

Lake of the Woods District Hospital
Financial Statements
March 31, 2021

Lake of The Woods District Hospital

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For the year ended March 31, 2021

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Management's Responsibility

To the Board of Directors of Lake of the Woods District Hospital:

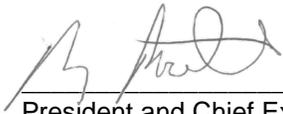
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Hospital. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

June 10, 2021



President and Chief Executive Officer



Vice President Corporate Services
and Chief Finance Officer

To the Members and to the Board of Lake of the Woods District Hospital:

Opinion

We have audited the financial statements of Lake of the Woods District Hospital (the "Hospital"), which comprise the statement of financial position as at March 31, 2021, and 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 Hospital as at March 31, 2021, and the results of its operations 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 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 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.

Kenora, Ontario

June 10, 2021

MNP LLP

Chartered Professional Accountants

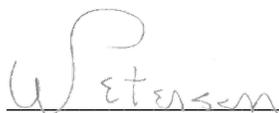
Licensed Public Accountants

Lake of the Woods District Hospital
Statement of Financial Position

As at March 31, 2021

	2021	2020
Current assets		
Cash (Note 1)	\$ 3,412,829	\$ 3,526,237
Short-term investments (Note 2)	327,881	389,630
Accounts receivable (Note 3)	7,238,742	4,768,016
Inventory	1,449,675	1,038,805
Prepaid expenses	707,574	576,193
	13,136,701	10,298,881
Capital assets (Note 4)	25,740,270	25,843,779
	\$ 38,876,971	\$ 36,142,660
 Current liabilities		
Accounts payable (Note 6)	\$ 8,784,983	\$ 7,677,828
Deferred contributions – donations and grants (Note 8)	1,367,582	1,064,449
	10,152,565	8,742,277
Accrued employee future benefit obligation (Note 7)	1,956,400	1,897,600
	12,108,965	10,639,877
Deferred contributions		
Unamortized capital contributions (Note 8)	22,394,475	21,639,153
	34,503,440	32,279,030
Commitments and contingencies (Note 10)		
Net assets (debt)		
Invested in capital assets (Note 9)	3,344,988	4,204,626
Internally restricted for capital	1,963,048	1,297,446
Unrestricted net deficit	(934,505)	(1,638,442)
	4,373,531	3,863,630
	\$ 38,876,971	\$ 36,142,660

Approved on behalf of the Board



Director

Lundy, Brent

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Lundy, Brent
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Director

Lake of the Woods District Hospital
Statement of Operations

For the year ended March 31, 2021

	Budget 2020/21 (Unaudited) (Note 15)	2021	2020
Revenue (Schedule 1)			
Ministry of Health/LHIN/CCO	\$ 39,268,978	\$ 46,810,979	\$ 38,460,885
Patient revenue from other payors	4,248,100	4,605,935	4,331,485
Differential and co-payment revenue	240,000	155,941	240,926
Other revenue and recoveries	4,768,762	3,437,871	4,381,358
Amortization of grants/donations of equipment	764,434	846,237	787,545
Total Hospital Operating Revenue	49,290,274	55,856,963	48,202,199
Other programs, net of amounts repayable to funding agencies (Schedules 3 and 4)	8,000,000	8,741,685	8,082,446
	57,290,274	64,598,648	56,284,645
Expenses			
Salaries, wages and employee benefits (Schedule 2)	28,054,833	31,433,141	27,922,381
Medical staff remuneration	9,800,982	10,195,921	8,986,259
Supplies and other expenses (Schedule 2)	7,622,142	8,239,643	7,160,280
Medical and surgical supplies (Schedule 2)	1,220,817	1,709,192	1,341,412
Drugs	1,634,332	2,278,039	2,068,791
Amortization of equipment	930,802	1,025,265	981,427
Bad debts	26,250	40,047	49,368
Total Hospital Operating Expenses	49,290,158	54,921,248	48,509,918
Other programs (Schedules 3 and 4)	8,000,000	8,741,685	8,082,446
	57,290,158	63,662,933	56,592,364
Surplus (deficit) before amortization related to buildings	116	935,715	(307,719)
Amortization of buildings	(2,313,695)	(2,339,795)	(2,239,872)
Amortization of deferred contributions related to buildings	1,887,667	1,913,981	1,889,352
	(426,028)	(425,814)	(350,520)
Surplus (deficit) for the year	\$ (425,912)	\$ 509,901	\$ (658,239)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Lake of the Woods District Hospital

