The Ross Memorial Hospital

Financial Statements

For the year ended March 31, 2020

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Independent Auditor's Report

To the Members of
The Ross Memorial Hospital

Opinion
We have audited the financial statements of The Ross Memorial Hospital (the Entity), which comprise the statement of financial position as at March 31, 2020, and the statement of operations and net assets, the statement of 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 Entity as at March 31, 2020, 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 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 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 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 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 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.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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 Entity'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 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 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 Entity 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Lindsay, Ontario
May 28, 2020

The Ross Memorial Hospital
Statement of Financial Position

March 31	2020	2019
Assets		
Current assets		
Cash (Note 4)	$10,690,838	$ 11,162,809
Accounts receivable (Note 5)	2,574,783	2,867,316
Inventories	514,193	561,010
Prepaid expenses	584,274	795,199
	14,364,088	15,386,334
Capital assets (Note 6)	65,458,322	64,868,606
	$79,822,410	$ 80,254,940
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	$13,979,475	$ 12,803,666
Deferred income	1,278,367	1,187,020
	15,257,842	13,990,686
Post employment benefits and compensated absences (Note 8)	4,991,400	4,850,800
Deferred capital contributions (Note 10)	47,363,830	49,284,372
	67,613,072	68,125,858
Contingencies and commitments (Note 12)		
Unrestricted net assets (Note 13)	12,209,338	12,129,082
	$79,822,410	$ 80,254,940

Subsequent Events (Note 15)

Approved by the Board of Governors

Valerie L. Harris — Chairperson

Treasurer

The accompanying notes are an integral part of these financial statements

The Ross Memorial Hospital
Statement of Operations and Net Assets

For the year ended March 31	2020	2019
Revenues		
Ministry of Health	**$ 90,129,052**	$ 88,625,827
Patient revenues	**2,300,752**	2,136,604
Differential preferred accommodation	**435,270**	455,977
Chronic care co-payment	**564,596**	636,578
Other operating revenue	**4,364,378**	4,429,340
Restricted program revenue	**1,316,554**	1,352,062
Amortization of deferred contributions related to equipment	**1,232,387**	929,496
	100,342,989	98,565,884
Expenses		
Salary, wages and other remuneration	**61,584,440**	59,995,873
Employee benefits	**14,263,583**	13,229,565
Employment restructuring	**93,234**	90,844
Supplies and other expenses	**13,557,488**	13,792,660
Medical and surgical supplies	**4,446,661**	4,107,229
Drugs	**2,142,350**	2,123,209
Bad debts	**196,736**	66,829
Restricted program expenses	**1,323,008**	1,357,046
Equipment amortization	**2,172,388**	2,017,347
	99,779,888	96,780,602
Surplus before building amortization	**563,101**	1,785,282
Amortization of deferred contributions for buildings	**1,871,202**	1,722,195
Amortization for buildings	**(2,354,047)**	(2,193,980)
	(482,845)	(471,785)
Net surplus	**80,256**	1,313,497
Unrestricted net assets, beginning of year	**12,129,082**	10,815,585
Unrestricted net assets, end of year (Note 13)	**$ 12,209,338**	$ 12,129,082

The accompanying notes are an integral part of these financial statements

The Ross Memorial Hospital
Statement of Cash Flows

For the year ended March 31	2020	2019
Cash provided by (used in)		
Operating		
Net surplus	**$ 80,256**	$ 1,313,497
Items not involving cash		
Equipment amortization	**2,172,388**	2,017,347
Building amortization	**2,354,047**	2,193,980
Amortization of deferred contributions related to capital assets	**(3,103,589)**	(2,651,691)
Employee future benefits	**140,600**	119,600
	1,643,702	2,992,733
Changes in non-cash working capital balances		
Accounts receivable	**292,533**	589,336
Inventory	**46,817**	(15,997)
Prepaid expenses	**210,925**	14,188
Accounts payable and accrued liabilities	**1,175,809**	(879,030)
Deferred income	**91,347**	91,724
	3,461,133	2,792,954
Capital		
Additions to capital assets	**(5,116,151)**	(5,016,793)
Proceeds from grants and donations	**1,183,047**	4,935,511
	(3,933,104)	(81,282)
Investing		
Proceeds from redemption of investments	**-**	1,543,241
Increase in cash	**(471,971)**	4,254,913
Cash, beginning of year	**11,162,809**	6,907,896
Cash, end of year	**$10,690,838**	$ 11,162,809

