

Riverside Health Care Facilities, Inc.
Financial Statements
For the year ended March 31, 2019

**Riverside Health Care
Facilities, Inc.
Financial Statements
For the year ended March 31, 2019**

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Riverside Health Care Facilities, Inc. Management's Responsibility for the Financial Statements

The accompanying financial statements of Riverside Health Care Facilities, Inc. and all the information in this annual report are the responsibility of management and have been approved by the Board Chair and CEO on behalf of the Organization.

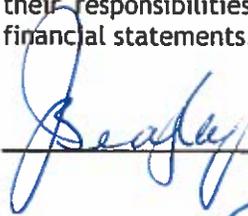
The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Organization maintains systems of internal accounting and administrative controls of high quality consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Organization's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Directors review the Organization's financial statements and meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report.

The financial statements have been audited by BDO Canada LLP, independent external auditors appointed by the Organization. The audit has been performed in accordance with Canadian generally accepted auditing standards. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Organization's financial statements.



Board Chair



CEO

Independent Auditor's Report

To Management and the Board of Directors of Riverside Health Care Facilities, Inc.

Opinion

We have audited the financial statements of Riverside Health Care Facilities, Inc. (the Organization), which comprise the Statement of Financial Position as at March 31, 2019, and the Statement of Operations, the Statement of Changes in Net Assets, and the Statement of Cash Flows for the year then ended, and Notes to Financial Statements, including a Summary of Significant Accounting Policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2019, and its results of operations, changes in net assets 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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that as of March 31, 2019, the Organization's current liabilities exceeded its current assets by \$3.5 million. As stated in Note 2, these conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Organization's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario
June 25, 2019

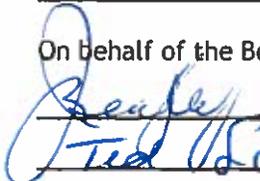
Riverside Health Care Facilities, Inc.
Statement of Financial Position

March 31	2019	2018
Assets		
Current		
Cash and bank (Note 3)	\$ 754,912	\$ 2,302,710
Accounts receivable (Note 4)	5,496,093	3,537,115
Inventories (Note 5)	317,193	283,994
Prepaid expenses	294,750	289,230
	6,862,948	6,413,049
Capital assets (Note 6)	25,144,469	26,052,992
Construction in progress	268,662	192,854
Other assets	30,000	-
	\$ 32,306,079	\$ 32,658,895

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities (Note 7)	\$ 6,572,315	\$ 5,345,114
Due to LHIN/MOHLTC/other agencies	3,852,746	1,264,165
	10,425,061	6,609,279
Post-employment benefits and compensated absences (Note 8)	5,180,700	4,948,100
Deferred revenue (Note 9)	15,350,508	16,052,678
	30,956,269	27,610,057
Net assets		
Unrestricted	(8,830,464)	(5,226,113)
Investment in capital assets (Note 12)	10,123,218	10,218,516
Board designated	57,056	56,435
	1,349,810	5,048,838
	\$ 32,306,079	\$ 32,658,895

On behalf of the Board:

 _____ Director
 _____ Director

Riverside Health Care Facilities, Inc. Summary Statement of Operations

For the year ended March 31	2019	2018
Operating		
Revenue		
LHIN - base allocation	\$ 25,249,466	\$ 24,790,812
LHIN/MOHLTC - one-time payment	1,943,701	429,070
LHIN/MOHLTC - paymaster	1,403,691	1,002,233
LHIN/MOHLTC - quality based procedures	83,352	582,306
	<u>28,680,210</u>	<u>26,804,421</u>
Patient revenue, differential and co-payment revenue	2,976,824	2,569,861
Recoveries and miscellaneous revenue	1,738,865	1,412,119
Amortization of deferred contributions related to equipment	277,779	283,359
Cancer care	10,052	10,052
	<u>33,683,730</u>	<u>31,079,812</u>
Total revenue		
Expenses		
Salaries and wages	18,441,525	17,513,037
Benefits contributions from employers	4,849,741	4,549,925
Post-employment benefits and compensated absences	149,371	150,800
Medical staff remuneration	1,445,840	1,310,137
Nurse practitioners remuneration	3,098	122,853
Supplies and other expenses	5,318,650	5,204,538
Amortization of software licenses and fees	28,948	29,961
Medical and surgical supplies	578,582	731,357
Drugs and medical gases	940,490	920,376
Bad debts	153,137	99,805
Amortization of major equipment	662,412	657,670
Rent/lease of equipment	135,789	157,755
	<u>32,707,583</u>	<u>31,448,214</u>
Total expenses	32,707,583	31,448,214
Surplus (deficit) from operations	976,147	(368,402)
Other votes (Schedule 1) (Note 11)		
Revenue	11,678,144	14,350,791
Expenses	15,881,928	14,851,683
	<u>(4,203,784)</u>	<u>(500,892)</u>
Deficit from other votes	(4,203,784)	(500,892)
Other funding sources (Schedule 2) (Note 11)		
Revenue	209,652	194,100
Expenses	209,652	194,100
	<u>-</u>	<u>-</u>
Surplus from other funding sources	-	-
Deficit from operations, other votes and other funding sources	\$ (3,227,637)	\$ (869,294)

Riverside Health Care Facilities, Inc.
Summary Statement of Operations
(Continued)

For the year ended March 31	2019	2018
Deficit, carried forward	\$ (3,227,637)	\$ (869,294)
Capital revenue		
Amortization of deferred contributions related to non-marketed buildings and service equipment	<u>846,350</u>	<u>731,732</u>
	(2,381,287)	(137,562)
Capital expenses		
Amortization of non-marketed buildings and service equipment	<u>(1,318,362)</u>	<u>(1,491,405)</u>
Deficit for the year	\$ (3,699,649)	\$ (1,628,967)

Riverside Health Care Facilities, Inc.
Statement of Changes in Net Assets

For the year ended March 31	Unrestricted	Invested in Capital Assets	Board Designated	Total 2019	Total 2018
Balance, beginning of year	\$ (5,226,113)	\$ 10,218,516	\$ 56,435	\$ 5,048,838	\$ 6,677,425
Deficit for the year	(3,699,649)	-	-	(3,699,649)	(1,628,967)
Net change in investment in capital assets (Note 12)	95,298	(95,298)	-	-	-
Net transfer to board designated	-	-	621	621	380
Balance, end of year	\$ (8,830,464)	\$ 10,123,218	\$ 57,056	\$ 1,349,810	\$ 5,048,838

Riverside Health Care Facilities, Inc.
Statement of Cash Flows

For the year ended March 31	2019	2018
Cash provided by (used in) operations		
Deficit for the year	\$ (3,699,649)	\$ (1,628,967)
Adjustments to net assets	621	380
Items not involving cash		
Amortization of capital assets	2,017,528	2,186,873
Amortization of deferred contribution related to capital assets	(1,124,129)	(1,015,091)
Net increase in post-employment benefits and compensated absences	232,600	217,800
	<u>(2,573,029)</u>	<u>(239,005)</u>
Change in non-cash working capital items		
Accounts receivable	(1,988,978)	(955,937)
Inventories	(33,199)	(17,798)
Prepaid expenses	(5,520)	12,831
Accounts payable and accrued liabilities	1,227,202	(987,338)
Due to LHIN/MOHLTC	2,588,581	11,032
Deferred revenue	35,247	(5,366)
	<u>1,823,333</u>	<u>(1,942,576)</u>
	<u>(749,696)</u>	<u>(2,181,581)</u>
Capital transactions		
Purchase of capital assets	(1,184,814)	(1,185,087)
Financial transactions		
Increase in deferred contributions	386,712	588,309
Decrease in cash during the year	<u>(1,547,798)</u>	<u>(2,778,359)</u>
Cash and bank, beginning of year	<u>2,302,710</u>	<u>5,081,069</u>
Cash and bank, end of year	<u>\$ 754,912</u>	<u>\$ 2,302,710</u>

Riverside Health Care Facilities, Inc.