Statement of Changes in Net Assets

For the year ended March 31, 2021

				2021	2020
	Invested in Capital Assets	Internally Restricted for Capital	Unrestricted	Total	Total
Balance, beginning of year	\$ 4,204,626	\$ 1,297,446	\$ (1,638,442)	\$ 3,863,630	\$ 4,521,869
Surplus (deficit) for the year	-	-	509,901	509,901	(658,239)
Amortization of capital assets/deferred contributions related to capital assets <i>(Note 9)</i>	(605,649)	-	605,649	-	-
Interfund transfer <i>(Note 9)</i>	(665,602)	665,602	-	-	-
Net change in investment in capital assets <i>(Note 9)</i>	411,613	-	(411,613)	-	-
Balance, end of year	\$ 3,344,988	\$ 1,963,048	\$ (934,505)	\$ 4,373,531	\$ 3,863,630

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Lake of the Woods District Hospital

Statement of Cash Flows

For the year ended March 31, 2021

	2021	2020
Cash flows from operations		
Surplus (deficit) for the year	\$ 509,901	\$ (658,239)
Adjustments for:		
Amortization of capital assets	3,391,085	3,221,299
Amortization of deferred contributions related to capital assets	(2,785,437)	(2,699,517)
Increase in long term liability related to employee future benefits	58,800	110,101
	<u>1,174,349</u>	<u>(26,356)</u>
Change in non-cash operating working capital balances	(1,905,821)	(402,744)
	<u>(731,472)</u>	<u>(429,100)</u>
Cash flows from financing activities		
Increase in deferred contributions related to capital assets	3,540,759	1,591,562
Increase in other deferred contributions	303,133	177,806
	<u>3,843,892</u>	<u>1,769,368</u>
Cash flows from investing activities		
Purchase of capital assets	(3,287,577)	(2,154,284)
Decrease in short-term investments	69,475	1,415,646
	<u>(3,218,102)</u>	<u>(738,638)</u>
Net increase (decrease) in cash and equivalents	(105,682)	601,630
Cash and cash equivalents, beginning of year	3,846,392	3,244,762
Cash and cash equivalents, end of year	\$ 3,740,710	\$ 3,846,392
Cash and cash equivalents are comprised of:		
Cash	\$ 3,412,829	\$ 3,526,237
Short-term investments (Note 2)	327,881	320,155
	<u>\$ 3,740,710</u>	<u>\$ 3,846,392</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Lake of the Woods District Hospital Summary of Significant Accounting Policies

For the year ended March 31, 2021

Operations

Lake of the Woods District Hospital ("the Hospital") was incorporated under a Private Bill (Lake of the Woods District Hospitals Act – Bill PR50) in 1968. The Hospital is principally involved in providing health care services to the City of Kenora. The Hospital is a registered charity under the Income Tax Act and accordingly is exempt from income taxes.

At year-end and subsequent, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses and organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Hospital as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards, which sets out generally accepted accounting principles for government not-for-profit organizations. The Hospital has chosen to use the standards for not-for-profit organizations that include Sections PS 4200 to PS 4270. The significant accounting policies are summarized below.

These financial statements reflect the assets, liabilities and operations of the Hospital. They do not include the assets, liabilities or operations of the Lake of the Woods District Hospital Foundation or the Lake of the Woods District Hospital Auxiliary, which, although associated with the Hospital, are separately managed, and report to separate Boards of Directors.

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:

- Problem Gambling
- Adult Community Mental Health
- Lake of the Woods Addictions
- Remedial Measures
- Isolation Centre
- CMH&A Admin
- Central Ambulance Communication Centre
- Ambulance Regional Training, Kenora

The operating results of these programs are recorded in Schedules 3 and 4 to the financial statements and their assets and liabilities are reported on the statement of financial position of the Hospital. Program surpluses are recorded as repayable in the year incurred, except for those programs for which permission has been obtained to carry over surpluses for future program expenditures. In these cases, program surpluses have been recorded as deferred contributions. Program deficits are included in general operations, since they are not funded by the Ministries. Adjustment settlements by the Ministries are recorded when settled.