The accompanying notes are an integral part of these financial statements

1. Significant Accounting Policies

Nature of Organization

The Ross Memorial Hospital, established in 1902, provides health care services in the City of Kawartha Lakes, Brock Township and parts of Haliburton County. The Hospital is incorporated without share capital under a Special Act of legislature. It is a registered charity under the Income Tax Act (Canada). The hospital is a not-for-profit organization and accordingly is exempt from income taxes under the Income Tax Act (Canada).

Basis of Presentation

The financial statements of the Hospital 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 ("PSAB for Government NPOs").

Management Responsibility

These financial statements are the responsibility of management prepared in accordance with accounting policies and standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

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 Facility is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health and Long-term Care ("Ministry") and the Local Health Integration Network ("LHIN"). The Hospital has entered into a Hospital Service Accountability Agreement (the "H-SAA") with the Ministry and LHIN that sets out the rights and obligations of the parties to the H-SAA in respect of funding provided to the Hospital by the Ministry/LHIN. The H-SAA also sets out performance standards and obligations of the Hospital that establish acceptable results for the Hospital's performance in a number of areas.

If the Hospital does not meet its performance standards of obligations, the Ministry/LHIN has the right to adjust funding received by the Hospital. The Ministry/LHIN is not required to communicate certain funding adjustments until after the submission of year-end data. Since this data is not submitted until after the completion of the financial statements, the amount of Ministry/LHIN funding received by the Hospital during the year may be increased or decreased subsequent to year end.

Amortization of buildings is not funded by the LHIN and accordingly the amortization of buildings has been reflected as an undernoted item in the statement of operations with the corresponding realization of revenue for deferred contributions.

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.

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

Restricted contributions for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Externally restricted contributions are recognized as revenue in the year in which the related expenditures are recognized.

1. Significant Accounting Policies (continued)

Restricted investment income is recognized as revenue in the year in which the related expenditures are recognized. Unrestricted investment income is recognized as revenue when earned.

Revenue from the patient services, preferred accommodation, and marketed services is recognized when the goods are sold or the service is provided.

Other operating revenue includes parking and food revenue which is recognized when the goods are sold and services provided.

Cash and Short-term Deposits

Cash and short-term deposits consist of cash on hand, bank balances and other short term highly liquid instruments with maturities of three months or less.

Investments

Investments are recorded at cost. Should the market value of investments become lower than cost and this decline in value is considered to be other than temporary, the investments are written down to market value.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on an average cost basis. Inventory consists of medical and general supplies that are used in the Hospital's operations and not for resale purposes.

Capital Assets

Capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments 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, its carrying amount is written down to its residual value. Construction in progress is not amortized until construction is substantially complete and assets are ready for use.

Capital assets are amortized on a straight-line basis over their useful lives, which have been estimated as follows:

Buildings	2% - 6.67%
Building service equipment	5% - 10%
Major equipment	5% - 20%
Computers	20% - 33%
Parking lot	5%
Parking lot equipment	33%

Contributed Services

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

1. Significant Accounting Policies (continued)

Financial Instruments

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

Fair Value

This category includes cash.

They are initially recognized at cost and subsequently carried at fair value. Changes in fair value are recognized in the statement of operations. Changes in fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met.

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

Amortized Cost

This category includes accounts receivable, 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, except for contributions, which are initially recognized at fair value.

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.

Retirement, Post-Employment Benefits and Compensated Absences

These benefits include life, extended health and dental insurance to certain employee groups. The costs of post-employment future benefits are actuarially determined using management's best estimate of health care costs, disability recovery rates and discount rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight line basis. Plan amendments, including past service costs are recognized as an expense in the period of the plan amendment. (Note 8).

