

Red Lake Margaret Cochenour Memorial Hospital
Financial Statements
March 31, 2023

Red Lake Margaret Cochenour Memorial Hospital
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Management's Responsibility for Financial Reporting

To the Audit Committee of Red Lake Margaret Cochenour Memorial Hospital:

The accompanying financial statements of the Red Lake Margaret Cochenour Memorial Hospital are the responsibility of management and have been approved by the Board of Governors.

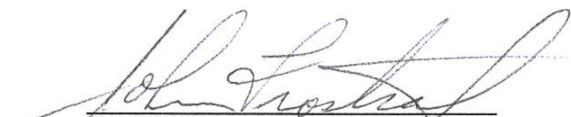
The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems appropriate in the circumstances, in order to ensure their financial statements are presented fairly, in all material respects.

The Hospital maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Hospital's assets are appropriately accounted for and adequately safeguarded.

The Board of Governors are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Board of Governors review the Hospital's financial statements and recommend their approval. The Board of Governors meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report. The Board of Governors takes this information into consideration when approving the financial statements for issuance to the members. The Board of Governors also considers the engagement of the external auditors.

The financial statements have been audited by MNP LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. MNP LLP has full access to the Board of Governors.



Board Chair



Chief Executive Officer

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

Qualified Opinion

We have audited the financial statements of Red Lake Margaret Cochenour Memorial Hospital (the "Hospital"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net assets, remeasurement gains (losses) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Hospital as at March 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Canadian public sector accounting standards ("PSAS") Section PS 3280 Asset Retirements Obligations ("ARO") which was adopted by the Hospital as of April 1, 2022 prospectively and requires the recognition of an ARO liability when there is a legal obligation that establishes a clear responsibility to incur retirement costs in relation to a tangible capital asset. The Hospital has not identified ARO liabilities as of March 31, 2023 and we were unable to satisfy ourselves concerning those liabilities by alternative means. Consequently, we were not able to determine whether any adjustments would be necessary to liabilities, net financial assets (net debt), tangible capital assets, accumulated surplus (deficit), expenses, excess (deficit) of revenues over expenses, change in net financial assets (net debt) for the year-ended March 31, 2023, and accumulated surplus as of March 31, 2023.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Hospital in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matters

The financial statement for the year ended March 31, 2022 were audited by BDO Canada LLP of Kenora, Canada, who expressed an unmodified opinion on those statements on May 27, 2022.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Hospital's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Hospital or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Hospital's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Hospital's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Hospital to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Thunder Bay, Ontario

September 27, 2023

MNP LLP

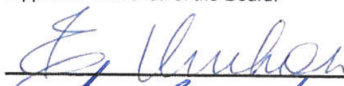
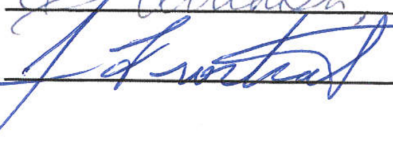
Chartered Professional Accountants

Licensed Public Accountants

Red Lake Margaret Cochenour Memorial Hospital
Statement of Financial Position

| March 31, | 2023 | 2022 |
|-------------------------------------------------|----------------------|----------------------|
| Assets | | |
| Current Assets | | |
| Cash (Note 3) | \$ 1,327,884 | \$ 1,200,687 |
| Accounts Receivable (Note 4) | 1,466,433 | 970,700 |
| Inventories (Note 5) | 131,811 | 136,038 |
| Prepaid Expenses | 163,647 | 107,815 |
| Total Current Assets | 3,089,775 | 2,415,240 |
| Non-Current Assets | | |
| Long Term Investments (Note 6) | 2,601,142 | 2,709,760 |
| Capital Assets (Note 7) | 12,101,368 | 10,647,892 |
| Total Non-Current Assets | 14,702,510 | 13,357,652 |
| Total Assets | \$ 17,792,285 | \$ 15,772,892 |
| Liabilities and Net Assets | | |
| Current Liabilities | | |
| Accounts Payable (Note 8) | \$ 3,727,863 | \$ 2,437,217 |
| Bankers' Acceptance (Note 9) | 1,443,921 | 709,460 |
| Deferred Contributions (Note 10) | 3,305 | 1,261 |
| Total Current Liabilities | 5,175,089 | 3,147,938 |
| Long Term Liabilities | | |
| Deferred Capital Contributions (Note 11) | 7,799,276 | 7,468,294 |
| Post-Employment Benefits Liability (Note 12) | 791,000 | 798,400 |
| Total Long Term Liabilities | 8,590,276 | 8,266,694 |
| Net Assets | | |
| Invested in Capital Assets (Note 13) | 3,130,324 | 3,307,442 |
| Unrestricted | 651,912 | 625,310 |
| Accumulated Remeasurement Gains (Losses) | 244,684 | 425,508 |
| Closing Net Assets Balance | 4,026,920 | 4,358,260 |
| Total Liabilities and Net Assets Balance | \$ 17,792,285 | \$ 15,772,892 |

Approved on behalf of the Board:


