

Dryden Regional Health Centre
Financial Statements
March 31, 2024

Dryden Regional Health Centre
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For the year ended March 31, 2024

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To the Board of Directors of Dryden Regional Health Centre:

Qualified Opinion

We have audited the financial statements of Dryden Regional Health Centre (the "Health Centre"), 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Health Centre as at March 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Canadian public sector accounting standards ("PSAS") Section PS 3280 Asset Retirements Obligations ("ARO") requires the recognition of an ARO liability when there is a legal obligation that establishes a clear responsibility to incur retirement costs in relation to a tangible capital asset. The Health Centre has not identified ARO liabilities as of March 31, 2024 and we were unable to satisfy ourselves concerning those liabilities by alternative means. Consequently, we were not able to determine whether any adjustments would be necessary to liabilities, net financial assets (net debt), tangible capital assets, accumulated surplus (deficit), expenses, excess (deficit) of revenues over expenses, change in net financial assets (net debt) for the year-ended March 31, 2024, and accumulated surplus as of March 31, 2024. The audit opinion on the financial statements for the year ended March 31, 2023 was qualified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under Statements section of our report. We are independent of the Health Centre in accordance with the ethical requirements that are those standards are further described in the Auditor's Responsibilities for the Audit of the Financial 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 qualified 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.

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 Health Centre'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 Health Centre'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 Health Centre 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

July 24, 2024

MNP LLP

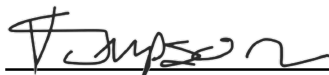
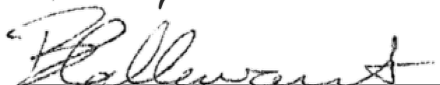
Chartered Professional Accountants

Licensed Public Accountants

Dryden Regional Health Centre
Statement of Financial Position

As at March 31,	2024	2023
Current Assets		
Cash (Note 2)	\$ 2,939,897	\$ 2,857,205
Accounts Receivable (Note 3)	3,269,519	4,173,761
Inventories (Note 4)	744,059	637,487
Prepaid Expenses	360,067	387,898
Other Current Assets	187,825	201,147
Total Current Assets	7,501,367	8,257,498
Non-Current Assets		
Capital Assets (Note 5)	15,462,052	15,422,244
Total Assets	\$ 22,963,419	\$ 23,679,742
Current Liabilities		
Accounts Payable (Note 6)	\$ 6,445,181	\$ 7,278,296
Due to Related Parties (Note 13)	265,855	265,855
Deferred Contributions (Note 7)	481,835	536,832
Current Portion of Capital Lease Payable (Note 8)	16,676	100,031
Current Portion of Long-Term Debt (Note 9)	107,654	157,880
Total Current Liabilities	7,317,201	8,338,894
Long-Term Liabilities		
Post-Employment Benefits and Compensated Absences Liability (Note 10)	612,852	558,952
Capital Lease (Note 8)	-	8,335
Long-Term Debt (Note 9)	-	81,034
Deferred Capital Contributions (Note 11)	9,909,590	9,317,451
Total Long-Term Liabilities	10,522,442	9,965,772
Net Assets		
Invested in Capital Assets (Note 12)	6,632,352	6,407,786
Unrestricted	(1,508,576)	(1,032,710)
Closing Net Assets Balance	5,123,776	5,375,076
Total Liabilities and Net Assets Balance	\$ 22,963,419	\$ 23,679,742

Approved on behalf of the Board:


 _____ Director

 _____ Director

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

Dryden Regional Health Centre Statement of Operations

For the year ended March 31,	2024	2023
Revenue		
Ministry of Health Base Allocation	\$ 20,894,936	\$ 20,461,139
Bundled Care (Quality Based Funding)	1,984,115	1,374,504
One-Time Payments	3,443,952	2,003,187
Paymaster for VSP Funding	233,682	233,682
Hospital On Call Coverage Funding	597,205	603,062
Alternate Funding Agreement Program Funding	1,415,497	1,421,633
Cancer Care Ontario Funding	143,300	155,609
Other Revenue (Schedule 1)	6,025,532	5,070,984
Amortization of Equipment Grants/Donations	250,465	250,465
Total Revenue	34,988,684	31,574,265
Expenses		
Salaries and Wages (Schedule 3)	17,136,122	16,074,553
Employee Benefits (Schedule 4)	3,984,959	3,845,557
Employee Benefits Future Costs (Note 10)	53,900	56,400
Medical Staff Remuneration (Schedule 5)	3,752,685	3,300,243
Supplies and Other Expenses (Schedule 6)	5,582,150	5,483,972
Medical and Surgical Supplies (Note 4)	1,431,070	1,235,137
Drugs (Note 4)	2,143,133	1,641,815
Amortization of Equipment	700,488	728,824
Bad Debts	26,212	160,907
Transfer to Kenora Rainy River Regional Lab Program (Note 13)	248,745	243,834
Total Expenses	35,059,464	32,771,242
Surplus (Deficit) of Revenue over Expenses from Hospital Operations	(70,780)	(1,196,977)
Other Items		
Amortization of Building Grants/Donations	622,622	622,622
Amortization of Land Improvements and Building	(802,509)	(828,712)
Interest on Long-Term Liabilities	(5,298)	(11,268)
	(185,185)	(217,358)
Other Votes and Programs - Revenues (Schedule 2)	4,801,014	4,983,892
Other Votes and Programs - Expenses (Schedule 2)	(4,796,349)	(4,430,968)
Other Votes and Programs - Provisions for Recovery (Schedule 2)	-	(653,028)
	4,665	(100,104)
Surplus (Deficit) of Revenue Over Expenses for the Year	\$ (251,300)	\$ (1,514,439)

