Financial Statements of

ORILLIA SOLDIERS' MEMORIAL HOSPITAL

And Independent Auditor's Report thereon

Year ended March 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Orillia Soldiers' Memorial Hospital

Opinion

We have audited the financial statements of Orillia Soldiers' Memorial Hospital (the Hospital), which comprise:

- the statement of financial position as at March 31, 2023
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Hospital as at March 31, 2023, and its results of operations and its cash flows 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 auditor's 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 Matter – Comparative Information

As part of our audit of the financial statements for the year ended March 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended March 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

Responsibilities of Management 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 related 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.

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 the financial statements.

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

We also:

- Identify and assess the 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 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 Hospital's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada
June 8, 2023

ORILLIA SOLDERS' MEMORIAL HOSPITAL

Statement of Operations

Year ended March 31, 2023, with comparative information for 2022
(in thousands of dollars)

	2023	2022
		(restated - note 2)
Revenue:		
Ministry of Health and Ontario Health Central (note 3)	$ 153,689	$ 145,729
Patient services	10,279	9,405
Other	7,919	6,352
Specifically funded programs (note 4)	5,729	4,202
Amortization of deferred capital contributions	2,371	1,653
	179,987	167,341
Expenses:		
Salaries and wages	86,459	76,333
Employee benefits	24,339	23,870
Medical staff remuneration	12,648	12,178
Drugs	6,526	6,008
Medical and surgical	10,798	10,337
Amortization of equipment	4,412	3,749
Other supplies and services	27,510	22,178
Specifically funded programs (note 4)	5,988	4,316
	178,680	158,969
Excess of revenue over expenses before undernoted items	1,307	8,372
Amortization of property, plant and equipment	(4,555)	(4,165)
Amortization of deferred contributions	3,248	3,095
Excess of revenue over expenses	$ -	$ 7,302

See accompanying notes to financial statements

ORILLIA SOLDERS' MEMORIAL HOSPITAL

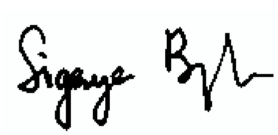
Statement of Financial Position

March 31, 2023, with comparative information for 2022
(in thousands of dollars)

		2023		2022
				(restated note 2)
Assets				
Current assets:				
Cash	$	26,621	$	21,160
Accounts receivable (note 6)		11,627		13,505
Inventories and prepaid expenses		4,202		3,932
		42,450		38,597
Property, plant and equipment (note 7)		113,033		114,922
	$	155,483	$	153,519
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued liabilities (note 9)	$	28,997	$	27,296
Deferred contributions (note 10)		2,544		3,650
		31,541		30,946
Asset retirement obligation (note 11)		441		441
Long-term obligations (note 12)		2,386		1,974
Employee post-retirement benefits (note 13)		6,111		5,809
Deferred capital contributions (note 5)		82,165		81,510
		122,644		120,680
Net assets		32,839		32,839
Contingencies (note 14)				
	$	155,483	$	153,519

See accompanying notes to financial statements

On behalf of the Board:



Ligaya Byrch Board Chair

ORILLIA SOLDERS' MEMORIAL HOSPITAL

Statement of Changes in Net Assets

Year ended March 31, 2023, with comparative information for 2022
(in thousands of dollars)

	2023	2022
		(restated - note 2)
Net assets, beginning of year	$ 32,839	$ 25,953
As previously stated		
Adjustment for change in accounting policy (note 2)	-	(416)
As restated	32,839	25,537
Excess of revenue over expenses	-	7,302
Net assets, end of year	$ 32,839	$ 32,839

See accompanying notes to financial statements

ORILLIA SOLDERS' MEMORIAL HOSPITAL

Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022
(in thousands of dollars)

