

**THE ALEXANDRA
HOSPITAL INGERSOLL**

FINANCIAL STATEMENTS

For the year ended March 31, 2021

**THE ALEXANDRA
HOSPITAL INGERSOLL**

For the year ended March 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Alexandra Hospital Ingersoll

Opinion

We have audited the financial statements of The Alexandra Hospital Ingersoll (the 'Hospital'), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets, remeasurement gains and losses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Hospital as at March 31, 2021, and its results of operations, remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The Annual Report is expected to be made available to us after the date of auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

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

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

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

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 these financial statements.

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

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

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



May 26, 2021
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

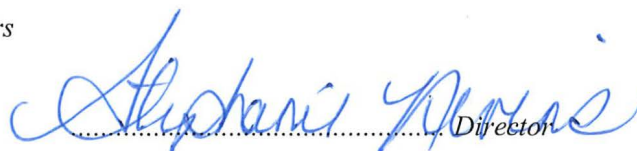
THE ALEXANDRA HOSPITAL INGERSOLL

STATEMENT OF FINANCIAL POSITION

As at March 31	2021	2020
ASSETS		
Current Assets		
Cash and bank	551,061	1,355,345
Short term investments (Note 3)	2,276,150	1,966,856
Accounts receivable (Note 4)	1,012,206	347,574
HST recoverable	161,021	116,688
Prepaid supplies	102,328	76,344
Prepaid expenses	169,304	110,597
Due from Alexandra Hospital Foundation	783,304	345,802
	5,055,374	4,319,206
Capital Assets (Note 5)	9,519,183	8,937,954
	14,574,557	13,257,160
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Note 7)	2,435,877	1,976,464
Government remittances payable	565	540
	2,436,442	1,977,004
Employee Future Benefits (Note 9)	499,061	500,317
Deferred Contributions Related to Capital Assets (Note 10)	6,772,634	6,511,498
	9,708,137	8,988,819
NET ASSETS		
Invested in capital assets (Note 11)	2,746,549	2,426,456
Unrestricted - Page 5	1,935,311	1,915,854
Remeasurement gains and losses - Page 6	184,560	(73,969)
	4,866,420	4,268,341
	14,574,557	13,257,160

Approved on behalf of the Board of Directors

 Director

 Director

See accompanying notes

THE ALEXANDRA HOSPITAL INGERSOLL

STATEMENT OF OPERATIONS

For the year ended March 31	2021	2020
Revenue		
Ministry of Health	18,999,486	16,763,295
Patient revenue from other payers	588,565	821,351
Recoveries and miscellaneous	1,969,759	1,835,337
Amortization of deferred contributions	691,787	667,101
Differential and co-payment	90,538	127,212
	22,340,135	20,214,296
Expenses		
Salaries, wages and medical staff remuneration	14,056,927	12,567,002
Employee benefits	2,813,729	2,588,833
Medical and surgical supplies	457,489	432,553
Drugs	205,985	229,118
Other supplies and expenses	3,634,587	3,562,331
Amortization of capital assets	831,868	807,764
	22,000,585	20,187,601
Excess of Revenue over Expenses	339,550	26,695

See accompanying notes

THE ALEXANDRA HOSPITAL INGERSOLL

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31	Investment In Capital Assets	Unrestricted	2021	2020
Balance - beginning of year	2,426,456	1,915,854	4,342,310	4,315,615
Excess (Deficiency) of Revenue over Expenses (Note 11 (b))	(155,947)	495,497	339,550	26,695
Net change in investment in capital assets (Note 11 (b))	476,040	(476,040)	-	-
Balance - end of year	2,746,549	1,935,311	4,681,860	4,342,310

See accompanying notes

THE ALEXANDRA HOSPITAL INGERSOLL

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the year ended March 31	2021	2020
Accumulated Remeasurement		
Gains and (Losses) - beginning of year	(73,969)	31,577
Changes in unrealized gains (losses) attributable to short term investments in the current year	258,529	(105,546)
Accumulated Remeasurement Gains and (Losses) - end of year	184,560	(73,969)

