

Lake of the Woods District Hospital
Financial Statements
March 31, 2024

Lake of The Woods District Hospital

Contents

For the year ended March 31, 2024

	Page
Independent Auditor's Report	
Financial Statements	
Statement of Financial Position.....	1
Statement of Operations	2
Statement of Changes in Net Assets	3
Statement of Cash Flows	4
Summary of Significant Accounting Policies.....	5
Notes to the Financial Statements	10
Supplementary Financial Information	
Schedule 1 - Revenue.....	16
Schedule 2 - Hospital Expenses	18
Schedule 3 – Ontario Health North Community Mental Health and Addictions Programs	19
Schedule 4 - Ministry of Health Emergency Health Service Programs.....	20

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, 2024, 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, 2024, 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 13, 2024

MNP LLP

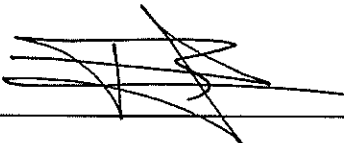
Chartered Professional Accountants

Licensed Public Accountants

Lake of the Woods District Hospital
Statement of Financial Position
As at March 31, 2024

	2024	2023
Current assets		
Cash (Note 1)	\$ 6,887,130	\$ 4,834,541
Short-term investments (Note 2)	353,089	335,477
Accounts receivable (Note 3)	18,842,835	8,103,840
Inventory	1,420,052	1,089,391
Prepaid expenses	691,286	675,351
	28,194,392	15,038,600
Tangible Capital assets (Note 4)	27,840,485	26,972,776
	\$ 56,034,877	\$ 42,011,376
Current liabilities		
Accounts payable (Note 6)	\$ 25,169,887	\$ 13,210,557
Deferred contributions – donations and grants (Note 9)	1,655,401	1,684,345
	26,825,288	14,894,902
Asset retirement obligation (Note 7)	2,726,573	2,647,158
Accrued employee future benefit obligation (Note 8)	2,082,700	2,093,600
	31,634,561	19,635,660
Deferred contributions		
Unamortized capital contributions (Note 9)	24,322,013	23,068,446
	55,956,574	42,704,106
Commitments and contingencies (Note 11)		
Net assets (debt)		
Invested in tangible capital assets (Note 10)	791,899	1,257,172
Internally restricted for capital	3,571,806	3,226,253
Unrestricted net deficit	(4,285,402)	(5,176,155)
	78,303	(692,730)
	\$ 56,034,877	\$ 42,011,376

Approved on behalf of the Board


 _____ Director


 _____ Director

Lake of the Woods District Hospital

Statement of Operations

For the year ended March 31, 2024

	Budget 2024 (Unaudited) (Note 16)	2024	2023
Revenue (Schedule 1)			
Ministry of Health/OHN/CCO	\$ 46,582,512	\$ 64,335,449	\$ 49,839,798
Patient revenue from other payors	5,445,000	7,587,640	5,748,692
Differential and co-payment revenue	120,000	130,237	89,048
Other revenue and recoveries	3,839,507	6,418,131	4,986,668
Amortization of grants/donations of equipment	1,419,426	1,336,926	1,091,856
Total Hospital Operating Revenue	57,406,445	79,808,383	61,756,062
Other programs, net of amounts repayable to funding agencies (Schedules 3 and 4)	10,704,702	12,217,078	10,384,465
	68,111,147	92,025,461	72,140,527
Expenses			
Salaries, wages and employee benefits (Schedule 2)	38,395,405	44,678,292	37,366,489
Medical staff remuneration	9,623,060	11,433,354	11,490,601
Supplies and other expenses (Schedule 2)	8,677,060	14,599,982	11,163,359
Medical and surgical supplies (Schedule 2)	1,733,991	2,749,398	2,278,345
Drugs	2,082,295	3,219,024	2,278,422
Amortization of equipment	1,318,277	1,636,331	1,373,950
Bad debts	26,250	45,323	14,876
Total Hospital Operating Expenses	61,856,338	78,361,704	65,966,042
Other programs (Schedules 3 and 4)	10,704,702	12,226,155	10,384,465
	72,561,040	90,587,859	76,350,507
Surplus(deficit) before amortization related to buildings	(4,449,893)	1,437,602	(4,209,980)
Amortization of buildings	(2,682,045)	(2,610,291)	(2,532,431)
Asset retirement obligation accretion (Note 7)	-	(79,415)	(77,101)
Amortization of deferred contributions related to buildings	1,620,798	2,023,137	2,032,346
	(1,061,247)	(666,569)	(577,186)
Surplus (deficit) for the year	\$ (5,511,140)	\$ 771,033	\$ (4,787,166)