The Hospital is also an employer member of the Healthcare of Ontario Pension Plan (the "plan"), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Hospital has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. (Note 9)

1. Significant Accounting Policies (continued)

Management Estimates

The preparation of financial statements in accordance with PSAB for Government NPOs 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 reporting period. The principal estimates used in the preparation of these financial statements are the determination of allowance for doubtful accounts, actuarial estimation of the liability for post-retirement benefits and compensated absences, estimated useful life of capital assets, amortization of defined capital contributions, pay equity accrual and fair value disclosure. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Economic Dependence

The Hospital's primary source funding comes from the Ministry of Health and the Local Health Integration Network. The Hospital is economically dependent on these agencies as it receives 90% (2019 - 90%) of its revenue from them.

3. Financial Instrument Classification

The following provides an analysis 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 quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data

Cash is included in Level 1. There were no transfers between Level 1 and Level 2 for the years ended March 31, 2020 and 2019. There were also no transfers in or out of level 3.

4. Cash

The Hospital is subject to a $6,500,000 overdraft limit. Interest is charged monthly at a rate of prime. Amounts in excess of this agreed upon limit are subject to interest at 21% per annum. The line of credit is secured by a general security agreement. This facility was not in use at year end.

5. Accounts Receivable

	2020	2019
Ministry of Health and Local Health Integration Network	$ 643,778	$ 252,687
Self-pay and other agencies	1,982,606	2,643,995
	2,626,384	2,896,682
Less: Allowance for doubtful accounts	51,601	29,366
	$ 2,574,783	$ 2,867,316

6. Capital Assets

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	$ 3,490,296	$ -	$ 3,490,296	$ -
Buildings	87,323,401	35,651,714	86,722,906	33,405,776
Equipment	33,210,015	26,771,818	31,945,897	25,148,464
Parking lot	1,490,978	1,317,968	1,490,978	1,209,859
Computers	4,581,634	4,173,647	4,484,347	3,949,152
	130,096,324	67,915,147	128,134,424	63,713,251
Projects under construction	3,277,145	-	447,433	-
	$133,373,469	$ 67,915,147	$ 128,581,857	$ 63,713,251
Net book value		$ 65,458,322		$ 64,868,606

7. Accounts Payable

	2020	2019
Cancer Care Ontario	$ -	$ 183,054
Trade	4,946,156	3,460,213
Wages and other accruals	9,033,319	9,160,399
	$13,979,475	$ 12,803,666

8. Employee Future Benefits

The Hospital sponsors both defined benefit and defined contribution employee future benefit plans covering substantially all employees. The costs of employee future benefits are accrued over the periods in which employees earn the benefits. The plan provides extended health, dental and life insurance to employees.

Actuarial valuations for accounting purposes are performed triennially using the projected benefit method prorated on services. The most recent actuarial report was prepared as at March 31, 2019. The accrued benefit obligation of $5,422,600 shown for 2020 is from that March 31, 2019 valuation.

Accrued Benefit Obligation	**2020**	2019
Balance, beginning of year	**$ 5,399,600**	$ 5,055,400
Current service expense	**314,500**	291,800
Interest	**154,200**	164,700
Benefits paid during year	**(412,700)**	(397,700)
Actuarial (gain) loss	**(33,000)**	285,400
Balance, end of year	**$ 5,422,600**	$ 5,399,600

Post-employment Benefit Liability	**2020**	2019
Accrued benefit obligation	**$ 5,422,600**	$ 5,399,600
Unamortized experience gain/(loss)	**(431,200)**	(548,800)
	$ 4,991,400	$ 4,850,800

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wage and salary increases, employee turnover, and mortality. The assumptions used reflect the Hospital's best estimates are as follows:

The discount rate used to determine the accrued benefit obligation is 2.85% (2019 - 2.80%)
The dental cost used was 4.00% (2019 - 4.00%)
Extended health care rates were assumed to increase to 6.00% in the 2019 valuation and are to decrease in subsequent years by 0.10% increments per annum to an ultimate rate of 4.00%.

The post-employment benefit expense is reported as a component of current expenditures on the statement of financial activities. Composition of the amount is as follows:

	2020	2019
Current service costs	**$ 314,500**	$ 291,800
Interest on post-employment benefit liability	**154,200**	164,700
Net actuarial (gain) loss amortized in the year	**84,600**	60,800
Total expense related to post-employment benefits	**$ 553,300**	$ 517,300

The above amounts exclude pension contributions to the Hospitals of Ontario Pension Plan (HOOPP), a multi-employer plan, described in Note 9.