 _____ Director

 _____ Director

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

Red Lake Margaret Cochenour Memorial Hospital
Statement of Operations

| March 31, | 2023 | 2022 |
|------------------------------------------------------------------|---------------------|-------------------|
| Revenue | | |
| Ministry of Health Base Allocation | \$ 7,475,704 | \$ 7,328,954 |
| Ministry of Health Pandemic Funding (Note 19) | 618,386 | 441,218 |
| Ministry of Health One - Time Payments | 265,470 | 64,699 |
| Hospital On-Call Coverage | 470,974 | 457,212 |
| Cancer Care Ontario Funding | 27,957 | 54,027 |
| Other Revenue (Schedule 1) | 1,326,419 | 1,821,092 |
| Amortization of Equipment Grants/Donations | 290,603 | 186,465 |
| Total Revenue | 10,475,513 | 10,353,667 |
| Expenses | | |
| Salaries and Wages (Schedule 3) | 4,998,398 | 4,893,783 |
| Employee Benefits (Schedule 4) | 1,230,803 | 1,311,095 |
| Employee Benefits Future Costs (Note 12) | (7,400) | (2,600) |
| Medical Staff Remuneration (Schedule 5) | 839,275 | 628,131 |
| Supplies and Other Expenses (Schedule 6) | 2,587,563 | 2,486,202 |
| Medical and Surgical Supplies | 166,746 | 174,073 |
| Drugs and Medical Gases | 102,996 | 112,995 |
| Bad Debts | 88,146 | 163,342 |
| Amortization of Equipment | 353,677 | 237,180 |
| Total Expenses | 10,360,204 | 10,004,201 |
| Excess of Revenue over Expenses from Hospital Operations | 115,309 | 349,466 |
| Other Items | | |
| Amortization of Building Grants/Donations | 275,620 | 257,667 |
| Amortization of Land Improvements and Building | (420,249) | (403,535) |
| Interest on Bankers' Acceptance | (54,044) | (3,077) |
| | (198,673) | (148,945) |
| Other Votes and Programs - Revenues (Schedule 2) | 1,883,955 | 1,695,040 |
| Other Votes and Programs - Expenses (Schedule 2) | (1,655,503) | (1,520,181) |
| Other Votes and Programs - Provisions for Recovery (Schedule 2) | (295,604) | (174,292) |
| | (67,152) | 567 |
| Excess (Deficiency) of Revenue over Expenses for the Year | \$ (150,516) | \$ 201,088 |

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

Red Lake Margaret Cochenour Memorial Hospital
Statement of Remeasurement Gains

| March 31, | 2023 | 2022 |
|------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| Accumulated remeasurement gains at the beginning of the year | \$ 425,508 | \$ 460,165 |
| Change in fair value attributable to: Investments | (181,301) | 199 |
| Amounts reclassified to the statement of operations: Realized gains on disposition of investments | 477 | (34,856) |
| Accumulated remeasurement gains at the end of the year | <u>\$ 244,684</u> | <u>\$ 425,508</u> |

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

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

For the year ended March 31, 2023

| | Invested in Capital Assets | Unrestricted | 2023 Total |
|-----------------------------------------------------------|-------------------------------|-------------------|---------------------|
| Balance, beginning of year | \$ 3,307,442 | \$ 625,310 | \$ 3,932,752 |
| Excess (deficiency) of revenue over expenses for the year | (207,703) | 57,187 | (150,516) |
| Net changes in investment in capital assets (Note 13) | 30,585 | (30,585) | - |
| Balance, end of year | <u>\$ 3,130,324</u> | <u>\$ 651,912</u> | <u>\$ 3,782,236</u> |

For the year ended March 31, 2022

| | Invested in Capital Assets | Unrestricted | 2022 Total |
|-----------------------------------------------------------|-------------------------------|-------------------|---------------------|
| Balance, beginning of year | \$ 2,426,285 | \$ 1,305,379 | \$ 3,731,664 |
| Excess (deficiency) of revenue over expenses for the year | (196,583) | 397,671 | \$ 201,088 |
| Net changes in investment in capital assets (Note 13) | 1,077,740 | (1,077,740) | \$ - |
| Balance, end of year | <u>\$ 3,307,442</u> | <u>\$ 625,310</u> | <u>\$ 3,932,752</u> |

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

Red Lake Margaret Cochenour Memorial Hospital
Statement of Cash Flows

| March 31, | 2023 | 2022 |
|-----------------------------------------------------------|----------------------------|----------------------------|
| Cash Provided By (Used In) Operating Activities | | |
| Excess (Deficiency) of Revenue over Expenses for the year | \$ (150,516) | \$ 201,088 |
| Items not involving cash | | |
| Amortization | 773,926 | 640,715 |
| Amortization of Deferred Capital Contributions | (566,223) | (444,132) |
| Realized Gains on Disposal of Long Term Investments | 477 | (34,856) |
| | <u>57,664</u> | <u>362,815</u> |
| Changes in Non-Cash Working Capital Balances | | |
| Accounts Receivable | (495,733) | 343,854 |
| Inventory | 4,227 | 2,813 |
| Prepaid Expenses | (55,832) | (483) |
| Accounts Payable | 1,290,646 | 194,799 |
| Deferred Contributions | 2,044 | (157,693) |
| Post-employment Benefits | (7,400) | (2,600) |
| | <u>737,952</u> | <u>380,690</u> |
| Investing Activities | | |
| Net purchase of Long Term Investments | (72,681) | (116,817) |
| Capital Activities | | |
| Purchase of Capital Assets | (1,492,943) | (1,634,659) |
| Contributions Received for Capital Activities | 897,205 | 966,496 |
| Transfer (Repayment) of Deferred Capital Grant | - | 190,066 |
| | <u>(595,738)</u> | <u>(478,097)</u> |
| Increase in Cash and Equivalents | 127,197 | 148,591 |
| Cash, Beginning of year | 1,200,687 | 1,052,096 |
| Cash, End of year | <u>\$ 1,327,884</u> | <u>\$ 1,200,687</u> |

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

Red Lake Margaret Cochenour Memorial Hospital

Notes to Financial Statements

March 31, 2023

1. Significant Accounting Policies

Nature and Purpose of Organization

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

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

Ministry of Health

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

Ministry of Labour, Training and Skills Development

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

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

Basis of Accounting and Presentation

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

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

Cash and Cash Equivalents

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

Inventories

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

Use of Estimates

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

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

Accounts payable and accruals are estimated based on historical charges for unbilled goods and services at year-end.