See accompanying notes

THE ALEXANDRA HOSPITAL INGERSOLL

STATEMENT OF CASH FLOWS

For the year ended March 31	2021	2020
Cash Flows From Operating Activities		
Excess of revenue over expenses	339,550	26,695
Charges (credits) to income not involving cash		
Amortization of capital assets	831,868	807,764
Amortization of deferred contributions related to capital assets	(691,787)	(667,101)
Realized loss (gain) on disposal of capital assets	15,866	4,179
Unrealized gain (loss) on investments	258,529	(105,546)
	754,026	65,991
Net change in non-cash working capital balances related to operations (Note 8)	(771,720)	292,500
	(17,694)	358,491
Cash Flows From Financing and Investing Activities		
Decrease (increase) in investments	(309,294)	(931,339)
Increase in deferred contributions related to capital assets	952,923	573,853
Increase (decrease) in employee future benefits	(1,256)	3,139
	642,373	(354,347)
Cash Flows From Capital Activities		
Purchase of capital assets	(1,428,963)	(987,625)
Net (Decrease) Increase in Cash and Bank	(804,284)	(983,481)
Cash and Bank - Beginning of Year	1,355,345	2,338,826
Cash and Bank - End of Year	551,061	1,355,345

See accompanying notes

THE ALEXANDRA HOSPITAL INGERSOLL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

1. STATUS AND NATURE OF ACTIVITIES

The Alexandra Hospital Ingersoll is incorporated without share capital under the laws of Ontario on May 3, 1909. The Hospital is principally involved in providing health care services to the residents of Ingersoll and surrounding areas. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management 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 ("PSAB for Government NPOs").

(a) Use of Estimates

The preparation of financial statements in conformity with PSAB for Government NPOs 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 reported amounts of revenues and expenses during the period. In estimating the net realizable value of the accounts receivable and in estimating accrued liabilities, as well as general business and economic conditions that prevail, and are expected to prevail, actual results could differ from those estimates.

(b) Revenue Recognition

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

Under the Health Insurance Act and Regulations thereto, the Hospital is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health. 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 that subsequent period. These financial statements reflect agreed arrangements approved by the Ministry with respect to the year ended March 31, 2021.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight line basis, at a rate corresponding with the amortization rate for the related capital assets.

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

Revenue from the Provincial Insurance Plan, preferred accommodation, and marketed services is recognized when the goods are sold or the service is rendered and collection is reasonably assured.

THE ALEXANDRA HOSPITAL INGERSOLL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Prepaid Supplies

Prepaid supplies are valued at the lower of cost and net realizable value, with cost being determined on the first-in, first-out basis.

(d) Capital Assets

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When an asset no longer contributes to the Hospital's ability to provide services, its carrying amount is written down to its residual value. Capital assets are amortized on a straight-line basis using the following annual rates:

Building	2%
Building service equipment	5% to 20%
Major equipment	5% to 33%
Parking lot	12%
Intangible assets	100%

(e) Contributed Services

Volunteers contribute a significant amount of time each year. Due to the difficulty of determining the fair value, these contributed services are not recognized or disclosed in the financial statements.

(f) Contributed Materials

Contributed materials which are used in the normal course of the Hospital's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

(g) Financial Instruments

All financial instruments are initially recorded on the statement of financial position at fair value. Investments in equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are measured at amortized cost.

Investments at fair value are remeasured at their fair value at the end of each reporting period. Any revaluation gains and losses are recognized in the statement of remeasurement gains and are reclassified to the statement of operations upon disposal or settlement.

THE ALEXANDRA HOSPITAL INGERSOLL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Employer Future Benefits and Pension Plan

Multi-employer plan

Substantially all of the employees of the Hospital are eligible to be members of the Hospitals of Ontario Pension Plan ("HOOPP") a multi-employer, defined benefit pension plan. Plan members will receive benefits based on the length of service and on the average annualized earnings during the five consecutive years prior to retirement, termination or death, that provides the highest earnings. Because HOOPP is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario Hospitals and their employees. As a result, the Hospital does not recognize any share of the HOOPP surplus or deficit.

Employee future benefits

Included in the employee benefits is an expense for the Hospital's employee future benefits. The Hospital uses the statement of financial position of March 31 as the measurement date.

