

**Sioux Lookout Meno Ya Win Health Centre
Financial Statements**

March 31, 2022

Sioux Lookout Meno Ya Win Health Centre

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For the year ended March 31, 2022

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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.

June 14, 2022



Chief Executive Officer



Chief Financial Officer

To the Resource Utilization Committee and Board of Directors 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, 2022, and the statements of operations, changes in net assets, operations and changes in fund balance, 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, 2022, 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

June 14, 2022

MNP LLP

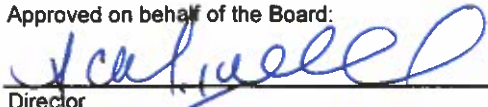
Chartered Professional Accountants

Licensed Public Accountants

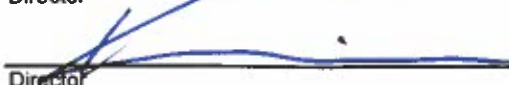
Sioux Lookout Meno Ya Win Health Centre
Statement of Financial Position

As at March 31,	2022	2021
Current Assets		
Cash (Note 2)	\$ 9,712	\$ 3,298,899
Accounts Receivable (Note 3)	8,349,825	4,720,668
Inventory (Note 4)	414,349	435,986
Prepaid Expenses	825,997	819,413
Total Current Assets	9,599,883	9,274,966
Non-Current Assets		
Capital Assets (Note 5)	109,392,616	111,404,238
Total Assets	\$ 118,992,499	\$ 120,679,204
Trust Fund		
Short-Term Investments	\$ 3,775	\$ 3,775
Current Liabilities		
Bank Indebtedness (Note 2)	\$ 822,771	\$ -
Accounts Payable and Accrued Liabilities (Note 6)	7,930,368	8,749,574
Deferred Revenue (Note 7)	106,630	66,321
Current Portion of Long-Term Debt (Note 8)	238,613	447,561
Current Portion of Post-Retirement Benefits Liability (Note 9)	101,600	137,700
Total Current Liabilities	9,199,982	9,401,156
Long-Term Liabilities		
Long-Term Debt (Note 8)	1,602,576	942,385
Post-Retirement Benefits Liability (Note 9)	2,958,300	2,609,200
Unamortized Deferred Capital Financing (Note 10)	101,692,711	104,373,443
Deferred Contributions - Restricted for Future Capital Asset Purchases (Note 11)	844,427	738,822
Total Long-Term Liabilities	107,098,014	108,663,850
Contingent Liabilities and Commitments (Note 14)		
Net Assets		
Unrestricted	(5,005,402)	(4,416,597)
Investment in Capital Assets (Note 12)	7,699,905	7,030,795
Closing Net Assets Balance	2,694,503	2,614,198
Total Liabilities and Net Assets Balance	\$ 118,992,499	\$ 120,679,204
Trust Fund		
Fund Balance - Dr. Hugh W. Allen Scholarship	\$ 3,775	\$ 3,775