	2023	2022
Cash flows from operating activities:		
Excess of revenues over expenses	$ -	$ 7,302
Adjustments for:		
Amortization of property, plant, and equipment	8,967	7,938
Amortization of deferred capital contributions	(5,643)	(4,772)
Gain on disposal of property, plant and equipment	-	(767)
Increase (decrease) in liability for employee post-retirement benefits	302	(33)
	3,626	9,668
Change in non-cash working capital:		
Decrease in accounts receivable	1,878	2,673
Increase in inventories and prepaid expenses	(270)	(1,117)
Increase in accounts payable and accrued liabilities	1,701	6,869
Increase (decrease) in deferred contributions	(1,106)	1,420
	5,829	19,513
Cash flows from investing activities:		
Purchase of property, plant and equipment	(7,078)	(9,102)
Proceeds on disposals of property, plant and equipment	-	1,144
	(7,078)	(7,958)
Cash flows from financing activities:		
Payments on capital lease obligations	-	(592)
Increase in long-term obligations	412	116
Decrease in bank indebtedness for capital expenditures	-	(3,484)
Disposal of deferred capital contributions	(203)	(253)
Deferred capital contributions received	6,501	4,815
	6,710	602
Net increase in cash	5,461	12,157
Cash, beginning of year	21,160	9,003
Cash, end of year	$ 26,621	$ 21,160

See accompanying notes to financial statements

The Orillia Soldiers' Memorial Hospital (the "Hospital") was incorporated under the laws of Ontario in 1908. The Hospital is principally involved in providing health care services to Orillia and the surrounding area. The Hospital is a registered charity under the Income Tax Act and, accordingly, is exempt from income taxes provided certain requirements of the Income Tax Act are met.

1. Significant accounting policies:

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

(a) Revenue recognition:

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

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

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

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

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

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

(b) Inventories:

Inventories are stated at the lower of average cost and net realizable value. Cost comprises all costs to purchase, convert and any other costs in bringing the inventories to their present location and condition.

1. Significant accounting policies (continued):

(c) Property, plant and equipment:

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

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

Amortization is provided on the straight-line basis at the following range of annual rates:

Land improvements	5.0%
Buildings	2.5%
Building service equipment	5% - 20%
Furniture and equipment	5% - 20%

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

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

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

(d) Related entities:

The notes to financial statements include information of the following entities (note 17):

Orillia Soldiers' Memorial Hospital Foundation ("OSMH Foundation")

1. Significant accounting policies (continued):

(e) Asset retirement obligations:

The Hospital recognizes the fair value of an asset retirement obligation ("ARO") when all of the following criteria have been met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

A liability for the removal of asbestos-containing materials in certain Hospital facilities and underground fuel tanks owned by the Hospital has been recognized based on estimated future expenses. Actual remediation costs incurred are charged against the ARO to the extent of the liability recorded. Differences between the actual remediation costs incurred and the associated liability recorded within the consolidated financial statements are recognized in the Statement of Operations at the time of remediation occurs.

(f) Employee post-retirement benefits:

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

Actuarial gains (losses) on the accrued benefit obligation arise from changes in actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains (losses) are amortized over the average remaining service period of active employees. The average remaining service period of the active employees covered by the employee benefit plan is 13 years.

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

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

1. Significant accounting policies (continued):

(g) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the periods specified. Significant items subject to such estimates and assumptions include the carrying amount of capital assets; valuation allowances for receivables, and inventories; valuation of financial instruments; and assets and obligations related to employee future benefits. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

In addition, the Hospital's implementation of *PS3280 Asset Retirement Obligations* has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs.

Actual results could differ from those estimates.

(h) Funding adjustments:

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

(i) Contributed services:

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

(j) Financial instruments:

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

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

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

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

1. Significant accounting policies (continued):

(j) Financial instruments (continued):

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

2. Change in accounting policies:

On April 1, 2022, the Hospital adopted Public Accounting Standard PS 3280 – *Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in certain Hospital facilities and remediation associated with underground fuel tanks owned by the Hospital. The standard was adopted on the modified retrospective basis at the date of adoption. Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

On April 1, 2021, the Hospital recognized an asset retirement obligation relating to facilities owned by the Hospital that contain asbestos as well as underground fuel tanks on properties owned by the Hospital. The building was originally purchased in 1950, and the liability was measured as of the date of purchase of the building, when the liability was created. The building had an expected useful life of 40 years, and the estimate has not been changed since purchase. The fuel tanks were purchased in 2017, and the liability was measured as of the date of purchase of the fuel tanks, when the liability was created. The fuel tanks have an expected useful life of 20 years and the estimate has not been changed since purchase.

