

Atikokan Health and Community Services
Financial Statements
March 31, 2024

Atikokan Health and Community Services

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For the year ended March 31, 2024

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To the Board of Directors of Atikokan Health and Community Services:

Opinion

We have audited the financial statements of Atikokan Health and Community Services (the "Hospital"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets, remeasurement gains 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, its remeasurement gains 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.

Other Matter

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Thunder Bay, Ontario

June 28, 2024

MNP LLP

Chartered Professional Accountants

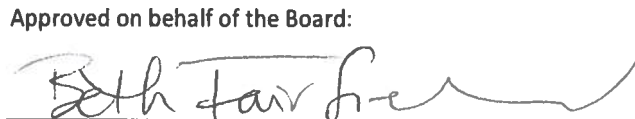
Licensed Public Accountants

MNP

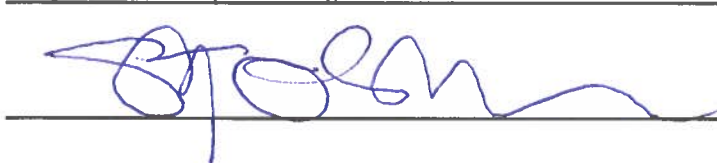
Atikokan Health and Community Services
Statement of Financial Position

As at March 31,	2024	2023
Current Assets		
Cash (Note 2)	\$ 2,873,614	\$ 645,316
Short-Term Investments (Note 3)	1,306,917	1,237,521
Accounts Receivable (Note 4)	1,158,890	838,408
Inventories (Note 5)	205,339	230,076
Prepaid Expenses	320,514	271,389
Total Current Assets	5,865,273	3,222,710
Non-Current Assets		
Long-Term Investments (Note 6)	278,987	241,321
Capital Assets (Note 7)	16,404,768	16,107,910
Total Non-Current Assets	16,683,754	16,349,231
Total Assets	\$ 22,549,027	\$ 19,571,941
Current Liabilities		
Loans (Note 19)	\$ 1,250,000	\$ -
Accounts Payable (Note 8)	3,181,689	1,930,217
Total Current Liabilities	4,431,689	1,930,217
Long-Term Liabilities		
Capital Reserve Deferred Revenue	31,593	30,793
Deferred Contributions (Note 9)	1,125,825	1,125,825
Deferred Capital Contributions (Note 10)	14,141,472	13,701,580
Post-Employment Benefits Liability (Note 13)	823,500	847,500
Total Long-Term Liabilities	16,122,390	15,705,698
Net Assets		
Invested in Capital Assets (Note 14)	2,413,359	2,406,330
Unrestricted	(533,193)	(553,863)
Accumulated Remeasurement Gains	114,782	83,559
Closing Net Assets Balance	1,994,948	1,936,026
Total Liabilities and Net Assets Balance	\$ 22,549,027	\$ 19,571,941

Approved on behalf of the Board:



Director



Director

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

Atikokan Health and Community Services
Statement of Operations

For the year ended March 31,	2024	2023
Revenue		
Ministry of Health Base Allocation	\$ 8,880,835	\$ 8,621,511
Ministry of Health One-Time Payments	1,831,870	787,585
Hospital On-Call Coverage	95,781	96,720
Visiting Specialist Funding	21,512	21,512
Other Revenue (Schedule 1)	1,544,010	1,530,583
Amortization of Equipment Grants/Donations	129,150	126,617
Provision for Recoveries	(100,895)	(162,030)
Total Revenue	12,402,263	11,022,498
Expenses		
Salaries and Wages (Schedule 2)	7,603,155	6,479,090
Employee Benefits (Schedule 3)	1,700,665	1,540,922
Employee Benefits Future Costs (Recovery) (Note 13)	(24,000)	(26,400)
Medical Staff Remuneration (Schedule 4)	495,413	439,947
Supplies and Other Expenses (Schedule 5)	1,973,741	2,292,792
Drugs and Medical Gases	70,382	71,436
Medical and Surgical Supplies	318,894	311,709
Bad Debts	1,505	1,106
Amortization of Software Licenses	71,100	64,481
Amortization of Equipment	309,012	298,552
Total Expenses	12,519,867	11,473,635
Deficiency of Revenue over Expenses from Hospital Operations	(117,604)	(451,137)
Other Items		
Amortization of Building Grants/Donations	481,842	412,236
Amortization of Land Improvements and Building	(588,634)	(498,654)
Loss on Disposal of Capital Asset	(3,352)	(5,226)
	(110,144)	(91,644)
Other Votes and Programs - Revenues (Schedule 6)	2,061,107	672,382
Other Votes and Programs - Expenses (Schedule 6)	(1,886,439)	(572,532)
Other Votes and Programs- Provisions for Recovery (Schedule 6)	(156,569)	(99,850)
	18,099	-
Deficiency of Revenue over Expenses for the Year - Ordinary Business	(209,649)	(542,781)
Gain on Atikokan Family Health Team Amalgamation (Note 22)	237,347	-
Excess (deficiency) of Revenue over Expenses for the Year	\$ 27,698	\$ (542,781)

