

**BINGHAM MEMORIAL HOSPITAL**

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

**MARCH 31, 2024**

**Baker Tilly HKC**  
2 Ash Street, Suite 2  
Kapusking, ON  
Canada P5N 3H4

**T:** 705.337.6411  
**F:** 705.335.6563

kapuskasing@bakertilly.ca  
[www.bakertilly.ca](http://www.bakertilly.ca)

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Bingham Memorial Hospital

### *Opinion*

We have audited the financial statements of Bingham Memorial Hospital, which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations, 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

## INDEPENDENT AUDITOR'S REPORT, (CONT'D)

### *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 organization'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 organization'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 organization 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.

*Baker Tilly HKC*

Chartered Professional Accountants  
Licenced Public Accountants  
June 13, 2024

**BINGHAM MEMORIAL HOSPITAL**  
**FINANCIAL STATEMENTS**

**MARCH 31, 2024**

Statement of Operations	1
Statement of Changes in Net Assets	2
Statement of Financial Position	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 17
Schedule of Ministry Funding	18
Schedule of Salaries and Wages	18
Schedule of Supplies and Other Expenses	18

# BINGHAM MEMORIAL HOSPITAL

## STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2024

	2024 Budget (Unaudited)	2024 Actual	2023 Actual
<b>REVENUES</b>			
Ministry Funding, schedule 1	\$ 8,046,066	\$ 9,211,436	\$ 8,478,369
Ontario Health Insurance	57,000	51,794	50,706
Other patient care revenue	606,700	502,255	492,010
Recoveries and other revenues	305,625	375,836	337,325
Amortization of deferred capital contributions - equipment and software	75,000	57,139	49,974
Other votes	3,000	3,000	3,000
	9,093,391	10,201,460	9,411,384
<b>EXPENSES</b>			
Salaries and wages, schedule 2	4,733,706	4,412,394	3,938,874
Purchased services	-	1,192,790	1,152,046
Employee benefits	1,420,063	1,369,771	1,317,635
Medical staff remuneration	1,032,953	1,435,561	1,321,092
Supplies and other expenses, schedule 3	2,319,731	2,010,312	1,871,692
Medical and surgical supplies	120,900	111,390	126,778
Drugs and medical gases	178,600	31,481	46,220
Loss on disposition of capital assets	-	20	15,635
Amortization of equipment and software	148,000	225,824	195,984
Other votes	3,000	3,000	3,000
	9,956,953	10,792,543	9,988,956
<b>EXCESS OF EXPENSES OVER REVENUES FROM OPERATIONS</b>	<b>(863,562)</b>	<b>(591,083)</b>	<b>(577,572)</b>
<b>AMORTIZATION OF BUILDINGS</b>			
Amortization of deferred capital contributions - buildings	500,000	451,653	542,489
Amortization of capital assets - buildings	(500,000)	(643,255)	(581,646)
	-	(191,602)	(39,157)
<b>EXCESS OF EXPENSES OVER REVENUES</b>	<b>\$ (863,562)</b>	<b>\$ (782,685)</b>	<b>\$ (616,729)</b>

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

**BINGHAM MEMORIAL HOSPITAL**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED MARCH 31, 2024**

	<b>Invested in Capital Assets (note 10)</b>	<b>Unrestricted</b>	<b>Total 2024</b>	<b>Total 2023</b>
BALANCE, BEGINNING OF YEAR	\$ 4,179,528	\$ 1,104,078	\$ 5,283,606	\$ 5,900,335
EXCESS OF EXPENSES OVER REVENUES	-	(782,685)	(782,685)	(616,729)
NET CHANGE IN INVESTED IN CAPITAL ASSETS (note 10)	<u>316,972</u>	<u>(316,972)</u>	<u>-</u>	<u>-</u>
BALANCE, END OF YEAR	<u>\$ 4,496,500</u>	<u>\$ 4,421</u>	<u>\$ 4,500,921</u>	<u>\$ 5,283,606</u>