Notes to Financial Statements

March 31, 2019

1. Significant Accounting Policies

Nature of Organization Riverside Health Care Facilities, Inc. (the "Organization") was incorporated under the Ontario Hospitals Act on May 13, 1975. The Organization is principally involved in providing health care services to the central and western regions of the Rainy River District. The Organization 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.

**Management's
Responsibility**

The financial statements of Riverside Health Care Facilities, Inc. are representations of management. The financial statements have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit Organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPO's"). Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenditures are the cost of goods and services acquired in the period whether or not payment has been made or invoices received.

**Cash and Cash
Equivalents**

Cash and cash equivalents consist of cash on hand, bank balances and investments in money market instruments with maturities of three months or less.

Inventory

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

Capital Assets

Purchased 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 useful life of an asset are capitalized. When capital assets no longer contribute to the Organization's ability to provide services or the value of future economic benefits associated with the capital asset is less than its net book value, the carrying value of the capital asset is reduced to reflect the decline in the asset's value.

Construction in progress is not amortized until construction is substantially complete and the assets are ready for use.

Capital assets are amortized on a straight line basis using the following estimated annual rates:

Land improvements	10 to 15 years
Buildings	20 to 40 years
Building service equipment	20 to 40 years
Major equipment	5 to 20 years
Computer software	3 to 5 years

Riverside Health Care Facilities, Inc. Notes to Financial Statements

March 31, 2019

1. Significant Accounting Policies (continued)

Retirement and Post-employment Benefits and Compensated Absences

The Organization provides defined retirement and post-employment benefits and compensated absences to certain employee groups. These benefits include pension, health and dental, and vesting sick leave. The Organization has adopted the following policies with respect to accounting for these employee benefits:

- (i) 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 experienced 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.
- (ii) The Organization is an employer member of the Healthcare of Ontario Pension Plan (HOOPP), 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 costs to the Organization of the multi-employer defined benefit pension are the employer's contributions due to the plan in the period.
- (iii) The cost of vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, employees' use of entitlement and discount rates. Adjustments to these costs arising from changes in actuarial assumption and/or experience are recognized over the estimated average remaining service life of the employees.
- (iv) The discount rate used in the determination of the above-mentioned liabilities is equal to the Organization's internal rate of borrowing.

Riverside Health Care Facilities, Inc. Notes to Financial Statements

March 31, 2019

1. Significant Accounting Policies (continued)

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

Fair Value

This category includes cash and cash equivalents and derivatives.

They are initially recognized at cost and subsequently carried at fair value. 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. 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.

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

The Organization does not have any remeasurement gains or losses. As a result, the financial statements do not include a statement of remeasurement gains and losses.

Amortized Cost

This category includes accounts receivable, accounts payable and accrued liabilities and amounts due to LHIN/MOHLTC/other agencies. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

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

Riverside Health Care Facilities, Inc. Notes to Financial Statements

March 31, 2019

1. Significant Accounting Policies (continued)

**Board Designated
Net Assets**

Board designated net assets include donations and bequests as well as certain fund surpluses designated for specific purposes by the Board of Directors.

Revenue Recognition

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

Under the Health Insurance Act and Regulations thereto, the Organization is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health and Long-Term Care ("MOHLTC") and the North West Local Health Integration Network ("LHIN"). 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.

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.

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

Amortization of non-marketed buildings and service equipment is not funded by the LHIN and accordingly the amortization of non-marketed buildings and service equipment has been reflected as an undernoted item in the Summary Statement of Operations with the corresponding realization of revenue for deferred contributions.

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

Revenue from the Provincial Insurance Plan and marketed services is recognized when the goods are sold or the service is provided.

Unrestricted investment income is recognized as revenue when earned.