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

Atikokan Health and Community Services
Statement of Remeasurement Gains

For the year ended March 31,	2024	2023
Accumulated remeasurement gains at the beginning of the year	\$ 83,559	\$ 108,268
Change in fair value attributable to:		
Investments	\$ 31,223	(24,709)
Accumulated remeasurement gains at the end of the year	\$ 114,782	\$ 83,559

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

Atikokan Health and Community Services
Statement of Changes in Net Assets

For the year ended March 31, 2024

	Invested in Capital Assets	Unrestricted	2024 Total
Balance, beginning of year	\$ 2,406,330	\$ (553,863)	\$ 1,852,467
Excess (deficiency) of revenue over expenses for the year (Note 14)	(361,105)	388,804	27,698
Net changes in investment in capital assets (Note 14)	368,134	(368,134)	-
Balance, end of year	<u>\$ 2,413,359</u>	<u>\$ (533,193)</u>	<u>\$ 1,880,166</u>

For the year ended March 31, 2023

	Invested in Capital Assets	Unrestricted	2023 Total
Balance, beginning of year	\$ 2,261,925	\$ 133,323	\$ 2,395,248
Deficiency of revenue over expenses for the year (Note 14)	(328,060)	(214,721)	(542,781)
Net changes in investment in capital assets (Note 14)	472,465	(472,465)	-
Balance, end of year	<u>\$ 2,406,330</u>	<u>\$ (553,863)</u>	<u>\$ 1,852,467</u>

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

Atikokan Health and Community Services
Statement of Cash Flows

For the year ended March 31,	2024	2023
Cash Provided By (Used In) Operating Activities		
Excess (deficiency) of Revenue over Expenses for the year	\$ 27,698	\$ (542,781)
Items not involving cash		
Amortization	968,746	861,687
Amortization Related to Other Votes	45,237	-
Adjustment for Accumulated Amortization for Amalgamation	100,991	-
Amortization of Deferred Capital Contributions	(610,993)	(538,853)
Loss (Gain) on disposal of assets	3,352	5,226
	<u>535,032</u>	<u>(214,721)</u>
Changes in Non-Cash Working Capital Balances		
Accounts Receivable	(320,482)	(279,537)
Inventory	24,737	(23,815)
Prepaid Expenses	(49,125)	20,440
Accounts Payable	1,251,472	114,682
Deferred Contributions	-	(110,440)
Post-employment Benefits	(24,000)	(26,400)
	<u>882,603</u>	<u>(305,070)</u>
	<u>1,417,635</u>	<u>(519,791)</u>
Financing Activities		
Short-Term Borrowings	1,250,000	-
Investing Activities		
Increase in Investments	(75,838)	(17,269)
Capital Activities		
Purchase of Capital Assets (Note 14)	(1,419,018)	(1,684,691)
Contributions Received for Capital Activities (Note 14)	1,050,884	1,212,226
Proceeds on disposal	3,835	-
Contribution of reserve fund	800	(649)
	<u>(363,499)</u>	<u>(473,114)</u>
Increase (Decrease) in Cash and Equivalents		
	2,228,298	(1,010,174)
Cash, Beginning of year	645,316	1,655,490
Cash, End of year	<u>\$ 2,873,614</u>	<u>\$ 645,316</u>
Supplemental Disclosure		
Interest Received	\$ 70,699	\$ 9,206

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

March 31, 2024

1. Significant Accounting Policies

Nature and Purpose of Organization

Atikokan Health and Community Services ("the Hospital") provides health care services to the residents of the Municipality of Atikokan and surrounding areas. The Hospital, incorporated without share capital under the Corporations Act of Ontario, is a charitable organization within the meaning of the Income Tax Act and, as such, is exempt from Income Taxes under the Income Tax Act.

