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Financial Statements  
Collingwood General and Marine Hospital

March 31, 2024

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## Independent Auditor's Report

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To the Board of Trustees of  
Collingwood General and Marine Hospital

### Opinion

We have audited the financial statements of Collingwood General and Marine Hospital, which comprise the statement of financial position as at March 31, 2024, the statements of operations and changes in net assets, 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 Collingwood General and Marine Hospital as at March 31, 2024, and its financial performance and 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 Collingwood General and Marine Hospital in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 Collingwood General and Marine 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 Collingwood General and Marine Hospital or to cease operations, or has no realistic alternative but to do so.

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

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

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Lindsay, Ontario  
June 24, 2024

# Collingwood General and Marine Hospital


## Statement of financial position

As at March 31, 2024

|  |       | March 31, 2024    | March 31, 2023    |
|--|-------|-------------------|-------------------|
|  | Notes | \$                | \$                |
| <b>Assets</b>                            |       |                   |                   |
| Current                                  |       |                   |                   |
| Cash                                     |       | 14,496,084        | 6,264,014         |
| Accounts receivable                      | 3     | 3,559,549         | 10,046,337        |
| Contribution receivable                  | 11    | 200,000           | 200,000           |
| Prepaid expenses                         |       | 1,283,203         | 1,021,148         |
| Inventory                                |       | 272,027           | 258,843           |
|  |       | <u>19,810,863</u> | <u>17,790,342</u> |
| Capital assets                           | 4     | 31,722,302        | 31,172,790        |
| Contribution receivable                  | 11    | 1,400,000         | 1,600,000         |
|  |       | <u>52,933,165</u> | <u>50,563,132</u> |
| <b>Liabilities</b>                       |       |                   |                   |
| Current                                  |       |                   |                   |
| Accounts payable and accrued liabilities | 6     | 12,950,193        | 12,913,929        |
| Deferred revenue                         |       | 1,562,332         | 1,203,388         |
| Capital lease obligation                 |       | -                 | 14,227            |
|  |       | <u>14,512,525</u> | <u>14,131,544</u> |
| Deferred capital contributions           | 7     | 33,182,205        | 30,964,595        |
| Employee future benefits                 | 8     | 3,177,400         | 3,683,666         |
|  |       | <u>50,872,130</u> | <u>48,779,805</u> |
| Commitments and contingencies            | 13    |                   |                   |
| <b>Net assets</b>                        |       | <u>2,061,034</u>  | <u>1,783,327</u>  |
|  |       | <u>52,933,165</u> | <u>50,563,132</u> |

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

Approved by the Board of Directors

  
Barry Goodwin

Chair, Board of Directors

**Collingwood General and Marine Hospital**  
**Statement of operations and changes in net assets**  
**For the year ended March 31, 2024**

|  | Notes    | March 31, 2024<br>\$ | March 31, 2023<br>\$ |
|--|----------|----------------------|----------------------|
| <b>Revenue</b>   |          |                      |                      |
| Ministry of Health   | 9        | 70,007,285           | 64,167,321           |
| Patient Services   |          | 12,526,230           | 11,966,392           |
| Marketed Services  |          | 1,132,084            | 835,294              |
| Other  | 11       | 1,051,972            | 873,634              |
| Amortization of Deferred Contributions - Equipment           |          | 2,195,151            | 2,181,612            |
|  |          | <u>86,912,722</u>    | <u>80,024,253</u>    |
| <b>Expenses</b>  |          |                      |                      |
| Salaries and benefits  | 8 and 12 | 51,510,679           | 45,726,782           |
| Medical Staff remuneration                                   | 9        | 11,051,791           | 11,802,724           |
| Supplies and other   |          | 14,100,709           | 13,771,057           |
| Medical and surgical supplies                                |          | 6,349,654            | 5,472,965            |
| Drugs and gases  |          | 954,320              | 941,092              |
| Amortization of equipment                                    |          | 2,204,013            | 2,203,953            |
|  |          | <u>86,171,166</u>    | <u>79,918,573</u>    |
| <b>Excess of revenue over expenses before the undernoted</b> |          | <u>741,556</u>       | <u>105,680</u>       |
| <b>Other votes and programs</b>                              |          |                      |                      |
| Revenue  | 10       | 4,169,077            | 2,846,851            |
| Expenses   | 10       | (4,496,056)          | (2,846,851)          |
|  |          | <u>(326,979)</u>     | <u>-</u>             |
| <b>Amortization of Buildings and Land Improvements</b>       |          |                      |                      |
| Deferred capital contributions                               |          | 951,467              | 924,042              |
| Amortization   |          | (1,088,337)          | (1,055,263)          |
|  |          | <u>(136,870)</u>     | <u>(131,221)</u>     |
| <b>Surplus (deficiency) of revenue over expenses</b>         |          | 277,707              | (25,541)             |
| Net assets, beginning of year                                |          | 1,783,327            | 1,808,868            |
| <b>Net assets, end of year</b>                               |          | <u>2,061,034</u>     | <u>1,783,327</u>     |

