



Financial Statements

Year ended March 31, 2022



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Independent Auditor's Report

To the Board of Directors of
the Collingwood General and Marine Hospital

Opinion

We have audited the financial statements of the Collingwood General and Marine Hospital, which comprise the statement of financial position as at March 31, 2022, the statements of operations, 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 the Collingwood General and Marine Hospital as at March 31, 2022, and its results of operations, its change in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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
Collingwood, Ontario
June 16, 2022

Statement of Financial Position

	Notes	March 31, 2022	March 31, 2021
ASSETS			
Current			
Cash		\$10,300,601	\$5,558,672
Accounts receivable	3,4	3,642,314	9,032,947
Prepaid expenses		870,942	1,420,846
Inventories	5	230,187	211,807
Total current assets		15,044,044	16,224,272
Capital assets	6	29,888,837	30,039,119
Contribution receivable - long-term		2,000,000	-
		46,932,881	46,263,391
LIABILITIES AND NET ASSETS			
Current			
Short term bank loan	7	\$ -	\$1,022,090
Current portion of capital equipment lease	17	95,555	104,400
Accounts payable and accrued liabilities		13,089,915	13,349,148
Total current liabilities		13,185,470	14,475,638
Employee future benefits	9	3,582,576	3,447,131
Capital equipment lease - long-term	17	18,751	107,777
Deferred capital contributions	10	28,337,216	26,248,043
Total liabilities		45,124,013	44,278,589
Net assets		1,808,868	1,984,802
		\$46,932,881	\$46,263,391

On Behalf of the Board of Directors



David Johnston

Interim Board Chair

Statement of Operations

	Notes	March 31, 2022	March 31, 2021
REVENUES			
Ministry of Health			
- Base		\$27,105,082	\$25,785,539
- HBAM		12,443,359	12,443,359
- QBP		8,578,537	8,089,672
- Other		8,301,808	6,700,211
- Pandemic	3	2,784,665	6,192,262
- Working Funds Initiative	3	-	2,854,600
Patient Services		10,745,332	10,058,363
Marketed Services		784,238	684,529
Other		700,948	429,417
Amortization of Deferred Contributions - Equipment		1,813,914	1,541,687
		73,257,883	74,779,639
EXPENSES			
Salaries and Wages		\$32,843,508	\$31,869,759
Employee Benefits		10,204,303	9,127,687
Medical Staff Remuneration		9,882,954	9,642,277
Supplies and Other		13,192,758	12,247,914
Medical and Surgical Supplies		4,149,634	3,440,308
Drugs and Gases		958,118	1,048,023
Amortization of Equipment		2,023,219	1,761,859
		73,254,494	69,137,827
Surplus of revenue over expenses before other votes and programs		3,389	5,641,812
OTHER VOTES AND PROGRAMS			
	12		
Revenue		2,233,782	2,304,275
Expense		(2,283,899)	(2,304,275)
Net Other Votes and Programs		(50,117)	-
Surplus (deficiency) of revenue over expenses from operations before building and land improvements		(46,728)	5,641,812
BUILDING AND LAND IMPROVEMENTS			
Amortization of Deferred Contributions		905,972	839,272
Amortization of Building and Equipment		(1,035,178)	(957,402)
Net Amortization		(129,206)	(118,130)
Surplus (deficiency) of revenue over expenses		(\$175,934)	\$5,523,682

Statement of Changes in Net Assets (Debt)

	Notes	March 31, 2022	March 31, 2021
Net assets (debt), beginning of year		\$1,984,802	(\$3,538,880)
Surplus (deficiency) of revenue over expenses		(175,934)	5,523,682
Net assets, end of year		\$1,808,868	\$1,984,802

Statement of Cash Flows

	Notes	March 31, 2022	March 31, 2021
CASH PROVIDED BY (USED IN):			
OPERATING ACTIVITIES			
Surplus (deficiency) of revenue over expenses		(\$175,934)	\$5,523,682
Adjustments for:			
Amortization of Capital Assets		3,058,397	2,719,261
Amortization of Deferred Contributions		(2,719,886)	(2,380,959)
		\$162,577	\$5,861,984
Adjusted for:			
Accounts Receivable		\$4,840,301	(\$6,987,428)
Inventories		(18,380)	51,846
Prepaid Expenses		549,904	(511,521)
Accounts Payable and Accruals		78,778	3,059,474
Employee Future Benefits		135,445	123,424
		\$5,748,625	\$1,597,779
FINANCING ACTIVITIES			
Deferred Contributions		\$3,786,969	\$5,274,013
CAPITAL ACTIVITIES			
Tangible Capital Asset Acquisitions		(\$2,858,414)	(\$3,765,655)
Non-Tangible Capital Asset Acquisitions		(49,699)	(2,635,740)
Loss on Sale of Capital Assets		0	5,618
Accounts Receivable for Capital Asset Acquisitions		(1,449,670)	(637,433)
Accounts Payable for Capital Asset Acquisitions		(346,856)	313,488
Capital Lease - Long Term Portion		(89,026)	56,729
		(\$4,793,665)	(\$6,662,993)
Net increase in cash during the year		\$4,741,929	\$208,799
Cash, beginning of year		5,558,672	5,349,873
Cash, end of year		\$10,300,601	\$5,558,672