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

Ministry of Health

- Atikokan Family Health Team
- Community Mental Health Program
- Community Addictions Program
- Community Problem Gambling Program
- Rent Supplement Program
- Case Management

The operating results of these programs are recorded in Schedule 6 to the financial statements and the assets and liabilities of these programs appear on the statement of financial position of the Hospital. Program surpluses and deficits are recorded as repayable or receivable in the year incurred and settlement adjustments by the Ministries or other funders are recorded when settled.

Basis of Accounting and Presentation

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

The Atikokan General Hospital Foundation is a separate entity whose financial information is reported separately from the Hospital.

Capital Assets

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

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

Capital assets are capitalized on acquisition and amortized on a straight-line basis over their useful lives, which has been estimated to be as follows:

Land Improvements	10 years
Buildings	10 to 40 years
Building Service Equipment	10 years
Equipment	5 to 10 years
Information Systems Equipment	3 to 5 years

Deferred Contributions Related to Capital Assets

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

March 31, 2024

1. Significant Accounting Policies (continued)

Revenue Recognition

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

Under the Health Insurance Act and Regulations thereto, the Hospital is funded primarily by the Province of Ontario in accordance with accountability arrangements established by the Ministry of Health ("MOH"), and the Ontario Health North ("OHN").

The Hospital has entered into a Hospital Service Accountability Agreement (the "H-SAA") and Multi-Sector Service Accountability Agreement (the "M-SAA") for fiscal 2023 with the MOH and OHN that sets out the rights and obligations of the parties to the H-SAA in respect of funding provided to the Hospital by the MOH/OHN. The H-SAA also sets out the performance standards and obligations of the Hospital that establish acceptable results for the Hospital's performance in a number of areas. These agreements have been extended for fiscal 2024.

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

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

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

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

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

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

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

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

Contributed Services

There are a substantial number of volunteers who contribute a significant amount of their time each year to Atikokan Health and Community Services. The fair value of these contributed services is not readily determinable and, as such, is not reflected in these financial statements.

Cash and Cash Equivalents

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

Inventories

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

March 31, 2024

1. Significant Accounting Policies (continued)

Asset Retirement Obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the Hospital to incur retirement costs in relation to a capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 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 capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

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

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

Financial Instruments

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

Fair Value

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

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

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

Amortized Cost

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

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

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

Deferred Revenue

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

March 31, 2024

1. Significant Accounting Policies (continued)

Retirement and Post-employment Benefits

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

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

Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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.

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

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

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

Employee future benefits are based on actuarial valuations.

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

Long-lived Assets and Discontinued Operations

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

2. Cash

The Hospital has an overall credit facility of \$400,000, including a revolving line of credit bearing interest at prime plus 0.00% (7.2% at year-end), repayable on demand, and corporate Visas repayable on demand and in accordance with standard terms and conditions. As at March 31, 2024, \$Nil (2023 - \$Nil) has been drawn upon this operating line of credit.

3. Short-Term Investments

High Interest Savings Account

	<u>2024</u>		<u>2023</u>
	\$ 1,285,922	\$	1,222,142

Guaranteed Investment Certificate (GIC) with an interest rate of 4.05%, with a maturity date of September 2024

5,346		-
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Guaranteed Investment Certificate (GIC) with an interest rate of 2.25%, with a maturity date of January 2025

<u>15,648</u>		<u>15,379</u>
<u>\$ 1,306,917</u>	<u>\$</u>	<u>1,237,521</u>

Atikokan Health and Community Services
Notes to Financial Statements

March 31, 2024

4. Accounts Receivable	2024	2023
Ministry of Health	467,573	258,463
Insurers and Patients	59,080	60,458
Community-Based Laboratory Services	191,573	93,576
Physician Incentive Loans	-	34,260
HST Rebate	369,145	258,067
Other	71,519	133,584
	<u>\$ 1,158,890</u>	<u>\$ 838,408</u>

5. Inventories	2024	2023
Opening Balance, April 1	\$ 230,076	\$ 206,261
Purchases	364,539	406,960
Expensed	(389,277)	(383,145)
Closing Balance, March 31	<u>\$ 205,339</u>	<u>\$ 230,076</u>