**Collingwood General and Marine Hospital**  
**Statement of cash flows**  
**For the year ended March 31, 2024**

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|  | <b>March 31, 2024</b> | <b>March 31, 2023</b> |
|--|-----------------------|-----------------------|
|  | <b>\$</b>             | <b>\$</b>             |
| <b>Operating activities</b>                    |                       |                       |
| Deficiency of revenue over expenses            | 277,707               | (25,541)              |
| Items not affecting cash:                      |                       |                       |
| Amortization of capital assets                 | 3,292,350             | 3,259,216             |
| Amortization of deferred capital contributions | (3,146,618)           | (3,105,654)           |
| Employee future obligations                    | (506,266)             | 101,090               |
| Change in non-cash working capital             |                       |                       |
| Accounts receivable                            | 6,686,788             | (6,204,023)           |
| Inventory                                      | (13,184)              | (28,656)              |
| Prepaid expenses                               | (262,055)             | (150,206)             |
| Accounts payable and accrued liabilities       | 36,265                | 708,897               |
| Deferred revenue                               | 358,944               | 318,501               |
|  | <u>6,723,931</u>      | <u>(5,126,376)</u>    |
| <b>Capital activities</b>                      |                       |                       |
| Additions to capital assets                    | <u>(3,841,862)</u>    | <u>(4,543,169)</u>    |
| <b>Financing activities</b>                    |                       |                       |
| Capital lease payments                         | (14,228)              | (100,080)             |
| Deferred capital contributions                 | 5,364,228             | 5,733,038             |
|  | <u>5,350,000</u>      | <u>5,632,958</u>      |
| Increase / (decrease) in cash                  | 8,232,070             | (4,036,587)           |
| Cash, beginning of year                        | 6,264,014             | 10,300,601            |
| <b>Cash, end of year</b>                       | <u>14,496,084</u>     | <u>6,264,014</u>      |

# Collingwood General and Marine Hospital

Notes to the financial statements

March 31, 2024

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## 1. Nature of the organization

The Collingwood General and Marine Hospital (the "Hospital") was incorporated under the Canada Corporation Act by Parliamentary assent on June 23, 1887, to establish a hospital for the assistance, benefit, and relief of persons sick or injured. The Hospital is exempt from income taxes under the *Income Tax Act* (Canada).

## 2. Summary of significant accounting policies

### (a) Basis of presentation

The financial statements of the Hospital are the representations of management, prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards. The Hospital reports revenue and expenses on the accrual basis of accounting and uses the deferral method for reporting restricted contributions. The Hospital Foundation, referred to in these notes, is a separate entity, whose financial information is reported separately from the Hospital. The financial statements of the Hospital include the following significant accounting policies.

### (b) Revenue recognition

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

The Hospital is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health ("MOH") and Ontario Health ("OH"). The Hospital has entered into a Service Accountability Agreement ("SAA") for fiscal 2023/24 with OH that sets out performance standards and obligations of the Hospital in a number of areas, including clinical activity and financial performance.