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

**BINGHAM MEMORIAL HOSPITAL****STATEMENT OF FINANCIAL POSITION****MARCH 31, 2024**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 600	\$ 602
Accounts receivable (note 4)	463,392	734,541
Inventories	227,868	206,673
Short-term investment	-	164,707
Due from MICs Group of Health Services (note 5)	1,067,689	2,304,776
	1,759,549	3,411,299
<b>CAPITAL ASSETS (note 6)</b>	<b>9,442,764</b>	<b>8,023,598</b>
	<b>\$ 11,202,313</b>	<b>\$ 11,434,897</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities (note 7)	\$ 886,155	\$ 898,054
Deferred revenue	30,000	-
	916,155	898,054
<b>POST-EMPLOYMENT BENEFITS (note 8)</b>	<b>808,448</b>	<b>784,564</b>
<b>DEFERRED CAPITAL CONTRIBUTIONS (note 9)</b>	<b>4,976,789</b>	<b>4,468,673</b>
	<b>6,701,392</b>	<b>6,151,291</b>
<b>NET ASSETS</b>		
<b>INVESTED IN CAPITAL ASSETS (note 10)</b>	<b>4,496,500</b>	<b>4,179,528</b>
<b>UNRESTRICTED</b>	<b>4,421</b>	<b>1,104,078</b>
	<b>4,500,921</b>	<b>5,283,606</b>
	<b>\$ 11,202,313</b>	<b>\$ 11,434,897</b>

CONTINGENCIES AND COMMITMENTS - note 13 and 14

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

On behalf of the board



Director



Director

# BINGHAM MEMORIAL HOSPITAL

## STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2024

	2024	2023
<b>OPERATING ACTIVITIES</b>		
Excess of expenses over revenues	\$ (782,685)	\$ (616,729)
Items not involving cash:		
Amortization of capital assets - buildings	643,255	581,646
Amortization of capital assets - equipment and software	225,824	195,984
Amortization of deferred capital contributions - buildings	(451,653)	(542,489)
Amortization of deferred capital contributions - equipment and software	(57,139)	(49,974)
Loss on disposition of capital assets	20	15,635
	<u>(422,378)</u>	<u>(415,927)</u>
Changes in:		
Accounts receivable	271,149	(199,063)
Prepaid expenses	-	41,816
Inventories	(21,195)	(8,187)
Accounts payable and accrued liabilities	(11,899)	321,106
Deferred revenue	30,000	(79,403)
Post-employment benefits	23,884	29,530
	<u>(130,439)</u>	<u>(310,128)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	-	(2,753)
Disposition of investments	164,707	-
Net advances from MICs Group of Health Services	1,237,087	1,558,707
	<u>1,401,794</u>	<u>1,555,954</u>
<b>CAPITAL ACTIVITIES</b>		
Purchase of capital assets	(2,288,265)	(1,902,170)
Capital contributions received	1,073,301	656,344
Transfer of capital contributions to accounts payable	(56,393)	-
	<u>(1,271,357)</u>	<u>(1,245,826)</u>
<b>CHANGE IN CASH POSITION</b>	(2)	-
<b>CASH POSITION, BEGINNING OF YEAR</b>	<u>602</u>	<u>602</u>
<b>CASH POSITION, END OF YEAR</b>	<u>\$ 600</u>	<u>\$ 602</u>

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



# BINGHAM MEMORIAL HOSPITAL

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

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### 1. STATUS AND NATURE OF OPERATIONS

The Hospital, incorporated under the Ontario Business Corporation Act, without share capital, operates a Hospital under the Charitable Institutions Act, at 507 8th Ave, Matheson, Ontario. The Hospital is a not-for-profit organization and, as such, is exempt from income taxes under the Income Tax Act (Canada).