Lake of the Woods District Hospital

Summary of Significant Accounting Policies

For the year ended March 31, 2021

Revenue Recognition	<p>The Hospital follows the deferral method of accounting for contributions.</p> <p>Under the Health Insurance Act and Regulations thereto, the Hospital is funded, primarily by the Province of Ontario, in accordance with budget arrangements established by the Ministry of Health. Operating grants are recorded as revenue in the period to which they relate. 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.</p> <p>The Hospital receives funding for operations for certain programs from the Ministry of Health. The final amount of operating revenue cannot be determined until the Ministry has reviewed the Hospital's financial and statistical returns for the year. Any adjustments arising from the Ministry's review is recorded in the period in which the adjustment is made.</p> <p>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.</p> <p>Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight line basis, at a rate corresponding with the amortization rate for the related capital assets.</p> <p>Revenue from the Provincial Insurance Plan and marketed services is recognized when the goods are sold or when the service is provided.</p>
Contributed Services	<p>A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services of volunteers are not recognized in the financial statements.</p>
Cash and cash equivalents	<p>Cash and cash equivalents include cash and short-term investments with maturities of three months or less.</p>
Investments	<p>Investments are recorded at fair value. Transaction costs related to the acquisition of investments are recorded against investment income. Sales and purchases of investments are recorded on the settlement date.</p> <p>Fair value is determined at quoted market prices. The calculation of fair value is based upon market conditions and at a specific point in time and may not be reflective of future fair value.</p>
Inventory	<p>Inventory is stated at the lower of weighted average cost and net realizable value, less a provision for any obsolete or unusable inventory on hand.</p>

Lake of the Woods District Hospital

Summary of Significant Accounting Policies

For the year ended March 31, 2021

Capital Assets

Purchased capital assets are initially recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. 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.

Minor equipment replacements are expensed in the year of replacement. Construction in progress is stated at cost, which comprises all direct and indirect costs of construction. Construction in progress is not amortized until the project is complete and the facilities come into use.

Capital assets are amortized on a straight line basis over the following periods of time:

Buildings and building service equipment	- 40 to 50 years
Computer equipment	- 5 years
Furniture and equipment	- 5 to 20 years
Parking lot equipment	- 3 years

Compensated Absences

Compensation expense is accrued for all employees as entitlement to these payments is earned, in accordance with the Hospital's benefit plans for vacation, sick leave and retirement allowances.

Employee Benefit Plans

The Hospital accrues its obligation for employee benefit plans. The cost of non-pension post-retirement and post-employment benefits earned by employees is actuarially determined using the projected benefits method pro-rated on service and management's best estimate of retirement ages and expected health care costs. The attribution period for such cost begins the date of hire of the employee to the date the employee becomes fully eligible to receive the benefits. The discount rate used to determine accrued benefit obligations is based on a year-end market rate of interest for high quality debt instruments with cash flows that match the timing and amount of expected benefit payments.

Adjustments arising from plan amendments, including past service costs, are included in the cost of the plan for the year.

The Hospital is an employer member of the Hospitals of Ontario Pension Plan (the "Plan"), which is a multi-employer, defined benefit pension plan. The Hospital has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Hospital records as pension expense the current service cost, amortization of past service costs and interest costs related to future employer contributions to the Plan for past employee service.

Lake of the Woods District Hospital

Summary of Significant Accounting Policies

For the year ended March 31, 2021

Use of Estimates

The preparation of financial statements is in conformity with Canadian public sector accounting standards which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization and deferred capital contributions are based on the estimated useful lives of capital assets. Accounts payable and accruals are based on historical charges for unbilled goods and services at year end. Accrued employee future benefit obligations are determined based on actuarial valuation.

Financial Instruments

The Hospital recognizes its financial instruments when the Hospital becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Hospital may irrevocably elect to subsequently measure any financial instrument at fair value. The Hospital has not made such an election during the year.