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

**Dryden Regional Health Centre
Statement of Changes in Net Assets**

For the year ended March 31, 2024

	Invested in Capital Assets	Unrestricted	2024 Total
Balance, beginning of year	\$ 6,407,786	\$ (1,032,710)	\$ 5,375,076
Excess (deficiency) of revenue over expenses for the year (Note 12)	(629,910)	378,610	(251,300)
Net changes in investment in capital assets (Note 12)	854,476	(854,476)	-
Balance, end of year	<u>\$ 6,632,352</u>	<u>\$ (1,508,576)</u>	<u>\$ 5,123,777</u>

For the year ended March 31, 2023

	Invested in Capital Assets	Unrestricted	2023 Total
Balance, beginning of year	\$ 6,389,554	\$ 499,961	\$ 6,889,515
Excess (deficiency) of revenue over expenses for the year (Note 12)	(684,449)	(829,990)	(1,514,439)
Net changes in investment in capital assets (Note 12)	702,681	(702,681)	-
Balance, end of year	<u>\$ 6,407,786</u>	<u>\$ (1,032,710)</u>	<u>\$ 5,375,076</u>

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

Dryden Regional Health Centre
Statement of Cash Flows

March 31,	2024	2023
Cash Provided By (Used In) Operating Activities		
Surplus of Revenue over Expenses for the year	\$ (251,300)	\$ (1,514,439)
Items not involving cash		
Amortization	1,502,997	1,557,536
Amortization of Deferred Capital Contributions	(873,087)	(873,087)
	378,610	(829,990)
Changes in Non-Cash Working Capital Balances		
Accounts Receivable	904,242	(1,096,297)
Inventory	(106,572)	(118,845)
Prepaid Expenses	27,831	(73,311)
Other Current Assets	13,322	101,129
Accounts Payable	(833,115)	1,680,192
Deferred Contributions	(54,997)	27,916
Post-Employment Benefits	53,900	55,607
	4,611	576,391
	383,221	(253,599)
Financing Activities		
Capital Lease Payments	(91,690)	(100,031)
Repayment of long-term debt	(131,260)	(152,459)
Due to Related Parties	-	104,355
	(222,950)	(148,135)
Capital Activities		
Purchase of Capital Assets	(1,542,805)	(1,292,894)
Contributions Received for Capital Activities	1,465,226	708,815
	(77,579)	(584,079)
Increase (Decrease) in Cash and Equivalents	82,692	(985,813)
Cash, Beginning of year	2,857,205	3,843,018
Cash, End of year	\$ 2,939,897	\$ 2,857,205
Supplemental Disclosure		
Interest Received	\$ 142,669	\$ 97,498
Interest Paid	\$ 5,298	\$ 11,268

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

Dryden Regional Health Centre

Notes to Financial Statements

March 31, 2024

1. Significant Accounting Policies

Nature and Purpose of Organization

Dryden Regional Health Centre provides health care services to the residents of the City of Dryden 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. The Health Centre is a not-for-profit organization and, as such, is exempt from Income Taxes under the Income Tax Act. In addition to the Health Centre's operating fund which reflects the activities of the day to day operations of the Health Centre, the financial statements also include the activities of the following programs:

Ministry of Health	Other
- Community Mental Health Program	- Dryden Area Family Health Team
- Community Addictions Program	
- Community Problem Gambling Program	
- Community Supportive Housing Program	
- Primary Care Nurse Practitioner Program	

The operating results of these programs are recorded in Schedule 2 to the financial statements and the assets and liabilities of these programs appear on the statement of financial position of the Health Centre. Program surpluses and deficits are recorded as repayable or receivable in the year incurred and adjustment settlements by the Ministries or other funders are recorded when settled.