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### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements 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 and includes the following significant accounting policies:

#### BASIS OF PRESENTATION

The financial statements include the assets, liabilities and activities of the Hospital.

The notes to the financial statements include information on the following related parties:

The MICs Group of Health Services  
MICs Healthcare Foundation  
ONE Health Information Technology Services

The revenues, expenses, assets and liabilities with respect to the operations of the related parties are not reflected in these financial statements except to the extent that the funds have been received from or disbursed to them. The financial statements of the related parties are not consolidated in the financial statements of the Hospital.

#### REVENUE RECOGNITION

The financial statements have been prepared using the deferral method of accounting. Under the deferral method, revenues are recorded in the period to which they relate.

Under the Health Insurance Act and the regulations thereto, the Hospital is funded primarily by the Ministry of Health and Long-Term Care and Ontario Health North East in accordance with the terms and conditions in the Hospital Service Accountability Agreement.

Unrestricted contributions, including operating grants are recorded as revenue in the period to which they relate. Grants approved but not yet received at the end of the year are accrued.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Grants, donations and other contributions received for the acquisition of specific capital assets are recorded as deferred capital contributions and recognized into revenue at a rate corresponding with the amortization rate for the related capital assets.

# BINGHAM MEMORIAL HOSPITAL

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

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### 2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

#### REVENUE RECOGNITION, (CONT'D)

Revenue from the provincial insurance plans, and uninsured patients, operational revenue and other services and recoveries are recognized as revenue when received or receivable if the amount to be recorded can be reasonably estimated and the collection is reasonably assured.

#### INVENTORIES

Inventories of all hospital supplies are valued at the lower of average cost and replacement value and include only those supplies located in central storage areas and not supplies that have been issued to departments for direct patient care.

#### CAPITAL ASSETS

The acquisition of capital assets are recorded at their historical cost less amortization. Contributed capital assets are recorded at fair value at the date of contribution. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Hospital's ability to provide services or the value of future economic benefits associated with the capital asset is less than its net book value, the carrying amount is reduced to reflect the decline in the asset's value. The writedown is recorded in the statement of operations.

Amortization is calculated on a straight line basis using rates as set out in the Ontario Health Care Reporting System Guidelines. The estimated useful lives of the assets are as follows:

Land improvements	8 years
Buildings	10-40 years
Equipment and software	3-20 years

The cost of capital projects in progress is recorded as capital assets and no amortization is taken until the project is substantially completed and the asset is ready for productive use. The Hospital allocates salary and benefit costs when personnel work directly in managing or implementing the capital project.

#### CONTRIBUTED SERVICES AND MATERIALS

Volunteers contribute significant hours of their time each year to assist the Hospital in carrying out certain charitable activities. The fair value of these contributed services is not readily determinable and, as such, is not reflected in these financial statements. Contributed materials are also not recognized in these financial statements.

# BINGHAM MEMORIAL HOSPITAL

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

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### 2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

#### FUNDING

Under the current funding policy, the Hospital is essentially funded by using a budget base approved by the Ministry of Health / Ontario Health North East. The Hospital is allowed to retain any excess of revenues over expenses derived from its operations and, conversely, retains responsibility for any deficit it may occur.

#### RETIREMENT AND POST-EMPLOYMENT BENEFIT PLANS

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

##### *Multi-employer defined benefit pension*

Substantially all of the employees of the Hospital are eligible to be members of the Hospitals of Ontario Pension Plan ("HOOPP"), which is a multi-employer, defined benefit, final average earnings, contributory pension plan. Defined contribution plan accounting is applied to HOOPP, whereby contributions are expensed when due, as the Hospital has insufficient information to apply defined benefit accounting.

##### *Post-employment benefits*

i) The costs of post-employment future benefits are actuarially determined using the projected benefit method prorated on service and management's best estimate of retirement ages, 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.

ii) Past service costs (if any) arising from plan amendments are immediately recognized.

iii) The discount rate used in the determination of the above-mentioned liability is the discount rate recommended by the Ministry of Health and Long-Term Care.