Deferred contributions related to capital assets and capital asset amortization are based on the estimated useful life of capital assets.

Employee future benefits are based on actuarial valuations.

Red Lake Margaret Cochenour Memorial Hospital

Notes to Financial Statements

March 31, 2023

1. Significant Accounting Policies (continued)

Use of Estimates (continued)

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

Revenue Recognition

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

Under the Health Insurance Act and Regulations thereto, the Hospital is funded primarily by the Province of Ontario in accordance with accountability arrangements established by the Ministry of Health ("MOH"), and the Ontario Health North ("OH North"). The Hospital has entered into a Hospital Service Accountability Agreement (the "H-SAA") for fiscal 2023 with the MOH and OH North that sets out the rights and obligations of the parties to the H-SAA in respect of funding provided to the Hospital by the MOH/OH North. The H-SAA also sets out the performance standards and obligations of the Hospital that establish acceptable results for the Hospital's performance in a number of areas.

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

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

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

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

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

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

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

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

Capital Assets

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

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

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

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

Deferred Contributions

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

Red Lake Margaret Cochenour Memorial Hospital

Notes to Financial Statements

March 31, 2023

1. Significant Accounting Policies (continued)

Long-lived Assets and Discontinued Operations

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

Deferred Contributions Related to Capital Assets

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

Asset Retirement Obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the Hospital to incur retirement costs in relation to a capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the Hospital reviews the carrying amount of the liability. The Hospital recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related capital asset.

The Hospital continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Financial Instruments

The Hospital classifies its financial instruments as either fair value or amortized cost. The Hospital's accounting policy for each category is as follows:

Fair Value

This category includes cash and investments. Financial instruments in this category are initially recognized at cost and subsequently carried at fair value. Changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

Amortized Cost

This category includes accounts receivable, accounts payable and bankers' acceptances. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Red Lake Margaret Cochenour Memorial Hospital

Notes to Financial Statements

March 31, 2023

1. Significant Accounting Policies (continued)

Financial Instruments (continued)

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

Contributed Services

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

Retirement and Post-employment Benefits

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

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

2. Change in Accounting Policies

Asset retirement obligations

Effective April 1, 2022, the Hospital adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 Asset Retirement Obligations. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied retroactively, and prior periods have been restated.

There was no material impact on the financial statements from the retroactive application of the new accounting recommendations.

3. Cash

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

- a) a revolving line of credit to a maximum of \$500,000 bearing interest at prime plus 0.25%, repayable on demand. Nothing was drawn on this facility at year-end;
 - b) Corporate Visas to a maximum of \$66,500 payable on demand in accordance with standard terms and conditions. \$15,070 was owing on this facility at year-end; and
 - c) Demand equipment/term installment loan to a maximum of \$3,500,000. See note 9 for additional terms.
-

Red Lake Margaret Cochenour Memorial Hospital
Notes to Financial Statements

March 31, 2023

| 4. Accounts Receivable | 2023 | 2022 |
|------------------------------------------------------------------|---------------------|-------------------|
| Ministry of Health | \$ 824,671 | \$ 352,313 |
| Nursing Grad Initiative | 19,883 | 19,883 |
| Cancer Care Ontario | 6,900 | 23,625 |
| Ministry of Labour, Immigration, Training and Skills Development | 34,355 | 30,902 |
| Insurers and Patients | 324,100 | 209,471 |
| Harmonized Sales Tax | 234,645 | 232,539 |
| Other | 92,879 | 101,967 |
| Allowance for Doubtful Accounts | (71,000) | - |
| | \$ 1,466,433 | \$ 970,700 |

| 5. Inventories | 2023 | 2022 |
|---------------------------|-------------------|-------------------|
| Opening Balance, April 1 | \$ 136,038 | \$ 138,851 |
| Purchases | 265,515 | 284,255 |
| Expensed | (269,742) | (287,068) |
| Closing Balance, March 31 | \$ 131,811 | \$ 136,038 |

| 6. Long Term Investments | 2023 | 2022 |
|-----------------------------------|---------------------|---------------------|
| Cash | \$ 13,375 | \$ 8,583 |
| Pooled funds (cost - \$1,302,895) | 1,596,675 | 1,804,615 |
| Bonds (cost - \$1,037,497) | 991,092 | 896,562 |
| | \$ 2,601,142 | \$ 2,709,760 |

| 7. Capital Assets | 2023 | | 2022 | |
|------------------------------------|----------------------|-------------------------------------|----------------------|-------------------------------------|
| | Cost | Accumulated Amortization | Cost | Accumulated Amortization |
| Land | \$ 52,300 | \$ - | \$ 52,300 | \$ - |
| Building and building improvements | 19,159,501 | 11,230,057 | 18,706,265 | 10,810,375 |
| Equipment | 8,374,167 | 6,779,350 | 8,069,015 | 6,425,673 |
| Parking lot | 28,382 | 27,815 | 28,382 | 27,247 |
| Construction in progress | 2,524,240 | - | 1,055,225 | - |
| | \$ 30,138,590 | \$ 18,037,222 | \$ 27,911,187 | \$ 17,263,295 |
| Net Book Value | | \$ 12,101,368 | | \$ 10,647,892 |