Basis of Accounting and Presentation

The financial statements of the Health Centre 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 Dryden Regional Health Services Foundation is a separate entity whose financial information is reported separately from the Health Centre. Certain operating expenses of Dryden Regional Health Services Foundation are included as part of the day-to-day operations of Dryden Regional Health Centre. Substantially all accounts payable and payroll functions are administered by Dryden Regional Health Centre. Daily transactions are recorded through an inter-fund account included on the statement of Financial Position of both Dryden Regional Health Centre and Dryden Regional Health Services Foundation.

The financial statements do not include the assets, liabilities and activities of the Kenora-Rainy-River Regional Laboratory Program which is a separate corporation operated jointly by the hospitals in the district. The program is funded by the Ministry of Health through the Health Centre allocation.

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 realizable value. Cost is determined on an average cost basis with the exception of Drugs, which are determined on a First-In, First-Out basis. Inventories consist of medical and general supplies that are used in the Health Centre's operations and not for resale purposes.

Revenue Recognition

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

Under the Health Insurance Act and Regulations thereto, the Health Centre is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health ("MOH"), and the Ontario Health North ("OH North"). The Health Centre has entered into a Hospital Service Accountability Agreement (the "H-SAA") for fiscal 2022 with the MOH and OH that sets out the rights and obligations of the parties to the H-SAA in respect of funding provided to the Health Centre by the MOH/LHIN. The H-SAA also sets out the performance standards and obligations of the Health Centre that establish acceptable results for the Hospital's performance in a number of areas.

If the Health Centre does not meet its performance standards or obligations, the MOH/OH has the right to adjust funding received by the Health Centre. The MOH/OH 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/OH funding received by the Health Centre during the year may be increased or decreased subsequent to year end.

March 31, 2024

1. Significant Accounting Policies (continued)

Revenue Recognition (continued)

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.

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.

Contributed Services

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

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 Health Centre determines that a long-lived asset no longer has any long-term service potential to the Health Centre, 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.

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.

Work 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:

Paving	10 years
Buildings	10 to 40 years
Building Service Equipment	10 years
Equipment	5 to 10 years
Information Systems Equipment	3 to 5 years
Equipment Under Capital Lease	5 to 10 years
Software Licences	3 to 7 years

Leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized on a declining balance basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

March 31, 2024

1. Significant Accounting Policies (continued)

Leases (continued)

An agreement contains a lease where the arrangement conveys a right to use the underlying tangible asset, and whereby its fulfillment is dependent on the use of the specific tangible asset. After the inception of the arrangement, a reassessment of whether the arrangement contains a lease is made only in the event that:

- there is a change in contractual terms;
- a renewal option is exercised or an extension is agreed upon by the parties to the arrangement;
- there is a change in the determination of whether the fulfillment of the arrangement is dependent on the use of the specific tangible asset; or
- there is a substantial physical change to the specified tangible asset.

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 Health Centre's capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

Financial Instruments

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

Fair Value

This category includes cash, cash equivalents and derivatives.

They 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 realized they are transferred to the statement of operations.

Changes in fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met.

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 Summary 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 Summary Statement of Operations.

The Health Centre does not have any remeasurement gains or losses. As a result, the financial statements do not include a statement of remeasurement gains and losses.

Amortized Cost

This category includes accounts receivable, accounts payable, accrued liabilities and amounts due to LHIN/MOH/other agencies. 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 realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the Summary Statement of Operations.

Retirement, Post-Employment Benefits and Compensated Absences

The Health Centre provides defined retirement, post-employment benefits and compensated absences to certain employee groups. These benefits include pension, health and dental and vesting sick leave. The Health Centre 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, disability recovery rates 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.

Dryden Regional Health Centre
Notes to Financial Statements

March 31, 2024

1. Significant Accounting Policies (continued)

Retirement, Post-Employment Benefits and Compensated Absences (continued)

- ii) The costs of the multi-employer defined benefit pension plan are the employer's contributions due to the plan in the year.
- iii) The cost of vesting sick leave benefits are determined by management based on the employee's current pay rate and their accumulated time. The adjustments to these costs each year are based on salary increases or fluctuations in accumulated time and are reflected in the expenses for the year.
- iv) The discount rate used in the determination of the above mentioned liabilities is equal to the Health Centre'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.

2. Cash

Dryden Regional Health Centre's bank account is held at one chartered bank. In the normal course of operations, the Health Centre is exposed to credit risk from having bank account balances over the amounts insured by the Canadian Deposit Insurance Corporation. The bank account earns interest at prime less 1.75%.

The Health Centre has an overall credit facility of \$1,000,000, including a revolving line of credit bearing interest at prime (2024 - 7.20%; 2023 - 6.70%), repayable on demand, and corporate Visas repayable on demand and in accordance with standard terms and conditions. The credit facilities were not used at year end.

