

Financial Statements of

TEMISKAMING HOSPITAL

And Independent Auditors' Report thereon

Year ended March 31, 2022



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INDEPENDENT AUDITORS' REPORT

To the Directors of Temiskaming Hospital

Opinion

We have audited the financial statements of Temiskaming Hospital (the Entity), which comprise:

- the statement of financial position as at March 31, 2022
- the statement of operations for the year then ended
- the statement of statement of changes in net assets for the year then ended
- the statement of remeasurement gains for the year then ended
- the statement of cash flows for the year then ended
- and the notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”)

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility under those standards are further described in the “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.



Responsibility 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 Entity'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 Entity or to cease operations or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the 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 risk 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, internal 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 purposes of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 the events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity's 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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

July 26, 2022

TEMISKAMING HOSPITAL


Statement of Operations

Year ended March 31, 2022, with comparative information for 2021


	2022	2021
Revenue:		
Ontario Health North and Ministry of Health	\$ 23,210,713	\$ 23,245,090
Cancer Care Ontario	1,258,434	1,279,337
Patient services	2,984,818	2,167,844
Other	2,252,729	2,067,973
Amortization - deferred capital contributions for equipment	775,582	670,200
	30,482,276	29,430,444
Expenses:		
Salaries and wages	18,097,666	16,569,511
Supplies and other	6,121,121	5,272,019
Employee benefits	5,266,783	5,399,563
Medical staff remunerations	2,338,801	2,032,695
Drugs	2,017,701	1,837,517
Medical and surgical supplies	1,219,900	913,135
Amortization - equipment	1,189,077	1,043,581
	36,251,049	33,068,021
Deficiency of revenue over expenses before the undernoted	(5,768,773)	(3,637,577)
Ministry of Health pandemic funding (note 16)	5,786,967	3,619,883
Excess (deficiency) of revenue over expenses from Hospital operations	18,194	(17,694)
Amortization - deferred capital contributions for buildings, land improvements and building service equipment	288,015	215,119
Amortization - buildings, land improvements and building service equipment	(689,855)	(668,491)
Deficiency of revenue over expenses	\$ (383,646)	\$ (471,066)

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

TEMISKAMING HOSPITAL

Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Investments (note 2)	\$ 3,338,913	\$ 3,109,647
Accounts receivable (note 3)	4,957,568	3,819,511
Inventories	709,036	631,858
Prepaid expenses	459,569	505,416
Note receivable (note 4)	1,480,000	1,480,000
	<u>10,945,086</u>	<u>9,546,432</u>
Capital assets (note 5)	16,408,020	15,648,438
	<u>\$ 27,353,106</u>	<u>\$ 25,194,870</u>
Liabilities, Deferred Contributions and Net Assets		
Current liabilities:		
Bank indebtedness	\$ 2,754,606	\$ 1,684,403
Accounts payable and accrued liabilities (note 7)	5,695,066	4,246,069
	<u>8,449,672</u>	<u>5,930,472</u>
Deferred capital contributions (note 8)	5,697,262	5,643,154
Employee post-retirement benefits (note 9)	2,100,038	2,011,063
	<u>16,246,972</u>	<u>13,584,689</u>
Net assets	11,000,239	11,383,885
Remeasurement gains	105,895	226,296
Contingencies (note 13)		
Subsequent events (note 17)		
	<u>\$ 27,353,106</u>	<u>\$ 25,194,870</u>

See accompanying notes to financial statements.

TEMISKAMING HOSPITAL

Statement of Changes in Net Assets

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Net assets, beginning of year	\$ 11,383,885	\$ 11,854,951
Deficiency of revenue over expenses	(383,646)	(471,066)
Net assets, end of year	\$ 11,000,239	\$ 11,383,885

See accompanying notes to financial statements

TEMISKAMING HOSPITAL

Statement of Remeasurement Gains

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Remeasurement gains (loss), beginning of year	\$ 226,296	\$ (258,206)
Amounts reclassified to statement of operations - realized investment loss	(105,896)	(61,414)
Unrealized investment (loss) gains	(14,505)	545,916
Remeasurement gains, end of year	\$ 105,895	\$ 226,296

See accompanying notes to financial statements.