Riverside Health Care Facilities, Inc. Notes to Financial Statements

March 31, 2019

1. Significant Accounting Policies (continued)

Contributed Services Volunteers contribute numerous hours to assist the Organization in carrying out certain charitable aspects of its service delivery activities. The fair value of these contributed services is not readily determinable and, as such, is not reflected in these financial statements.

Use of Estimates The preparation of financial statements in accordance with Canadian public sector accounting standards for government not-for-profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Areas of key estimation include actuarial estimation of post-employment benefits and compensated absences and the estimated useful lives of capital assets.

2. Going Concern

These financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Organization be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Organization, which is primarily funded by the Ontario Ministry of Health and Long-Term Care and the North West Local Health Integration Network (NW LHIN) has been facing financial difficulties for the past years. The Organization incurred a loss from operations, other votes and other funding sources during the year ended March 31, 2019, of \$3,227,637 (2018 - \$869,294) and, as of that date, the Organization's current liabilities exceeded its current assets by \$3,532,113 (2018 - \$196,230).

The Organization's ability to continue as a going concern is dependent upon its ability to raise adequate cash flows to cover its current obligations on a timely basis and to attain positive cash flows to cover its continuing operations. In addition, the Organization is dependent upon continued support from the Province of Ontario for operational funding.

These financial statements do not reflect any adjustments to the carrying values of assets and liabilities that would be necessary should the Organization be unable to continue as a going concern.

Riverside Health Care Facilities, Inc. Notes to Financial Statements

March 31, 2019

3. Cash and Bank

The Organization's bank accounts are held at one chartered bank. In the normal course of operations, the Organization is exposed to credit risk from having bank account balances over the amounts insured by the Canadian Deposit Insurance Corporation.

4. Accounts Receivable

	2019	2018
Ministry of Health and Long-Term Care	\$ 1,573,657	\$ 396,859
Insurers and patients	956,422	1,060,995
Other	2,966,014	2,079,261
	<u>\$ 5,496,093</u>	<u>\$ 3,537,115</u>

5. Inventories

	2019	2018
Medical and surgical supplies	\$ 43,878	\$ 42,713
Drugs	186,782	158,575
Other	86,533	82,706
	<u>\$ 317,193</u>	<u>\$ 283,994</u>

6. Capital Assets

	2019		2018	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 1,497,829	\$ -	\$ 1,497,829	\$ 1,497,829
Land improvements	326,971	313,083	13,888	16,173
Buildings and service equipment	53,511,075	33,035,890	20,475,185	21,426,141
Machinery and equipment	16,432,176	13,423,316	3,008,860	2,986,361
Computer software	1,039,782	891,075	148,707	126,488
	<u>\$ 72,807,833</u>	<u>\$ 47,663,364</u>	<u>\$ 25,144,469</u>	<u>\$ 26,052,992</u>

Riverside Health Care Facilities, Inc.
Notes to Financial Statements

March 31, 2019

7. Accounts Payable and Accrued Liabilities

	2019	2018
Trade accounts payable	\$ 2,834,688	\$ 2,024,086
Accrued salaries and benefits	3,737,627	3,321,028
	\$ 6,572,315	\$ 5,345,114

8. Post-employment Benefits and Compensated Absences

The Organization has an unfunded benefit plan providing retirement and post-employment benefits (excluding pension) to most of its employees. The Organization pays certain medical and life insurance benefits under an unfunded defined benefit plan on behalf of its retired employees. The eligibility for benefits is determined by the status and employment group to which each individual employee belongs.

The Organization measures its accrued benefits obligation for accounting purposes as at March 31st of each year. The latest actuarial valuation was performed in April 2017.