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,	2022	2021
Revenue		
Ontario Health Base Allocation	\$ 37,220,002	\$ 36,487,002
Ontario Health One Time Payments	2,182,941	388,051
Ontario Health Pandemic Funding (Note 17)	5,958,522	3,752,006
Ministry of Health One Time Payments	87,757	-
Ontario Health / Ministry of Health Recoveries	(485,872)	(623,823)
Other Revenue from Ministry of Health	834,713	828,021
Paymaster	358,089	203,285
Cancer Care Ontario Funding	100,356	73,355
Recoveries and Miscellaneous Revenue (Schedule 1)	4,606,036	4,199,450
Amortization of Donations and Grants for Equipment	303,979	240,027
OHIP Revenue and Patient Revenue from Other Payors	1,713,519	1,377,601
Differential & Copayment Revenue (Schedule 1)	999,957	1,231,865
Total Revenue	53,879,999	48,156,840
Expenses		
Salaries, Wages and Purchased Services (Schedule 3)	30,094,451	26,629,741
Employee Benefits (Schedule 4)	5,469,523	5,249,194
Employee Future Benefits (Note 9)	303,000	172,700
Medical Staff Remuneration (Schedule 5)	1,898,249	1,781,592
Supplies and Other Expenses (Schedule 6)	11,539,699	10,165,491
Medical and Surgical Supplies	1,543,263	1,303,777
Drugs and Medical Gases	1,120,411	904,206
Short Term Interest	20,410	-
Equipment Amortization	855,835	767,797
Software Amortization	80,213	77,878
Rental/Lease of Equipment	65,188	111,010
Bad Debts	567,083	285,839
Total Expenses	53,557,325	47,449,225
Excess of Revenue Over Expenses from Hospital Operations	322,674	707,615
Other Items		
Amortization of Deferred Contributions Related to Buildings	3,548,843	3,787,625
Amortization of Buildings	(3,752,164)	(3,747,582)
Interest on Long-Term Liabilities	(37,390)	(49,715)
Loss on Disposal of Capital Assets	(1,572)	-
	(242,283)	(9,672)
Other Votes and Programs - Revenues (Schedule 2)	2,810,119	3,155,250
Other Votes and Programs - Expenses (Schedule 2)	(2,707,235)	(2,672,686)
Other Votes and Programs - Provisions for Recovery (Schedule 2)	(102,970)	(482,564)
	(86)	-
Excess of Revenue over Expenses for the Year	\$ 80,305	\$ 697,943

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

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

For the year ended March 31, 2022

	Invested in Capital Assets	Unrestricted	2022 Total
Balance, beginning of year	7,030,795	(4,416,597)	2,614,198
Excess (deficiency) of revenue over expenses for the year (Note 12)	(1,056,149)	1,136,454	80,305
Net change in investment in capital assets (Note 12)	1,725,259	(1,725,259)	-
Balance, end of year	<u>7,699,905</u>	<u>(5,005,402)</u>	<u>2,694,503</u>

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>

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

March 31,	2022	2021
Revenue	\$ -	\$ -
Expenses	-	2,000
Excess (Deficiency) of Revenue Over Expenses	-	(2,000)
Fund Balance, Beginning of Year	3,775	5,775
Fund Balance, End of Year	\$ 3,775	\$ 3,775

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

Sioux Lookout Meno Ya Win Health Centre Statement of Cash Flows

March 31,	2022	2021
Cash Provided By (Used In) Operating Activities		
Excess of revenue over expenses for the year	\$ 80,305	\$ 697,943
Items not involving cash		
Amortization of capital assets (Note 12)	4,688,212	4,593,257
Amortization of deferred provincial equipment and building grants (Note 10)	(3,633,635)	(4,027,653)
Loss on disposal of capital assets (Note 12)	1,572	-
	<u>1,136,454</u>	<u>1,263,547</u>
Changes in Non-Cash Working Capital Balances		
Accounts Receivable	(3,629,157)	(1,657,545)
Inventory	21,637	(123,021)
Prepaid Expenses	(6,584)	(150,720)
Accounts Payable and Accrued Liabilities	(819,206)	1,180,802
Deferred Revenue	40,309	-
Post-Retirement Benefits	313,000	182,700
	<u>(4,080,001)</u>	<u>(567,784)</u>
	<u>(2,943,547)</u>	<u>695,763</u>
Financing Activities		
Advances of bank indebtedness	822,771	-
Advances of long-term debt	831,817	204,405
Repayment of long-term debt	(380,574)	(233,806)
	<u>1,274,014</u>	<u>(29,401)</u>
Capital Activities		
Purchase of capital assets (Note 12)	(2,678,162)	(1,084,747)
Capital grants and fund raising receipts (Note 12)	1,058,508	322,073
	<u>(1,619,654)</u>	<u>(762,674)</u>
Decrease in cash during the year	(3,289,187)	(96,312)
Cash, beginning of year	3,298,899	3,395,211
Cash, end of year	\$ 9,712	\$ 3,298,899
Supplementary cash flow information		
Interest paid	\$ 57,800	\$ 49,715
Interest income	\$ 5,911	\$ 13,554