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, 2024

				2024	2023
	Invested in Tangible Capital Assets	Internally Restricted for Capital	Unrestricted	Total	Total
Opening balance	\$ 1,257,172	\$ 3,226,253	\$ (5,176,155)	\$ (692,730)	\$ 4,094,436
Surplus(deficit) for the year	-	-	771,033	771,033	(4,787,166)
Amortization of tangible capital assets/deferred contributions related to tangible capital assets (Note 10)	(977,280)	-	977,280	-	-
Interfund transfer (Note 10)	(345,553)	345,553	-	-	-
Net change in investment in tangible capital assets (Note 10)	857,560	-	(857,560)	-	-
Balance, end of year	\$ 791,899	\$ 3,571,806	\$ (4,285,402)	\$ 78,303	\$ (692,730)

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, 2024

	2024	2023
Cash flows from operations		
Surplus (deficit) for the year	\$ 771,033	\$ (4,787,166)
Adjustments for:		
Amortization of tangible capital assets	4,305,461	3,950,124
Accretion of tangible capital assets	79,415	77,101
Amortization of deferred contributions related to tangible capital assets	(3,407,596)	(3,166,727)
Increase (decrease) in long term liability related to employee future benefits	(10,900)	62,700
	1,737,413	(3,863,968)
Change in non-cash operating working capital balances		
Accounts receivable	10,738,995	(647,698)
Inventory	330,661	(342,849)
Prepaid expenses	15,934	100,858
Accounts payable	(11,959,330)	(3,618,079)
	873,740	4,507,768
	2,611,153	643,800
Cash flows from financing activities		
Increase in other deferred contributions	(28,944)	(290,042)
Cash flows from investing activities		
Decrease in short-term investments	(17,613)	(2,677)
Cash flows from capital activities		
Increase in deferred contributions related to tangible capital assets	4,661,161	3,648,591
Purchase of tangible capital assets	(5,173,168)	(6,014,812)
	(512,007)	(2,366,221)
Net increase (decrease) in cash and equivalents	2,052,589	(2,015,140)
Cash and cash equivalents, beginning of year	4,834,541	6,849,681
Cash and cash equivalents, end of year	\$ 6,887,130	\$ 4,834,541

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, 2024

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.

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
- CMH&A Admin
- Central Ambulance Communication Centre
- Ambulance Regional Training, Kenora
- Community Support Services

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.

Revenue Recognition

The Hospital follows the deferral method of accounting for contributions.

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.

Lake of the Woods District Hospital

Summary of Significant Accounting Policies

For the year ended March 31, 2024

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.

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.

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 tangible capital assets.

Revenue from the Provincial Insurance Plan and marketed services is recognized when the goods are sold or when the service is provided.

Contributed Services

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.

Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less.

Investments

Investments are recorded at fair value. Transaction costs related to the acquisition of investments are recorded against investment income. Sales and purchases of investments are recorded on the settlement date.

Fair value is determined at quoted market prices. The calculation of fair value is based upon market conditions and at a specific point in time and may not be reflective of future fair value.

Inventory

Inventory is stated at the lower of weighted average cost and net realizable value, less a provision for any obsolete or unusable inventory on hand.

Tangible Capital Assets

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

Lake of the Woods District Hospital

Summary of Significant Accounting Policies

For the year ended March 31, 2024

Tangible 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

Asset Retirement Obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the Hospital to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2024. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

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

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

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

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.

Lake of the Woods District Hospital

Summary of Significant Accounting Policies

For the year ended March 31, 2024

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.

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 tangible 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. Asset retirement obligation is estimated for the cost to retire a tangible capital asset.

Lake of the Woods District Hospital

Summary of Significant Accounting Policies

For the year ended March 31, 2024

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, 2024

1. Cash

The Hospital's bank accounts are held at chartered banks. The accounts earn interest at prime less 2% (5.20% at March 31, 2024). As at March 31, 2024 the credit limit of \$4,500,000 was not drawn.