Notes to the Financial Statements

1. Purpose of the Organization

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 by accidents. The Hospital receives the majority of its operating revenue from the Ministry of Health (MOH) in amounts determined by the MOH's annual review and approval process. The Hospital is exempt from income taxes under the Income Tax Act.

2. Summary of Significant Accounting Policies

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, as issued by the Public Sector Accounting Board.

The focus of PSAB financial statements is on the financial position of the Hospital and the changes thereto. The statement of financial position (or balance sheet) includes all of the assets and liabilities of the Hospital. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Net assets represents the financial position and is the difference between assets and liabilities. This provides information about the Hospital's overall future revenue requirements and its ability to finance activities and meet its obligations.

Significant aspects of the accounting policies adopted by the Hospital are as follows:

(a) Basis of accounting

Sources of revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of an obligation to pay. The Hospital follows the accounting guidelines as set by the MOH and the PSAB accounting standards.

(b) Financial instruments and transaction costs

The Hospital initially measures its financial assets and liabilities at fair value. The Hospital subsequently measures all its financial assets and financial liabilities at amortized costs, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of remeasurement gains and losses as a remeasurement gain or loss until the financial instrument is derecognized.

A loss or gain is recognized in the statement of operations when an instrument is derecognized. Financial assets measured at amortized cost include cash, accounts receivable and long-term accounts receivable. Financial liabilities measured at amortized cost include the short term bank loan, accounts payable and accrued liabilities.

The Hospital recognizes its transaction costs in net income in the period incurred except for financial instruments that will not be subsequently measured at fair value. The carrying amounts of these instruments are adjusted by the transaction costs that are directly attributable to their issuance.

For secured lines of credit, annual transaction costs are treated as prepaid expenses and amortized over a one year period. Non-recurring costs to initiate a line of credit are expensed as incurred.

(c) Cash

Cash includes cash on hand, deposits with banks and other highly liquid investments recorded at fair market value.

(d) Capital assets

Tangible capital assets are recorded at cost. Tangible capital assets are amortized on a straight line basis over their estimated useful life using rates established by management information system guidelines as approved by the of MOH, ranging from 2% to 33% per annum.

Intangible assets include externally acquired computer software and are stated at cost. Amortization at the rate of 33% per annum is provided on a straight-line basis over their estimated useful service lives established by management information system guidelines as approved by the MOH.

(e) Leased tangible capital assets

A lease that transfers substantially all of the benefits and risks of ownership to the lessee is recorded as a tangible capital asset and the incurrence of a lease obligation. At inception, a tangible capital asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments, excluding executor costs, and the leased property's fair value at the beginning of the lease. The discount rate used to determine the present value of the lease payments is the lower of the organization's rate for incremental borrowing or the interest rate implicit in the lease. Leased tangible capital assets are amortized on a straight-line basis over the term of the lease.

(f) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the first in, first out method.

(g) 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 MOH and Ontario Health (OH). The Hospital has entered into a Hospital Service Accountability Agreement (H-SAA) for fiscal 2021/22 with the MOH and 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, the MOH has the right to adjust funding received by the Hospital. In particular, since data impacting patient-based funding is not submitted until after the completion of the financial statements, the amount of MOH/OH funding received by the Hospital during the year may be increased or decreased subsequent to year end.

Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period. Restricted contributions for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Amortization of buildings is not funded by OH and accordingly the amortization of the buildings has been reflected as an under-noted item in the statement of operations with the corresponding realization of revenues for deferred contributions. Other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.

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

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

(h) Contributed services

The Hospital receives volunteer services from many individuals. Since these services are not normally purchased by the Hospital and because of the difficulty in estimating their fair market value, these services are not recorded in these financial statements.

(i) Allocation of expenses

The Hospital allocates general administration costs to the Mental Health and the Collingwood Well Baby Clinic programs. Of the total costs of \$10,696,359 (2021 - \$9,045,086) an allocation of \$42,950 (2021 - \$42,950) was made. The allocation is calculated from a base amount plus any additional direct expenditure.