#### FINANCIAL INSTRUMENTS

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

##### *Fair Value*

This category includes derivatives and equity instruments quoted in an active market. The Hospital has designated its cash at fair value as it's managed and evaluated on a fair value basis.

# BINGHAM MEMORIAL HOSPITAL

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

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### 2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

#### FINANCIAL INSTRUMENTS, (CONT'D)

They are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

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

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

The Hospital does not have any amounts to record on the statement of remeasurement gains and losses and therefore this statement has not been included in their financial statements.

#### *Amortized cost*

This category includes accounts receivable, due from MICs Group of Health Services and accounts payable and accrued liabilities. 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.

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

#### MEASUREMENT UNCERTAINTY

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of estimates include: the revenue recognition of certain restricted contributions, the allowance for doubtful accounts receivable, the useful life of capital assets, accrued liabilities, the actuarial estimation of post-employment benefits and contingencies. Actual results may differ from management's best estimates as additional information becomes available in the future.

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**BINGHAM MEMORIAL HOSPITAL****NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2024****3. FINANCIAL INSTRUMENT CLASSIFICATION**

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

	<b>2024</b>		
	<b>Fair Value</b>	<b>Amortized Cost</b>	<b>Total</b>
Cash	\$ 600	\$ -	\$ 600
Accounts receivable	\$ -	\$ 463,392	\$ 463,392
Due from MICs Group of Health Services	\$ -	\$ 1,067,689	\$ 1,067,689
Accounts payable and accrued liabilities	\$ -	\$ 886,155	\$ 886,155
	<b>2023</b>		
	<b>Fair Value</b>	<b>Amortized Cost</b>	<b>Total</b>
Cash	\$ 602	\$ -	\$ 602
Accounts receivable	\$ -	\$ 734,541	\$ 734,541
Short-term investments	\$ 164,707	\$ -	\$ 164,707
Due from MICs Group of Health Services	\$ -	\$ 2,304,776	\$ 2,304,776
Accounts payable and accrued liabilities	\$ -	\$ 898,054	\$ 898,054

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

Level 1: Fair value measurements are those derived from unadjusted quoted prices 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 and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

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.

Cash is considered Level 1 fair value.

There were no transfers between levels for the year ended March 31, 2024 and March 31, 2023.

**BINGHAM MEMORIAL HOSPITAL****NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2024****4. ACCOUNTS RECEIVABLE**

	<b>2024</b>	<b>2023</b>
Insurers and patients	\$ 152,723	\$ 108,617
Ministry of Health / Ontario Health North East	173,858	297,181
HST rebates receivable	136,811	328,743
	<u>\$ 463,392</u>	<u>\$ 734,541</u>

**5. DUE FROM MICS GROUP OF HEALTH SERVICES**

The Hospital exercises significant influence over the MICs Group of Health Services (MICs Partnership) by virtue of it being a member of the partnership and its ability to appoint some of the members of the Board of Directors. The MICs Partnership was established to increase opportunities for collaboration between its member hospitals (Bingham Memorial Hospital, Anson General Hospital and Lady Minto Hospital) in the sharing of costs and provision of health services. The MICs Group of Health Services is a non-profit organization.

Included in the Hospital's expenses for the year is the Hospital's share of various cost functions primarily salaries and benefits and administration and support services. Information systems network, software and hardware, as well as office equipment shared by the three participating hospitals are recorded as capital assets and the respective Hospital's share of the related costs are recorded when the capital assets are amortized. Any capital contributions, grants or donations received for the acquisition of capital assets are deferred and the respective Hospital's share of the related revenue is recorded when the contribution is amortized. The share of costs to participating hospitals are set by a methodology agreed to by the Board on a cost recovery basis.

The financial statements of the MICs Group of Health Services are not consolidated in the financial statements of the Hospital. Separate audited financial statements are prepared and are available from management.