6. Long-Term Investments	2024	2023
Pooled and mutual funds (cost - \$160,765)	<u>\$ 278,987</u>	<u>\$ 241,321</u>

7. Capital Assets	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 25,234	\$ -	\$ 25,234	\$ -
Land Improvements	325,118	278,932	325,118	257,334
Buildings	18,323,632	6,311,621	18,029,772	5,873,654
Building Service Equipment	3,807,039	1,153,587	2,140,303	968,537
Work-in-Progress	498,695	-	1,535,908	-
Equipment	4,948,980	3,781,133	4,670,242	3,519,142
Information Systems Equipment	527,444	526,100	455,000	455,000
	<u>\$ 28,456,141</u>	<u>\$ 12,051,374</u>	<u>\$ 27,181,577</u>	<u>\$ 11,073,667</u>
Net Book Value		<u>\$ 16,404,768</u>		<u>\$ 16,107,910</u>

During the year, capital assets were acquired with an aggregate cost of \$1,419,018 (2023 - \$1,684,691) using provincial grant funding of \$1,011,725, donations of \$41,494 and operating cash of \$153,053. Also, \$212,747 was a result of the Family Health Team amalgamation.

8. Accounts Payable	2024	2023
Trade	\$ 1,105,968	\$ 466,698
Accrued Salaries and Benefits	1,026,803	894,090
Other	47,961	26,288
Ministry of Health		
Community Counselling Services	175,499	213,024
Visiting Specialist Program	43,024	21,512
Episode of Care	214,308	200,304
Family Health Team	343,506	-
Other	224,620	108,301
	<u>\$ 3,181,689</u>	<u>\$ 1,930,217</u>

March 31, 2024

9. Deferred Contributions

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

	2024	2023
Balance, beginning of year	\$ 1,125,825	\$ 1,236,265
Contributions received during the year	-	-
Amounts recognized as revenue	-	(110,440)
Balance, end of year	\$ 1,125,825	1,125,825

Deferred contributions are comprised of:

	2024	2023
General Donations	\$ 10,129	10,129
Contributions for Health Professional Recruitment	\$ 22,234	22,234
Deferred provincial grants	\$ 32,039	32,039
Rainycrest Long-Term Care	\$ 1,061,423	1,061,423
	\$ 1,125,825	1,125,825

10. Deferred Capital Contributions

Deferred capital contributions represent the unamortized amount and unspent 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. Changes in the contributions capital deferred to future periods are as follows:

	2024	2023
Balance, beginning of year	\$ 13,701,580	\$ 13,028,207
Grants received during the year	1,050,884	1,212,226
Amortization	(610,993)	(538,853)
Balance, end of year	\$ 14,141,472	\$ 13,701,580

As at March 31, 2024 there was \$369,240 (2023 - \$205,000) of deferred capital contributions received which were not yet utilized.

11. Contingent Liabilities and Commitments

Atikokan Health and Community Services is a member of Health Care Insurance Reciprocal of Canada ("HIROC"). HIROC is a pooling of the public liability insurance risks of its members. All members of the pool pay annual premiums which are actuarially determined. All members are subject to reassessment for losses, if any, experienced by the pool for the years in which they are members and losses could be material. The Hospital joined HIROC in 1998 and no reassessments have been made to March 31, 2024.

The outcome of claims now pending is not determinable and is not expected to be material.

12. Economic Dependence

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

March 31, 2024

13. Post-Employment Benefits Liability

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

	<u>2024</u>	<u>2023</u>
Accrued benefit obligation	\$ 559,900	\$ 547,600
Unamortized actuarial gain	263,600	299,900
Total Liability	<u>\$ 823,500</u>	<u>\$ 847,500</u>

	<u>2024</u>	<u>2023</u>
Current year benefits costs	\$ 33,600	\$ 36,200
Amortized actuarial (gains) losses	(31,400)	(25,900)
Interest on accrued benefit obligation	27,700	24,300
Reconciliation of plan funds (benefit payments)	(53,900)	(61,000)
	<u>\$ (24,000)</u>	<u>\$ (26,400)</u>

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

Retirement Benefits

Substantially all of the full-time employees and some of the part-time employees are members of HOOPP. The plan is a multi-employer plan and therefore the Hospital's contributions are accounted for as if the plan were a defined contribution plan with the Hospital's contributions being expensed in the period they become due. Contributions made to the plan during the year by the Hospital amounted to \$658,770 (2023 - \$526,575).