	2019		
	Post-employment Benefits	Non-Vesting Sick Leave	Total
Accrued employee future benefits obligation	\$ 4,864,700	\$ 161,400	\$ 5,026,100
Unamortized actuarial losses	255,300	(100,700)	154,600
Total	\$ 5,120,000	\$ 60,700	\$ 5,180,700
	2018		
	Post-employment Benefits	Non-Vesting Sick Leave	Total
Accrued employee future benefits obligation	\$ 4,512,800	\$ 165,000	\$ 4,677,800
Unamortized actuarial losses	387,900	(117,600)	270,300
Total	\$ 4,900,700	\$ 47,400	\$ 4,948,100

Riverside Health Care Facilities, Inc.
Notes to Financial Statements

March 31, 2019

8. Post-employment Benefits and Compensated Absences (continued)

	2019		
	Post-employment Benefits	Non-Vesting Sick Leave	Total Expenses
Current year benefit cost	\$ 304,800	\$ -	\$ 304,800
Interest on accrued benefit obligation	160,000	5,400	165,400
Amortized actuarial losses	(25,200)	17,900	(7,300)
Total expenses	\$ 439,600	\$ 23,300	\$ 462,900
Benefit payments	\$ 220,300	\$ 10,000	\$ 230,300
	2018		
	Post-employment Benefits	Non-Vesting Sick Leave	Total Expenses
Current year benefit cost	\$ 294,800	\$ -	\$ 294,800
Interest on accrued benefit obligation	151,600	6,000	157,600
Amortized actuarial losses	(25,200)	17,900	(7,300)
Total expenses	\$ 421,200	\$ 23,900	\$ 445,100
Benefit payments	\$ 191,300	\$ 36,000	\$ 227,300

Riverside Health Care Facilities, Inc.
Notes to Financial Statements

March 31, 2019

8. Post-employment Benefits and Compensated Absences (continued)

Above amounts exclude pension contributions to the Healthcare of Ontario Pension Plan ("HOOPP"), a multi-employer plan, described below:

Retirement Benefits

HOOPP Pension Plan

Substantially all of the full-time employees and some of the part-time employees of the Organization are members of the Healthcare of Ontario Pension Plan (HOOPP). The plan is a multi-employer plan and therefore the Organization's contributions are accounted for as if the plan were a defined contribution plan with the Organization's contributions being expensed in the period they come due. Contributions to the plan during the year by the Organization on behalf of its employees amounted to \$2,159,192 (2018 - \$2,098,703) and are included in the Summary Statement of Operations.

Post-employment Benefits

The Organization extends post-employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The Organization recognizes these benefits as they are earned during the employees' tenure of service. The related benefit liability was determined by an actuarial valuation study.

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

- a) **Discount rate**
The present value as at March 31, 2019, of the future benefits was determined using a discount rate of 3.20% (2018 - 3.40%).
- b) **Extended health care costs**
Extended health care costs were assumed to increase at a rate of 6.50% for 2019 (2018 - 6.75%) and decrease by annual decrements of 0.25% to an ultimate rate of 5.0%.
- c) **Dental costs**
Dental costs were assumed to increase at 4.0% per annum in 2019 (2018 - 4.0%).

Riverside Health Care Facilities, Inc.
Notes to Financial Statements

March 31, 2019

8. Post-employment Benefits and Compensated Absences (continued)

Compensated Absences

Non-Vesting Sick Leave

The Organization compensates certain employee groups for any unused sick days they have accumulated upon retirement or death. The employees accrued sick days are paid out at the salary rate in effect at retirement or death. No benefit is payable on termination. The related benefit liability was determined by an actuarial valuation study.

The assumptions used in the valuation of non-vesting sick leave are the Organization's best estimates of expected rates of:

	<u>2019</u>	<u>2018</u>
Wage and salary escalation	1.50 %	1.50 %
Discount rate	3.20 %	3.40 %

9. Deferred Revenue

	<u>2019</u>	<u>2018</u>
Deferred revenue		
Other deferred revenue	\$ 60,595	\$ 25,348
Deferred contributions related to capital assets	<u>15,289,913</u>	<u>16,027,330</u>
	<u>\$ 15,350,508</u>	<u>\$ 16,052,678</u>

Deferred contributions related to capital assets are amortized at the same rate as the corresponding assets are being amortized.