The balance due represents the excess between the amounts received and paid by the MICs Partnership. The balance due from the MICs Group of Health Services is unsecured, non-interest bearing with no specific terms of repayment.

	<b>2024</b>	<b>2023</b>
Due from MICS Group of Health Services	<u>\$ 1,067,689</u>	<u>\$ 2,304,776</u>

**BINGHAM MEMORIAL HOSPITAL****NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2024****5. DUE FROM MICS GROUP OF HEALTH SERVICES, (CONT'D)**

The Hospital's share of costs are as follows:

	<b>2024</b>	<b>2023</b>
Salaries, wages and employee benefits	\$ 5,758,281	\$ 5,226,979
Administration and support services	215,246	180,530
	<u>\$ 5,973,527</u>	<u>\$ 5,407,509</u>

**6. CAPITAL ASSETS**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2024 Net</b>	<b>2023 Net</b>
Land	\$ 159,212	\$ -	\$ 159,212	\$ 159,212
Land improvements	172,227	162,120	10,107	27,433
Buildings	16,219,622	8,266,514	7,953,108	6,735,339
Equipment and software	2,898,544	1,578,207	1,320,337	1,101,614
	<u>\$ 19,449,605</u>	<u>\$ 10,006,841</u>	<u>\$ 9,442,764</u>	<u>\$ 8,023,598</u>

As at March 31, 2024, there were \$36,874 (2023 - \$20,985) of capital projects in progress. These assets were not amortized.

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2024</b>	<b>2023</b>
Trades payable and accrued liabilities	\$ 584,764	\$ 532,111
Ministry of Health / Ontario Health North East	186,562	267,811
Salaries and benefits	114,829	98,132
	<u>\$ 886,155</u>	<u>\$ 898,054</u>

**BINGHAM MEMORIAL HOSPITAL****NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2024****8. POST-EMPLOYMENT BENEFITS PAYABLE**

The Hospital extends post employment extended health coverage, dental benefits and life insurance to certain employee groups subsequent to their retirement. The Hospital recognizes these benefits as they are earned during the employees' tenure of service. The related liability was determined by an actuarial valuation. The following tables outlines the components of the Hospital's accrued post-employment benefit liability and benefit expense:

**ACCRUED BENEFIT LIABILITY**

	<b>Hospital</b>	<b>Share of MICS</b>	<b>2024 Total</b>	<b>2023 Total</b>
Accrued benefit obligation	\$ 683,194	\$ 68,375	\$ 751,569	\$ 709,138
Unamortized actuarial loss	26,853	30,026	56,879	75,426
Accrued benefit liability	<u>\$ 710,047</u>	<u>\$ 98,401</u>	<u>\$ 808,448</u>	<u>\$ 784,564</u>

**BENEFIT EXPENSE**

	<b>Hospital</b>	<b>Share of MICS</b>	<b>2024 Total</b>	<b>2023 Total</b>
Accrued benefit obligation, beginning of year	\$ 627,004	\$ 82,134	\$ 709,138	\$ 693,481
Unamortized actuarial loss	62,588	12,838	75,426	61,553
Accrued benefit liability, beginning of year	<u>689,592</u>	<u>94,972</u>	<u>784,564</u>	<u>755,034</u>
Current service cost	27,446	3,466	30,912	33,270
Interest on obligation	25,235	3,295	28,530	27,005
Amortization of actuarial loss	<u>(7,112)</u>	<u>(1,472)</u>	<u>(8,584)</u>	<u>(6,703)</u>
Benefit expense	<u>45,569</u>	<u>5,289</u>	<u>50,858</u>	<u>53,572</u>
Benefit payment	<u>(25,114)</u>	<u>(1,860)</u>	<u>(26,974)</u>	<u>(24,042)</u>
Accrued benefit liability, end of year	<u>\$ 710,047</u>	<u>\$ 98,401</u>	<u>\$ 808,448</u>	<u>\$ 784,564</u>



**BINGHAM MEMORIAL HOSPITAL****NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2024****8. POST-EMPLOYMENT BENEFITS PAYABLE, (CONT'D)**

The above amounts exclude contributions to the Hospitals of Ontario Pension Plan, a multi-employer plan, described in note 11.