In accordance with the provisions of this new standard, the Hospital reflected the following adjustments at April 1, 2021:

- Asbestos obligation:
    - An increase of $29 to the buildings capital asset account, representing the original estimate of the obligation discounted to the date of purchase using a rate of 3.70%, and an accompanying increase of $29 to accumulated amortization, representing 40 years of increased amortization had the liability originally been recognized.
    - An increase of $33 to the building service equipment capital asset account, representing the original estimate of the obligation discounted to the date of purchase using a rate of 3.70%, and an accompanying increase of $8 to accumulated amortization, representing 5 years of increased amortization had the liability originally been recognized.
    - An asset retirement obligation in the amount of $441, representing an estimate of the current obligations.
    - A decrease to Opening Accumulated Surplus of $416, as a result of the recognition of the liability and accompanying increase in depreciation expense.

(In thousands of dollars)

3. Ministry of Health/Ontario Health Central:

	2023	2022
MOH/OHC	$ 139,206	$ 132,126
Ontario Renal Network	14,549	14,298
Cancer Care Ontario	4,583	3,947
Paymaster	(4,649)	(4,642)
	$ 153,689	$ 145,729

4. Specifically funded programs:

The Hospital administers a number of programs which are separately funded. The revenue and expenses related to these programs are recorded separately from the base funding operations of the Hospital and any excess or deficiency of revenue over expenses is settled with the funding agencies on an annual basis.

	2023	2022
Revenue:		
Community Mental Health and Addictions	$ 2,610	$ 2,207
CTN Occupational Therapy	744	669
Simcoe – Occupational/Physiotherapy	480	490
MCSS Social Work program	183	182
Bundled Care	32	32
High Intensity Supports at Home	1,662	604
Municipal taxes	18	18
	5,729	4,202
Expenses:		
Community Mental Health and Addictions	2,795	2,320
CTN Occupational Therapy	744	669
Simcoe – Occupational/Physiotherapy	480	490
MCSS Social Work program	183	182
Bundled Care	32	32
High Intensity Supports at Home	1,736	605
Municipal taxes	18	18
	5,988	4,316
Deficiency of revenue over expenses	$ (259)	$ (114)

(In thousands of dollars)

5. Deferred capital contributions:

Deferred capital contributions represent the unamortized and unspent balances of donations and grants restricted for capital asset acquisitions. Details of the continuity of these funds are as follows:

	2023	2022
Balance, beginning of year	$ 81,510	$ 81,720
Contributions received during the year:		
OSMH Foundation	3,269	2,141
MOH/OHC	3,195	2,263
Other	37	411
	88,011	86,535
Less: Contributions disposed of during the year	(203)	(253)
Balance, end of year	87,808	86,282
Amounts amortized to revenue:		
Hospital operations	(5,619)	(4,748)
Specifically funded programs	(24)	(24)
	(5,643)	(4,772)
Balance, end of year	$ 82,165	$ 81,510

The balance of unamortized and unspent funds consists of the following:

	2023	2022
Unamortized	$ 78,019	$ 80,625
Unspent:		
Capital projects	4,146	885
	$ 82,165	$ 81,510

6. Accounts receivable:

	2023	2022
MOH/OHC	$ 5,110	$ 9,246
Insurers and patients	1,263	1,316
OSMH Foundation	3,260	809
Other	1,994	2,134
	$ 11,627	$ 13,505

(In thousands of dollars)

7. Property, plant and equipment:

			2023
	Cost	Accumulated Amortization	Net book Value
Land	$ 3,683	$ –	$ 3,683
Land improvements	3,368	3,102	266
Buildings	121,272	58,829	62,443
Building service equipment	24,833	8,406	16,427
Furniture and equipment	97,963	73,180	24,783
Work in progress	5,431	–	5,431
	$ 256,550	$ 143,517	$ 113,033

			2022
	Cost	Accumulated Amortization	Net book Value
Land	$ 3,683	$ –	$ 3,683
Land improvements	3,368	2,981	387
Buildings	121,272	55,624	65,648
Building service equipment	24,171	7,206	16,965
Furniture and equipment	93,770	68,997	24,773
Work in progress	3,466	–	3,466
	$ 249,730	$ 134,808	$ 114,922

8. Bank indebtedness:

The Hospital has arranged for credit facilities which include the following:

– $12 million credit facility available to fund operating requirements, bearing interest at banker's prime rate less 0.65% per annum.
– $16.7 million credit facility available to fund capital expenditures, bearing interest at banker's prime rate less 0.25% per annum and repayment terms of 84 months from the date of any drawdown.