Riverside Health Care Facilities, Inc.
Notes to Financial Statements

March 31, 2019

10. Credit Facilities

Riverside Health Care Facilities, Inc. is party to a short-term credit agreement with a Canadian chartered bank pursuant to which the Organization could borrow up to \$2,000,000 in the form of a demand operating loan. The amount drawn under the credit agreement as at March 31, 2019, was \$NIL (2018 - \$NIL).

11. Other Votes and Other Funding Source Revenues

Other votes and other funding source revenues have been recognized to the extent they have been earned in the year. Excess cash flows received at year end are included in due to LHIN/MOHLTC/other agencies liabilities at year end.

12. Investment in Capital Assets

(a) Investment in capital assets is calculated as follows:

	2019	2018
Capital assets	\$ 25,144,469	\$ 26,052,992
Construction in progress	268,662	192,854
Amounts financed by:		
Deferred contributions (Note 9)	(15,289,913)	(16,027,330)
	\$ 10,123,218	\$ 10,218,516

(b) Change in investment in capital assets is calculated as follows:

	2019	2018
Purchase of capital assets	\$ 1,184,814	\$ 1,185,087
Amounts funded by deferred contributions	(386,713)	(588,309)
Amortization of deferred contributions related to capital assets	1,124,129	1,015,091
Amortization of capital assets	(2,017,528)	(2,186,873)
	\$ (95,298)	\$ (575,004)

Riverside Health Care Facilities, Inc. Notes to Financial Statements

March 31, 2019

13. Financial Instrument Risk Management

Credit Risk

Credit risk is the risk of financial loss to the Organization if a debtor fails to make payments of interest and principal when due. The Organization is exposed to this risk relating to its accounts receivable.

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 Organization measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the Organization's historical experience regarding collections.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk and equity risk. The Organization is not exposed to significant interest, currency or equity risk as it does not hold any interest bearing investments, does not transact materially in foreign currency or hold equity financial instruments.

Liquidity Risk

Liquidity risk is the risk that the Organization will not be able to meet all cash outflow obligations as they come due. The Organization mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining minimal non-cash assets.

Financial Instrument Classification

All financial instruments, with the exception of cash and cash equivalents, are recognized at amortized cost.

Cash and cash equivalents are recognized at fair value using Level 1 fair value measurements. 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.

14. Economic Dependence

Riverside Health Care Facilities, Inc. receives the majority of its funding from the Ministry of Health and Long-Term Care and the North West Local Health Integration Network.

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 1 - Summary of Fund Type II's - Other Votes

For the year ended March 31	2019	2018
Revenue		
Mental Health - Case Management (Schedule 6)	\$ 86,547	\$ 86,547
Mental Health - Counselling (Schedule 7)	546,184	482,703
Addictions (Schedule 8)	204,053	172,337
Problem Gambling (Schedule 9)	96,966	94,819
Supportive Housing (Schedule 10)	490,130	478,228
Patient Navigator (Schedule 11)	96,952	9,381
Opioid Education (Schedule 12)	-	143,164
Municipal tax	14,400	14,400
Rainycrest - Home for the Aged (Schedule 13)	8,818,482	11,576,395
Community Support Services (Schedule 14)	754,627	787,439
Community Paramedicine (Schedule 15)	139,086	146,900
Assisted Living (Schedule 16)	430,717	358,478
	<u>11,678,144</u>	<u>14,350,791</u>
Expenses		
Mental Health - Case Management (Schedule 6)	86,547	86,547
Mental Health - Counselling (Schedule 7)	546,184	482,703
Addictions (Schedule 8)	203,498	172,337
Problem Gambling (Schedule 9)	96,966	94,819
Supportive Housing (Schedule 10)	490,130	478,228
Patient Navigator (Schedule 11)	96,952	9,381
Opioid Education (Schedule 12)	-	143,164
Municipal tax	14,400	14,400
Rainycrest - Home for the Aged (Schedule 13)	13,022,821	12,076,625
Community Support Services (Schedule 14)	754,627	780,602
Community Paramedicine (Schedule 15)	139,086	146,900
Assisted Living (Schedule 16)	430,717	365,977
	<u>15,881,928</u>	<u>14,851,683</u>
Deficiency of revenue over expenses for the year	\$ (4,203,784)	\$ (500,892)