The major actuarial assumptions employed for the valuations are as follows:

*Discount rate*

The present value of the future benefits was determined using a discount rate of 3.95% (2023 - 4.04%) which is the discount rate recommended by the Ministry of Health and Long-Term Care.

*Extended Health Coverage*

Extended Health Coverage is assumed to increase at a rate of 8% per annum (2023 - 8%) and decrease proportionately thereafter by 0.5% per year to an ultimate rate of 4.5% (2023 - 4.5%).

*Dental costs*

Dental costs is assumed to increase at 4% per annum (2023 - 4%).

**9. DEFERRED CAPITAL CONTRIBUTIONS**

Deferred capital contributions represent the unamortized amount of donations and grants received for the purchase of capital assets. The changes in the deferred capital contributions balances are as follows:

	<b>2024</b>	<b>2023</b>
<b>CAPITAL CONTRIBUTIONS</b>		
Balance, beginning of year	\$ 13,619,449	\$ 12,963,105
Funding received during the year	1,073,301	656,344
Transfer of capital contributions to accounts payable	(56,393)	-
Balance, end of year	<u>14,636,357</u>	<u>13,619,449</u>
<b>ACCUMULATED AMORTIZATION</b>		
Balance, beginning of year	(9,150,776)	(8,558,313)
Amortization of deferred capital contributions - buildings	(451,653)	(542,489)
Amortization of deferred capital contributions - equipment and software	(57,139)	(49,974)
Balance, end of year	<u>(9,659,568)</u>	<u>(9,150,776)</u>
<b>NET DEFERRED CAPITAL CONTRIBUTIONS</b>	<u>\$ 4,976,789</u>	<u>\$ 4,468,673</u>

**BINGHAM MEMORIAL HOSPITAL****NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2024****9. DEFERRED CAPITAL CONTRIBUTIONS, (CONT'D)**

Included in deferred capital contributions are donations and grants reserved for the purchase of capital assets that are unspent. Unspent contributions are subject to recovery by the funder. These contributions are comprised of:

	<b>2024</b>	<b>2023</b>
Donations	\$ 30,525	\$ 21,632
Health Infrastructure Renewal Fund	-	602,971
	<u>\$ 30,525</u>	<u>\$ 624,603</u>

**10. INVESTED IN CAPITAL ASSETS**

	<b>2024</b>	<b>2023</b>
Capital assets	\$ 9,442,764	\$ 8,023,598
Deferred capital contributions	(4,976,789)	(4,468,673)
Unspent deferred capital contributions (note 9)	30,525	624,603
	<u>\$ 4,496,500</u>	<u>\$ 4,179,528</u>

The interfund transfer and the change in invested in capital assets is calculated as follows:

	<b>2024</b>	<b>2023</b>
<b>CAPITAL ASSETS ACTIVITIES</b>		
Purchase of capital assets	\$ 2,288,265	\$ 1,902,170
Amortization of capital assets - buildings	(643,255)	(581,646)
Amortization of capital assets - equipment and software	(225,824)	(195,984)
Loss on disposition of capital assets	(20)	(15,635)
	<u>1,419,166</u>	<u>1,108,905</u>
<b>DEFERRED CAPITAL CONTRIBUTIONS ACTIVITIES</b>		
Capital contributions received during the year	(1,073,302)	(656,344)
Transfer to unspent deferred capital contributions	(594,077)	106,743
Transfer of capital contributions to accounts payable	56,393	-
Amortization of deferred capital contributions - buildings	451,653	542,489
Amortization of deferred capital contributions - equipment and software	57,139	49,974
	<u>\$ 316,972</u>	<u>\$ 1,151,767</u>

# BINGHAM MEMORIAL HOSPITAL

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

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### 11. RETIREMENT BENEFITS

Substantially all of the Hospital's employees are members of the Hospitals of Ontario Pension Plan (the "Plan"), which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the Ontario Hospital Association.