(j) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions. These may 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 period. Employee future benefits, the useful life of tangible capital assets and the amount of revenue recognized for COVID-19 MOH funding (Note 4), are significant areas where estimates are used. An actuarial report is completed to provide measurement of the estimate of employee future benefits.

(k) Retirement benefits

The hospital provides post-employment health, dental and life insurance benefits to eligible retired employees. The accrued benefit obligation for these benefits is actuarially determined using the projected benefit method prorated on service, and incorporates management's best estimate of salary escalation, retirement ages of employees, and expected benefit costs.

Adjustment 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. Past service costs arising from plan amendments are charged to income in the year of the plan amendment.

Defined contribution plan accounting is applied to the hospital's multi-employer defined benefit pension plan. Contributions for current and past service costs are expensed in the year in which they become due.

3. COVID-19 Ministry of Health Funding

On March 11, 2020 the World Health Organization declared the Coronavirus (COVID-19) outbreak a pandemic. As a result of COVID-19, the Hospital is experiencing changes in demand for its services and is working to mitigate the financial impacts while carrying out its response to the impacts of COVID-19.

The duration and impact of the COVID-19 pandemic is unknown, resulting in an inability to reliably estimate the impact that the length and severity of the COVID-19 pandemic will have on the financial position and financial results of the Hospital in future years.

In response to the ongoing COVID-19 pandemic, the MOH has announced funding programs to assist hospitals with incremental cost and revenue decreases as a result of COVID-19. Additionally, as part of the broad based funding reconciliation, the MOH is allowing hospitals to reallocate surplus funding that otherwise would have been repayable from certain programs to offset budget constraints created by COVID-19.

Management's estimate of the Hospital's MOH revenue is based on guidance which continues to evolve and the impacts of COVID-19 on the Hospital's operations, revenues and expenses. This guidance includes the maximum amount of funding potentially available to the Hospital, as well as the criteria for eligibility. As a result, there is some measurement uncertainty associated with the MOH revenue related to COVID-19. In addition, as the funding is subject to review and reconciliation in subsequent periods, funding recognized as revenue during a period may be increased or decreased in subsequent periods.

4. Accounts Receivable

	March 31, 2022	March 31, 2021
Patients and Clients	\$1,511,201	\$1,279,998
Canada Revenue Agency (HST)	395,278	268,869
MOH - COVID-19 Expense Reimbursement	862,466	3,599,345
MOH - COVID-19 Lost Non-Ministry Revenue	-	757,600
MOH - Hospital Working Funds Initiative	-	2,854,600
MOH - Temporary Retention Incentive for Nursing Funding	487,536	-
MOH - QBP Surgical Premium	53,060	304,149
Other	759,356	351,015
	\$4,068,897	\$9,415,576
Less allowance for doubtful accounts	(426,583)	(382,629)
	\$3,642,314	\$9,032,947

5. Inventories

	March 31, 2022	March 31, 2021
Gift Shop	\$23,899	\$12,600
Drugs	193,854	193,106
Other	12,434	6,101
	\$230,187	\$211,807

6. Capital Assets

	March 31, 2022	March 31, 2021
COST		
Land and Improvements	\$1,401,791	\$1,403,336
Buildings	27,152,938	27,133,993
Equipment and Furnishings	25,762,554	24,542,838
Software	5,850,544	1,834,362
Capital Equipment Lease	806,972	806,972
Construction in Progress	2,263,094	5,167,437
	\$63,237,893	\$60,888,938
ACCUMULATED DEPRECIATION		
Land and Improvements	\$732,287	\$688,029
Buildings	13,150,580	12,432,439
Equipment and Furnishings	17,006,535	15,525,983
Software	1,807,979	1,593,669
Capital Equipment Lease	651,675	609,699
	\$33,349,056	\$30,849,819
	\$29,888,837	\$30,039,119

Assets included in Construction in Progress are not amortized until available for use.

7. Bank Loan

In 2022, the Hospital paid off its short-term bank loan of \$1,022,090 (2021 - \$1,022,090) using one-time funds received through the MOH's Working Funds Initiative from 2021.

The Hospital has a maximum \$3.0 million line of credit relative to general operating requirements. As of March 31, 2022, the Hospital has not accessed the operating line of credit (2021 - \$0).

