 fiscal year and beyond. Management has assessed the impact of COVID-19 and believes there are no significant financial issues that compromise its ongoing operations. The outcome and timeframe to a recovery from the current pandemic is highly unpredictable, thus it is not practicable to estimate and disclose its effect on future operations at this time.

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

For the year ended March 31,	2021	2020
Service Recipient		
Ontario Health Insurance Plan	\$ 1,377,601	\$ 1,568,122
Chronic and Long-Term Care Co-Payments	617,176	643,245
Uninsured Residents of Ontario	183,189	(52,964)
Other Province Insurance	236,257	200,435
Other Service Recipient Revenue	77,803	94,940
Non-resident of Canada	1,959	52,539
Preferred Accommodation Charges	39,008	9,810
Ambulance Services	53,235	65,495
Workplace Safety and Insurance Board	23,239	22,631
Federal Government	3,231	1,849
	<u>2,612,698</u>	<u>2,606,102</u>
Other Revenue and Recoveries		
Other Revenue and Recoveries	1,012,358	1,261,339
Food Services	607,622	849,913
Interdepartmental Recoveries	542,310	349,415
Centre for Complex Diabetes Care	548,375	508,359
Office Rent	583,989	561,556
Pharmacy Services	77,951	80,372
Building and Grounds Services	143,704	96,875
Speech/Language Pathology Services	15,614	20,168
Accommodation Rent	67,646	32,192
Interest Income	13,554	32,474
	<u>3,613,123</u>	<u>3,792,663</u>
Total Revenue	<u>\$ 6,225,821</u>	<u>\$ 6,398,765</u>

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

	Community Mental Health and Addictions Programs							For the year ended March 31, 2020		
	Substance Abuse	Problem Gambling	Community Mental Health	Supportive Housing	Administration	Rent Supplement	Community Health Promotion		Community Support Services	For the year ended March 31, 2021
Revenue										
Ministry of Health	\$ 1,396,698	\$ 84,793	\$ 925,300	\$ 210,000	\$ -	\$ 82,117	\$ 344,300	\$ 100,000	\$ 3,143,208	\$ 3,040,937
Ministry of Health One-Time Funding (Note 18)	-	-	4,388	-	-	-	-	-	4,388	-
Sessional Fee Funding	-	-	-	-	-	-	-	-	-	8,640
Other Revenue and Recoveries	-	-	-	-	7,654	-	-	-	-	115,603
Total Revenue	1,396,698	84,793	929,688	210,000	7,654	82,117	344,300	100,000	3,155,250	3,165,180
Expenses										
Salaries and Wages	887,899	-	286,853	-	181,317	-	-	66,772	1,424,641	1,493,843
Employee Benefits	168,539	-	66,285	-	46,734	-	-	14,594	296,152	336,400
Employee Future Benefits (Note 9)	-	-	-	-	10,000	-	-	-	10,000	10,000
Medical Fees	-	-	-	-	-	-	-	-	-	5,338
Supplies and Other Expenses	28,696	-	2	210,000	257,711	78,016	344,300	5,779	924,504	959,559
Medical and Surgical Supplies	11,132	-	-	-	-	-	-	6,257	17,369	37,008
Total Expenses	1,096,266	-	352,940	210,000	495,762	78,016	344,300	95,402	2,672,686	2,842,148
Net Revenue (Expense) Before Other Items	300,432	84,793	576,748	-	(488,108)	4,101	-	4,598	482,564	323,032
Allocated Administration	(183,043)	-	(325,065)	-	488,108	-	-	-	-	-
Net Revenue Before Recoveries	137,389	84,793	251,683	-	-	4,101	-	4,598	482,564	323,032
Ministry of Health Recoveries	(137,389)	(84,793)	(251,683)	-	-	(4,101)	-	(4,598)	(482,564)	(323,032)
Net Revenue after Recoveries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

For the year ended March 31,	2021	2020
Patient Care		
Ambulatory Care	\$ 2,573,239	\$ 2,289,335
Centre for Complex Diabetes Care	382,185	331,828
Community Health and Support Services	497,035	320,292
Diabetes Education	368,442	445,242
Diagnostics Imaging	1,596,478	1,533,268
Extended Care Unit	1,382,261	928,008
Inpatient Wards	6,466,616	5,295,633
Laboratory	1,507,510	1,627,572
Operating Room	929,416	962,202
Pharmacy	604,589	501,930
Therapeutic Services	1,462,530	1,019,839
Total Patient Care	17,770,301	15,255,149
Support Services		
Administration	3,060,248	2,815,126
Environmental Services	1,495,650	1,345,748
Food Services	871,785	816,376
Information System Support	428,792	416,612
In House Education	203,273	214,429
Marketed Services	223,627	214,908
Materials Management	387,542	393,960
Patient Information	1,201,717	1,058,792
Physical Plant	986,806	960,434
Total Support Services	8,859,440	8,236,385
Total Salaries, Wages and Purchased Services	\$ 26,629,741	\$ 23,491,534