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, 2022

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 |

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 Ontario Health ("OH"). The Health Centre has entered into a Hospital Service Accountability Agreement (the "H-SAA") and a Multi-Sector Service Accountability Agreement (the "M-SAA") for fiscal 2022 with the MOH and OH that sets out the rights and obligations of the parties to the H-SAA and M-SAA in respect of funding provided to the Health Centre by the MOH/OH. The H-SAA and M-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, 2022

1. Significant Accounting Policies (continued)

Revenue Recognition (continued)

If the Health Centre does not meet its performance standards or obligations, the MOH/OH has the right to adjust funding received by the Health Centre. The MOH/OH is not required to communicate certain funding adjustments until after the submission of year-end data. Since this data is not submitted until after the completion of the financial statements, the amount of MOH/OH 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, 2022

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.

Sioux Lookout Meno Ya Win Health Centre

Notes to the Financial Statements

March 31, 2022

1. Significant Accounting Policies (continued)

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.

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.

Sioux Lookout Meno Ya Win Health Centre

Notes to the Financial Statements

March 31, 2022

1. Significant Accounting Policies (continued)

Financial Instruments (continued)

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, 2022

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, 2022 prime less 0.5% is 2.2% (2021 - 1.95%). As of March 31, 2022, there were unused credit facilities of \$3,177,229 (2021 - \$4,000,000).

3. Accounts Receivable

	2022	2021
Ministry of Health / Ontario Health	\$ 5,394,286	\$ 1,989,659
Insurers and Patients	1,633,065	1,594,076
Due from Trust Fund	14,000	14,000
Other	2,325,972	2,028,880
Allowance for Doubtful Accounts	(1,017,498)	(905,947)
	<u>\$ 8,349,825</u>	<u>\$ 4,720,668</u>

4. Inventory

	2022	2021
Opening Balance	\$ 435,986	\$ 312,965
Purchases	2,397,543	2,000,038
Expensed	(2,419,180)	(1,877,017)
Ending Balance	<u>\$ 414,349</u>	<u>\$ 435,986</u>

5. Capital Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 363,026	\$ -	\$ 363,026	\$ -
Land Improvements	510,239	204,096	516,459	158,662
Building and Building Service Equipment	146,024,638	40,864,606	144,920,611	37,302,785
Major Equipment	16,132,861	12,581,946	19,918,549	16,865,460
Residence - Other Land and Buildings	79,548	67,048	79,548	67,048
Residence - Furniture and Fixtures	-	-	1,448	1,448
	<u>\$163,110,312</u>	<u>\$ 53,717,696</u>	<u>\$165,799,641</u>	<u>\$ 54,395,403</u>
Net Book Value		<u>\$109,392,616</u>		<u>\$111,404,238</u>

Assets including in Building and Building Service Equipment with a net book value of \$1,639,966 (2021 - \$438,576) 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, 2022

6. Accounts Payable and Accrued Liabilities	2022	2021
Trade Accounts Payable	\$ 2,725,503	\$ 1,385,992
Accrued Salaries and Benefits	2,276,538	2,442,830
Payroll Remittances	404,454	143,331
Ministry of Health / Ontario Health	2,123,691	2,753,177
Other Payables and Accruals	400,182	2,024,244
	\$ 7,930,368	\$ 8,749,574