Post-employment Benefits

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

The major assumptions employed for the valuations are as follows:

a) Discount Rate

The present value as at March 31, 2024 of the future benefits was determined using a discount rate of 4.9% (2023 - 5.0%).

b) Extended Health Care Trend Rates

Extended health care costs were assumed to increase at 6.0% per annum in 2023 and decrease by 0.25% per annum thereafter to an ultimate rate of 4.0%.

c) Dental Costs

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

March 31, 2024

14. Net Assets Invested in Capital Assets

a) Investment in capital assets is calculated as follows:

	2024	2023
Capital Assets	\$ 16,404,768	\$ 16,107,910
Amounts financed by Deferred Contributions	(14,141,472)	(13,701,580)
Adjustment for Other Votes and Amalgamation	150,064	-
	\$ 2,413,359	\$ 2,406,330

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

	2024	2023
Excess (deficiency) of revenue over expenses:		
Amortization of Deferred Grants and Donations related to:		
Equipment/Software Licenses	\$ 129,150	\$ 126,617
Buildings	481,842	412,236
Amortization related to:		
Equipment/Software Licenses	(380,112)	(363,033)
Buildings	(588,634)	(498,654)
Gain/Loss on Disposal of Capital Assets	(3,352)	(5,226)
	\$ (361,105)	\$ (328,060)

Net change in investment in capital assets:

	2024	2023
Purchase of Capital Assets	\$ 1,419,018	\$ 1,684,691
Amounts funded by Deferred Grants and Donations	(1,050,884)	(1,212,226)
	\$ 368,134	\$ 472,465
	\$ 7,029	\$ 144,405

15. Related Entity

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

The Foundation holds funds of approximately \$482,173, the benefit of which is to be used for capital projects or capital asset purchases of the Hospital. During the year, the Foundation contributed \$49,859 to the Hospital.

March 31, 2024

16. Financial Instrument Classification

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

	2024		
	Amortized		Total
	Fair Value	Cost	
Cash	\$ 2,873,614	\$ -	\$ 2,873,614
Accounts Receivable	-	1,158,890	1,158,890
Investments	1,585,904	-	1,585,904
Bank Loans	-	(1,250,000)	(1,250,000)
Accounts Payable	-	(3,181,689)	(3,181,689)
	\$ 4,459,519	\$ (3,272,799)	\$ 1,186,719

	2023		
	Amortized		Total
	Fair Value	Cost	
Cash	\$ 645,316	\$ -	\$ 645,316
Accounts Receivable	-	838,408	838,408
Investments	1,478,842	-	1,478,842
Accounts Payable	-	(1,930,217)	(1,930,217)
	\$ 2,124,158	\$ (1,091,809)	\$ 1,032,349

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

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

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

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

	2024			
	Level 1	Level 2	Level 3	Total
	Cash	\$ 2,873,614	\$ -	\$ -
Investments	1,585,903	-	-	1,585,903
Total	\$ 4,459,518	\$ -	\$ -	\$ 4,459,518

	2023			
	Level 1	Level 2	Level 3	Total
	Cash	\$ 645,316	\$ -	\$ -
Investments	1,478,842	-	-	1,478,842
Total	\$ 2,124,158	\$ -	\$ -	\$ 2,124,158

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2024 and 2023. There were also no transfers in or out of Level 3.

March 31, 2024

17. Financial Instrument Risk

Credit Risk

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

The Hospital's investment policy operates within the constraints of the investment guidelines issued by the MOH in relation to the funding agreements and puts limits on the investment portfolio including portfolio composition limits, issuer type limits, bond quality limits, aggregate issuer limits, corporate sector limits and general guidelines for geographic exposure.

The maximum exposure to investment credit risk is outlined in Notes 4 and 16.

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

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

	2024		Past Due				
	Total	Current	1-30	31-60	61-90	91 +	
MOH/OHN	\$ 467,573	\$ 467,573	\$ -	\$ -	\$ -	\$ -	
Insurers and Patients	\$ 59,080	-	57,460	180	180	1,260	
Other	\$ 632,237	469,116	19,348	-	93	143,679	
Total	\$ 1,158,890	\$ 936,689	\$ 76,808	\$ 180	\$ 273	\$ 144,939	

	2023		Past Due			
	Total	Current	1-30	31-60	61-90	91 +
MOH/LHIN	\$ 258,463	\$ 253,663	\$ -	\$ -	\$ -	\$ 4,800
Insurers and Patients	60,458	-	57,713	540	855	1,350
Other	519,487	465,227	10,000	10,000	-	34,260
Total	\$ 838,408	\$ 718,890	\$ 67,713	\$ 10,540	\$ 855	\$ 40,410

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

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk and equity risk. The Hospital is not exposed to significant currency risk as it does not transact materially in foreign currency. The Hospital is exposed to equity risks with regards to its investments in pooled and mutual funds and interest risk with its investments in bonds.

