

HÔPITAL NOTRE-DAME HOSPITAL (HEARST)

**INDEPENDENT AUDITOR'S REPORT AND
SUMMARY FINANCIAL STATEMENTS**

MARCH 31, 2023

Baker Tilly HKC

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**REPORT OF THE INDEPENDANT AUDITOR
ON THE SUMMARY FINANCIAL STATEMENTS**

To the Board of Directors of
Hôpital Notre-Dame Hospital (Hearst)

Opinion

The summary financial statements, which comprise the summary statement of financial position as at March 31, 2023, the summary statements of operations and of changes in net assets for the year then ended, and related notes are derived from the audited financial statements of Hôpital Notre-Dame Hospital (Hearst) for the year ended March 31, 2023.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, on the basis described in note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statement and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated June 12, 2023.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements on the basis described in note 1.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, *Engagements to Report on Summary Financial Statements*.

Baker Tilly HKC

Chartered Professional Accountants

Licensed Public Accountants

June 12, 2023

HÔPITAL NOTRE-DAME HOSPITAL (HEARST)

SUMMARY STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2023

	Budget (Unaudited)	2023 Actual	2022 Actual
REVENUES			
Ontario Health North	\$ 15,025,265	\$ 15,032,208	\$ 14,730,298
Ontario Health North - one-time funding	809,534	2,272,503	1,806,934
Cancer Care Ontario	275,000	968,621	402,063
Amortization of deferred capital contribution - equipment	273,900	284,711	283,025
Recoveries and miscellaneous	1,577,692	2,066,976	1,538,922
Patient related	694,300	732,605	665,490
Differential and co-payment	515,000	200,575	408,172
	19,170,691	21,558,199	19,834,904
EXPENSES			
Salaries and wages	10,828,590	12,084,073	10,771,894
Medical staff remuneration	970,312	1,291,826	1,072,321
Employee benefits	2,995,061	2,650,272	2,925,013
Supplies and other expenses	3,520,486	3,882,301	3,523,279
Drugs, medical and surgical supplies	1,019,856	1,859,450	1,237,807
Interest on long-term debt	8,467	8,466	10,612
Amortization of equipment	665,893	630,438	629,992
CLFN - Aging at Home	20,504	20,504	20,504
Amortization of building - net	27,442	27,939	19,351
	20,056,611	22,455,269	20,210,773
EXCESS OF EXPENSES OVER REVENUES BEFORE OTHER PROGRAMS	(885,920)	(897,070)	(375,869)
OTHER PROGRAMS			
Revenues	753,131	893,188	757,738
Expenses	(753,131)	(893,188)	(757,738)
	-	-	-
EXCESS OF EXPENSES OVER REVENUES	\$ (885,920)	\$ (897,070)	\$ (375,869)

HÔPITAL NOTRE-DAME HOSPITAL (HEARST)

SUMMARY STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2023

	Invested in Capital Assets	Unrestricted Surplus	2023 Total	2022 Total
NET ASSETS, BEGINNING OF YEAR	\$ 2,475,807	\$ 2,079,059	\$ 4,554,866	\$ 4,930,735
RESTATEMENT FOR ASSET RETIREMENT OBLIGATION (Note 4)	(257,669)	-	(257,669)	-
EXCESS OF EXPENSES OVER REVENUES	-	(897,070)	(897,070)	(375,869)
NET CHANGES INVESTED IN CAPITAL ASSETS	95,169	(95,169)	-	-
NET ASSET, END OF YEAR	\$ 2,313,307	\$ 1,086,820	\$ 3,400,127	\$ 4,554,866

HÔPITAL NOTRE-DAME HOSPITAL (HEARST)