2. Short-term Investments

	Market Value	2024	2023
Maturity greater than 90 days – Short-term investments			
CIBC GIC – 5.05% maturing March 17, 2025, non-redeemable	\$ 353,089	\$ 353,089	-
CIBC GIC – 5.25% maturing December 19, 2023, non-redeemable	-	-	\$ 335,477
	\$ 353,089	\$ 353,089	\$ 335,477

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

3. Accounts Receivable

	2024	2023
Ministry of Health	\$ 14,778,601	\$ 4,237,054
Insurers and patients	1,562,819	2,130,062
HST/GST rebates	633,823	498,759
Other	1,888,317	1,266,531
	18,863,560	8,132,406
Allowance for doubtful accounts	(20,725)	(28,566)
	\$ 18,842,835	\$ 8,103,840

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, 2024

4. Tangible Capital Assets

	Cost	Accumulated Amortization		2024 Net book Value
Land	\$ 279,491	\$ -		\$ 279,491
Buildings and building service equipment	49,184,811	34,178,704		15,006,107
Computer equipment	4,489,583	3,459,619		1,029,964
Furniture and equipment	25,820,158	19,380,316		6,439,842
Parking lot equipment	745,931	584,185		161,746
	80,519,974	57,602,824		22,917,150
Construction in process	4,923,335	-		4,923,335
	\$ 85,443,309	\$ 57,602,824		\$ 27,840,485

	Cost	Accumulated Amortization		2023 Net book Value
Land	\$ 279,491	\$ -		\$ 279,491
Buildings and building service equipment	47,816,010	31,570,225		16,245,785
Computer equipment	4,009,009	3,216,185		792,824
Furniture and equipment	23,423,021	17,982,010		5,441,011
Parking lot equipment	719,925	538,948		180,977
	76,247,456	53,307,368		22,940,088
Construction in process	4,032,688	-		4,032,688
	\$ 80,280,144	\$ 53,307,368		\$ 26,972,776

5. Bank indebtedness

At March 31, 2024, the Hospital had lines of credit totaling \$4,500,000 (2023 - \$4,500,000), none of which were drawn.

6. Accounts Payable

	2024	2023
Vacation benefits payable	\$ 2,043,411	\$ 1,934,870
Accrued salaries	1,221,796	870,123
Trade accounts payable	5,073,614	3,895,532
Due to Ministry of Health	13,913,979	2,402,111
Other payables and accruals	896,120	2,690,739
Payroll remittances	2,015,585	1,411,800
Sick leave benefits payable	5,382	5,382
	\$ 25,169,887	\$ 13,210,557

7. Asset Retirement Obligation

The Hospital has several buildings containing asbestos and will be required to clean and remove in a prescribed manner. The Hospital recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of buildings. The asset retirement cost is amortized on a straight-line basis over the useful life of the building.

The Hospital estimated the amount of the liability using square footage of the building that is determined to contain asbestos and the estimated cost per square foot using the discounted cash flow method. The significant assumptions used to determine the best estimate of the liability included:

Discount Rate for calculation	3% per annum	
Remaining asset life	9 years	
	2024	2023
Balance, beginning of period	\$ 2,647,158	\$ 2,570,057
Accretion expense for the year	79,415	77,101
	\$ 2,726,573	\$ 2,647,158

8. 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 21, 2023.

At March 31, 2024, the Hospital's accrued benefit obligation relating to post-retirement benefit plans was \$2,082,700 (2023 - \$2,093,600). 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 2024)	4.04% per annum	
Discount Rate to determine Accrued Benefit Obligation for disclosure (at end of Fiscal 2024)	3.95% per annum	
Dental Cost Trend Rates	4.0% per annum	
Extended Health Care Trend Rates	6.0% in 2024; decreasing by 0.2% per annum to an ultimate rate of 4% per year	
Retirement age	Age 59 or immediate if older than 59	
Full eligibility age	Age 55	
Members electing coverage at retirement	Age 55	
CUPE & Non-Union Full Time	80%	
ONA Full Time	65%	

Lake of the Woods District Hospital

Notes to the Financial Statements

For the year ended March 31, 2024

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

	2024 Total Employee Future Benefits	2023 Total Employee Future Benefits
Retirement and Other Employee Future Benefit Liabilities		
Accrued benefit liability at beginning of period	\$ 2,093,600	\$ 2,030,900
Expense for the year	79,300	175,800
Funding contributions (total)	(90,200)	(113,100)
	\$ 2,082,700	\$ 2,093,600

	2024 Total Employee Future Benefits	2023 Total Employee Future Benefits
Retirement and Other Employee Future Benefit Expenses		
Current year benefit cost	\$ 103,700	\$ 119,800
Interest on accrued benefit obligation	44,000	64,700
Recognized actuarial gains	(68,400)	(8,700)
	\$ 79,300	\$ 175,800

Included in salaries, wages and employee benefits in the statement of operations is an expense of \$(10,900) (2023 - \$62,700) regarding employee future benefits.