3. Accounts Receivable

	2024	2023
Ministry of Health	\$ 1,354,580	\$ 2,424,213
Insurers and Patients	382,508	281,129
Other	1,532,431	1,468,419
	\$ 3,269,519	\$ 4,173,761

4. Inventory

	Balance as at			Balance as at	
	April 1, 2023	Purchases	Expensed	March 31, 2024	
Drugs	\$ 465,729	\$ 2,249,642	\$ 2,143,133	\$	572,238
Medical and Surgical Supplies	141,173	\$ 1,429,540	1,431,070	\$	139,643
Other	30,585	\$ 651,291	649,698	\$	32,178
	\$ 637,487	\$ 4,330,473	\$ 4,223,901	\$	744,059

Dryden Regional Health Centre
Notes to Financial Statements

March 31, 2024

5. Capital Assets

	2024				2023			
	Cost		Accumulated Amortization		Cost		Accumulated Amortization	
	\$	193,010	\$	-	\$	193,010	\$	-
Land	\$	193,010	\$	-	\$	193,010	\$	-
Paving		561,928		561,928		561,928		560,821
Buildings		28,984,610		20,269,772		28,984,610		19,687,879
Building Service Equipment		4,577,992		1,728,605		4,316,359		1,509,095
Work in Progress		1,072,119		-		547,518		-
Equipment		10,408,111		7,778,935		9,651,541		7,180,240
Information Systems Equipment		287,236		283,714		287,236		281,953
Equipment under Capital Lease		775,949		775,949		775,949		675,919
		<u>\$46,860,955</u>		<u>\$ 31,398,903</u>		\$45,318,151		\$29,895,907
Net Book Value				<u>\$ 15,462,052</u>				<u>15,422,244</u>

During the year capital assets were acquired with an aggregate cost of \$1,542,805 (2023 - \$1,292,894) using operating cash flows.

6. Accounts Payable

	2024	2023
Trade	\$ 1,610,998	\$ 2,764,735
Accrued Salaries and Benefits	2,270,497	1,898,563
Due to DRHC Foundation	2,300	-
Ministry of Health		
Ontario Health North	17,773	17,773
Community Mental Health and Case Management Programs	1,031,627	1,319,610
Supportive Housing Program	65,357	65,357
Family Health Team	257,350	257,350
Primary Care Nurse Practitioner Program	666,887	637,583
Hospital Infrastructure Renewal Fund	256,320	40,918
Small Hospital Transformation Fund	233,928	233,928
Visiting Specialist Program	14,609	14,609
Ministry of Finance - Ambulance Co-Payment	17,535	27,870
	<u>\$ 6,445,181</u>	<u>\$ 7,278,296</u>

Included in 2023 fiscal year's accrued salaries and wages is an estimated \$900,000 of accrued wages for bargaining, non-bargaining and management employees for retroactive wage adjustments back to April 2020 as a result of wage reopening clauses related to Bill 124 being declared unconstitutional. The Health Centre had estimated these liabilities based on the information available and the guidance provided by bargaining parties. The actual payouts of these amounts was made in fiscal 2024. Any adjustments to management's estimate of the wages owing was reflected in the Health Centre's statement of operations in current year.

7. 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	\$ 536,832	\$ 508,916
Contributions received during the year	461,436	356,664
Contributions utilized during the year	(516,433)	(328,748)
Contributions repayable	-	-
Balance, end of year	<u>\$ 481,835</u>	<u>\$ 536,832</u>

Dryden Regional Health Centre
Notes to Financial Statements

March 31, 2024

7. Deferred Contributions (continued)

Deferred contributions are comprised of:	2024	2023
End of Life Program	\$ 4,166	\$ 4,166
Quality Improvement & Innovation Partnership	28,082	28,082
RBC Nursing Grant	7,500	-
Staff for Staff Committee	11,540	11,540
OCAN/Treat Project	(90,078)	62,338
KDSB HFG Funding	139,939	139,268
RBC Foundation	20,000	20,000
OHIP Professional Fees	3,106	3,106
National Research	5,000	5,000
Adam Moir Medical Prof Corp	2,524	2,524
Firefly Funding	124,745	119,093
BPSO - RNAO	106,000	106,000
Cultural Sensitivity Training	35,715	35,715
Mobile Crisis Response Team	66,846	-
Nursing Education OR	14,750	-
Other	2,000	-
	\$ 481,835	\$ 536,832

8. Capital Lease

	2024	2023
Lease repayable at \$8,335.89 monthly, interest free, due April 2024. Lease is secured by asset with a carrying value of \$Nil.	16,676	108,366
Less current portion	16,676	100,031
	\$ -	\$ 8,335

9. Long-Term Debt

	2024	2023
Loan, bearing interest fixed at 3.5%, repayable in blended monthly payments of \$13,643.81, maturing September 30, 2024.	\$ 107,654	\$ 238,914
Less current portion	107,654	157,880
	\$ -	\$ 81,034

Dryden Regional Health Centre
Notes to Financial Statements

March 31, 2024

10. Post-Employment Benefits and Compensated Absences Liability

The following tables outline the components of the Health Centre's post-employment benefits and compensated absences liabilities and the related expenses.