TEMISKAMING HOSPITAL

Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash flows from operating activities:		
Deficiency of revenue over expenses	\$ (383,646)	\$ (471,066)
Adjustments for:		
Amortization of capital assets	1,878,932	1,712,072
Amortization of deferred capital contributions	(1,063,597)	(885,319)
Realized loss on investments	(105,896)	(61,414)
Loss on disposal of capital assets	-	2,670
Increase in employee post-retirement benefits	88,975	153,503
	<u>414,768</u>	<u>450,446</u>
Change in non-cash working capital (note 10)	279,609	(1,369,296)
	<u>694,377</u>	<u>(918,850)</u>
Cash flows from capital activities:		
Net additions to capital assets	(2,638,514)	(1,717,502)
Increase in deferred capital contributions	1,117,705	1,051,887
	<u>(1,520,809)</u>	<u>(665,615)</u>
Cash flows from investing activities:		
Increase in investments	(229,266)	(627,211)
Unrealized (loss) gains on investments	(14,505)	545,916
	<u>(243,771)</u>	<u>(81,295)</u>
Net decrease in cash	(1,070,203)	(1,665,760)
Bank indebtedness, beginning of year	(1,684,403)	(18,643)
Bank indebtedness, end of year	<u>\$ (2,754,606)</u>	<u>\$ (1,684,403)</u>

See accompanying notes to financial statements.

TEMISKAMING HOSPITAL

Notes to Financial Statements

Year ended March 31, 2022

Temiskaming Hospital (the "Hospital") was incorporated under the laws of Ontario. The Hospital is principally involved in providing health care services to Temiskaming Shores and the surrounding area. The Hospital is a registered charity under the Income Tax Act and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations.

(a) Revenue recognition:

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

Under the Health Insurance Act and Regulations thereto, the Hospital is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health (the "Ministry") and the North East Local Health Integration Network ("NELHIN"). Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

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

Externally restricted contributions are recognized as revenue in the period in which the related expenses are recognized.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on the straight-line basis, at rates corresponding to those of the related capital assets.

Revenue from patient and other services is recognized when the service is provided.

(b) Funding adjustments:

The Hospital receives grants from the NELHIN and the Ministry for specific services. Pursuant to the related agreements, if the Hospital does not meet specified levels of activity, the Ministry or NELHIN may be entitled to seek recoveries. Should any amounts become recoverable, the recoveries would be charged to operations in the period in which the recovery is determined to be payable. Should programs and activities incur a deficit, the Hospital records any recoveries thereon when additional funding is received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

(c) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Given the difficulty of determining the fair market value, contributed services are not recognized in the financial statements.

TEMISKAMING HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2022

1. Significant accounting policies (continued):

(d) Inventories:

Inventories are stated at the lower of average cost and net realizable value.

(e) Capital assets:

Capital assets are recorded at cost. Assets acquired under capital leases are initially recorded at the present value of the future minimum lease payments and amortized over the useful life of the assets. Minor equipment replacements are expensed in the year of replacement.

Construction in progress is not amortized until construction is complete and the facilities come into use.

Amortization is provided on the straight-line basis over their estimated useful lives as follows:

Plant and property	10 to 40 years
Equipment and furnishings	3 to 20 years
Computer software	3 to 5 years

In the year of acquisition, amortization is pro-rated based on the date of service.

Long-lived assets, including capital assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. When quoted market prices are not available, the Hospital uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value.

Assets to be disposed of would be separately presented in the statement of financial position and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer amortized. The asset and liabilities of a disposed group classified as held for sale would be presented separately in the appropriate asset and liability sections of the statement of financial position.