The Hospital subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Hospital's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the surplus/deficit for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

Lake of the Woods District Hospital

Notes to the Financial Statements

For the year ended March 31, 2021

1. Cash

The Hospital's bank accounts are held at chartered banks. The accounts earn interest at prime less 2% (0.45% at March 31, 2021). The amount held in the Capital Funds bank account (\$1,386,774, 2020 - \$969,765) is used exclusively to fund payments relating to the All Nations Hospital Project. The amount held in the ER Group bank account (\$255,170, 2020 - \$276,219) is used exclusively to fund the payment of the ER Physicians and associated administrative costs. The amount held in the Psychiatry bank account ((\$115,870), 2020 - (\$261,740)) is used exclusively to fund the payment of the Psychiatrists and associated administrative costs.

2. Short-term Investments

	Market Value	2021	2020
CIBC GIC – 2.4% maturing April 26, 2021, non-redeemable	\$ 327,881	\$ 327,881	\$ 320,155
CIBC Flexible – 1.90% matured July 13, 2020	-	-	69,475
	\$ 327,881	\$ 327,881	\$ 389,630

Fair values for the above investments are considered to approximate market values.

3. Accounts Receivable

	2021	2020
Ministry of Health	\$ 4,674,599	\$ 2,948,364
Insurers and patients	1,521,916	820,203
HST/GST rebates	382,286	364,349
Other	675,119	646,383
	7,253,920	4,779,299
Allowance for doubtful accounts	(15,178)	(11,283)
	\$ 7,238,742	\$ 4,768,016

The carrying value of accounts receivable approximates fair value because of their short maturity and because they are subject to normal credit terms.

Lake of the Woods District Hospital
Notes to the Financial Statements

For the year ended March 31, 2021

4. Capital Assets

	Cost	Accumulated Amortization		2021 Net book Value
Land	\$ 279,491	\$ -		\$ 279,491
Buildings and building service equipment	45,210,788	26,023,792		19,186,996
Computer equipment	3,566,384	2,983,641		582,742
Furniture and equipment	19,956,060	15,741,399		4,214,662
Parking lot equipment	706,334	439,667		266,667
	69,719,057	45,188,499		24,530,558
Construction in process	1,209,712	-		1,209,712
	\$ 70,928,769	\$ 45,188,499		\$ 25,740,270

	Cost	Accumulated Amortization		2020 Net book Value
Land	\$ 212,775	\$ -		\$ 212,775
Buildings and building service equipment	43,733,345	23,692,752		20,040,593
Computer equipment	3,359,434	2,916,567		442,866
Furniture and equipment	19,021,929	14,843,677		4,178,253
Parking lot equipment	677,418	397,274		280,144
	67,004,901	41,850,270		25,154,631
Construction in process	689,148	-		689,148
	\$ 67,694,049	\$ 41,850,270		\$ 25,843,779

5. Bank indebtedness

At March 31, 2021, the Organization had lines of credit totaling \$4,500,000 (2020 - \$2,000,000), none of which were drawn.

6. Accounts Payable

	2021	2020
Vacation benefits payable	\$ 1,863,601	\$ 1,721,615
Accrued salaries	1,041,678	814,439
Trade accounts payable	2,917,983	2,522,519
Due to Ministry of Health	945,483	778,710
Other payables and accruals	957,405	802,376
Payroll remittances	1,053,451	1,032,843
Sick leave benefits payable	5,382	5,326
	\$ 8,784,983	\$ 7,677,828

7. Accrued Employee Future Benefit Obligation

The Hospital provides extended health care, dental and life insurance benefits to all unionized, full time employees who enrol in the benefit plans and extends this coverage to the post-retirement period. The Hospital accrues its obligations under these plans as the benefits are earned. The most recent actuarial valuation of employee future benefit was completed as at April 23, 2021.

At March 31, 2021, the Hospital's accrued benefit obligation relating to post-retirement benefit plans was \$1,956,400 (2020 - \$1,897,600). Similar to most post-employment benefit plans (other than pension) in Canada, the Hospital's plan is not pre-funded, resulting in a plan deficit equal to the accrued benefit obligation.