	2024			2023		
	Post Employment Benefits	Vesting Sick Leave	Total Liability	Post Employment Benefits	Vesting Sick Leave	Total Liability
Accrued benefit obligation	\$ 754,600	\$ 47,252	\$ 801,852	\$ 827,500	\$ 47,252	\$ 874,752
Unamortized actuarial gain (loss)	(189,000)	-	(189,000)	(315,800)	-	(315,800)
Total Liability	\$ 565,600	\$ 47,252	\$ 612,852	\$ 511,700	\$ 47,252	\$ 558,952

	2024			2023		
	Post Employment Benefits	Vesting Sick Leave	Total Expense	Post Employment Benefits	Vesting Sick Leave	Total Expense
Current year benefits costs	\$ 57,600	\$ -	\$ 57,600	\$ 59,900	\$ (793)	\$ 59,107
Amortized actuarial losses	23,300	-	23,300	28,200	-	28,200
Interest on accrued benefit obligation	39,100	-	39,100	34,100	-	34,100
Employee contributions	(66,100)	-	(66,100)	(65,800)	-	(65,800)
Total	\$ 53,900	\$ -	\$ 53,900	\$ 56,400	\$ (793)	\$ 55,607

Above amounts exclude pension contributions to the Healthcare 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 Health Centre's contributions are accounted for as if the plan were a defined contribution plan with the Health Centre's contributions being expensed in the period they become due. Contributions made to the plan during the year by the Health Centre amounted to \$1,445,759 (2023 - \$1,360,685).

Post-Employment Benefits

The Health Centre extends post-employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The Health Centre 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 4.80% (2023 - 4.75%).

b) Extended Health Care Trend Rates

Extended health care costs were assumed to decrease from 5.50% per annum and decrease by 0.10% per annum thereafter to an ultimate rate of 4.0%.

c) Dental Costs

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

Dryden Regional Health Centre
Notes to Financial Statements

March 31, 2024

10. Post-Employment Benefits and Compensated Absences Liability (continued)

Vesting Sick Leave

The Health Centre allocates to one employee group a specified number of days each year for use as compensated absences in the event of illness or injury. Employees are permitted to accumulate their unused allocation each year, up to the allowable maximum provided in their employment agreements. Accumulated days may be used in future years to the extent that the employee's illness or injury exceeds the current year's allocation of days. Sick days are paid out at the salary in effect at the time of usage. The related benefit liability was determined by management.

For this employee group, these sick days vest and are eligible for cash reimbursement upon retirement up to a prescribed maximum described in their employment agreements.

To value the vesting sick leave, management used the current salary rates for the employees affected and their current accumulated balances to estimate the liability as of March 31, 2024.

11. 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.

	2024	2023
Balance, beginning of the year	\$ 9,317,451	\$ 9,481,723
Grants received during the year	1,465,226	708,815
Amortization	(873,087)	(873,087)
Balance, end of the year	\$ 9,909,590	\$ 9,317,451

As at March 31, 2024 there was \$1,122,134 (2023 - \$411,358) of deferred capital contributions received which were not yet utilized.

12. Net Assets Invested in Capital Assets

a) Investment in capital assets is calculated as follows:

	2024	2023
Capital Assets	\$ 15,462,052	\$ 15,422,244
Amounts financed by Capital Lease	(16,676)	(108,366)
Amounts financed by Utilized Deferred Contributions (\$9,909,590 Total Deferred Contributions)	(8,813,024)	(8,906,092)
	\$ 6,632,352	\$ 6,407,786

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 Licences	\$ 250,465	\$ 250,465
Buildings	622,622	622,622
Gain on Disposal	-	-
Equipment/Software Licences	(700,488)	(728,824)
Buildings	(802,509)	(828,712)
	(629,910)	(684,449)

Net change in investment in capital assets:

	2024	2023
Purchase of Capital Assets	\$ 1,542,805	\$ 1,292,894
Repayment of Capital Lease	91,690	100,031
Amounts funded by Deferred Grants and Donations	(780,019)	(690,244)
Proceeds of Capital Assets Disposal	854,476	702,681
	\$ 224,566	\$ 18,232