TEMISKAMING HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2022

1. Significant accounting policies (continued):

(f) Employee post-retirement benefits:

The Hospital accrues its obligations for employee benefit plans. The cost of non-pension post-retirement and post-employment benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of retirement ages of employees and expected health care costs.

Actuarial gains (losses) on the accrued benefit obligation arise from changes in actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains (losses) are amortized over the average remaining service period of active employees. The average remaining service period of the active employees covered by the employee benefit plan is 7 years.

Past service costs arising from plan amendments are recognized immediately in the period the plan amendments occur.

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

(g) Financial instruments:

All financial instruments are initially recorded on the statement of financial position at fair value.

All investments, if any, held in equity instruments that trade in an active market are recorded at fair value. Management has elected to record investments at fair value as they are managed and evaluated on a fair value basis. Freestanding derivative instruments that are not equity instruments that are quoted in an active market are subsequently measured at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

All financial assets are assessed for impairment on an annual basis. Where a decline in fair value is determined to be other than temporary, the amount of the loss is recognized in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains. On sale, the statement of remeasurement gains associated with that instrument are reversed and recognized in the statement of operations.

TEMISKAMING HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2022

1. Significant accounting policies (continued):

(h) Use of estimates:

The preparation of the financial statements 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 periods specified. Significant items subject to such estimates and assumptions include the carrying amount of capital assets; valuation allowances for receivables, and inventories; valuation of financial instruments; accounts payable and accrued liabilities; and assets and obligations related to employee future benefits. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

2. Investments:

	2022		2021	
	Cost	Market Value	Cost	Market Value
Pooled investment funds	\$ 3,233,018	\$ 3,338,913	\$ 2,883,351	\$ 3,109,647

3. Accounts receivable:

	2022	2021
Patients and clients	\$ 1,115,639	\$ 1,278,792
Harmonized Sales Tax	407,199	133,773
Ministry of Health	3,434,730	2,406,946
	\$ 4,957,568	\$ 3,819,511

4. Note receivable:

	2022	2021
Temiskaming Hospital Foundation	\$ 1,480,000	\$ 1,480,000

The note receivable is non-interest bearing, has no specified terms of repayment and is due on demand. The advance was made to assist the Temiskaming Hospital Foundation in fulfilling its core mandate.

TEMISKAMING HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2022

5. Capital assets:

2022	Cost	Accumulated Amortization	Net book Value
Land improvements	\$ 956,651	\$ 941,504	\$ 15,147
Buildings	17,257,689	10,604,949	6,652,740
Building service equipment	8,975,179	5,575,633	3,399,546
Furniture and equipment	20,180,095	14,952,822	5,227,273
Construction in Progress	1,113,314	–	1,113,314
	<u>\$ 48,482,928</u>	<u>\$ 32,074,908</u>	<u>\$ 16,408,020</u>

2021	Cost	Accumulated Amortization	Net book Value
Land improvements	\$ 956,651	\$ 939,227	\$ 17,424
Buildings	17,254,688	10,259,494	6,995,194
Building service equipment	10,265,405	5,369,389	4,896,016
Furniture and equipment	17,137,203	13,627,866	3,509,337
Construction in Progress	230,467	–	230,467
	<u>\$ 45,844,414</u>	<u>\$ 30,195,976</u>	<u>\$ 15,648,438</u>

6. Credit facilities:

The Hospital has arranged for a demand operating line of \$2,600,000, which includes a temporary increase of \$1,850,000, bearing interest at banker's prime rate less 0.25%. As at March 31, 2022, \$1,236,995 outstanding under the demand operating line (2021 - \$651,435).