The significant actuarial assumptions adopted in estimating the Hospital's accrued benefit obligations were as follows:

Discount Rate for calculation of Net Benefit Costs (during Fiscal 2021)	3.29% per annum
Discount Rate to determine Accrued Benefit Obligation for disclosure (at end of Fiscal 2021)	3.21% per annum
Dental Cost Trend Rates	4.0% per annum
Extended Health Care Trend Rates	6.5% in 2019; decreasing by 0.2% per annum to an ultimate rate of 4.5% per year
Retirement age	Age 59 or immediate if older than 59
Full eligibility age	Age 55
Members electing coverage at retirement	
CUPE & Non-Union Full Time	80%
ONA Full Time	65%

Retirement and Other Employee Future Benefit Liabilities	2021 Total Employee Future Benefits	2020 Total Employee Future Benefits
Accrued benefit liability at beginning of period	\$ 1,897,600	\$ 1,787,500
Expense for the year	178,000	248,900
Funding contributions (total)	(119,200)	(138,800)
	\$ 1,956,400	\$ 1,897,600

Lake of the Woods District Hospital
Notes to the Financial Statements
For the year ended March 31, 2021

7. Accrued Employee Future Benefit Obligation *(Continued from previous page)*

Retirement and Other Employee Future Benefit Expenses	2021 Total Employee Future Benefits	2020 Total Employee Future Benefits
Current year benefit cost	\$ 122,500	\$ 133,300
Interest on accrued benefit obligation	54,400	68,500
Recognized actuarial gains	1,100	47,100
	\$ 178,000	\$ 248,900

Included in salaries, wages and employee benefits in the statement of operations is an expense of \$58,800 (2020 - \$101,100) regarding employee future benefits.

8. Deferred Contributions

a) Deferred Contributions – Donations and Grants

Deferred contributions represent funding received for programs which will be utilized for future years.

2021	2020
\$ 1,367,582	\$ 1,064,449

b) Deferred Contributions – Unamortized Capital Contributions

Deferred capital contributions related to capital assets represent the unamortized amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2021	2020
Balance, beginning of year	\$ 21,639,153	\$ 22,747,108
Additional contributions received	3,540,759	1,591,562
Less: amounts amortized to revenue	(2,760,218)	(2,676,897)
Less: amounts amortized to CMH&A other revenue	(16,685)	(17,100)
Less: amounts amortized to RTC Kenora other revenue	(8,534)	(5,520)
Less: amounts amortized to CACC other revenue	-	-
	\$ 22,394,475	\$ 21,639,153

Lake of the Woods District Hospital
Notes to the Financial Statements
For the year ended March 31, 2021

9. Net Assets Invested in Capital Assets

a) Investment in capital assets is calculated as follows:

	2021	2020
Capital assets	\$ 25,740,270	\$ 25,843,779
Amounts financed by:		
Deferred contributions	(22,394,475)	(21,639,153)
	\$ 3,345,795	\$ 4,204,626

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

	2021	2020
Excess of expense over revenue:		
Amortization of buildings	\$ (2,339,795)	\$ (2,239,872)
Amortization of deferred contributions related to buildings	1,913,981	1,889,352
Amortization of equipment	(1,051,291)	(981,427)
Amortization of deferred contributions related to equipment	846,237	787,545
Amortization of deferred contributions related to other programs	25,219	22,620
	\$ (605,649)	\$ (521,782)
Net change in investment in capital assets:		
Purchase of capital assets	\$ 3,286,770	\$ 2,154,284
Amounts funded by deferred contributions	(3,540,759)	(1,591,562)
Amounts funded by internally restricted funds	665,602	(471,294)
	\$ 411,613	\$ 91,428
Amounts internally restricted for capital asset purchases during the year	(665,602)	471,294
	\$ (859,638)	\$ 40,940

10. Commitments and Contingencies

The Hospital is a member of the Health Care Insurance Reciprocal of Canada (HIROC). HIROC is a pooling of the public liability insurance risk 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 were members and these losses could be material. No reassessments have been made to March 31, 2021.