Contributions to the plan made during the year by the Hospital on behalf of its employees amounted to \$350,125 (2023 - \$317,520) and are included in the statement of operations.

As this is a multi-employer pension plan, these contributions are the Hospital's pension benefit expenses. Any pension plan surpluses or deficits are a joint responsibility of member organizations and their employees. As a result, the organization does not recognize any share of the Plan's surplus or deficit. No contributing employer or employee has any liability, directly or indirectly, to provide the benefits established by this plan beyond the obligation to make contributions pursuant to the Plan policies. The most recent actuarial valuation of the Plan at December 31, 2023 indicated that the Plan is fully funded on a solvency basis.

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### 12. OTHER RELATED PARTIES

#### *MICs Healthcare Foundation*

MICs Healthcare Foundation (Foundation) was incorporated primarily for the purpose of raising funds for the use by the three hospitals under the MICS Partnership (Bingham Memorial Hospital, Anson General Hospital and Lady Minto Hospital). During the year, the Hospital received \$28,084 (2023 - \$nil) from the Foundation for the purchase of equipment.

#### *ONE Health Information Technology Services*

ONE Health Information Technology Services (ONE HITS) is a shared service organization established for the purposes of providing technology, information systems and related support services on a non-profit basis to participating hospitals in Northeastern Ontario on a full cost recovery basis. As such, ONE Health Information Technology Services' net assets and surplus for the year are nil. The MICS Group of Healthcare Services partnership has a 2.71% proportionate share in the costs. All operating and capital costs incurred in the year have been expensed or capitalized according to the allocation provided.

Transactions are valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

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# BINGHAM MEMORIAL HOSPITAL

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

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### 13. CONTINGENCIES AND COMMITMENTS

a) 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, 2024, it is management's position that the Hospital has valid defences and appropriate insurance coverage in place. No provision has been made in these financial statements to reflect any of these claims. Any settlements which may arise will be reflected in the financial statements in the year the amount is determined.

b) The MICs Group of Health Services is part of a collective group of employers participating in the process of formulating a central pay equity plan for a particular employee group. The possible ultimate liability arising to the Hospital on completion of the plan is currently not determinable.

c) Further to note 12, the Hospital is part of a capital project to upgrade IT equipment, systems and software, namely the Meditech Expanse, through ONE HITS. The Hospital's estimated share of the cost will be approximately \$2,090,000, excluding operating costs. A total cost of \$804,877 has been incurred as of March 31, 2024, leaving a remaining estimated commitment of \$1,285,123. This cost has been recorded in the MICS Partnership under capital projects in progress.

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### 14. COVID-19 CONTRIBUTIONS

The Hospital has recognized COVID-19 related contributions in the amount of \$18,138 (2023 - \$518,162) in revenues. These contributions were provided to the Hospital to assist with the increased operating and capital costs resulting from COVID-19 implications.

These restricted contributions are subject to meeting certain eligibility requirements based on agreements and guidelines provided by the funders, the Ministry of Health and Long Term Care and Ontario Health North. The funders have provided guidelines in respect to the amount of funding potentially available to the Hospital, as well as criteria for eligibility and revenue recognition. These contributions are subject to review and reconciliation by the funders and the adjustments, if any, will be repayable to the funders. The adjustments will be recognized in the year in which they become known.

Management believes that the Hospital is currently in compliance with all the terms and conditions of these COVID-19 related contributions based on the guidelines provided.