7. Accounts payable and accrued liabilities:

	2022	2021
Accounts payable	\$ 4,236,895	\$ 2,031,739
Payroll accruals:		
Salaries and wages	522,900	951,371
Vacation pay and other entitlements	700,569	1,034,808
Deferred revenue	234,702	228,151
	<u>\$ 5,695,066</u>	<u>\$ 4,246,069</u>

TEMISKAMING HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2022

8. Deferred capital contributions:

Deferred capital contributions represent the unamortized and unspent balance of donations and grants received for the purchase of capital assets. Details of the continuity of these funds are as follows:

	2022	2021
Balance, beginning of year	\$ 5,643,154	\$ 5,476,586
Additional contributions received	1,117,705	1,051,887
Less amounts amortized to revenue	(1,063,597)	(885,319)
Balance, end of year	\$ 5,687,262	\$ 5,643,154

The deferred contributions related to capital assets consist of the following:

	2022	2021
Unamortized	\$ 5,649,142	\$ 5,637,110
Unspent	38,120	6,044
	\$ 5,687,262	\$ 5,643,154

9. Employee post-retirement benefits:

The Hospital sponsors a post-retirement defined benefit plan for medical, life insurance and dental benefits for substantially all unionized full time employees with various cost-sharing arrangements as determined by their collective agreements. The most recent valuation of the employee future benefits was completed as at March 31, 2021.

The accrued benefit obligation is recorded in the financial statements as follows:

	2022	2021
Balance, beginning of year	\$ 2,011,063	\$ 1,857,560
Add: benefit costs	145,799	196,438
	2,156,862	2,053,998
Less: benefit contributions	(56,824)	(42,935)
Balance, end of year	\$ 2,100,038	\$ 2,011,063

Similar to most post-employment benefit plans (other than pension) in Canada, the Hospital's plan is not pre-funded, resulting in plan deficit equal to the accrued benefit obligation.

TEMISKAMING HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2022

9. Employee post-retirement benefits (continued):

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

	2022	2021
Discount rate	3.89%	3.21%
Dental cost trend rates	4.00%	4.00%
Extended health care trend rates	8.00%	8.00%
	Decreasing 0.5% annually to an ultimate rate of 4.5%	

10. Change in non-cash working capital:

	2022	2021
Accounts receivable	\$ (1,138,057)	\$ (2,337,726)
Inventories	(77,178)	(105,604)
Prepaid expenses	45,847	(4,593)
Accounts payable and accrued liabilities	1,448,997	1,078,627
	\$ 279,609	\$ (1,369,296)

11. Pension plan:

Substantially all of the employees of the Hospital are members of the Health Care of Ontario Pension Plan (the "Plan") which is a multi-employer defined benefit plan. Contributions made to the plan during the year by the Hospital on behalf of its employees amounted to \$ 1,315,087 (2021 - \$1,287,564) and are included in employee benefits in the statement of operations.

12. Related entities:

The Hospital has an economic interest in the Temiskaming Hospital Foundation and Temiskaming Hospital CAT Scan Foundation.

The Temiskaming Hospital Foundation was created for the purposes of promoting and participating in fundraising programs in order to raise money for capital equipment. During the year, the Hospital received donations amounting to \$508,129 (2021 - \$582,147) from the Temiskaming Hospital Foundation.

The Temiskaming Hospital CAT Scan Foundation was created for the purposes of raising funds to support the operation of a CAT scanner. During the year, the Hospital received donations amounting to \$175,000 (2021 - \$170,000) from the Temiskaming Hospital CAT Scan Foundation.

TEMISKAMING HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2022

13. Contingencies:

(a) Legal matters and litigation:

The Hospital is involved in certain legal matters and litigation, the outcomes of which are not presently determinable. The loss, if any, from these contingencies will be accounted for in the periods in which the matters are resolved. Management is of the opinion that these matters are mitigated by adequate insurance coverage.

(b) Employment matters:

During the normal course of business, the Hospital is involved in certain employment related negotiations and has recorded accruals based on management's estimate of potential settlement amounts where these amounts are reasonably determinable.