7. Deferred Revenue	2022	2021
Research and Operations	\$ 106,630	\$ 66,321

8. Long-Term Debt	2022	2021
Loan, bearing interest fixed at 2.96% (2021 - 2.96%), repayable in blended monthly payments of \$18,532, maturing January 29, 2026. Unsecured.	\$ 804,967	\$ 1,000,382
Loan repaid during the year.	-	185,159
Demand loan, approved up to \$2.5 million, bearing interest at prime, currently at 4.49% (2021 - 2.45%), repayable in interest only payments until April 2022, at which time a long-term financing agreement will be established	1,036,222	204,405
	1,841,189	1,389,946
Less: current portion	238,613	447,561
	\$ 1,602,576	\$ 942,385

Subsequent to year-end, the demand loan above was converted to a mortgage, bearing interest fixed at 4.49% per annum, repayable in blended monthly payments of \$6,721, maturing April 27, 2027.

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:

2023	\$ 238,613
2024	242,627
2025	250,467
2026	221,456
2027	40,392
	\$ 993,555

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

March 31, 2022

8. Long-Term Debt (Continued)

Long-term debt is subject to certain covenants with respect to insuring against all risks relevant to its business operation 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.

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.

	2022	2021
Accrued benefit obligation	\$ 1,655,400	\$ 2,555,000
Unamortized actuarial gain (loss)	1,404,500	191,900
	3,059,900	2,746,900
Less: current portion	101,600	137,700
Accrued employee future benefits obligation liability at March 31	\$ 2,958,300	\$ 2,609,200
	2022	2021
Current year benefit costs	\$ 272,700	\$ 244,400
Amortization of plan improvements	111,300	-
Amortized actuarial gain	(23,000)	(35,700)
Interest on accrued benefit obligation	89,700	88,600
Reconciliation of plan funds (benefits payments)	(137,700)	(114,600)
	\$ 313,000	\$ 182,700
	2022	2021
Employee future benefit costs from Operations	\$ 303,000	\$ 172,700
Employee future benefit costs from Other Votes and Programs	10,000	10,000
	\$ 313,000	\$ 182,700

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 \$1,842,461 (2021 - \$1,965,840).

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.

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

March 31, 2022

9. Post-Retirement Benefits Liability (Continued)

The major assumptions employed for the valuations are as follows:

a) Discount Rate

The present value as at March 31, 2022 of the future benefits was determined using a discount rate of 4.0% (2021 - 3.25%).

b) Extended Health Care Trend Rates

Extended health care costs were assumed to increase at 7.0% per annum in 2022 and decrease by 0.5% per annum thereafter to an ultimate rate of 4.0%.

c) Dental Costs

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

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:

	2022	2021
Balance, beginning of year as stated	\$104,373,443	\$108,160,542
Contributions received during the year	1,058,508	322,073
Net contributions received during the year - restricted for future capital asset purchases	(105,605)	(81,519)
Amortization	(3,633,635)	(4,027,653)
Balance, end of year	<u>\$101,692,711</u>	<u>\$104,373,443</u>

11. Deferred Contributions - Restricted for Future Capital Asset Purchases

	2022	2021
Health Canada - New Hospital	\$ 345,236	\$ 345,236
Employee 50/50 draw	45,364	41,214
Health Canada - Telehealth Equipment	12,722	12,722
Northern Ontario School of Medicine - Equipment	149,390	149,390
Ministry of Health - Equipment	-	86,376
Vending Machine	-	11,637
Extended Care Unit - Activity Fund	2,797	2,747
SLMHC Foundation	283,241	-
Bursary Donation	5,000	5,000
Health Infrastructure Renewal Fund (HIRF)	677	-
COVID-19 Capital Funding	-	84,500
	<u>\$ 844,427</u>	<u>\$ 738,822</u>

Sioux Lookout Meno Ya Win Health Centre

Notes to the Financial Statements

March 31, 2022

12. Investment in Capital Assets

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

	2022	2021
Capital assets	\$109,392,616	\$111,404,238
Amounts financed by Deferred Contributions	(101,692,711)	(104,373,443)
	\$ 7,699,905	\$ 7,030,795