3. SHORT TERM INVESTMENTS	2021 Cost	2021 Market	2020 Cost	2020 Market
Short term investments	2,091,591	2,276,150	2,040,826	1,966,856

4. ACCOUNTS RECEIVABLE	2021	2020
Total	1,032,172	359,815
Less: Allowance for doubtful accounts	19,966	12,241
	1,012,206	347,574

5. CAPITAL ASSETS	Cost	Accumulated Amortization	2021	2020
Land and parking lot	234,921	191,661	43,260	43,678
Building and building service equipment	16,637,520	9,890,367	6,747,153	6,770,784
Equipment	9,158,011	6,975,547	2,182,464	1,865,304
Capital assets under development	546,306	-	546,306	258,188
	26,576,758	17,057,575	9,519,183	8,937,954

THE ALEXANDRA HOSPITAL INGERSOLL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

6. AVAILABLE FINANCING

The Hospital has a line of credit available for its use at prime in the amount of \$500,000.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	2021	2020
Accounts payable	1,152,161	718,821
Salaries, wages and benefits, other	1,283,716	1,257,643
	2,435,877	1,976,464

Included in accounts payable is \$106,508 (2020 - \$103,344) of funding and grants received during the current and prior years that have not been spent as of March 31, 2021.

8. CASH FLOW FROM OPERATIONS	2021	2020
Accounts receivable	(664,632)	(30,688)
HST recoverable	(44,333)	(23,965)
Prepaid supplies	(25,984)	(14,890)
Prepaid expenses	(58,707)	(33,849)
Due from Alexandra Hospital Foundation	(437,502)	234,255
Accounts payable and accrued liabilities	459,414	172,586
Government remittances payable	24	(10,949)
	(771,720)	292,500

THE ALEXANDRA HOSPITAL INGERSOLL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

9. EMPLOYEE FUTURE BENEFITS

(a) Other Employee Future Benefits

The Hospital has an unfunded defined benefit dental, life insurance and health care plan for eligible retirees and their dependents. The Hospital uses the statement of financial position date of March 31 as the measurement date. The most recent actuarial valuation of the employee future benefits for funding purposes was performed as at March 31, 2021. The 2021 expense is based on the results of the March 31, 2018 actuarial valuation, extrapolated forward using a discount rate assumption of 2.94% per annum. The 2021 year end disclosures are based on the March 31, 2021 actuarial valuation using a discount rate assumption of 2.44% per annum. The plan is a defined benefit plan funded on a cash basis by contributions from the Hospital and certain retirees.

The post-retirement benefits as at March 31 include the following components:

	2021	2020
Accrued benefit obligation	400,295	380,826
Unamortized net actuarial gain (loss)	98,766	119,491
Post-retirement benefit liability	499,061	500,317
	2021	2020
Post-retirement liability, beginning of year	500,317	497,178
Current service cost	18,614	17,360
Interest cost	11,516	13,013
Amortization of net actuarial (gain)/loss	(15,890)	(17,291)
	514,557	510,260
Non-pension post-retirement funding contributions by the Hospital	(15,496)	(9,943)
Non-pension post-retirement funding contributions by the retiree	-	-
Post-retirement liability, end of year	499,061	500,317
Significant assumptions	2021	2020
Discount rate	2.44%	2.94%
Dental trend rates	4.00%	4.00%
Withdrawal rate	Age based on rate table	Age based on rate table
Expected average remaining service life - years	5	5
Extended health care trend rates	7.00% in 2018 decreasing by 0.15% per annum to 4.00%	7.00% in 2018 decreasing by 0.15% per annum to 4.00%

The expected and actual return on plan assets during the period is nil as the plan is funded on a cash basis.

THE ALEXANDRA HOSPITAL INGERSOLL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

9. EMPLOYEE FUTURE BENEFITS (continued)

(b) Multi-Employer Plan

Employer contributions made to the plan during the year by the Hospital amounted to \$783,918 (2020 - \$804,418). These amounts are included as part of employee future benefits expense in the Statement of Operations. The most recent valuation for financial reporting purposes completed by HOOPP as at December 31, 2020 disclosed net assets available for benefits of \$103,983,000 with accrued benefits obligations of \$79,852,000, resulting in a going concern surplus of \$24,131,000.

10. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred capital contributions relating to capital assets represent the unamortized 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. The balance of the unamortized capital contributions relating to capital assets consists of the following:

	2021	2020
Balance - beginning of year	6,511,498	6,604,746
Additional contributions received	952,923	573,853
Less: amounts amortized to revenue	(691,787)	(667,101)
	6,772,634	6,511,498

The Hospital advised the Ministry of Health Capital Branch of their need to carry over the unspent funding from the 2019-2020 HIRF as projects could not be completed in the fiscal year due to COVID-19. The amount of unspent funding for 2019-2020 HIRF was \$36,144. As of March 31, 2021, this funding has been spent in full.

THE ALEXANDRA HOSPITAL INGERSOLL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

11.	INVESTED IN CAPITAL ASSETS	2021	2020
(a)	Invested in capital assets is calculated as follows:		
	Net book value of capital assets	9,519,183	8,937,954
	Amounts financed by deferred contributions	6,772,634	6,511,498
		2,746,549	2,426,456
(b)	Change in net assets invested in capital assets is calculated as follows:		
	Amortization of deferred contributions related to capital assets	691,787	667,101
	Amortization of capital assets	(831,868)	(807,764)
	Loss on disposal of capital assets	(15,866)	(4,179)
		(155,947)	(144,842)
	Net change in investment in capital assets		
	Net purchase of capital assets	1,428,963	987,625
	Amounts funded by deferred contributions	(952,923)	(573,853)
		476,040	413,772
		320,093	268,930

12. RELATED PARTY TRANSACTIONS

The Alexandra Hospital Foundation was established in February 1997. Its purpose is to receive and maintain a fund or funds and to apply all or part of the principal and income, from time to time, for the benefit of The Alexandra Hospital Ingersoll in its patient care role.

The Hospital has an economic interest in the Alexandra Hospital Foundation ("the Foundation"). As at March 31, 2021, the Foundation held net assets of \$3,209,010 (2020 - \$3,134,699), the benefits of which are to be used to support activities of the Hospital. During the year, the Foundation approved donations of \$578,638 to the Hospital during the year for the purchase of equipment and renovations. The Hospital has \$783,304 (2020 - \$345,802) to be received from the Foundation. This advance is non-interest bearing and is due within the next fiscal year.

13. ECONOMIC DEPENDENCE

The Hospital received 85.0% of its revenue for the year ended March 31, 2021 (2020 - 82.9%) from the Ministry of Health and Long Term Care.

THE ALEXANDRA HOSPITAL INGERSOLL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

14. FINANCIAL INSTRUMENTS

Recognition and Measurement

All financial instruments are initially recorded on the statement of financial position at fair value. Investments in equity instruments that are quoted in a active market are subsequently measured at fair value. All other financial instruments are measured at amortized cost.

The Hospital has identified the following financial risks:

Credit Risk

The Hospital is exposed to credit risk with respect to its accounts receivable. The risk of significant credit loss is considered remote. The Hospital assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive.

Interest Rate Risk

The Hospital's exposure to interest rate risk relates to its short term investments and employee future benefits. (See Notes 3 and 9).

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. Trade accounts payable and accrued liabilities are generally repaid within 30 days.

15. COMPARATIVE FIGURES

Certain of the prior year's figures, provided for purposes of comparison, have been reclassified to conform with the current year's presentation.

16. COVID-19 PANDEMIC

During and subsequent to year end, the Hospital has been impacted by the effects of the world-wide coronavirus pandemic. The Hospital is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impacts of this unprecedented situation.

Additional financial costs incurred as a result of COVID-19 are being tracked by the Hospital. The Hospital has received additional funding from the Ministry of Health to cover these costs. The Hospital also received funding from the provincial government for pandemic pay for certain healthcare workers, and funding from the Ministry of Health for pandemic pay for personal support workers.

In addition, the Hospital has also lost revenue from the cafeteria, rentals, preferred accommodations and outpatient services as a result of measures undertaken in response to the pandemic.

The above impacts to expenses and revenues will carry over to fiscal 2022 and it is not possible to determine the ultimate financial impact to the Hospital at this time.