11. Financial Instruments

The Hospital, as part of its operations, carries a number of financial instruments. It is management's opinion that the Hospital is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

12. Pension Plan

Substantially all of the employees of the Hospital are members of the Hospitals of Ontario Pension Plan (the “Plan”) which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the Ontario Hospital Association. Contributions to the Plan made during the year by the Hospital on behalf of its employees amounted to \$2,391,389 (2020 – \$2,085,391) and are included in employee benefits in the statement of operations.

Pension expense is based on the Plan management’s best estimates, in consultation with its actuaries, of the amount required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by the Plan. The funding objective is for employer contributions to the Plan to remain a constant percentage of employees’ contributions.

Variances between actuarial funding estimates and actual experience 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, 2018 indicates the Plan is fully funded.

13. Related Entities

The Hospital has an economic interest in Lake of the Woods District Hospital Foundation (the “Foundation”) and Lake of the Woods District Hospital Auxiliary (the “Auxiliary”), which the Hospital does not control or have significant influence over. Both organizations raise funds solely for the Hospital for the purchase of capital assets. The Hospital is not liable for either organizations activities or obligations.

During the year, the Foundation and the Auxiliary transferred \$1,228,569 (2020 - \$750,914) and \$15,000 (2020 - \$38,000) respectively to the Hospital for capital asset purchases.

14. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year’s presentation.

15. Budget Amounts

Budget amounts are unaudited.

16. Economic Dependence

The Hospital receives 81.1% (2020 – 82.9%) of its funding from the Ministry of Health and Northwest Local Health Integration Network.

17. Legal Claims

As of March 31, 2021, an outstanding legal claim by Quinan Construction Limited against the Lake of the Woods District Hospital in the amount of \$1,586,834 exists. The final outcome of the claim is uncertain as of year-end; however, the outstanding claim is expected to be settled in the 2021-22 fiscal year.

Lake of the Woods District Hospital
Schedule 1 - Revenue

For the year ended March 31, 2021

	Budget 2020/21 (Unaudited) (Note 15)	2021	2020
Ministry of Health/LHIN/CCO			
Global Funding	\$ 30,088,230	\$ 30,077,130	\$ 28,981,830
Quality Based Procedures	338,185	1,478,058	237,057
	30,426,415	31,555,188	29,218,887
One time and other funding	6,821,855	12,811,344	7,210,430
Cancer Care Ontario	2,020,708	2,444,447	2,031,568
	39,268,978	46,810,979	38,460,885
Patient Revenue from Other Payors			
Workplace Safety and Insurance Board			
-Inpatient	5,000	-	1,209
-Outpatient	55,000	29,734	55,304
Non-residents of the province			
-Inpatient	220,000	333,257	219,798
-Outpatient	700,000	716,821	767,858
Non-residents of Canada and uninsured residents			
-Inpatient	60,000	220,931	30,433
-Outpatient	135,500	325,876	176,641
OHIP	2,947,600	2,856,845	2,954,077
Ambulance services	125,000	122,471	126,165
	4,248,100	4,605,935	4,331,485
Differential charges for preferred accommodation	125,000	32,290	133,608
Chronic care co-payments	115,000	123,651	107,318
	240,000	155,941	240,926
Other Revenue and Recoveries			
Investment income	35,000	7,711	39,098
Food services	251,000	152,370	248,223
Ancillary operations	229,253	216,589	230,549
Parking	305,000	146,633	309,382
Laboratory services	761,000	633,498	681,331
Other revenue and recoveries	3,177,509	2,262,260	2,872,775
Donations	10,000	18,810	-
	4,768,762	3,437,871	4,381,358
Subtotal	\$ 48,525,840	\$ 55,010,726	\$ 47,414,654

Lake of the Woods District Hospital
Schedule 1 - Revenue

For the year ended March 31, 2021

	Budget 2020/21 (Unaudited) (Note 15)	2021	2020
Subtotal from previous page	\$ 48,525,840	\$ 55,010,726	\$ 47,414,654
Amortization of grants/donations of equipment	764,434	846,237	787,545
Total Hospital Operating Revenue	49,290,274	55,856,963	48,202,199
Revenue from other programs, net of amounts repayable to funding agencies (<i>Schedules 3 and 4</i>)	8,000,000	8,741,685	8,082,446
Total Revenue	\$ 57,290,274	\$ 64,598,648	\$ 56,284,645