The net book value of capital assets not being amortized because they are under construction is \$2,524,240 (2022 - \$1,055,225). During the year, capital assets were acquired with an aggregate cost of \$2,227,403 using provincial grant funding of \$597,544, donations of \$299,661, financed with Bankers' Acceptance of \$734,460 and operating cash of \$595,738.

| 8. Accounts Payable | 2023 | 2022 |
|---------------------------------------------------------------------------|---------------------|---------------------|
| Trade | \$ 402,833 | \$ 723,288 |
| Accrued Salaries and Benefits | 615,257 | 897,107 |
| Other | 523,235 | 47,719 |
| Ministry of Health | | |
| Community Mental Health and Case Management Programs | 678,060 | 428,480 |
| Visiting Specialist Program | 23,362 | 26,646 |
| Hospital Infrastructure Renewal Fund / Hospital Energy Efficiency Program | 55,679 | 55,679 |
| Ontario Health Team | 624,711 | 50,759 |
| Other | 740,965 | 172,033 |
| Ministry of Labour, Immigration, Training and Skills Development | 63,761 | 35,506 |
| | \$ 3,727,863 | \$ 2,437,217 |

Red Lake Margaret Cochenour Memorial Hospital

Notes to Financial Statements

March 31, 2023

9. Bankers' Acceptance

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

- a) a non-revolving equipment/installation loan available as:
- (i) Canadian dollars bearing interest at prime plus 0.25%, or
 - (ii) Canadian dollar bankers' acceptances with the stamping fee calculated at 90 basis points. At year-end, the Hospital has a bankers' acceptance outstanding of \$1,443,921, due between April 22, 2023 and April 28, 2023. Amounts payable under this facility are due on demand.
- b) the non-revolving equipment/installation loan will convert to a term installment loan at the earlier of completion of the capital project or July 1, 2023 with interest to be calculated at the time of drawdown, and to be repaid over a period not to exceed 10 years.

10. Deferred Contributions

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

| | 2023 | 2022 |
|------------------------------------------------------------------------------|----------|------------|
| Balance, beginning of year | \$ 1,261 | \$ 158,954 |
| Contributions received during the year | 3,305 | 6,478 |
| Contributions recognized during the year | (1,261) | (102,170) |
| Contributions transferred to capital contributions during the year (Note 11) | - | (62,001) |
| Balance, end of year | \$ 3,305 | 1,261 |

11. Deferred Capital Contributions

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

| | 2023 | 2022 |
|-----------------------------------------------------------------------|--------------|--------------|
| Balance, beginning of year | \$ 7,468,294 | \$ 6,755,864 |
| Capital contributions received during the year | 897,205 | 904,495 |
| Contributions transferred from deferred contributions during the year | - | 62,001 |
| Amortization | (566,223) | (444,132) |
| Prior year deferred contribution transferred (repayable) | - | 190,066 |
| Balance, end of year | \$ 7,799,276 | \$ 7,468,294 |

As at March 31, 2023 there was \$277,004 (2022 - \$132,696) of deferred capital contributions received which were not yet utilized.

12. Post-Employment Benefits Liability

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

| | 2023 | 2022 |
|----------------------------|------------|------------|
| Accrued benefit obligation | \$ 448,800 | \$ 452,800 |
| Unamortized actuarial gain | 342,200 | 345,600 |
| Total Liability | \$ 791,000 | \$ 798,400 |

| | 2023 | 2022 |
|-------------------------------------------------|------------|------------|
| Current year benefits costs | \$ 38,300 | \$ 41,400 |
| Amortized actuarial gains | (37,100) | (34,100) |
| Interest on accrued benefit obligation | 18,300 | 15,200 |
| Reconciliation of plan funds (benefit payments) | (26,900) | (25,100) |
| | \$ (7,400) | \$ (2,600) |

Red Lake Margaret Cochenour Memorial Hospital

Notes to Financial Statements

March 31, 2023

12. Post-Employment Benefits Liability (continued)

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

Retirement Benefits

Substantially all of the full-time employees and some of the part-time employees are members of HOOPP. The plan is a multi-employer plan and therefore the Hospital's contributions are accounted for as if the plan were a defined contribution plan with the Hospital's contributions being expensed in the period they become due. Contributions made to the plan during the year by the Hospital amounted to \$425,396 (2022 - \$419,288).