Dryden Regional Health Centre
Notes to Financial Statements

March 31, 2024

13. Due to/from Related Parties

Dryden Regional Health Centre exercises significant influence over Kenora-Rainy River Regional Laboratory Program Inc. (the Organization) by virtue of its ability to appoint some of the Organization's Board of Directors. The operations of Kenora-Rainy River Regional Laboratory Program Inc. are included as part of the day-to-day operations of Dryden Regional Health Centre. The Regional Lab Program does not maintain its own bank account therefore all cash transactions of the Regional Lab Program are administered by Dryden Regional Health Centre. As well, all accounts receivable, accounts payable and payroll functions are the responsibility of those departments of Dryden Regional Health Centre. All transactions are recorded through an inter-fund account on the books of both Kenora-Rainy River Regional Laboratory Program Inc. and Dryden Regional Health Centre.

Related party transactions (unless otherwise noted) are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties), which approximates the arm's length equivalent value for provision of services.

At the end of the year, the amounts due to/from related parties are as follows:

	<u>2024</u>	<u>2023</u>
Due to Kenora-Rainy River Regional Laboratory Program Inc.	<u>\$ (265,855)</u>	<u>\$ (265,855)</u>

The amounts due to/from the related parties are due on demand, interest free, and fluctuate based on operating cash flows.

14. Contingent Liability

Dryden Regional Health Centre has been in contact with their lawyers concerning a number of claims and possible claims. In the opinion of management, the outcome of the claims and possible claims, are not determinable. An estimate of the Health Centre's potential liability arising from these claims and possible claims cannot be made at this time.

15. Economic Dependence

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

Dryden Regional Health Centre
Notes to Financial Statements

March 31, 2024

17. 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		
	Fair Value	Cost	Total
Cash	\$ 2,939,897	\$ -	\$ 2,939,897
Accounts Receivable	-	3,269,519	3,269,519
Accounts Payable	-	(6,445,181)	(6,445,181)
Long-Term Debt		(107,654)	(107,654)
	\$ 2,939,897	\$ (3,283,316)	\$ (343,420)

	2023		
	Amortized		
	Fair Value	Cost	Total
Cash	\$ 2,857,205	\$ -	2,857,205
Accounts Receivable	-	4,173,761	4,173,761
Accounts Payable	-	(7,278,296)	(7,278,296)
Long-Term Debt		(238,914)	(238,914)
	\$ 2,857,205	\$ (3,343,449)	\$ (486,244)

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	\$ 2,939,897	\$ -	\$ -

	2023			
	Level 1	Level 2	Level 3	Total
	Cash	\$ 2,857,205	\$ -	\$ -

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2023 and 2022. There were also no transfers in or out of Level 3.

Dryden Regional Health Centre
Notes to Financial Statements

March 31, 2024

18. 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.

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					
		Total	Current	Past Due			
				1-30	31-60	61-90	91 +
MOHLTC/LHIN	\$	1,354,580	\$ 1,354,580	\$ -	\$ -	\$ -	\$ -
Insurers and Patients		382,508	27,612	94,330	66,406	33,196	160,964
Other		1,532,431	1,505,574	13,893	(929)	109	13,784
	\$	<u>3,269,519</u>	<u>\$ 2,887,766</u>	<u>\$ 108,223</u>	<u>\$ 65,477</u>	<u>\$ 33,305</u>	<u>\$ 174,748</u>
		2023					
		Total	Current	Past Due			
				1-30	31-60	61-90	91 +
MOHLTC/LHIN	\$	2,424,213	\$ 2,424,213	\$ -	\$ -	\$ -	\$ -
Insurers and Patients		281,131	32,645	55,383	75,009	20,688	97,406
Other		1,468,417	1,423,066	33,442	11	63	11,835
	\$	<u>4,173,761</u>	<u>\$ 3,879,924</u>	<u>\$ 88,825</u>	<u>\$ 75,020</u>	<u>\$ 20,751</u>	<u>\$ 109,241</u>

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 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 include three types of risk: interest rate risk, currency risk and equity risk. The Hospital is not exposed to significant currency or equity risk as it does not transact materially in foreign currency.

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 capital leases.

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.

March 31, 2024

18. Financial Instrument Risk (continued)

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 following table sets out the contractual maturities (representing undiscounted contractual cash-flows of financial liabilities):

		<u>Accounts payable</u>			
		<u>Within</u>	<u>6 months</u>		
		<u>6 months</u>	<u>to 1 year</u>	<u>1-5 years</u>	<u>> 5 years</u>
2024	\$	6,445,181	\$ -	\$ -	\$ -
2023	\$	7,278,296	\$ -	\$ -	\$ -

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.