Lake of the Woods District Hospital
Schedule 2 – Hospital Expenses

For the year ended March 31, 2021

	Budget 2020/21 (Unaudited) (Note 15)	2021	2020
Salaries, Wages and Employee Benefits			
Administrative and Support Services	\$ 7,515,716	\$ 8,337,625	\$ 7,190,104
Nursing Inpatient Services	9,971,055	11,438,939	10,522,005
Ambulatory Care Services	4,126,490	5,082,156	4,002,924
Diagnostic and Therapeutic Services	5,779,722	5,985,458	5,693,971
Regional Stroke & Ontario Breast Screening Program	46,381	62,326	79,730
Education	229,905	69,054	90,327
Marketed Services	251,764	420,716	195,934
WSIB NEER Assessment	75,000	(21,933)	37,286
Future Employee Benefits	58,800	58,800	110,100
	\$ 28,054,833	\$ 31,433,141	\$ 27,922,381
Supplies and Other Expenses			
Administrative and Support Services	\$ 4,150,814	\$4,860,430	\$ 3,977,809
Nursing Inpatient Services	558,935	638,960	583,383
Ambulatory Care Services	854,071	711,939	511,189
Regional Stroke & Ontario Breast Screening Program	150	120	284
Diagnostic and Therapeutic Services	1,653,950	1,664,958	1,637,223
Education	114,275	60,327	108,053
Marketed Services	289,947	302,909	342,339
	\$ 7,622,142	\$ 8,239,643	\$ 7,160,280
Medical and Surgical Supplies			
Administrative and Support Services	\$ 66,300	\$ 62,475	\$ 71,935
Nursing Inpatient Services	633,575	993,325	671,784
Ambulatory Care Services	403,897	526,190	487,435
Diagnostic and Therapeutic Services	115,545	123,966	107,700
Education	1,500	2,657	697
Marketed Services	-	579	1861
	\$ 1,220,817	\$ 1,709,192	\$ 1,341,412

Lake of the Woods District Hospital
Schedule 3 – Northwest Local Health Integration Network
Community Mental Health and Addictions Programs

For the year ended March 31, 2021

	Problem Gambling	Adult Community Mental Health	Lake of the Woods Addictions	Remedial Measures	Isolation Centre	CMH&A Admin	2021 Total	2020 Total
Revenue								
Northwest Local Health Integration Network	\$ 227,119	\$ 1,333,482	\$ 3,453,377	\$ -	\$ -	\$ -	\$ 5,013,978	\$ 4,639,561
Other	-	9,428	102,856	24,184	287,140	728,726	1,152,334	894,050
	227,119	1,342,910	3,556,233	24,184	287,140	728,726	6,166,312	5,533,611
Expenses								
Salaries and employee benefits	199,734	997,379	2,569,125	23,571	125,173	378,863	4,293,845	3,822,234
Supplies and other expenses	27,385	319,342	987,108	613	161,967	349,863	1,846,278	1,595,202
	227,119	1,316,721	3,556,233	24,184	287,140	728,726	6,140,123	5,417,436
Surplus before amounts repayable	-	26,189	-	-	-	-	26,189	116,174
Amounts repayable	-	(26,189)	-	-	-	-	(26,189)	(116,174)
Surplus (deficit) for the year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Lake of the Woods District Hospital
Schedule 4 – Ministry of Health
Emergency Health Service Programs
For the year ended March 31, 2021

	Central Ambulance Communication Centre	Ambulance Regional Training, Kenora	2021 Total	2020 Total
Revenue				
Ministry of Health	\$ 2,389,849	\$ 314,143	\$ 2,703,992	\$ 2,655,107
Other	75,908	8,534	84,442	74,770
	2,465,757	322,677	2,788,434	2,729,877
Expenses				
Salaries and employee benefits	1,919,680	142,354	2,062,034	2,079,413
Supplies and other expenses	444,780	94,746	539,526	585,597
	2,364,460	237,100	2,601,560	2,665,010
Surplus before amounts repayable	101,297	85,577	186,874	64,867
Amounts repayable/deferred	(101,297)	(85,577)	(186,874)	(64,867)
Surplus (deficit) for the year	\$ -	\$ -	\$ -	\$ -