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

	2022	2021
Excess (deficiency) of revenue over expenses:		
Amortization of capital grants	\$ 3,633,635	\$ 4,027,653
Amortization of capital assets	(4,688,212)	(4,593,257)
Loss on disposal of capital assets	(1,572)	-
	-1,056,149	-565,604
Net changes in investment in capital assets:		
Purchase of capital assets	2,678,162	1,084,747
Net contributions received during the year restricted for future capital asset purchase	105,605	81,519
Deferred capital financing received	(1,058,508)	(322,073)
	1,725,259	844,193
	\$ 669,110	\$ 278,589

13. Pension Agreement

Healthcare of Ontario Pension Plan (the "Plan") provides pension service to more than 419,000 active and retired members and approximately 624 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, 2021 disclosed an actuarial surplus of \$17,567 million. The results of this valuation disclosed total actuarial liabilities of \$85,902 million in respect of benefits accrued for service with actuarial assets at that date of \$103,469 million. Because the Plan is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of member Ontario health care providers 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 \$1,842,461 (2021 - \$1,966,204).

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, 2022.

Sioux Lookout Meno Ya Win Health Centre

Notes to the Financial Statements

March 31, 2022

14. Contingent Liabilities and Commitments (Continued)

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 has been extended through June 30, 2025. The annual value of this contract is approximately \$785,000 (2021 - \$770,000), increasing approximately \$15,000 annually.

The Health Centre entered into a contract for the construction of two four-plex housing units. As of March 31, 2022, the project has not yet been completed. The remaining costs are estimated at \$30,000 plus HST and will be financed through commercial debt.

15. Economic Dependence

The Health Centre receives 87.1% (2021 - 87.2%) of its funding from the Ministry of Health and Ontario Health.

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 obligation 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 ranging from 2.95% - 4.49% (2021 - 2.95%).

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

17. 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 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, and other budgetary pressures through a broad-based funding reconciliation.

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

March 31, 2022

17. Ministry of Health Pandemic Funding (Continued)

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.

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 year are summarized below:

	2022	2021
Funding for incremental COVID-19 operating expenses	\$ 4,981,681	\$ 1,483,700
COVID-19 assessment centre funding	325,116	197,638
Funding for revenue losses resulting from COVID-19	-	511,168
Pandemic pay funding	104,900	919,235
Working Capital Funding	-	489,100
Other pandemic funding	546,825	151,165
	<u>\$ 5,958,522</u>	<u>\$ 3,752,006</u>

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

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

COVID-19 one-time renovations & equipment	<u>\$ 61,367</u>	<u>\$ 97,400</u>
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Sioux Lookout Meno Ya Win Health Centre

Notes to the Financial Statements

March 31, 2022

18. 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 2023 fiscal year and beyond. Management has assessed the impact of COVID-19 and believes there are not 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 practical to estimate and disclose its effects on future operations at this time.

19. Comparative Figures

Certain parts of the prior year comparative figures have been changed to conform to the current year presentation.

Sioux Lookout Meno Ya Win Health Centre
Schedule 1 - Other Revenues

(Unaudited)

March 31,	2022	2021
Recoveries and Miscellaneous Revenues		
Indigenous Services Canada	\$ 324,253	\$ 586,326
Recoveries External	3,492,179	2,759,019
Recoveries Internal	711,460	638,198
Recoveries Interdepartmental	50,373	200,373
Donations	13,734	-
Investments and Interest	5,911	13,554
Other Revenue	8,126	1,980
Total Recoveries and Miscellaneous Revenues	4,606,036	4,199,450
Differential & Copayment Revenues		
Worker Safety and Insurance Board (WSIB)	15,927	23,238
Non-Resident	162,821	238,216
Uninsured Residents	153,113	183,189
Private Pay and Other	668,096	787,222
Total Differential & Copayment Revenues	\$ 999,957	\$ 1,231,865