Post-employment Benefits

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

The major assumptions employed for the valuations are as follows:

a) Discount Rate

The present value as at March 31, 2023 of the future benefits was determined using a discount rate of 4.0% (2022 - 4.00%).

b) Extended Health Care Trend Rates

Extended health care costs were assumed to increase at 8.0% one year after the full valuation date of March 31, 2021 and decrease by 0.25% per annum thereafter to an ultimate rate of 5.0%.

c) Dental Costs

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

13. Net Assets Invested in Capital Assets

a) Investment in capital assets is calculated as follows:

| | 2023 | 2022 |
|--------------------------------------------|----------------------|---------------|
| Capital Assets | \$ 12,101,368 | \$ 10,647,892 |
| Amounts financed by Deferred Contributions | (7,527,123) | (6,630,991) |
| Amounts financed by Bankers' Acceptance | (1,443,921) | (709,460) |
| | \$ 3,130,324 | \$ 3,307,441 |

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

| | 2023 | 2022 |
|-----------------------------------------------------------|---------------------|--------------|
| Excess (deficiency) of revenue over expenses: | | |
| Amortization of Deferred Grants and Donations related to: | | |
| Equipment | \$ 290,603 | \$ 186,465 |
| Buildings | 275,620 | 257,667 |
| Amortization related to: | | |
| Equipment | (353,677) | (237,180) |
| Buildings | (420,249) | (403,535) |
| | \$ (207,703) | \$ (196,583) |

Net change in investment in capital assets:

| | 2023 | 2022 |
|-------------------------------------------------------------------------|---------------------|--------------|
| Purchase of Capital Assets | \$ 2,227,403 | \$ 2,344,119 |
| Amounts funded by Deferred Grants and Donations and Bankers' Acceptance | (2,196,818) | (1,266,379) |
| | \$ 30,585 | \$ 1,077,740 |
| | \$ (177,118) | \$ 881,157 |

Red Lake Margaret Cochenour Memorial Hospital

Notes to Financial Statements

March 31, 2023

14. Contingent Liabilities and Commitments

Contingent Liabilities

Red Lake Margaret Cochenour Memorial Hospital is a member of Health Care Insurance Reciprocal of Canada (HIROC). HIROC is a pooling of the public liability insurance risks of its members. All members of the pool pay annual premiums which are actuarially determined. All members are subject to reassessment for losses, if any, experienced by the pool for the years in which they are members and losses could be material. The Hospital joined HIROC in 1998 and no reassessments have been made to March 31, 2023.

Commitments

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

The Hospital has also committed to contracts for building and building service equipment improvements totaling \$2,839,541. The projects are expected to be completed in June 2023. At March 31, 2023, this project was 95% complete, with \$339,238 in estimated expenditures remaining.

15. Economic Dependence

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

16. Related Entity

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

The Foundation holds funds of approximately \$1.01 million (2022 - \$950,000), the benefit of which are to be used for capital projects or capital asset purchases of the Hospital. During the year, the Foundation contributed \$247,080 (2022 - \$565,000) to the Hospital.

17. Financial Instrument Classification

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

| | 2023 | | |
|-----------------------|---------------------|-----------------------|---------------------|
| | Fair Value | Amortized Cost | Total |
| Cash | \$ 1,327,884 | \$ - | \$ 1,327,884 |
| Accounts Receivable | - | 1,466,433 | 1,466,433 |
| Long Term Investments | 2,601,142 | - | 2,601,142 |
| Accounts Payable | - | (3,727,863) | (3,727,863) |
| Bankers' Acceptance | 1,443,921 | - | 1,443,921 |
| | \$ 5,372,947 | \$ (2,261,430) | \$ 3,111,517 |
| | 2022 | | |
| | Fair Value | Amortized Cost | Total |
| Cash | \$ 1,200,687 | \$ - | 1,200,687 |
| Accounts Receivable | - | 970,700 | 970,700 |
| Long Term Investments | 2,709,760 | - | 2,709,760 |
| Accounts Payable | - | (2,437,217) | (2,437,217) |
| Bankers' Acceptance | 709,460 | - | 709,460 |
| | \$ 4,619,907 | \$ (1,466,517) | \$ 3,153,390 |

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

Red Lake Margaret Cochenour Memorial Hospital Notes to Financial Statements

March 31, 2023

17. Financial Instrument Classification (continued)

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

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

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

| | 2023 | | | |
|----------------------------|--------------|--------------|---------|--------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Cash | \$ 1,327,884 | \$ - | \$ - | \$ 1,327,884 |
| Investments | 2,601,142 | - | - | 2,601,142 |
| Bankers' Acceptance | - | 1,443,921 | - | 1,443,921 |
| Total | \$ 3,929,026 | \$ 1,443,921 | \$ - | \$ 5,372,947 |
| | 2022 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Cash | \$ 1,200,687 | \$ - | \$ - | \$ 1,200,687 |
| Investments | 2,709,760 | - | - | 2,709,760 |
| | - | 709,460 | - | 709,460 |
| Total | \$ 3,910,447 | \$ 709,460 | \$ - | \$ 4,619,907 |

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

18. Financial Instrument Risk

Credit Risk

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

The Hospital's investment policy operates within the constraints of the investment guidelines issued by the MOH in relation to the funding agreements and puts limits on the investment portfolio including portfolio composition limits, issuer type limits, bond quality limits, aggregate issuer limits, corporate sector limits and general guidelines for geographic exposure. The credit risk of the Hospital's bond holdings has increased due to the impact of COVID-19 which could lead to potential losses.

The maximum exposure to investment credit risk is outlined in Notes 6 and below.