March 31, 2024

17. Financial Instrument Risk (continued)

Market Risk (continued)

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

Interest Rate Risk

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

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

Liquidity Risk

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

	2024			
	Within 6 months	6 months to 1 year	1-5 years	> 5 years
Accounts payable & Loans	\$ 4,431,689	\$ -	\$ -	\$ -
	2023			
	Within 6 months	6 months to 1 year	1-5 years	> 5 years
Accounts payable	\$ 1,930,217	\$ -	\$ -	\$ -

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

18. Comparative Figures

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

19. Ontario Health Loan

On November 30, 2023 Atikokan Health and Community entered into a cash advance agreement Ontario Health for \$1,250,000. The loan is unsecured and is non-interest bearing and is repayable no later than June 28, 2024.

March 31, 2024

20. Ministry of Health pandemic funding, Bill 124 & Other Funding:

In connection with the ongoing coronavirus pandemic (COVID-19), the MOH has announced a number of funding programs intended to assist hospitals with incremental operating and capital costs and revenue decreases results from COVID-19. In addition to these funding programs, the MOH is also permitting hospitals to redirect unused funding from certain programs towards COVID-19 costs, revenue losses and other budgetary pressures through a broad-based funding reconciliation. The MOH has also indicated that all funding related to COVID-19 is subject to review and reconciliation, with the potential for adjustments during the subsequent fiscal year.

In connection with Bill 124, AHCS has recongnized revenue in connection with one-time payments from the MOH. Refer to note 21 for more detail surrounding the impact from Bill 124.

Details of the MOH funding for COVID-19 recognized as revenue in the current year are summarized below:

	2024	2023
Funding for incremental COVID-19 operating expenses	-	151,572
COVID-19 Assessment Centre funding	-	115,575
Pandemic Pay funding	-	239,460
Other pandemic funding	319,123	280,978
Bill 124 one-time funding	772,510	-
Small & Northern Hospital Stabilization Fund & In Year Pressure Funding	502,800	-
Other one-time funding	237,437	-
	1,831,870	787,585

In addition to the above, the Hospital has also recognized NIL (2023- \$34,772) in MOH funding for COVID-19 related capital expenditures, which has been recorded as an addition to deferred capital contributions during the year. Note AHCS also received other one time funding relating to Bill 124, refer to note 21.

21. Financial Implications Associated with the Repeal of Bill 124

On November 29, 2022, the Ontario Superior Court declared Bill 124 as void and, therefore, struck down in its entirety in its application to both the unionized and non-unionized employees to whom it applied. A number of arbitrations occurred in fiscal 2023/2024 and awarded additional increases in wages for the period from April 1, 2020 to October 10, 2023. As a result, the Hospital recorded additional salaries, wages and employee benefit expenses in the current fiscal year related to retroactive wage payments for the Hospital's employees. These unplanned retroactive extraordinary one-time costs resulted in an unplanned expense for the year in the amount of \$922,096 (2023 - \$92,564). There are ongoing costs in 2023/2024 due to the increase in salary rates, however only the lump sum retro payments made are reported here.

Atikokan Health and Community Services received funding of \$796,500 for the period of 2023/2024 to support the retro payments and ongoing salary costs.

22. Restructuring Transactions

On April 1, 2023, Atikokan Health and Community Services received the transfer of all assets and liabilities, and the responsibility for the ongoing operation of the assets from the Atikokan Family Health Team. The transfer was due to an amalgamation between Atikokan Health and Community Services and the Atikokan Family Health Team. AHCS assumed ownership over the funding agreement relating to primary care on April 1, 2023 from the Ministry of Health.

The assets and liabilities have been recorded at their appropriate classification based on the relevant accounting standards, at the Atikokan Family Health Team's carrying value at the time of the transfer, totaling net assets of \$237,347. This amount has been recorded as revenue for the year ended March 31, 2024.

From the date of transfer to March 31, 2024, revenues and expenses related to the operation of the assets can be found in Schedule 6.