9. Pension Plan

The Healthcare of Ontario Pension Plan (HOOPP) provides pension services to more than 381,081 active and retired members and approximately 594 employers. Substantially all of the full-time employees and some of the part-time employees are members of HOOPP. The plan is a multi-employer plan and therefore the Hospital's contributions are accounted for as if the plan were a defined contribution plan with the Hospital's contributions being expensed in the period they come due.

Each year, an independent actuary determines the funding status of HOOPP by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The results of the most recent valuation as at December 31, 2019 disclosed a surplus of $21 billion. The results of this valuation disclosed total actuarial liabilities and pension obligations of $160 billion in respect of benefits accrued for service with actuarial assets at that date of $181 billion.

Because HOOPP is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario member organizations and their employees. As a result, the Hospital does not recognize any share of the HOOPP surplus or deficit. Contributions made to the plan during the year by the Hospital and employees amounted to $4,166,935 (2019 - $4,173,354) and $3,294,222 (2019 - $3,312,185) respectively.

10. Deferred Capital Contributions

Deferred capital contributions related 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.

	2020	2019
Balance, beginning of year	**$49,284,372**	$ 47,000,552
Additional funding received	**1,183,047**	4,935,511
Less: Amounts amortized to revenue	**(3,103,589)**	(2,651,691)
	$47,363,830	$ 49,284,372

11. Related Party Transactions

The Ross Memorial Hospital is related to the Ross Memorial Hospital Foundation and the Ross Memorial Hospital Auxiliary.

The Foundation was established to raise and manage funds for the benefit of the Hospital. The Foundation is incorporated as a public foundation under the Canada Corporations Act and is a registered charity under the Income Tax Act. According to the most recent available data, net resources of the Foundation amount to approximately $8,625,000 as at March 31, 2020 with the balance being available to the Hospital for uses consistent with the intent of the donors and the objects of the foundation at the discretion of the Foundation's Board of Directors.

The net assets and results from operations of the Foundation are not included in the statements of the Hospital. Separate financial statements of the Foundation are available upon request.

The Ross Memorial Hospital Auxiliary (the "Auxiliary") provides periodic capital funding to the Hospital through the Hospital Foundation. The Hospital uses these contributions as designated by the Auxiliary.

All transactions with related parties are recorded at the exchange amount.

Related party transactions during the year not separately disclosed in the financial statements include the following:

a. donations amounting to $1,100,653 (2019 - $4,694,801) have been received from the Foundation.

b. an amount of $408,789 (2019 - $348,465) has been received from the Foundation as a reimbursement of expenditures

c. an amount of $5,000 (2019 - $5,000) representing rental charges has been received from the Foundation and recorded with marketed services.

12. Contingencies and Commitments

Litigation

The nature of the Hospital's activities is such that there is usually litigation pending or in prospect at any time. With respect to claims at March 31, 2020 management believes the Hospital has valid defences and appropriate insurance coverage in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the Hospital's financial position.

Clinical Information System

On June 20, 2019, the Hospital approved the signing of a comprehensive services agreement to implement a clinical information system. The estimated total project cost for this infrastructure upgrade is $25 million. The costs incurred to date related for the implementation of the system are approximately $2.1 million and have been included in work in progress in the current year.

13. Investment in Capital Assets

The Hospital's net assets of $12,209,338 consists of $18,094,492 invested in capital assets and a $5,885,154 deficiency ($3,455,152 in 2019) in remaining net assets. The investment in capital assets is calculated as follows:

	2020	2019
Capital assets	**$ 65,458,322**	$ 64,868,606
Amounts financed by deferred contributions	**(47,363,830)**	(49,284,372)
	$ 18,094,492	$ 15,584,234

14. Financial Instrument Risk Management

Liquidity risk

Liquidity risk is the risk that the Hospital will not be able to meet all cash outflow obligations as they come due. The Hospital mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near term if unexpected cash outflows arise. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows of financial liabilities):

	2020			
	Within 6 months	**6 months to 1 year**	**1-5 years**	**> 5 years**
Accounts payable	**$ 11,829,475**	**$ -**	**$ 2,150,000**	**$ -**

	2019			
	Within 6 months	6 months to 1 year	1-5 years	> 5 years
Accounts payable	$ 10,653,666	$ -	$ 2,150,000	$ -

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.