SUMMARY STATEMENT OF FINANCIAL POSITION

MARCH 31, 2023

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 859,438	\$ 4,856,254
Short-term investment	226,539	685,382
Accounts receivable	1,870,239	1,479,292
Inventories	385,720	308,406
Prepaid expenses	267,457	226,817
	<u>3,609,393</u>	<u>7,556,151</u>
NOTES RECEIVABLE	42,336	95,036
INVESTMENTS	949,892	464,235
CAPITAL ASSETS	9,847,908	10,442,596
PROJECTS IN PROGRESS	4,627,428	607,969
	<u>\$ 19,076,957</u>	<u>\$ 19,165,987</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 3,907,513	\$ 2,887,070
Deferred revenue	532,769	549,785
Current portion of long-term debt	46,300	44,000
	<u>4,486,582</u>	<u>3,480,855</u>
DEFERRED CONTRIBUTIONS AND CAPITAL GRANTS	1,314,903	837,585
LIABILITY FOR AN ASSET RETIREMENT OBLIGATION	343,558	-
DEFERRED CAPITAL CONTRIBUTIONS	7,045,772	7,777,436
LONG-TERM DEBT	98,971	145,353
POST-EMPLOYMENT BENEFITS PAYABLE	2,387,044	2,369,892
	<u>15,676,830</u>	<u>14,611,121</u>
NET ASSETS		
INVESTED IN CAPITAL ASSETS	2,313,307	2,475,807
UNRESTRICTED SURPLUS	1,086,820	2,079,059
	<u>3,400,127</u>	<u>4,554,866</u>
	<u>\$ 19,076,957</u>	<u>\$ 19,165,987</u>

CONTINGENCIES (Note 2)

COMMITMENTS AND CONTRACTUAL OBLIGATIONS (Note 3)

HÔPITAL NOTRE-DAME HOSPITAL (HEARST)

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

MARCH 31, 2023

1. BASIS OF PRESENTATION

The accompanying summary financial statements have been prepared with the same accounting standards as the audited financial statements of Hôpital Notre-Dame Hospital (Hearst) for the year ended March 31, 2023.

The summary financial statements do not contain all the disclosures required by Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations and some notes to the financial statements are not included and the statement of cash flow.

The complete set of financial statements for the year ended March 31, 2023 can be obtained from the management of Hôpital Notre-Dame Hospital (Hearst).

2. CONTINGENCIES

- (a) The Hospital participates in the Healthcare Insurance Reciprocal of Canada (“HIROC”). HIROC is a pooling of the public liability insurance risks of its Hospital's members. All members of the HIROC pool pay actuarially determined annual premiums. All members are subject to assessment for losses, if any, experienced by the pool for the years in which they were members.
 - (b) The nature of the Hospital's activities are such that there is usually litigation pending or in progress at any one time. With respect to claims as at March 31, 2023, it is management's position that the Hospital has valid defences and appropriate insurance coverage in place. In the unlikely event any claims are successful, such claims are not expected to have a material effect on the Hospital's financial position.
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3. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

- (a) In 2021, the Hospital has entered into a service agreement with a company for equipment services for a 5 year term starting August 2022. The remaining cost of the agreement is estimated at \$24,525 for the next two years and \$32,796 for the following two years.
 - (b) As of March 31, 2023, the Hospital had various signed contracts related to projects in progress. Projects in progress will be completed in the coming years. As at March 31, 2023, there were remaining contractual obligations of a total for \$7,163,680 in relation to these capital projects. Subsequent to the year-end, the Hospital obtained a term loan of \$3,500,000 at an interest rate of 6.89%, amortized over 10 years to finance a portion of these projects.
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HÔPITAL NOTRE-DAME HOSPITAL (HEARST)

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

MARCH 31, 2023

4. NEW ACCOUNTING STANDARDS

Section PS 1201, Financial Statement Presentation, PS 3041, Portfolio Investments and PS 3450, Financial Instruments have been adopted on April 1, 2022. Adoption of these new standards had no change on the presentation of these financial statements.

PS 3280, Asset Retirement Obligations, was adopted on April 1, 2022. Asset retirement obligations are legal financial obligations associated with the retirement of capital assets in which a duty or responsibility exists to properly remove or dispose of the capital assets at some future date in time. Management has adopted the modified retroactive application. Management reviewed the assets and estimated that the asset retirement obligation as of April 1, 2022 is \$343,558.

The following table provides details of the restatement of the financial statements following the adoption of the PS 3280, Asset Retirement Obligations:

	April 1, 2022
Restatement of opening balance of invested in capital assets	\$ 257,669
Addition to the capital assets - building	343,558
Addition to accumulated amortization - capital assets - building	(257,669)
Liability for an asset retirement obligation	(343,558)