Atikokan Health and Community Services
Schedule 1 - Other Revenue
(Unaudited)

For the year ended March 31,	2024	2023
Outpatient Revenue		
Ontario Health Insurance Plan	\$ 143,025	\$ 145,294
Non-Residents of the Province and Canada	27,762	37,151
Workplace Safety & Insurance Board	11,647	28,545
Ambulance	7,905	9,135
	<u>\$ 190,339</u>	<u>\$ 220,125</u>
Co-Payment Revenue		
ALC Patients	\$ 61,854	\$ 47,076
Extended Care Patients	580,523	558,852
	<u>\$ 642,377</u>	<u>\$ 605,928</u>
Differential Revenue		
Acute Care Patients	\$ 12,750	\$ 15,810
Extended Care Patients	61,068	54,187
	<u>\$ 73,818</u>	<u>\$ 69,997</u>
Recoveries		
Non-Patient Food Services	\$ 26,255	\$ 29,699
CCAC Recoveries	17,770	17,311
Compensation and Services	470,330	483,920
Municipal Government	504	26,786
Materials	11,910	19,553
Rentals	37,693	41,350
Miscellaneous	73,015	15,914
	<u>\$ 637,477</u>	<u>\$ 634,533</u>
Total Other Revenue	<u><u>\$ 1,544,010</u></u>	<u><u>\$ 1,530,583</u></u>

Atikokan Health and Community Services
Schedule 2 - Salaries and Wages
(Unaudited)

For the year ended March 31,	2024	2023
Patient Care		
Inpatient Wards	\$ 1,869,404	\$ 1,486,606
Extended Care	1,291,256	1,045,341
Diabetes Education	18,247	14,155
Ambulatory Care	718,742	699,720
Laboratory	458,918	423,438
Diagnostic Imaging	231,622	200,532
Pharmacy	106,154	81,833
Clinical Nutrition	61,690	56,640
Therapeutic Services	404,838	339,242
Total Patient Care	\$ 5,160,870	\$ 4,347,508
Support Services		
General Administration	\$ 817,253	\$ 701,793
Information System Support	64,009	52,862
Human Resources and Recruitment	80,034	49,132
Physical Plant	257,808	216,577
Environmental Services	433,800	362,983
Food Services	438,211	378,421
Patient Information	143,297	188,014
Marketed Services	49,937	48,800
Materials Management and Reprocessing	157,936	132,999
Total Support Services	\$ 2,442,285	\$ 2,131,582
Total Salaries and Wages	\$ 7,603,155	\$ 6,479,090

Atikokan Health and Community Services
Schedule 3 - Employee Benefits
(Unaudited)

For the year ended March 31,	2024	2023
Canada Pension Plan	\$ 334,218	\$ 297,425
Hospital Pension Plan	552,763	495,756
Employment Insurance	116,428	105,561
Workplace Safety & Insurance Board	102,106	55,034
Long-Term Disability Insurance	81,056	78,853
Employer Health Tax	140,313	127,923
Extended Health Care Insurance	118,421	119,571
Dental Insurance	82,971	83,552
Group Life and Accidental Death & Dismemberment Benefit and Vacation % in Lieu	29,218	23,980
	143,172	153,267
Total Employee Benefits	\$ 1,700,665	\$ 1,540,922

Atikokan Health and Community Services
Schedule 4 - Medical Staff Remuneration
(Unaudited)

For the year ended March 31,	2024	2023
Honorariums	\$ 23,074	\$ 27,595
Hospital On Call Coverage	95,781	96,720
Clinical Laboratory	9,623	-
Imaging	47,813	50,568
Other COVID Locum Program	319,123	265,064
Total Medical Staff Remuneration	\$ 495,413	\$ 439,947

Atikokan Health and Community Services
Schedule 5 - Supplies and Other Expenses
(Unaudited)

For the year ended March 31,	2024	2023
Patient Care		
Inpatient Wards	\$ 66,620	\$ 178,841
Extended Care	113,281	117,005
Diabetes Education	7,709	9,401
Ambulatory Care	27,513	29,244
Laboratory	176,014	229,062
Diagnostic Imaging	61,464	98,942
Pharmacy	22,970	32,698
Therapeutic Services	13,331	11,044
Total Patient Care	\$ 488,904	\$ 706,237
Support Services		
General Administration	\$ 240,566	\$ 390,414
Information System Support	300,273	249,118
Human Resources and Recruitment	15,384	3,415
Physical Plant	468,081	473,683
Environmental Services	39,023	49,095
Food Services	206,422	192,753
Patient Information	5,856	4,330
Health System Development	144,273	145,174
Marketed Services	64,959	78,573
Total Support Services	\$ 1,484,837	\$ 1,586,555
Total Supplies and Other Expenses	\$ 1,973,741	\$ 2,292,792