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 2 - Summary of Fund Type III's - Other Funding Sources

For the year ended March 31	2019	2018
Revenue		
Family Violence Counselling Program (Schedule 3)	\$ 162,070	\$ 135,339
Riverside Community Family Violence Service - PARR (Schedule 4)	47,582	47,581
Child Witness Program (Schedule 5)	-	11,180
	209,652	194,100
Expenses		
Family Violence Counselling Program (Schedule 3)	162,070	135,339
Riverside Community Family Violence Service - PARR (Schedule 4)	47,582	47,581
Child Witness Program (Schedule 5)	-	11,180
	209,652	194,100
Excess of revenue over expenses for the year	\$ -	\$ -

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 3 - Family Violence Counselling Program

For the year ended March 31	2019	2018
Revenue		
Ministry of Community and Social Services (Note 11)	\$ 162,070	\$ 135,339
Expenses		
Salaries MOS	19,600	13,788
Salaries UPP	80,908	76,793
Benefits MOS	4,800	2,400
Benefits UPP	17,878	16,654
Staff travel	1,197	-
Staff training	7,451	3,964
Professional fees	191	174
Supplies	5,734	181
Advertising	1,589	1,319
Rent	12,000	12,000
Insurance	1,020	1,470
Equipment	1,999	5,988
Memberships	826	450
Capacity building	6,216	-
Meetings	661	158
	162,070	135,339
Excess of revenue over expenses for the year	\$ -	\$ -

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 4 - Riverside Community Family Violence Service - PARR

For the year ended March 31	2019	2018
Revenue		
Ministry of the Attorney General (Note 11)	\$ 47,582	\$ 47,581
Expenses		
Salaries MOS	2,349	6,883
Salaries UPP	29,477	26,490
Benefits MOS	564	1,133
Benefits UPP	6,575	6,022
Supplies and sundry	8,428	2,966
Equipment	189	4,087
	<u>47,582</u>	<u>47,581</u>
Excess of revenue over expenses for the year	\$ -	\$ -

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 5 - Child Witness Program

For the year ended March 31	2019	2018
Revenue		
Ministry of Community and Social Services (Note 11)	\$ -	\$ 11,180
Expenses		
Salaries UPP	-	8,797
Supplies and sundry	-	1,838
Staff travel	-	81
Staff training	-	464
	-	11,180
Excess of revenue over expenses for the year	\$ -	\$ -

**Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 6 - Mental Health (Case Management)**

For the year ended March 31	2019	2018
Revenue		
LHIN (Note 11)	\$ 86,547	\$ 86,547
Expenses		
Salaries UPP	76,162	73,924
Benefits UPP	10,385	8,148
Supplies and sundry	-	23
Equipment	-	4,452
	86,547	86,547
Excess of revenue over expenses for the year	\$ -	\$ -

**Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 7 - Mental Health (Counselling)**

For the year ended March 31	2019	2018
Revenue		
LHIN (Note 11)	\$ 500,200	\$ 482,673
Sessional fees	22,684	-
One-time funding	22,587	-
Recoveries	713	30
	546,184	482,703
Expenses		
Salaries MOS	129,163	86,617
Salaries UPP	249,805	251,982
Benefits MOS	28,543	21,294
Benefits UPP	60,578	58,590
Supplies and sundry	31,438	59,162
Equipment	22,764	3,258
Future benefits	1,209	1,800
Sessional fees	22,684	-
	546,184	482,703
Excess of revenue over expenses for the year	\$ -	\$ -