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

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

Red Lake Margaret Cochenour Memorial Hospital
Notes to Financial Statements

March 31, 2023

18. Financial Instrument Risk (continued)

| | | 2023 | | | | | |
|--|---------------------------------------|---------------------|---------------------|------------------|------------------|------------------|-------------------|
| | | Total | Current | Past Due | | | 91 + |
| | | | | 1-30 | 31-60 | 61-90 | |
| | OHIP, WISB etc. | \$ 324,100 | \$ 26,347 | \$ (3,331) | \$ 30,958 | \$ 16,614 | \$ 253,512 |
| | MOH/Ontario Health | 844,554 | 844,554 | - | - | - | - |
| | Other clients | 83,690 | 45,676 | 29,934 | 310 | 324 | 7,446 |
| | Other | 285,089 | 285,089 | - | - | - | - |
| | Less: Allowance for Doubtful Accounts | (71,000) | - | - | - | - | (71,000) |
| | | \$ 1,466,433 | \$ 1,201,666 | \$ 26,603 | \$ 31,268 | \$ 16,938 | \$ 189,958 |
| | | 2022 | | | | | |
| | | Total | Current | Past Due | | | 91 + |
| | | | | 1-30 | 31-60 | 61-90 | |
| | OHIP, WISB etc. | \$ 209,471 | \$ 82,877 | \$ (7,832) | \$ 19,157 | \$ 7,679 | \$ 107,590 |
| | MOH/Ontario Health | 372,196 | 372,196 | - | - | - | - |
| | Other clients | 83,312 | 47,399 | 29,381 | 1,485 | 457 | 4,590 |
| | Other | 305,721 | 305,721 | - | - | - | - |
| | Less: Allowance for Doubtful Accounts | - | - | - | - | - | - |
| | | \$ 970,700 | \$ 808,193 | \$ 21,549 | \$ 20,642 | \$ 8,136 | \$ 112,180 |

The amounts aged greater than 90 days owing from patients that have not had a corresponding impairment allowance setup against them are collectible based on the Hospital's past experience. Management has reviewed the individual balances based on the credit quality of the debtors' past history of payment and the potential impact of the COVID-19 pandemic on default rates. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk and equity risk. The Hospital is not exposed to significant currency risk as it does not transact materially in foreign currency. The Hospital is exposed to equity risks with regards to its investments in pooled funds and interest risk with its investments in bonds. COVID-19 has had a significant effect on financial markets. The Hospital's investments in pooled funds measured at fair value have experienced similar volatility. The extent of any future impact on the Hospital's investments as a result of COVID-19 is unknown.

Other than uncertainty with respect to COVID-19, there have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Interest Rate Risk

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

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

Liquidity Risk

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

Red Lake Margaret Cochenour Memorial Hospital
Notes to Financial Statements

March 31, 2023

18. Financial Instrument Risk (continued)

| | 2023 | | | |
|-------------------------|----------------------------|-----------------------|-------------|-------------|
| | Within 6 months | 6 months to 1 year | 1-5 years | > 5 years |
| | Bankers' Acceptance | 1,443,921 | - | - |
| Accounts Payable | 3,727,863 | - | - | - |
| Total | \$ 5,171,784 | \$ - | \$ - | \$ - |
| | 2022 | | | |
| | Within 6 months | 6 months to 1 year | 1-5 years | > 5 years |
| Bankers' Acceptance | 709,460 | - | - | - |
| Accounts Payable | 2,437,217 | - | - | - |
| Total | \$ 3,146,677 | \$ - | \$ - | \$ - |

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

19. 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 Hospital, 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 Hospital's operations, revenues and expenses. As a result of Management's estimation process, the Hospital 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 Hospital 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 Hospital'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:

| | 2023 | 2022 |
|----------------------------------------------------------|-------------------|-------------------|
| Funding for incremental COVID-19 operating expenses | \$ 32,600 | \$ 169,114 |
| COVID-19 assessment centre funding | 156,474 | 232,218 |
| CTSLPE: Temporary Physician Compensation during COVID-19 | 198,649 | - |
| TRIN Payments | 123,327 | - |
| Pand Prev & Containment | 100,000 | - |
| Pandemic pay funding | - | 26,685 |
| Other pandemic funding | 7,336 | 13,201 |
| | \$ 618,386 | \$ 441,218 |

20. Comparative Figures

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

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

| March 31, | 2023 | 2022 |
|------------------------------------|----------------------------|----------------------------|
| Inpatient Revenue | | |
| Non-Residents of the Province | \$ 19,245 | \$ 18,991 |
| Non-Residents of Canada | 600 | 1,720 |
| Workplace Safety & Insurance Board | 16,778 | 2,433 |
| Insured/Uninsured Resident | 10,953 | - |
| | <u>\$ 47,576</u> | <u>\$ 23,144</u> |
| Outpatient Revenue | | |
| Ontario Health Insurance Plan | \$ 238,372 | \$ 225,029 |
| Non-Residents of the Province | 92,688 | 92,848 |
| Non-Residents of Canada | 21,925 | 11,873 |
| Workplace Safety & Insurance Board | 14,219 | 26,530 |
| Insured/Uninsured Resident | 22,197 | 41,581 |
| Ambulance | 26,586 | 18,960 |
| | <u>\$ 415,987</u> | <u>\$ 416,821</u> |
| Co-Payment Revenue | | |
| Chronic Care Patients | \$ 51,407 | \$ 56,848 |
| Differential Revenue | | |
| Acute Care Patients | \$ 9,275 | \$ - |
| Recoveries | | |
| Non-Patient Food Services | \$ 237,251 | \$ 247,651 |
| Investment Revenue | 140,082 | 189,163 |
| Compensation and Services | 322,735 | 717,169 |
| Donations | 381 | 61,764 |
| Materials | 33,755 | 41,685 |
| Rentals | 67,970 | 66,847 |
| | <u>\$ 802,174</u> | <u>\$ 1,324,279</u> |
| Total Other Revenue | <u><u>\$ 1,326,419</u></u> | <u><u>\$ 1,821,092</u></u> |