Atikokan Health and Community Services
Schedule 6 - Other Votes and Programs
(Unaudited)

	Substance Abuse	Problem Gambling	Community Mental Health Program	Administration	Rent Supplement	Municipal Taxes	For the Year ended March 31, 2024	For the year ended March 31, 2023
Revenue								
MOHLTC/OHN Funding	\$ 72,921	\$ 97,663	\$ 500,015	\$ -	\$ 15,343	\$ 3,075	\$ 689,017	\$ 663,470
MOHLTC/OHN One Time Funding	\$ 12,473	\$ 100	\$ 11,416	-	-	-	\$ 23,990	-
Other Revenue and Recoveries	\$ -	\$ -	\$ 6,152	\$ -	\$ -	\$ -	\$ 6,152	8,912
Total Revenue	\$ 85,394	\$ 97,763	\$ 517,583	\$ -	\$ 15,343	\$ 3,075	\$ 719,159	\$ 672,382
Operating Expenses								
Salaries and Wages	\$ 56,349	\$ 61,272	\$ 298,110	\$ 76,457	\$ -	\$ -	\$ 492,188	\$ 372,282
Employee Benefits	\$ 11,256	\$ 13,078	\$ 64,766	\$ 26,821	\$ -	\$ -	\$ 115,921	96,288
Purchased Services	\$ -	\$ -	\$ 580	\$ -	\$ -	\$ -	\$ 580	184
Medical Staff Remuneration	\$ -	\$ -	\$ 1,863	\$ -	\$ -	\$ -	\$ 1,863	10,620
Supplies and Other Expenses	\$ 400	\$ 126	\$ 18,478	\$ 57,597	\$ 14,358	\$ -	\$ 90,958	90,083
Buildings & Grounds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,075	\$ 3,075	3,075
Amortization	\$ -	\$ -	\$ -	\$ 499	\$ -	\$ -	\$ 499	-
Total Operating Expenses	\$ 68,006	\$ 74,475	\$ 383,797	\$ 161,373	\$ 14,358	\$ 3,075	\$ 705,084	\$ 572,532
Net Revenue (Expense)	\$ 17,388	\$ 23,288	\$ 133,786	\$ (161,373)	\$ 986	\$ -	\$ 14,074	\$ 99,850
Administration Allocation	(17,388)	(23,288)	(120,697)	161,373	-	-	-	-
Net Revenue (Expense) Before Amount Repayable	-	-	13,089	-	986	-	14,075	99,850
Amount Repayable to Ministry of Health	-	-	(13,089)	-	(986)	-	(14,075)	(99,850)
Net Revenue (Expense)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Atikokan Health and Community Services
Schedule 6 - Other Votes and Programs Cont.
(Unaudited)

Family Health Team	2024	2023
For the year ended March 31,		
Revenue		
Ministry of Health Base Allocation	\$ 1,297,614	\$ -
Ministry of Health - One Time Funding	24,000	-
Other Revenue	1,879	-
Total Revenue	\$ 1,323,493	\$ -
Operating Expenses		
Salaries and Benefits	\$ 955,255	\$ -
Supplies and Other Expenses	214,378	-
Total Expenses	\$ 1,169,633	\$ -
Net Revenue (expense) Before Amount Repayable	\$ 153,860	-
Amount Repayable to Ministry of Health	\$ (145,275)	-
<u>Net Revenue (Expense)</u>	\$ 8,585	\$ -
Homecare		
For the year ended March 31,	2024	2023
Revenue		
Other Revenue	\$ 18,454	\$ -
Total Revenue	\$ 18,454	\$ -
Operating Expenses		
Salaries and Benefits	\$ 10,673	\$ -
Supplies and Other Expenses	1,049	-
Total Expenses	\$ 11,722	\$ -
Net Revenue (expense) Before Amount Repayable	\$ 6,733	-
Amount Repayable to Ministry of Health	-	-
<u>Net Revenue (Expense)</u>	\$ 6,733	-
Other Provision adjustments	\$ 2,781	-
Total: Other Votes and Programs - Revenues	\$ 2,061,107	-
Total: Other Votes and Programs - Expenses	\$ 1,886,439	-
Total: Other Votes and Programs- Provisions for Recovery	\$ (156,569)	-