(c) Insurance:

A group of healthcare institutions, including the Hospital, are members of the Health Care Insurance Reciprocal of Canada ("HIROC"). HIROC is a pooling of the liability insurance risk of its members. All members pay annual deposit premiums which are actuarially determined and are subject to further assessment for losses, if any, experienced by the pool for the years in which they are members. As at March 31, 2022, no assessments have been received.

14. Financial risks and concentration of credit risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Hospital is exposed to credit risk with respect to accounts receivable and other investments.

The Hospital assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Hospital at March 31, 2022 is the carrying value of these assets.

Management considers credit risk to be minimal as most of the accounts receivable balance is collected in a timely fashion.

The Hospital follows an investment policy approved by the Board of Directors. The maximum exposure to credit risk of the Hospital at March 31, 2022 is the carrying value of these assets.

There have been no significant changes to the credit risk exposure from 2021.

(b) Liquidity risk:

Liquidity risk is the risk that the Hospital will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Hospital manages its liquidity risk by monitoring its operating requirements. The Hospital prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 60 days of receipt of an invoice.

There have been no significant changes to the liquidity risk exposure from 2021.

TEMISKAMING HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2022

14. Financial risks and concentration of credit risk (continued):

(c) Other risks:

In response to COVID-19 and consistent with guidance provided by the MOH and other government agencies, the Hospital has implemented a number of measures to protect patients and staff from COVID-19. In addition, the Hospital has actively contributed towards the care of COVID-19 patients and the delivery of programs that protect public health.

The Hospital continues to respond to the pandemic and plans for continued operational and financial impacts during the 2023 fiscal year and beyond. Management has assessed the impact of COVID-19 and believes there are no significant financial issues that compromise its ongoing operations. The outcome and timeframe to a recovery from the current pandemic is highly unpredictable, thus it is not practicable to estimate and disclose its effect on future operations at this time.

15. Comparative information:

Certain comparative figures have been reclassified to conform with the presentation adopted in 2022.

16. Ministry of Health pandemic funding:

In connection with the ongoing coronavirus pandemic ("COVID-19), the MOH has established a number of funding programs intended to assist hospitals with incremental operating and capital costs resulting from COVID-19. As part of these funding programs, the MOH is permitting hospitals to redirect unused funding from certain programs towards budgetary pressures through a broad-based funding reconciliation.

Management has developed an estimate of MOH revenue for COVID-19 based on the most recent guidance provided by MOH and the impacts of COVID-19 on the Hospital's operations, revenues and expenses. As a result of Management's estimation process, the Hospital has determined a range of reasonably possible amounts that are considered by Management to be realistic, supportable and consistent with the guidance provided by the MOH. However, given the potential for future adjustments by the MOH based on their determination of eligible funding, the Hospital has recognized revenue related to COVID-19 based on the lower end of the range. Any adjustments to Management's estimate of MOH revenues will be reflected in the Hospital's financial statements in the year of settlement

TEMISKAMING HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2022

16. Ministry of Health pandemic funding (continued):

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

	2022	2021
Funding for incremental COVID-19 operating expenses	\$ 2,806,787	\$ 1,676,289
Funding for temporary pandemic pay	18,457	637,582
Funding for revenue losses resulting from COVID-19	–	1,019,200
Uninsured patients funding	67,635	84,153
Additional capacity bed funding	2,323,712	–
COVID swab assessment centre funding	403,176	197,627
Other COVID funding	167,200	5,032
	<u>\$ 5,786,967</u>	<u>\$ 3,619,883</u>

In addition to the above, the Hospital has also recognized \$258,544 (2021 - \$314,800) in MOH funding for COVID-19 related capital expenditures, which has been recorded as an addition to deferred capital contributions during the year.

17. Subsequent events:

The Hospital entered into an agreement with The Toronto-Dominion Bank on April 11, 2022 for a new credit facility with a limit of \$6,500,000 to finance the Electronic Medical Records (EMR) project, bearing interest at banker's prime rate less 0.85% per annum.