If the Hospital does not meet its performance standards or obligations, OH has the right to adjust funding recognized by the Hospital. As data impacting volumes-based funding is not submitted until after the completion of the financial statements, the amount of OH funding the Hospital is eligible for may be increased or decreased subsequent to year end.

Grants and funding approved but not received at the end of an accounting period are accrued for. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period. Grants and funding for which revenue has been earned but not received as at the end of the fiscal year is recorded as accounts receivable.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions and grants restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital asset.

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

Revenues from patients and other services are recognized when the services are provided.

## Collingwood General and Marine Hospital

Notes to the financial statements

March 31, 2024

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### 2. Summary of significant accounting policies (*continued*)

#### (c) Contributed services

The Hospital is dependent on the voluntary services of many individuals. As the fair market value of these services cannot be reasonably estimated, these contributed services are not recognized or disclosed in these financial statements.

#### (d) Cash

Cash includes cash on hand and deposits with banks.

#### (e) Financial instruments

The Hospital initially measures its financial assets and liabilities at fair value and subsequently measures all its financial assets and liabilities at amortized cost. Financial assets measured at amortized cost include accounts payable and accrued liabilities.

#### (f) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined on an average cost basis.

#### (g) Capital assets

Capital assets are recorded at acquisition cost. Contributed capital assets are recorded at fair value at the date of contribution. Expenditures that substantially increase the useful lives of existing capital assets are capitalized. When a capital asset no longer contributes to the Hospital's ability to provide services, its' carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis using the following rates:

|                           |                |
|---------------------------|----------------|
| Land improvements         | 10 to 20 years |
| Buildings                 | 5 to 50 years  |
| Equipment and furnishings | 3 to 20 years  |
| Software                  | 3 to 10 years  |

Projects in progress consists of direct construction, development costs, and financing costs. Amortization is recorded only when the capital asset is available for its intended use.

Capital leases are those that transfer substantially all of the benefits and risks of ownership to the Hospital. Capital leases are accounted for as though the asset was purchased and liability incurred. All other items of equipment held on lease are accounted for as operating leases.



## Collingwood General and Marine Hospital

Notes to the financial statements

March 31, 2024

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### 2. Summary of significant accounting policies (*continued*)

#### (h) Employee future benefits

The Hospital offers non-pension post-employment benefits to its employees, the cost of which is accrued under the employee future benefits plan. The cost of non-pension post-retirement and post-employment benefits earned by employees is actuarially determined using the projected benefit method, prorated on service and management's best estimate of retirement ages of employees and expected future benefit plan costs.

Adjustments arising from plan amendments are recognized in the year that the plan amendments occur. Actuarial gains or losses are amortized over the average remaining service period of the active employees.

The Hospital is also an employer member of the Healthcare of Ontario Pension Plan, which is a multi-employer defined benefit pension plan. The Hospital has adopted defined contribution plan accounting principles for this Plan as insufficient information is available to apply defined benefit plan accounting principles.

#### (i) 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, liabilities, and disclosure of contingent 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 management's estimates as additional information becomes available at a future date. Accounts involving significant estimates include revenue recognition, accounts receivable, capital assets, accrued liabilities, deferred revenues, employee future benefits, and amortization.

### 3. Accounts receivable

|                                       | March 31, 2024   | March 31, 2023    |
|---------------------------------------|------------------|-------------------|
|                                       | \$               | \$                |
| Ministry of Health and Ontario Health | 1,706,125        | 8,311,687         |
| Insurers and patients                 | 1,289,297        | 1,285,706         |
| Other programs                        | 477,571          | 376,039           |
| HST receivable                        | 195,133          | 164,866           |
| Foundation                            | 146,496          | 77,852            |
|                                       | <u>3,814,622</u> | <u>10,216,149</u> |
| Less: allowance for doubtful accounts | (255,073)        | (169,812)         |
|                                       | <u>3,559,549</u> | <u>10,046,337</u> |