14. Financial Instrument Risk Management (continued)

Credit risk

Credit risk is the risk of financial loss to the Hospital if a debtor fails to make payments of interest and principal when due. The Hospital is exposed to this risk relating to its cash and accounts receivable. The Hospital holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Hospital's cash accounts are insured up to $100,000 (2019 - $100,000).

Accounts receivable are primarily due from OHIP, the Ministry of Health and Long-Term Care and patients. Credit risk is mitigated by the financial solvency of the provincial government and the highly diversified nature of the patient population.

The Hospital measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the Hospital's historical experience regarding collections. The amounts outstanding at year end were as follows:

As at March 31, 2020		Past Due			
	Total	Current	31-60 Days	61-90 Days	91-120 Days	120+ Days
OHIP	$ 792,789	$ 629,363	$ 151,112	$ 4,438	$ 1,174	$ 6,702
MOH/LHIN	643,778	643,778	-	-	-	-
Patient services	434,671	163,625	142,976	32,745	19,046	76,279
Other	755,146	755,146	-	-	-	-
Gross receivables	2,626,384	2,191,912	294,088	37,183	20,220	82,981
Impairment allowance	(51,601)	-	-	-	-	(51,601)
Net receivables	$ 2,574,783	$ 2,191,912	$ 294,088	$ 37,183	$ 20,220	$ 31,380

As at March 31, 2019		Past Due			
	Total	Current	31-60 Days	61-90 Days	91-120 Days	120+ Days
OHIP	$ 672,446	$ 641,941	$ 9,428	$ 2,512	$ 1,944	$ 16,621
MOH/LHIN	252,687	252,687	-	-	-	-
Patient services	403,656	275,852	63,972	23,667	6,927	33,238
Other	1,567,893	1,567,893	-	-	-	-
Gross receivables	2,896,682	2,738,373	73,400	26,179	8,871	49,859
Impairment allowance	(29,366)	-	-	-	-	(29,366)
Net receivables	$ 2,867,316	$ 2,738,373	$ 73,400	$ 26,179	$ 8,871	$ 20,493

The amounts aged greater than 120 days owing from patients that have not had a corresponding impairment allowance setup against them are collectible based on the Hospital's past experience. Management has reviewed the individual balances and based on the credit quality of the debtors and their past history of payment.

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

15 Subsequent Event

On March 11, 2020, the World Health Organization declared the Coronavirus COVID-19 (COVID-19) outbreak a pandemic. This has resulted in significant financial, market and societal impacts in Canada and around the world.

From the declaration of the pandemic to the date of approval of these financial statements, the Hospital implemented the following actions in relation to the COVID-19 pandemic:

- The closure of certain facilities to the general public, with temporary facilities opened to deal with screening and testing activities;
- Revisions to the delivery of a number of services in order to create capacity for pandemic response and limit the potential for transmission within the Hospital, including the cancellation of elective surgeries and the transfer of alternative level of care patients to other facilities; and
- The implementation of working from home requirements for certain hospital employees.

As a result of these actions, the Hospital experienced decreases in operating revenues and increases in operating costs.

a) Current year transactions:

For the year ended March 31, 2020, the Ministry of Health of Ontario has allowed Ontario Hospitals to redirect unused amounts from certain funded programs towards COVID-related expenses. In the year, the Hospital incurred COVID-related expenses of $309,000 and has recognized $240,000 of revenue from these programs. These amounts have been recorded in other funding and salary, benefits, & medical and surgical supplies in the statement of operations.

b) Subsequent events related to COVID-19:

The Ministry has also committed to providing additional funding to Ontario Hospitals for COVID-related operating and capital costs in the subsequent period. At the date of approval of these financial statements, the amount, timing and eligibility criteria for this funding is not known. As such, an estimate of the financial effect of this funding is not practicable at this time.

At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.