9. Deferred Contributions

a) Deferred Contributions – Donations and Grants

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

	2024	2023
	\$ 1,655,401	\$ 1,684,345

b) Deferred Contributions – Unamortized Capital Contributions

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

	2024	2023
Balance, beginning of year	\$ 23,068,446	\$ 22,586,580
Additional contributions received	4,661,161	3,648,593
Less: amounts amortized to revenue	(3,360,060)	(3,124,203)
Less: amounts amortized to CMH&A other revenue	(10,801)	(9,460)
Less: amounts amortized to RTC Kenora other revenue	(36,733)	(33,064)
	\$ 24,322,013	\$ 23,068,446

Lake of the Woods District Hospital

Notes to the Financial Statements

For the year ended March 31, 2024

10. Net Assets Invested in Capital Assets

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

	2024	2023
Tangible capital assets	\$ 27,840,485	\$ 26,972,776
Asset retirement obligation	(2,726,573)	(2,647,158)
Amounts financed by:		
Deferred contributions	(24,322,013)	(23,068,446)
	\$ 791,899	\$ 1,257,172

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

	2024	2023
Excess of expense over revenue:		
Amortization of buildings	\$ (2,619,665)	\$ (2,532,431)
Amortization of deferred contributions related to buildings	2,023,137	2,032,346
Amortization of equipment	(1,685,796)	(1,417,694)
Amortization of deferred contributions related to equipment	1,336,926	1,091,856
Amortization of deferred contributions related to other programs	47,533	42,524
Asset retirement obligation accretion of building	(79,415)	(77,101)
	\$ (977,280)	\$ (860,500)
Net change in investment in tangible capital assets:		
Purchase of tangible capital assets	\$ 5,173,168	\$ 6,014,813
Amounts funded by deferred contributions	(4,661,161)	(3,648,591)
Amounts funded by internally restricted funds	345,553	861,793
	\$ 857,560	\$ 3,228,015
Amounts internally restricted for tangible capital asset purchases during the year	(345,553)	(861,793)
	\$ (465,273)	\$ 1,505,722

11. 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, 2024.

12. 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.

13. 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 \$2,894,316 (2023 – \$2,566,667) 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, 2023 indicates the Plan is fully funded.

14. 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 tangible capital assets. The Hospital is not liable for either organizations activities or obligations.

During the year, the Foundation and the Auxiliary transferred \$1,476,550 (2023 - \$1,063,363) and \$40,422 (2023 - \$15,000) respectively to the Hospital for tangible capital asset purchases.

15. Comparative Figures

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

16. Budget Amounts

Budget amounts are unaudited.

17. Economic Dependence

The Hospital receives 80.61% (2023 – 80.72%) of its funding from the Ministry of Health and Ontario Health North and is therefore economically dependant on this funding agency.

Lake of the Woods District Hospital

Schedule 1 - Revenue

For the year ended March 31, 2024

	Budget 2024 <i>(Unaudited)</i> <i>(Note 16)</i>	2024	2023
Ministry of Health/OHN/CCO			
Global Funding	\$ 35,490,854	\$ 35,990,888	\$ 31,368,655
Quality Based Procedures	968,827	1,349,581	871,031
	36,459,681	37,340,469	32,239,686
One time and other funding	7,957,931	23,676,922	15,128,778
Cancer Care Ontario	2,164,900	3,318,058	2,471,334
	46,582,512	64,335,449	49,839,798
Patient Revenue from Other Payors			
Workplace Safety and Insurance Board			
-Inpatient	5,000	-	-
-Outpatient	55,000	47,209	28,159
Non-residents of the province			
-Inpatient	350,000	558,654	400,304
-Outpatient	1,502,000	2,656,711	1,363,674
Non-residents of Canada and uninsured residents			
-Inpatient	100,000	59,590	120,356
-Outpatient	150,000	94,938	274,727
OHIP	3,143,000	3,999,428	3,401,537
Ambulance services	140,000	171,110	159,935
	5,445,000	7,587,640	5,748,692
Differential charges for preferred accommodation	20,000	1,800	7,970
Chronic care co-payments	100,000	128,437	81,078
	120,000	130,237	89,048
Other Revenue and Recoveries			
Investment income	30,000	89,312	73,336
Food services	175,000	237,051	177,277
Ancillary operations	233,565	314,864	237,638
Parking	200,000	187,420	101,911
Laboratory services	761,000	519,571	636,343
Other revenue and recoveries	2,429,942	5,055,913	3,760,163
Donations	10,000	14,000	-
	3,839,507	6,418,131	4,986,668
Subtotal	\$ 55,987,019	\$ 78,471,457	\$ 60,664,206