## Collingwood General and Marine Hospital

Notes to the financial statements

March 31, 2024

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### 4. Capital assets

|                           | Cost              | Accumulated<br>Amortization | March 31, 2024<br>Net book value | March 31, 2023<br>Net book value |
|---------------------------|-------------------|-----------------------------|----------------------------------|----------------------------------|
|                           | \$                | \$                          | \$                               | \$                               |
| Land                      | 143,458           | -                           | 143,458                          | 143,458                          |
| Land improvements         | 1,283,296         | (825,195)                   | 458,101                          | 480,242                          |
| Buildings                 | 27,652,419        | (14,555,567)                | 13,096,852                       | 13,301,778                       |
| Equipment and furnishings | 30,434,477        | (21,967,081)                | 8,467,396                        | 8,867,304                        |
| Software                  | 6,556,000         | (2,571,102)                 | 3,984,898                        | 4,480,778                        |
| Projects in progress      | 5,571,597         | -                           | 5,571,597                        | 3,899,229                        |
|                           | <u>71,641,248</u> | <u>(39,918,945)</u>         | <u>31,722,302</u>                | <u>31,172,790</u>                |

### 5. Credit facilities

The Hospital has available the following credit facilities:

- Facility 1 – a revolving credit facility for \$3,000,000 to support general operating requirements of the Hospital. This facility bears interest at the bank's prime rate minus 0.85%. As of March 31, 2024, and March 31, 2023, this facility remains unused.
- Facility 2 – a committed revolving credit facility for \$3,000,000 to support ongoing capital investments of the Hospital. This facility bears interest at a fixed or floating rate. As of March 31, 2024, and March 31, 2023, this facility remains unused.
- Facility 3 – a committed revolving credit facility for \$7,500,000 for the purchase of equipment. This facility bears interest at a fixed or floating rate. As of March 31, 2024, and March 31, 2023, this facility remains unused.

### 6. Accounts payable and accrued liabilities

|  | March 31, 2024    | March 31, 2023    |
|--|-------------------|-------------------|
|  | \$                | \$                |
| Ministry of Health and Ontario Health          | 848,600           | 378,877           |
| Payroll related liabilities                    | 5,280,052         | 7,012,798         |
| Other accounts payable and accrued liabilities | 6,821,541         | 5,522,254         |
|  | <u>12,950,193</u> | <u>12,913,929</u> |

## Collingwood General and Marine Hospital

Notes to the financial statements

March 31, 2024

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### 7. Deferred capital contributions

|                              | Capital grants | donations   | March 31, 2024 | March 31, 2023 |
|------------------------------|----------------|-------------|----------------|----------------|
|                              | \$             | \$          | Total \$       | Total \$       |
| Balance, beginning of year   | 16,726,343     | 14,238,252  | 30,964,595     | 28,337,216     |
| Contributions received       | 519,695        | 4,844,533   | 5,364,228      | 5,733,039      |
| Amounts amortized to revenue | (614,118)      | (2,532,499) | (3,146,618)    | (3,105,660)    |
| Balance, end of year         | 16,631,919     | 16,550,286  | 33,182,205     | 30,964,595     |

### 8. Employee future benefits

The Hospital provides health, dental, accidental death and dismemberment, and life insurance benefits to its employees. The Hospital participates in an unfunded benefit plan and accrues its obligations under employee future benefit plans and related costs as they are earned. For all active employees, the accrued benefits obligation was calculated using the projected benefit method prorated on service. The measurement date for the accrued benefit obligation, as calculated in the Hospital's last actuarial valuation for post-retirement benefits, was performed as at March 31, 2024.