As at March 31, 2023, there was $Nil drawn on the credit facilities (2022 - $Nil).

(In thousands of dollars)

9. Accounts payable and accrued liabilities:

	2023	2022
Accounts payable and accrued liabilities:		
- OHC/MOH	$ 3,139	$ 4,890
- Trade accounts payable	3,374	1,660
- Other	3,904	6,128
Payroll accruals:		
- salaries and wages	8,697	5,292
- vacation pay and other entitlements	9,883	9,326
	$ 28,997	$ 27,296

10. Deferred contributions:

Deferred contributions represent unspent funding externally restricted for specific programs received in the current and/or prior period that are related to a subsequent period.

11. Asset retirement obligation:

The Hospital has accrued for asset retirement obligations related to the legal requirement for the removal or remediation of asbestos-containing materials in certain facilities as well as underground fuel tanks on properties owned by the Hospital. The obligation is determined based on the estimated undiscounted cash flows that will be required in the future to remove or remediate the asbestos containing material and any soil contaminants in accordance with current legislation.

The change in the estimated obligation during the year consists of the following:

	2023	2022
Balance, beginning of year	$ 441	$ -
Adjustment on adoption of PS 3280 asset retirement obligation standard	-	441
Opening balance, as restated	441	441
Less: obligations settled during the year	-	-
Total obligation at March 31	441	441
Less: current portion reported in accounts payable and accrued liabilities	-	-
Balance, end of year	$ 441	$ 441

12. Long-term obligations:

Included in this balance are amounts owing for various pay equity and other labour settlements beyond the next fiscal year.

(In thousands of dollars)

13. Employee post-retirement benefits:

The Hospital sponsors a post-retirement defined benefit plan for medical, life insurance and dental benefits for substantially all unionized full time employees with various cost-sharing arrangements as determined by their collective agreements. The most recent valuation of the employee future benefits was completed as at April 1, 2022.

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

	2023	2022
Balance, beginning of year	$ 5,809	$ 5,842
Add: benefit costs	747	379
	6,556	6,221
Less: benefit contributions	(445)	(412)
Balance, end of year	$ 6,111	$ 5,809

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

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

	2023	2022
Discount rate	4.50%	3.70%
Dental cost trend rates	5.00%	3.00%
Extended health care trend rates	5.27%	5.20%

14. Contingencies:

(a) Legal matters and litigation:

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

(b) Employment matters:

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

14. Contingencies (continued):

(c) HealthCare Insurance Reciprocal of Canada:

The Hospital is a member of the HealthCare Insurance Reciprocal of Canada ("HIROC"). HIROC is a pooling of the liability insurance risk of its members. All members pay annual deposit premiums which are actuarially determined and are subject to further assessment for losses, if any, experienced by the pool for the years in which they are members. As at March 31, 2023, no assessments have been received by the Hospital.

15. Financial risks and concentration of credit risk:

(a) Credit risk:

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

The Hospital assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Hospital at March 31, 2023 is the carrying value of these assets.

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

There have been no significant changes to the credit risk exposure from 2022.

(b) Liquidity risk:

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

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

There have been no significant changes to the liquidity risk exposure from 2022.

16. Pension plan:

Substantially all of the employees of the Hospital are members of the Plan, which is a multi-employer defined benefit plan. Contributions to the Plan made during the year on behalf of employees amounted to $6,321 (2022 - $6,162).

17. Related entity:

The Hospital has an economic interest in the OSMH Foundation. The OSMH Foundation was created for the purpose of promoting and participating in fundraising programs in order to raise money for capital projects, training and medical research. During the year, the Hospital received donations amounting to $3,643 (2022 - $2,614) from the OSMH Foundation.