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

| March 31, | 2023 | 2022 |
|-------------------------------------------------------|--------------------|-------------------|
| Community Mental Health Program | | |
| Revenue | | |
| Ministry of Health Allocation | \$ 929,141 | \$ 857,002 |
| Services Recovery | 5,200 | 19,200 |
| Total Revenue | \$ 934,341 | \$ 876,202 |
| Operating Expenses | | |
| Salaries and Wages | \$ 627,966 | \$ 546,165 |
| Employee Benefits | 138,206 | 124,323 |
| Supplies and Other Expenses | 102,745 | 128,339 |
| Equipment, Building, Grounds | 76,269 | 4,323 |
| Rent and Utilities | 28,186 | 35,435 |
| Total Operating Expenses | \$ 973,372 | \$ 838,585 |
| Net Revenue (Expenses) Before Amount Repayable | \$ (39,031) | \$ 37,617 |
| Amount Repayable to Ministry of Health | (26,796) | (37,617) |
| Net Revenue (Expenses) | \$ (65,827) | \$ - |
| Community Addictions Program | | |
| Revenue | | |
| Ministry of Health Allocation | \$ 505,735 | \$ 374,335 |
| Operating Expenses | | |
| Salaries and Wages | \$ 225,847 | \$ 237,396 |
| Employee Benefits | 51,256 | 35,666 |
| Supplies and Other Expenses | 11,140 | 37,753 |
| Rent and Utilities | 15,256 | 7,803 |
| Total Operating Expenses | \$ 303,499 | \$ 318,618 |
| Net Revenue Before Amount Repayable | \$ 202,236 | \$ 55,717 |
| Amount Repayable to Ministry of Health | (202,236) | (55,717) |
| Net Revenue | \$ - | \$ - |
| Community Problem Gambling Program | | |
| Revenue | | |
| Ministry of Health Allocation | \$ 87,331 | \$ 87,331 |
| Operating Expenses | | |
| Salaries and Wages | \$ 66,565 | \$ 38,317 |
| Employee Benefits | 22,091 | 14,770 |
| Total Operating Expenses | \$ 88,656 | \$ 53,087 |
| Net Revenue (Expense) Before Amount Repayable | \$ (1,325) | \$ 34,244 |
| Amount Repayable to Ministry of Health | - | (34,244) |
| Net Revenue (Expenses) | \$ (1,325) | \$ - |

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

| March 31, | 2023 | 2022 |
|--------------------------------------------------------------------------------|-------------|-------------|
| Rent Supplement Program | | |
| Revenue | | |
| Ministry of Health Allocation | \$ 25,600 | \$ 25,600 |
| Operating Expenses | | |
| Supplies and Other Expenses | \$ 19,603 | \$ 11,205 |
| Net Revenue Before Amount Repayable | \$ 5,997 | \$ 14,395 |
| Amount Repayable to Ministry of Health | (5,997) | (14,395) |
| Net Revenue | \$ - | \$ - |
| Municipal Taxes | | |
| Revenue | | |
| Ministry of Health Allocation | \$ 2,100 | \$ 2,100 |
| Total Expenses | \$ 2,100 | \$ 2,100 |
| Net Revenue | \$ - | \$ - |
| Employment Services | | |
| Revenue | | |
| Ministry of Labour, Training and Skills Development | \$ 273,414 | \$ 273,414 |
| Recoveries | (66) | 558 |
| Total Revenue | \$ 273,348 | \$ 273,972 |
| Operating Expenses | | |
| Participant Wages and Stipends | \$ 165,621 | \$ 198,550 |
| Operating | 50,840 | 56,951 |
| Training Subsidies | 1,500 | 1,728 |
| Training Support | 917 | 807 |
| Total Operating Expenses | \$ 218,878 | \$ 258,036 |
| Net Revenue Before Amount Repayable | \$ 54,470 | \$ 15,936 |
| Amount Repayable to Ministry of Labour, Training and Skills Development | (54,470) | (15,369) |
| Net Revenue | \$ - | \$ 567 |

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

| March 31, | 2023 | 2022 |
|--------------------------------------------------------------------------------|-----------------|-----------------|
| Youth Job Connection Summer | | |
| Revenue | | |
| Ministry of Labour, Training and Skills Development | \$ 9,300 | \$ 9,300 |
| Operating Expenses | | |
| Operating | \$ 7,958 | \$ 4,500 |
| Financial Supports | (94) | 1,674 |
| Total Operating Expenses | \$ 7,864 | \$ 6,174 |
| Net Revenue Before Amount Repayable | \$ 1,436 | \$ 3,126 |
| Amount Repayable to Ministry of Labour, Training and Skills Development | (1,436) | (3,126) |
| Net Revenue | \$ - | \$ - |

| | | |
|--------------------------------------------------------------------------------|------------------|------------------|
| Youth Job Connection | | |
| Revenue | | |
| Ministry of Labour, Training and Skills Development | \$ 46,200 | \$ 46,200 |
| Operating Expenses | | |
| Operating | \$ 36,681 | \$ 21,000 |
| Training Support | 4,850 | 11,376 |
| Total Operating Expenses | \$ 41,531 | \$ 32,376 |
| Net Revenue Before Amount Repayable | \$ 4,669 | \$ 13,824 |
| Amount Repayable to Ministry of Labour, Training and Skills Development | (4,669) | (13,824) |
| Net Revenue | \$ - | \$ - |