19. Comparative Figures

Certain comparative figures have been reclassified to confirm with current year presentation

20. Extraordinary Payments

Included in the Ontario Health One Time Payments is \$1,541,900 provided to support the arbitration awards for the period 2020-2024 that are considered extraordinary by the Ministry of Health.

Dryden Regional Health Centre
Schedule 1 - Other Revenue
(Unaudited)

For the year ended March 31,	2024	2023
Inpatient Revenue		
Non-Residents of the Province	\$ 127,825	\$ 59,608
Non-Residents of Canada	3,100	7,750
Workplace Safety & Insurance Board	1,099	-
Insured/Uninsured Residents	39,669	-
	<u>171,693</u>	<u>67,358</u>
Outpatient Revenue		
Ontario Health Insurance Plan	1,004,925	938,394
Federal Government	359	-
Non-Residents of the Province	211,736	170,033
Non-Residents of Canada	74,975	65,273
Workplace Safety & Insurance Board	35,767	36,530
Insured/Uninsured Residents	48,371	43,045
Ambulance	53,190	56,728
	<u>1,429,323</u>	<u>1,310,003</u>
Co-Payment Revenue		
Alternate Level of Care Patients	57,479	70,447
Differential Revenue		
Acute Care Patients	21,150	28,000
Recoveries		
Non-Patient Food Services	151,817	142,342
CCAC Contract for Therapeutic Services	315,547	355,485
Investment Revenue	142,669	97,498
Compensation and Services	1,625,124	1,575,182
Management Fees	-	12,000
Materials	84,264	97,316
Rentals	235,680	233,778
Oncology Drug Cost	1,756,579	1,019,228
Miscellaneous	34,207	62,347
	<u>4,345,887</u>	<u>3,595,176</u>
Total Other Revenue	<u>\$ 6,025,532</u>	<u>\$ 5,070,984</u>

Dryden Regional Health Centre
Schedule 2 - Other Votes and Programs
(Unaudited)

For the year ended March 31,	2024	2023
Community Mental Health Programs		
Revenue		
Ministry of Health Base Allocation	\$ 1,563,147	\$ 1,495,522
Compensation & Services Recovery	-	6,200
Total Revenue	1,563,147	1,501,722
Operating Expenses		
Salaries and Wages	1,368,535	1,117,990
Employee Benefits	275,131	255,439
Sessional Fees	27,000	9,198
Supplies and Other Expenses	209,319	107,626
Rent and Utilities	75,203	19,500
Total Operating Expenses	1,955,188	1,509,753
Net Expense	\$ (392,041)	\$ (8,031)
Community Addictions Programs		
Revenue		
Ministry of Health Base Allocation	\$ 853,352	\$ 1,031,913
Operating Expenses		
Salaries and Wages	381,081	344,500
Employee Benefits	54,311	30,825
Sessional Fees	1,343	-
Supplies and Other Expenses	225	108,988
Rent and Utilities	6,265	62,510
Total Operating Expenses	443,225	546,823
Net Revenue Before Amount Repayable	\$ 410,127	\$ 485,090
Amount Repayable to Ministry of Health	-	(485,090)
Net Revenue (Expense)	\$ 410,127	\$ -
Community Problem Gambling Program		
Revenue		
Ministry of Health Base Allocation	\$ 87,211	\$ 82,693
Operating Expenses		
Salaries and Wages	82,048	96,371
Employee Benefits	23,257	24,892
Total Operating Expenses	105,305	121,263
Net Expense	\$ (18,094)	\$ (38,570)

Dryden Regional Health Centre
Schedule 2 (Continued) - Other Votes and Programs
(Unaudited)

For the year ended March 31,	2024	2023
Community Supportive Housing Program		
Revenue		
Ministry of Health Base Allocation	\$ 55,207	\$ 55,207
Operating Expenses		
Rent Supplement	56,719	46,167
Net Revenue Before Amount Repayable	(1,512)	9,040
Amount Repayable to Ministry of Health	-	(9,040)
Net Revenue (Expense)	\$ (1,512)	\$ -
Family Health Team		
Revenue		
Ministry of Health Base Allocation	\$ 2,055,840	\$ 2,018,540
Ministry of Health - One Time Funding	-	84,100
Services Recovery	8,668	31,592
Total Revenue	2,064,508	2,134,232
Operating Expenses		
Salaries and Benefits	1,742,045	1,776,721
Supplies and Other Expenses	313,795	411,014
Total Operating Expenses	2,055,840	2,187,735
Net Revenue (Expense) Before Amount Repayable	8,668	(53,503)
Amount Repayable to Ministry of Health	-	-
Net Revenue (Expense)	\$ 8,668	\$ (53,503)
Municipal Taxes		
Revenue		
Ministry of Health Base Allocation	\$ -	\$ 3,075
Operating Expenses		
Municipal Taxes	2,483	3,075
Net Revenue (Expense)	\$ (2,483)	\$ -