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### 15. ECONOMIC DEPENDENCE

The Hospital receives the majority of its revenue through a funding agreement with the Ministry of Health and Long-Term Care and Ontario Health North East. The Hospital's continued operations are dependent on this funding agreement and on satisfying the terms of the agreement.

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**BINGHAM MEMORIAL HOSPITAL****NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2024****16. FINANCIAL INSTRUMENTS RISK MANAGEMENT****CREDIT RISK**

The Hospital is exposed to credit risk in the event of non-payment by their debtors. Credit risk arises from the possibility that these individuals may experience financial difficulty and be unable to fulfill their obligations. The Hospital is exposed to this risk relating to its accounts receivable of \$463,392 (2023 - \$734,541) and its amounts due from MICs Group of Health Services of \$1,067,689 (2023 - \$2,304,776).

Accounts receivable are generally due from government agencies, insurers and patients and other. The Hospital measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is recorded based on the Hospital's historical experience regarding collections. The amounts outstanding as at March 31, 2024 are as follows:

	<b>Total</b>	<b>Current</b>	<b>31-60 days</b>	<b>61-90 days</b>	<b>90+ days</b>
Insurers and patients	\$ 152,723	\$ 94,341	\$ 8,022	\$ 39,491	\$ 10,869
MOH / OHNE	173,858	173,858	-	-	-
HST rebates	136,811	136,811	-	-	-
	<b>\$ 463,392</b>	<b>\$ 405,010</b>	<b>\$ 8,022</b>	<b>\$ 39,491</b>	<b>\$ 10,869</b>

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

**LIQUIDITY RISK**

Liquidity risk results from the Hospital's potential inability to meet its obligations associated with the financial liabilities as they become due. The Hospital is exposed to this risk relating to its accounts payable and accrued liabilities of \$886,155 (2023 - \$898,054). The Hospital mitigates this risk by monitoring its operations and cash flows to ensure that current and future obligations will be met. The Hospital believes that its current sources of liquidity are sufficient to cover its currently known short and long-term cash obligations.

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.

**17. COMPARATIVE FIGURES**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. Purchased services are presented separately from salaries and wages. The change did not have an effect on the excess of revenues over expenses and net assets.

**BINGHAM MEMORIAL HOSPITAL**  
**SCHEDULES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2024**

**SCHEDULE OF MINISTRY FUNDING**

**Schedule 1**

	<b>2024 Budget (Unaudited)</b>		<b>2024 Actual</b>		<b>2023 Actual</b>
Ontario Health North - Base allocation	\$ 7,092,413	\$	7,139,630	\$	6,954,130
Ministry of Health/Ontario Health North - Other	28,200		1,134,335		587,182
Ministry of Health - Physician specific	925,453		937,471		937,057
	<u>\$ 8,046,066</u>	\$	<u>9,211,436</u>	\$	<u>8,478,369</u>

**SCHEDULE OF SALARIES AND WAGES**

**Schedule 2**

	<b>2024 Budget (Unaudited)</b>		<b>2024 Actual</b>		<b>2023 Actual</b>
Nursing services	\$ 2,659,208	\$	2,284,579	\$	2,036,171
Diagnostic and therapeutic	699,392		701,935		668,430
Education	23,792		24,270		8,118
Administration and other	1,351,314		1,401,610		1,226,155
	<u>\$ 4,733,706</u>	\$	<u>4,412,394</u>	\$	<u>3,938,874</u>

**SCHEDULE OF SUPPLIES AND OTHER EXPENSES**

**Schedule 3**

	<b>2024 Budget (Unaudited)</b>		<b>2024 Actual</b>		<b>2023 Actual</b>
Nursing services	\$ 140,700	\$	178,518	\$	140,571
Diagnostic and therapeutic	576,450		505,445		514,950
Education	55,860		14,237		19,614
Administration and other	1,546,721		1,312,112		1,196,557
	<u>\$ 2,319,731</u>	\$	<u>2,010,312</u>	\$	<u>1,871,692</u>