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

| March 31, | 2023 | 2022 |
|---------------------------------|---------------------|---------------------|
| Patient Care | | |
| Inpatient Wards | \$ 1,661,237 | \$ 1,422,142 |
| Diabetes Education | 25,189 | 88,514 |
| Ambulatory Care | 603,788 | 874,602 |
| Laboratory | 417,203 | 369,857 |
| Diagnostic Imaging | 280,798 | 222,562 |
| Pharmacy | 105,191 | 98,789 |
| Therapeutic Services | 149,742 | 110,259 |
| Total Patient Care | \$ 3,243,148 | \$ 3,186,725 |
| Support Services | | |
| General Administration | \$ 529,795 | \$ 536,725 |
| Information System Support | 83,608 | 75,483 |
| Physical Plant | 180,309 | 174,364 |
| Environmental Services | 278,524 | 277,573 |
| Food Services | 371,267 | 361,994 |
| Patient Information | 173,387 | 142,128 |
| Marketed Services | 8,998 | 16,378 |
| Materials Management | 129,362 | 122,413 |
| Total Support Services | \$ 1,755,250 | \$ 1,707,058 |
| Total Salaries and Wages | \$ 4,998,398 | \$ 4,893,783 |

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

| March 31, | 2023 | 2022 |
|-------------------------------------------------|---------------------|---------------------|
| Canada Pension Plan | \$ 226,326 | \$ 215,538 |
| Hospital Pension Plan | 352,109 | 356,033 |
| Employment Insurance | 85,844 | 86,251 |
| Workplace Safety & Insurance Board | 47,046 | 44,689 |
| Long-Term Disability Insurance | 79,253 | 72,480 |
| Employer Health Tax | 100,834 | 101,630 |
| Semi-Private Insurance | 2,729 | 2,512 |
| Extended Health Care Insurance | 72,782 | 71,485 |
| Dental Insurance | 44,910 | 42,103 |
| Group Life and Accidental Death & Dismemberment | 16,846 | 15,713 |
| Benefit and Vacation % in Lieu | 202,124 | 302,661 |
| Total Employee Benefits | \$ 1,230,803 | \$ 1,311,095 |

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

| March 31, | 2023 | 2022 |
|----------------------------------------------------------|-------------------|-------------------|
| Honorariums | \$ 26,000 | \$ 50,689 |
| Hospital On Call Coverage | 470,974 | 457,212 |
| CTSLPE: Temporary Physician Compensation during COVID-19 | 217,941 | - |
| Clinical Laboratory | 13,768 | 18,557 |
| Imaging | 110,592 | 101,673 |
| Total Medical Staff Remuneration | \$ 839,275 | \$ 628,131 |

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

| March 31, | 2023 | 2022 |
|------------------------------------------|---------------------|---------------------|
| Patient Care | | |
| Inpatient Wards | \$ 149,112 | \$ 174,307 |
| Diabetes Education | 356 | 15,792 |
| Ambulatory Care | 95,041 | 131,593 |
| Laboratory | 258,804 | 259,435 |
| Diagnostic Imaging | 81,176 | 64,457 |
| Pharmacy | 44,046 | 56,529 |
| Therapeutic Services | 3,528 | 5,646 |
| Total Patient Care | \$ 632,063 | \$ 707,759 |
| Support Services | | |
| General Administration | \$ 540,934 | \$ 512,613 |
| Information System Support | 201,191 | 273,232 |
| Physical Plant | 410,771 | 360,664 |
| Environmental Services | 49,186 | 60,510 |
| Food Services | 105,031 | 104,596 |
| Patient Information | 7,033 | 5,323 |
| Health System Development | 404,559 | 234,944 |
| Marketed Services | 187,179 | 178,284 |
| Materials Management | 49,616 | 48,277 |
| Total Support Services | \$ 1,955,500 | \$ 1,778,443 |
| Total Supplies and Other Expenses | \$ 2,587,563 | \$ 2,486,202 |

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

| March 31, | 2023 | 2022 |
|----------------------------------|-------------------|-------------------|
| Revenue | | |
| Ministry of Health Allocation | \$ 151,283 | \$ 151,283 |
| Compensation & Services Recovery | - | 79,485 |
| Total Revenue | \$ 151,283 | \$ 230,768 |
| Operating Expenses | | |
| Salaries and Wages | \$ 23,317 | \$ 88,514 |
| Employee Benefits | 4,162 | 22,849 |
| Supplies and Other Expenses | 356 | 15,792 |
| Total Operating Expenses | \$ 27,835 | \$ 127,155 |
| Net Revenue | \$ 123,448 | \$ 103,613 |

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

| March 31, | 2023 | 2022 |
|-------------------------------------------------------------------------|-------------------|-------------|
| Revenue | | |
| Ministry of Health Allocation | \$ 750,000 | \$ - |
| Total Revenue | \$ 750,000 | \$ - |
| Operating Expenses | | |
| Digital health, Information Management, and Virtual Care Implementation | \$ 50,000 | \$ - |
| Physician and other Clinician Leadership | 8,580 | - |
| Project Management and Leadership | 130,750 | - |
| Planning / Implementing a population-health management (Consulting) | 112,548 | - |
| Total Operating Expenses | \$ 301,878 | \$ - |
| Net Revenue (Expense) | \$ 448,122 | \$ - |