Lake of the Woods District Hospital
Schedule 1 - Revenue

For the year ended March 31, 2024

	Budget 2024 <i>(Unaudited)</i> <i>(Note 16)</i>	2024	2023
Subtotal from previous page	\$ 55,987,019	\$ 78,471,457	\$ 60,664,206
Amortization of grants/donations of equipment	1,419,426	1,336,926	1,091,856
Total Hospital Operating Revenue	57,406,445	79,808,383	61,756,062
Revenue from other programs, net of amounts repayable to funding agencies <i>(Schedules 3 and 4)</i>	10,704,702	12,217,078	10,384,465
Total Revenue	\$ 68,111,147	\$ 92,025,461	\$ 72,140,527

Lake of the Woods District Hospital
Schedule 2 – Hospital Expenses

For the year ended March 31, 2024

	Budget 2024 <i>(Unaudited)</i> <i>(Note 16)</i>	2024	2023
Salaries, Wages and Employee Benefits			
Administrative and Support Services	\$ 9,539,292	\$ 10,983,118	\$ 9,195,954
Nursing Inpatient Services	14,611,262	16,222,242	14,310,957
Ambulatory Care Services	5,544,683	7,332,110	5,909,196
Diagnostic and Therapeutic Services	7,453,954	8,080,063	6,962,310
Regional Stroke & Ontario Breast Screening Program	53,774	63,005	54,419
Education	264,206	159,577	95,172
Marketed Services	858,234	745,819	674,115
Other Programs	-	163,279	101,666
Extraordinary Undistributed	-	939,979	-
Future Employee Benefits	70,000	(10,900)	62,700
	\$ 38,395,405	\$ 44,678,292	\$ 37,366,489
Supplies and Other Expenses			
Administrative and Support Services	\$ 4,888,119	\$ 6,809,219	\$ 5,628,406
Nursing Inpatient Services	542,320	962,548	703,667
Ambulatory Care Services	447,197	729,049	590,394
Regional Stroke & Ontario Breast Screening Program	150	172	1,256
Diagnostic and Therapeutic Services	1,868,715	3,573,443	2,799,283
Education	92,925	167,460	141,554
Marketed Services	-	1,786,663	1,298,799
Other Programs	837,634	571,428	-
	\$ 8,677,060	\$ 14,599,982	\$ 11,163,359
Medical and Surgical Supplies			
Administrative and Support Services	\$ 61,000	\$ 88,065	\$ 91,811
Nursing Inpatient Services	1,117,250	1,913,466	1,507,000
Ambulatory Care Services	428,546	608,845	535,950
Diagnostic and Therapeutic Services	125,695	137,346	142,785
Education	1,500	1,462	415
Marketed Services	-	214	384
	\$ 1,733,991	\$ 2,749,398	\$ 2,278,345

Lake of the Woods District Hospital
Schedule 3 – Ontario Health North
Community Mental Health and Addictions Programs
For the year ended March 31, 2024

	Problem Gambling	Adult Community Mental Heath	Lake of the Woods Addictions	Remedial Measures	CMH&A Undistributed	CMH&A Admin	2024 Total	2023 Total
Revenue								
Ontario Health North	\$ 232,576	\$ 1,492,435	\$ 4,833,135	\$ -	\$ 250,381	\$ -	\$ 6,808,527	\$ 5,776,565
Other	8,287	93,841	508,955	35,582	-	959,028	1,605,693	1,294,546
	240,863	1,586,276	5,342,090	35,582	250,381	959,028	8,414,220	7,071,111
Expenses								
Salaries and employee benefits	221,509	1,108,827	3,623,943	31,651	250,381	515,711	5,752,022	4,930,825
Supplies and other expenses	19,354	477,449	1,718,147	3,931	-	443,317	2,662,198	2,140,074
	240,863	1,586,276	5,342,090	35,582	250,381	959,028	8,414,220	7,070,899
Surplus before amounts repayable	-	-	-	-	-	-	-	212
Amounts repayable	-	-	-	-	-	-	-	(212)
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, 2024

	Central Ambulance Communication Centre	Regional Training Program	2024 Total	2023 Total
Revenue				
Ministry of Health	\$ 2,980,231	\$ 710,114	\$ 3,690,345	\$ 3,629,103
Other	87,809	36,733	124,542	119,010
	3,068,040	746,847	3,814,887	3,748,113
Expenses				
Salaries and employee benefits	2,542,777	438,722	2,981,499	2,581,044
Supplies and other expenses	534,340	296,096	830,436	732,522
	3,077,117	734,818	3,811,935	3,313,566
Surplus before amounts repayable	(9,077)	12,029	2,952	434,547
Amounts repayable/deferred	-	(12,029)	(12,029)	(434,547)
Surplus (deficit) for the year	\$ (9,077)	\$ -	\$ (9,077)	\$ -