8. Employee Pension Plan

The employees of the Collingwood General and Marine Hospital participate in the Healthcare of Ontario Pension Plan ("HOOPP"). Although the plan has a defined retirement benefit for employees, the related obligation of individual hospitals cannot be identified. The HOOPP plan has several unrelated participating hospitals. During the year the Collingwood General and Marine Hospital made contributions of \$2,696,551 (2021 - \$2,634,862) to the HOOPP plan.

HOOPP is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of participating hospitals in Ontario and their employees. As a result, the Hospital does not recognize any share of the HOOPP pension surplus or deficit. The plan has reported a \$28.5 billion actuarial surplus at the end of December 2021 (2020 - \$24.1 billion surplus), based on actuarial liabilities of \$85.9 billion (2020 - \$79.9 billion) and actuarial net assets of \$114.4 billion (2020 - \$104.0 billion).

9. Employee Future Benefits

The Hospital provides extended health care, dental benefits and life insurance to substantially all full-time employees from retirement to age 65. At March 31, 2022, the Hospital's future benefit obligation relating to post-retirement benefits using assumptions detailed in the actuarial valuation update dated March 31, 2022 is \$2,607,100 (2021 - \$2,786,100). The portion of this benefit obligation included on the Balance Sheet at March 31, 2022 is \$3,582,576 (2021 - \$3,447,131). Significant fluctuations in anticipated healthcare costs are not expected to materially affect the accrued liability benefit. Actuarial valuations will be prepared every third year or when there are significant changes in the workforce. This liability is not funded and there are no plan assets.

The significant actuarial assumptions included in the actuarial report dated March 31, 2022 and adopted in estimating the Hospital's accrued benefit obligation are as follows:

Discount Rate	3.0%
Dental Benefits Cost Escalation	3.7%
Extended Health Care Cost Escalation	5.37%

Employee benefits expense for 2022 includes \$212,200 (2021 - \$203,400) for employee future benefits. During the year, actual payments for extended health care, dental and life insurance premiums of \$76,755 (2021 - \$79,976) were made for retired employees.

Information about the Hospital's benefit obligation is as follows:

	March 31, 2022	March 31, 2021
ACCRUED BENEFIT OBLIGATION		
Balance beginning of period	\$2,786,100	\$2,719,300
Prior year actuarial (gain)/loss	(228,100)	33,700
Adjusted balance beginning of period	\$2,558,000	\$2,753,000
Service cost for one year	\$140,500	\$133,600
Interest on the accrued benefit obligation	85,100	85,600
Expected benefit payments	(176,500)	(186,100)
	\$2,607,100	\$2,786,100
Unposted adjustment to accrued liability	\$412,476	\$312,731
Unamortized net actuarial gain/(loss)	563,000	348,300
Accrued benefit liability, end of period	\$3,582,576	\$3,447,131

10. Deferred Contributions Related to Tangible Capital Assets

Deferred contributions related to tangible capital assets represent contributions restricted by donors or funders for the purchase of tangible capital assets. The changes in the deferred contributions balance for the period are as follows:

	March 31, 2022	March 31, 2021
Balance, beginning of year	\$26,248,043	\$23,354,989
Donations from the CGMH Foundation	3,313,707	2,025,256
Donations - Other	-	107,005
Government Grants	1,495,352	3,141,752
Amortization of deferred contributions	(2,719,886)	(2,380,959)
Balance, end of year	\$28,337,216	\$26,248,043

11. Ministry of Health / Physician Agreements

(a) Alternative Funding Agreement (AFA)

The Hospital has an agreement with the Emergency Physicians and the MOH for alternative funding for emergency services. The revenue and expenses included in the statement of operations are as follows:

	March 31, 2022	March 31, 2021
Revenue - MOH	\$3,303,316	\$3,753,066
Expenses - Physician Remuneration	3,276,916	3,726,666
AFA contribution to Hospital	\$26,400	\$26,400

(b) Hospital On-Call Coverage (HOCC)

The Hospital has an agreement with the MOH for Physician on Call Coverage. The revenue and expenses included in the statement of operations are as follows:

	March 31, 2022	March 31, 2021
Revenue - MOH	\$1,329,885	\$1,329,885
Expenses - Physician Remuneration	1,329,885	1,329,885
HOCC agreement contribution to Hospital	-	-

12. Other Votes and Programs

	March 31, 2022	March 31, 2021
REVENUE		
Community Mental Health Programs	\$1,878,773	\$1,981,065
Collingwood Well Baby Clinic	348,859	317,060
Municipal Taxes	6,150	6,150
	\$2,233,782	\$2,304,275
EXPENSE		
Community Mental Health	\$1,050,437	\$1,057,578
Crisis Intervention	354,863	320,206
Collingwood Well Baby Clinic	294,154	317,060
Case Management	160,768	313,726
Ontario Telemedicine Network	68,668	134,718
Mental Health Response Unit	348,859	154,837
Municipal Taxes	6,150	6,150
	\$2,283,899	\$2,304,275
Net Other Votes and Programs	(\$50,117)	-

13. Related Party Transactions

Current accounts receivable includes \$314,389 (2021 – \$69,595) from the Collingwood General & Marine Hospital Foundation. A long-term receivable of \$2,000,000 established in 2022 related to the Foundation's contribution towards the new Health Information System implementation.