The significant actuarial assumptions included in the actuarial report and adopted in estimating the Hospital's accrued benefit obligation are as follows:

|  | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
|  | \$             | \$             |
| Net benefits recognized                    |                |                |
| Current service cost                       | 167,200        | 127,300        |
| Interest cost                              | 105,500        | 97,600         |
| Amortization of actuarial experience gains | (85,200)       | (29,700)       |
|  | 187,500        | 195,200        |
| Accrued benefit obligation, opening        | 3,171,500      | 3,170,100      |
| Expense for the year                       | 187,500        | 195,200        |
| Benefits paid during the year              | (181,600)      | (193,800)      |
| Accrued benefit obligation                 | 3,177,400      | 3,171,500      |
| Accrued benefit obligation                 | 2,304,900      | 2,224,500      |
| Unposted adjustment                        | -              | 512,166        |
| Unamortized actuarial gains                | 872,500        | 947,000        |
| Accrued benefit obligation, end of year    | 3,177,400      | 3,683,666      |
| Discount Rate                              |                | 4.70%          |
| Dental Benefits Cost Escalation            |                | 5.00%          |
| Extended Health Care Cost Escalation       |                | 5.60%          |

## Collingwood General and Marine Hospital

Notes to the financial statements

March 31, 2024

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### 9. Physician programs

The Hospital has agreements with the MOH for Physician on-call coverage and Emergency Department Physicians. The revenue and expenses associated with these agreements are included in the Statement of operations and changes in net assets as follows:

|                                 | March 31, 2024   | March 31, 2023   |
|---------------------------------|------------------|------------------|
|                                 | \$               | \$               |
| Funding from MOH                |                  |                  |
| Physician on-call coverage      | 1,505,594        | 1,369,915        |
| Emergency Department Physicians | 4,652,114        | 3,842,264        |
|                                 | <u>6,157,708</u> | <u>5,212,179</u> |
| Medical staff remuneration      |                  |                  |
| Physician on-call coverage      | 1,505,594        | 1,369,915        |
| Emergency Department Physicians | 4,652,114        | 3,815,864        |
|                                 | <u>6,157,708</u> | <u>5,185,779</u> |
|                                 | <u>-</u>         | <u>26,400</u>    |

### 10. Other votes and programs

The Hospital administers several programs which are specifically funded by the MOH and OH. The revenue and expenses related to these programs are recorded separately from the base funding operations of the Hospital.

|                                  | March 31, 2024   | March 31, 2023   |
|----------------------------------|------------------|------------------|
|                                  | \$               | \$               |
| Revenue                          |                  |                  |
| Community Mental Health Programs | 2,087,085        | 1,942,422        |
| Wellness Baby Clinic             | 558,828          | 339,513          |
| CGMH @ home                      | 1,427,754        | 473,746          |
| Ontario Telemedicine Network     | 89,260           | 85,020           |
| Municipal taxes                  | 6,150            | 6,150            |
|                                  | <u>4,169,077</u> | <u>2,846,851</u> |
| Expenses                         |                  |                  |
| Community Mental Health          | 2,170,632        | 1,852,037        |
| Wellness Baby Clinic             | 558,828          | 339,513          |
| CGMH @ home                      | 1,542,579        | 473,746          |
| Ontario Telemedicine Network     | 217,867          | 175,405          |
| Municipal taxes                  | 6,150            | 6,150            |
|                                  | <u>4,496,056</u> | <u>2,846,851</u> |
|                                  | <u>(326,979)</u> | <u>-</u>         |

The Hospital allocates general administration costs to the Community Mental Health Programs, the Wellness Baby Clinic, and CGMH@home. A total allocation of \$74,015 (2023 - \$93,309) was made, as calculated from a base amount, plus any direct expenditures.

## Collingwood General and Marine Hospital

Notes to the financial statements

March 31, 2024

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### 11. Related party transactions

The Hospital has an economic interest in the Collingwood General and Marine Hospital Foundation (the "Foundation"). The Foundation is incorporated under the Ontario Corporations Act, is a Registered Charity under the *Income Tax Act* (Canada) and was established to raise funds for the use of the Hospital.

The Hospital does not exercise control or significant influence over the Foundation and therefore the net assets and results of operations of the Foundation are not included in the financial statements of the Hospital.

During the year, \$4,844,532 (2023 - \$4,056,904) was contributed and recognized as deferred capital donations from the Foundation and \$101,581 (2023 - \$122,005) was recognized as Other revenue.