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

(Unaudited)

	<u>Community Mental Health and Addictions Programs</u>				Rent Supplement	Community Support Services	For the year ended March 31, 2022	For the year ended March 31, 2021
	Substance Abuse	Problem Gambling	Community Mental Health	Administration				
Revenue								
Ontario Health / Ministry of Health	\$1,396,698	\$84,793	\$1,126,442	\$0	\$90,317	\$100,000	\$2,798,250	\$3,134,568
OH / MOH One-Time Pandemic Funding (Note 17)	-	-	-	-	-	-	-	4,388
Sessional Fee Funding	-	-	8,858	-	-	-	8,858	8,640
Other Revenue and Recoveries	-	-	-	3,011	-	-	3,011	7,654
Total Revenue	1,396,698	84,793	1,135,300	3,011	90,317	100,000	2,810,119	3,155,250
Expenses								
Salaries and Wages	971,295	-	441,805	180,376	-	60,946	1,654,422	1,424,641
Employee Benefits	202,128	-	94,517	42,963	-	14,871	354,479	296,152
Employee Future Benefits	-	-	-	10,000	-	-	10,000	10,000
Medical and Surgical Supplies	7,725	-	-	25	-	11,320	19,070	13,243
Supplies and Sundry Expenses	13,208	-	38	160,611	-	4,636	178,493	141,382
Equipment Expenses	-	-	-	17,347	-	1,750	19,097	14,867
Contracted Out Expenses	199,500	-	-	-	90,317	-	289,817	590,515
Buildings and Grounds Expenses	-	-	-	181,857	-	-	181,857	181,886
Total Expenses	1,393,856	-	536,360	593,179	90,317	93,523	2,707,235	2,672,686
Net Revenue (Expense) Before Other Items	2,842	84,793	598,940	-590,168	-	6,477	102,884	482,564
Allocated Administration	-	-	-590,168	590,168	-	-	-	-
Net Revenue Before Recoveries	2,842	84,793	8,772	-	-	6,477	102,884	482,564
Ontario Health / Ministry of Health Recoveries	(2,842)	(84,793)	(8,858)	-	-	(6,477)	(102,970)	(482,564)
Net Revenue After Recoveries	\$0	\$0	(\$86)	\$0	\$0	\$0	(\$86)	\$0

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

(Unaudited)

March 31,	2022	2021
Patient Care		
Ambulatory Care	\$ 4,148,734	\$ 2,573,239
Centre for Complex Diabetes Care	375,037	382,185
Community Health and Support Services	561,327	497,035
Diabetes Education	435,513	368,442
Diagnostics Imaging	1,652,409	1,596,478
Extended Care Unit	1,569,632	1,382,261
Inpatient Wards	8,771,532	6,466,617
Laboratory	1,550,999	1,507,510
Operating Room	961,181	929,416
Pharmacy	408,728	604,589
Therapeutic Services	1,317,418	1,462,529
Total Patient Care	21,752,510	17,770,301
Support Services		
Administration	2,959,362	3,060,248
Environmental Services	1,311,499	1,495,650
Food Services	812,875	871,785
Information System Support	443,076	428,792
In House Education	256,369	203,273
Marketed Services	206,255	223,627
Materials Management	353,524	387,542
Patient Information	981,546	1,201,717
Physical Plant	1,017,435	986,806
Total Support Services	8,341,941	8,859,440
Total Salaries, Wages and Purchased Services	\$ 30,094,451	\$ 26,629,741

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

(Unaudited)

March 31,	2022	2021
Benefit and Vacation % in Lieu	\$ 387,570	\$ 369,963
Canada Pension Plan	988,989	983,869
Dental Insurance	152,751	100,861
Employer Health Tax	459,791	487,702
Employment Insurance	350,068	364,597
Extended Health Care Insurance	354,504	285,433
Group Life and Accidental Death & Dismemberment	84,469	100,312
Hospital Pension Plan	1,716,810	1,854,366
Long-Term Disability Insurance	194,499	303,543
Other	512,672	53,960
Semi-Private Insurance	3,844	7,135
Workplace Safety & Insurance Board	263,556	337,453
Total Employee Benefits	\$ 5,469,523	\$ 5,249,194