The Collingwood General & Marine Hospital Foundation was founded to receive, accumulate and distribute funds and/or the income therefrom for the benefit of the Hospital. The Foundation is incorporated under the Ontario Corporations Act and is a registered charity under the Income Tax Act. The Hospital exercises significant influence over the Foundation by virtue of its ability to appoint some of the Foundation's Board of Directors. Net resources of the Foundation must be provided to the Hospital or used for the Hospital's benefit according to the Foundation's bylaws.

The Foundation has not been consolidated in the Hospital's financial statements. Financial statements of the Foundation are available on request. Audited financial summaries for the Foundation as at December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
FINANCIAL POSITION		
Total assets	\$31,647,189	\$26,570,543
Total liabilities	295,716	239,032
Total net assets	\$31,351,473	\$26,331,511
RESULTS OF OPERATIONS		
Total revenue	\$7,504,249	\$6,125,621
Total expenses	1,175,515	1,161,752
Excess of revenue over expenses	\$6,328,734	\$4,963,869
CASH FLOWS		
Cash from operations	\$5,123,922	\$3,914,826
Cash used in investing and financing activities	(5,202,766)	(3,052,328)
Change in cash	(\$78,844)	\$862,498

14. Commitments

The Hospital, in its normal course of operations, has signed support and maintenance contracts with third parties to provide services to the Hospital.

The minimum payment for these contracts over the next three years is:

2023	\$1,950,434
2024	\$472,807
2025	\$214,333

In addition, the Hospital has committed to project costs totalling \$7,688,657 pertaining to the implementation of a regional Health Information System. Of the total projected implementation costs, a total of \$4,054,697 has been capitalized at the end of fiscal year-end 2022 (2021 - \$2,410,342) and in 2022 \$1,783,938 (2021 - \$451,315) was expensed.

15. Financial Instruments Risk Exposure

The Hospital is exposed to various risks through its financial instruments. The following analysis provides a measure of the Hospital's risk exposure and concentrations as at March 31, 2022.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Hospital's main credit risk is related to accounts receivable. The Hospital provides services to patients which are not covered by Provincial health care plans. These amounts are collected from the individual patient or their insurance company. Actual exposure to credit losses has been minimal in prior years. The allowance for doubtful accounts is \$426,583 (2021 - \$382,629).

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.

Liquidity risk

Liquidity risk is the risk that the Hospital will encounter difficulty in meeting obligations associated with financial liabilities. The Hospital is exposed to this risk mainly in respect of its short term bank loan, accounts payable and accrued liabilities. The Hospital expects to meet these obligations as they come due by generating sufficient cash flow from operations.

The hospital has a planning and budgeting process in place to help determine the funds required to support the hospital's normal operating requirements on an ongoing basis. The hospital ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk. The Hospital is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Hospital is exposed to interest rate risk on its variable short-term debt as described in Note 8.

16. Contingencies

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.

The Hospital participates in the Healthcare Insurance Reciprocal of Canada (HIROC), a reciprocal insurance company licensed under the Insurance Act, (Ontario), and a pooling of the public liability insurance risks of its hospital members. Members of the pool pay annual premiums, which are actuarially determined. Members are subject to assessment for losses, if any, experienced by the pool for the year in which they were members. No assessments have been made to March 31, 2022, with respect to claims.

17. Obligations Under Capital Leases

	March 31, 2022	March 31, 2021
Obligation under a capital lease for hematology equipment, monthly payments of \$1,581 with interest at the rate of 2.05%, maturing on November 30, 2023, secured by specific equipment	\$34,529	\$52,629
Obligation under a capital lease for endoscopic equipment, monthly payments of \$7,252 with interest at the rate of 0%, maturing on January 31, 2023, secured by specific equipment	79,777	159,548
	\$114,306	\$212,177
Less current portion of capital lease	(95,555)	(104,400)
Long term portion of capital lease	\$18,751	\$107,777

Future minimum lease payments under the capital lease for subsequent years are as follows:

2023	\$91,490
2024	\$14,694