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

For the year ended March 31,	2021	2020
Benefit and Vacation % in Lieu	\$ 369,963	\$ 342,898
Canada Pension Plan	983,869	903,873
Dental Insurance	100,861	120,794
Employer Health Tax	487,702	450,139
Employment Insurance	364,597	353,771
Extended Health Care Insurance	285,433	273,736
Group Life and Accidental Death & Dismemberment	100,312	95,705
Hospital Pension Plan	1,854,366	1,838,636
Long-Term Disability Insurance	303,543	319,172
Other	53,960	13,960
Semi-Private Insurance	7,135	13,002
Workplace Safety & Insurance Board	337,453	307,649
Total Employee Benefits	\$ 5,249,194	\$ 5,033,335

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

(Unaudited)

For the year ended March 31,	2021	2020
Centre for Complex Diabetes Care	\$ 10,000	\$ 10,000
Clinical Laboratory	18,442	13,768
Temporary Physician Compensation	52,113	-
Diagnostic Readings	921,672	988,979
Employee Health	72,000	72,000
Hospital On Call Coverage	699,511	675,565
Visiting Specialist	7,854	86,244
Total Medical Staff Remuneration	\$ 1,781,592	\$ 1,846,556

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

For the year ended March 31,	2021	2020
Patient Care		
Ambulatory Care	\$ 141,327	\$ 68,649
Centre for Complex Diabetes Care	56,018	60,962
Community Health and Support Services	224,157	24,595
Diabetes Education	125,441	131,656
Diagnostics Imaging	459,551	359,804
Extended Care Unit	120,136	95,479
Inpatient Wards	385,706	399,000
Laboratory	1,104,493	1,132,481
Operating Room	58,485	49,258
Pharmacy	231,232	232,185
Therapeutic Services	35,330	54,892
Visiting Specialist	8,600	-
Total Patient Care	2,950,476	2,608,961
Support Services		
Administration	1,088,118	1,237,608
Small Hospital Transformation Fund	714,775	260,075
Environmental Services	349,856	339,972
Food Services	433,697	428,158
Information System Support	1,441,704	1,575,853
In House Education	124,957	121,097
Marketed Services	668,643	753,181
Materials Management	55,782	70,175
Patient Information	121,439	132,117
Physical Plant	2,306,076	1,826,943
Total Support Services	7,305,047	6,745,179
Total Supplies and Other Expenses	\$ 10,255,523	\$ 9,354,140

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

For the year ended March 31,	2021	2020
Revenue		
Ministry of Health	\$ 878,166	\$ 878,166
Other Revenue and Recoveries	2,513	
Total Revenue	880,679	878,166
Operating Expenses		
Salaries and Wages	368,442	445,242
Employee Benefits	74,750	98,738
Supplies and Other Expenses	128,972	140,364
Total Operating Expenses	572,164	684,344
Net Revenue Before Recoveries	308,515	193,822
Ministry of Health Recoveries	(308,515)	(193,822)
Net Revenue after Recoveries	\$ -	\$ -

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, 2021	For the year ended March 31, 2020
Revenue						
Health Canada	\$ 198,831	\$ 107,097	\$ 181,963	\$ 115,313	\$ 603,204	\$ 574,936
Ontario Health Insurance Plan	-	-	-	-	-	20,364
MOH/LHIN	-	-	-	-	-	39,292
Total Current Assets	198,831	107,097	181,963	115,313	603,204	634,592
Expenses						
Salaries and Benefits	180,175	72,087	167,210	96,739	516,211	506,207
Administration Fee	20,037	9,596	18,968	-	48,601	49,080
Medical Fees	17,992	-	22,132	-	40,124	34,972
Supplies and Other Expenses	1,769	23,878	340	-	25,987	39,426
Equipment	436	-	-	-	436	740
Total Expenses	220,409	105,561	208,650	96,739	631,359	630,425
Net Revenue (Expenses)	\$ (21,578)	\$ 1,536	\$ (26,687)	\$ 18,574	\$ (28,155)	\$ 4,167