In 2022, the Foundation committed to a long-term contribution receivable of \$2,000,000 to support to upgrade of the Meditech Expanse Health Care Information System. The Foundation is contributing \$200,000 each fiscal year. At March 31, 2024, the contribution receivable was \$1,600,000 (2023 - \$1,800,000).

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount established and agreed to by the related parties.

### 12. Pension plan

The Hospital is a member of the Healthcare of Ontario Pension Plan (the "Plan"), which is a multi-employer defined benefit pension plan. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the five consecutive years prior to retirement, termination or death, which provide the highest earnings.

The Plan's assets consist of investment grade securities. Market and credit risk on these securities are managed by the Plan by placing plan assets in trust and through the Plan investment policy.

Pension expense is based on Plan management's best estimates, in consultation with its actuaries, of the amount, together with the 6.9% of annualized earnings contributed by employees (9.2% of annualized earnings above the respective year's maximum pensionable earnings), required to provide a high level of assurance that benefits will be fully represented by contributions to the Plan to remain a constant percentage of employee's contributions. The employer currently contributes 126% of the employee's contribution.

Variances between actuarial funding estimates and actual expense may be material and any differences are generally to be funded by the participating members. The most recent actuarial valuation of the plan as at December 31, 2023 indicates the Plan is fully funded, with a surplus of \$10 billion (2022 - \$11 billion). Contributions made to the Plan during the year by the Hospital on behalf of its employees amount to \$3,395,963 (2023 - \$2,677,691) and are included in salaries and benefits in the Statement of operations and changes in net assets.

## Collingwood General and Marine Hospital

Notes to the financial statements

March 31, 2024

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### 13. Commitments and contingencies

- (a) The Hospital, in its normal course of operations, has signed capital purchase agreements, maintenance contracts, and lease agreements with third parties.

Payment for these contracts over the next five years is:

|            |    |           |
|------------|----|-----------|
| 2025       | \$ | 4,446,001 |
| 2026       | \$ | 1,229,685 |
| 2027       | \$ | 549,435   |
| 2028       | \$ | 453,590   |
| 2029       | \$ | 373,918   |
| Thereafter | \$ | 1,349,000 |

- (b) The Hospital is party to a Shared Services Alliance Agreement with Headwaters Health Care Centre, Georgian Bay General Hospital, and Royal Victoria Regional Health Care Centre for shared access to Meditech Expanse Health Care Information System. The Hospital has contractually committed to share costs until November 2035. Annual support fees for the upcoming year are estimated at approximately \$1.65 million.
- (c) In the ordinary course of business, various claims and lawsuits are brought against the Hospital. It is the opinion of management that the settlement of these actions will not result in any material liabilities beyond any amounts already accrued.
- (d) The Hospital participates in the Healthcare Insurance Reciprocal of Canada (HIROC). HIROC is a provider of healthcare liability insurance which provides for the pooling of 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. Members are also entitled to a refund, should a surplus exist. No negative reassessments have been made to March 31, 2024.

### 14. Financial instruments

The Hospital is exposed to risk through its financial instruments. The following analysis provides a measure of these risks.

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Hospital is exposed to credit risk on its accounts receivable. Accounts receivable are primarily due from the MOH and OH and credit risk is mitigated by the financial solvency of these organizations. Additionally, the Hospital holds its cash accounts at a federally regulated chartered bank and is insured under the Canadian Deposit Insurance Corporation up to \$100,000.

## **Collingwood General and Marine Hospital**

Notes to the financial statements

March 31, 2024

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### **14. Financial instruments (*continued*)**

#### **Liquidity risk**

Liquidity risk relates to the potential that the Hospital will not be able to meet a demand for cash or fund its obligations as they come due as a result of the Hospital's inability to liquidate assets in a timely manner. The Hospital is exposed to liquidity risk on its accounts payable and accrued liabilities and expects to meet these obligations as they come due through operating funding. There has been a decrease in liquidity risk from the previous year as a result of increased cash on hand.