Dryden Regional Health Centre
Schedule 2 (Continued) - Other Votes and Programs
(Unaudited)

For the year ended March 31,	2024	2023
Primary Care Nurse Practitioner		
Revenue		
Ministry of Health Base Allocation	\$ 177,589	\$ 175,050
Operating Expenses		
Salaries	157,513	12,038
Benefits	20,076	4,114
Total Operating Expenses	177,589	16,152
Net Revenue Before Amount Repayable	-	158,898
Amount Repayable to Ministry of Health	-	(158,898)
Net Revenue (Expense)	\$ -	\$ -

Dryden Regional Health Centre
Schedule 3 - Salaries and Wages
(Unaudited)

For the year ended March 31,	2024	2023
Salaries and Wages		
Patient Care		
Inpatient Wards	\$ 4,515,535	\$ 4,531,870
Operating Room	1,006,248	964,549
Ambulatory Care	3,070,238	3,063,571
Clinical Laboratory	875,662	768,260
Diagnostic Imaging	696,720	651,104
Diabetes Education	232,658	208,407
Therapeutic Services	1,377,816	1,093,228
Housing Case Management	81,075	74,618
Child and Youth Services	69,486	64,254
Total Patient Care	11,925,438	11,419,861
Support Services		
General Administration	2,413,971	1,968,034
Physical Plant	336,135	353,474
Environmental Services	732,269	701,544
Food Services	577,960	548,956
Patient Information	561,538	475,618
Marketed Services	238,732	265,640
Materials Management	350,079	341,426
Total Support Services	5,210,684	4,654,692
Total Salaries and Wages	\$ 17,136,122	\$ 16,074,553

Dryden Regional Health Centre
Schedule 4 - Employee Benefits
(Unaudited)

For the year ended March 31,	2024	2023
Employee Benefits		
Canada Pension Plan	\$ 682,929	\$ 678,160
Hospital Pension Plan	1,311,116	1,188,987
Employment Insurance	237,709	238,508
Workplace Safety & Insurance Board	181,840	154,219
Long-Term Disability Insurance	252,243	237,313
Employer Health Tax	306,046	309,942
Semi-Private Insurance	12,634	16,848
Extended Health Care Insurance	298,611	276,128
Dental Insurance	138,217	182,689
Group Life and Accidental Death & Dismemberment	56,971	52,444
EAP Program	-	28,869
Benefit and Vacation % in Lieu	506,642	481,450
Total Employee Benefits	\$ 3,984,959	\$ 3,845,557

Dryden Regional Health Centre
Schedule 5 - Medical Staff Remuneration
(Unaudited)

For the year ended March 31,	2024	2023
Medical Staff Remuneration		
Honorariums	\$ 959,897	\$ 430,309
Emergency Physician Group	1,294,670	1,421,633
Hospital On Call Coverage	608,497	613,552
Assault & Domestic Violence	5,000	10,000
Clinical Laboratory	9,179	14,386
Diagnostic Imaging	875,442	810,363
Total Medical Staff Remuneration	\$ 3,752,685	\$ 3,300,243

Dryden Regional Health Centre
Schedule 6 - Supplies and Other Expenses
(Unaudited)

For the year ended March 31,	2024	2023
Supplies and Other Expenses		
Patient Care		
Inpatient Wards	\$ 103,420	\$ 77,540
Operating Room	92,619	77,949
Ambulatory Care	214,393	233,988
Clinical Laboratory	628,354	654,083
Diagnostic Imaging	318,462	276,258
Diabetes Education	7,269	14,834
Therapeutic Services	328,064	240,921
In-Home Nursing	-	-
Total Patient Care	1,692,581	1,575,573
Support Services		
General Administration	1,647,831	1,690,408
Health System Development	252,282	275,285
Physical Plant	993,830	1,003,952
Environmental Services	110,588	105,631
Food Services	493,035	445,212
Patient Information	62,118	39,342
Marketed Services	133,379	158,863
Materials Management	196,506	189,489
Total Support Services	3,889,569	3,908,182
Total Supplies and Other Expenses	\$ 5,582,150	\$ 5,483,755

Dryden Regional Health Centre
Schedule 7 - Diabetes Education Program
(Unaudited)

For the year ended March 31,	2024	2023
Revenue		
Ministry of Health Base Allocation	\$ 237,397	\$ 237,397
Operating Expenses		
Salaries and Wages	203,628	203,628
Employee Benefits	47,858	47,858
Supplies and Other Expenses	7,834	7,834
Rent and Utilities	7,000	7,000
Total Operating Expenses	266,320	266,320
Net Expense	\$ (28,923)	\$ (28,923)