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

(Unaudited)

March 31,	2022	2021
Centre for Complex Diabetes Care	\$ 10,000	\$ 10,000
Clinical Laboratory	18,357	18,442
Temporary Physician Compensation	101,294	52,113
Diagnostic Readings	1,089,235	921,672
Employee Health	9,000	72,000
Hospital On Call Coverage	655,860	699,511
Visiting Specialist	14,503	7,854
Total Medical Staff Remuneration	\$ 1,898,249	\$ 1,781,592

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

(Unaudited)

March 31,	2022	2021
Patient Care		
Ambulatory Care	\$ 210,007	\$ 150,994
Centre for Complex Diabetes Care	56,473	56,018
Community Health and Support Services	-	192,101
Diabetes Education	140,098	125,441
Diagnostics Imaging	442,616	455,465
Extended Care Unit	116,492	120,136
Inpatient Wards	436,955	387,062
Laboratory	1,354,051	1,108,579
Operating Room	88,713	58,485
Pharmacy	290,131	241,187
Therapeutic Services	42,282	35,329
Visiting Specialist	60,301	8,600
Total Patient Care	3,238,119	2,939,397
Support Services		
Administration	1,014,035	895,722
Small Hospital Transformation Fund Projects	536,003	1,282,019
Environmental Services	353,362	349,856
Food Services	459,610	433,697
Information System Support	1,871,740	987,902
In House Education	75,050	124,957
Marketed Services	881,501	668,643
Materials Management	(18,670)	55,782
Patient Information	228,731	121,439
Physical Plant	2,900,218	2,306,077
Total Support Services	8,301,580	7,226,094
Total Supplies and Other Expenses	\$ 11,539,699	\$ 10,165,491

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

(Unaudited)

March 31,	2022	2021
Revenue		
Ontario Health / Ministry of Health	\$ 878,166	\$ 878,166
Indigenous Services Canada	26,340	-
Other Revenue and Recoveries	2,718	2,513
	<u>907,224</u>	<u>880,679</u>
Operating Expenses		
Salaries and Wages	435,513	368,442
Employee Benefits	102,800	74,750
Supplies and Other Expenses	144,063	128,972
Total Operating Expenses	<u>682,376</u>	<u>572,164</u>
Net Revenue Before Recoveries	224,848	308,515
Ontario Health / Ministry of Health Recoveries	(222,130)	(306,002)
Net Revenue After Recoveries	<u>\$ 2,718</u>	<u>\$ 2,513</u>

Sioux Lookout Meno Ya Win Health Centre
Schedule 8 - Indigenous Services Canada Programs

(Unaudited)

	Radiology	Admitting	Non-Invasive Cardiology	Remote Diabetes Monitoring	Indigenous Transitions Facilitator	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue							
Indigenous Services Canada	\$67,127	\$100,592	\$20,194	\$26,340	\$110,000	\$324,253	\$603,204
Expenses							
Salaries and Benefits	182,300	73,241	169,968	20,642	336,704	782,855	516,211
Administration Fee	20,037	9,696	19,865	2,394	-	51,992	48,601
Medical Fees	17,992	-	28,340	-	-	46,332	40,124
Supplies and Other Expenses	1,770	23,719	343	1,177	32,679	59,688	25,987
Equipment	436	-	-	2,127	-	2,563	436
Total Expenses	222,535	106,656	218,516	26,340	369,383	943,430	631,359
Net Revenue (Expenses)	(\$155,408)	(\$6,064)	(\$198,322)	\$ -	(\$259,383)	(\$619,177)	(\$28,155)