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 8 - Additions

For the year ended March 31	2019	2018
Revenue		
LHIN (Note 11)	\$ 201,531	\$ 169,328
Recoveries	2,522	3,009
	<u>204,053</u>	<u>172,337</u>
Expenses		
Salaries MOS	21,501	7,649
Salaries UPP	111,802	87,490
Benefits MOS	5,033	-
Benefits UPP	26,862	20,790
Supplies and sundry	33,491	54,327
Equipment	4,202	1,181
Future benefits	607	900
	<u>203,498</u>	<u>172,337</u>
Excess of revenue over expenses for the year	\$ 555	\$ -

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 9 - Problem Gambling

For the year ended March 31	2019	2018
Revenue		
LHIN (Note 11)	\$ 96,716	\$ 94,819
Recoveries	250	-
	96,966	94,819
Expenses		
Salaries MOS	5,353	2,170
Benefits MOS	1,285	-
Salaries UPP	72,003	73,522
Benefits UPP	18,198	18,564
Supplies and sundry	127	563
	96,966	94,819
Excess of revenue over expenses for the year	\$ -	\$ -

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 10 - Supportive Housing

For the year ended March 31	2019	2018
Revenue		
LHIN (Note 11)	\$ 473,084	\$ 467,640
Recoveries	17,046	10,588
	<u>490,130</u>	<u>478,228</u>
Expenses		
Salaries MOS	68,157	52,362
Salaries UPP	288,423	282,556
Benefits MOS	20,936	20,923
Benefits UPP	62,251	60,348
Supplies and sundry	38,946	48,385
Equipment	9,303	9,458
Future benefits	612	900
Buildings and grounds	1,502	3,296
	<u>490,130</u>	<u>478,228</u>
Excess of revenue over expenses for the year	\$ -	\$ -

**Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 11 - Patient Navigator**

For the year ended March 31	2019	2018
Revenue		
LHIN (Note 11)	\$ 96,952	\$ 9,381
Expenses		
Salaries MOS	-	1,423
Salaries UPP	70,280	4,113
Benefits UPP	26,672	1,703
Supplies and sundry	-	730
Equipment	-	1,412
	96,952	9,381
Excess of revenue over expenses for the year	\$ -	\$ -

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 12 - Opioid Education

For the year ended March 31	2019	2018
Revenue		
LHIN (Note 11)	\$ -	\$ 143,164
Expenses		
Salaries MOS	-	4,876
Benefits MOS	-	975
Supplies and sundry	-	137,313
	-	143,164
Excess of revenue over expenses for the year	\$ -	\$ -

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 13 - Rainycrest - Home for the Aged

For the year ended March 31	2019	2018
Revenue		
Ministry of Health/LHIN	\$ 5,337,253	\$ 7,257,554
- General subsidy		
- One-time subsidies	14,451	-
- Doctor on-call funding	15,883	15,883
- High intensity needs and lab funding	186,872	422,483
	<u>5,554,459</u>	<u>7,695,920</u>
Resident fees	2,810,433	3,512,298
Handi-van	136,770	126,921
Other	316,820	241,256
	<u>8,818,482</u>	<u>11,576,395</u>
Total revenue		
Expenses		
Operations		
Nursing and personal care		
Nursing administration	559,576	336,513
Nursing personal care	6,626,470	6,613,442
Doctor on-call expenditures	15,876	15,876
Medical director fees	23,944	23,944
RAI coordinator	80,841	81,401
	<u>7,306,707</u>	<u>7,071,176</u>
Total nursing and personal care		
Other operations		
Program and support services	620,172	627,717
Raw food	529,935	584,161
Accommodation		
Housekeeping services	595,627	595,330
Building and property	621,274	421,810
Dietary services	1,106,429	1,102,564
Laundry and linen services	287,301	304,043
General and administrative	1,438,908	761,119
Facility costs	278,939	337,640
Handi-van	140,508	126,428
High intensity needs and lab costs	24,411	46,444
	<u>(2,695)</u>	<u>14,856</u>
Bad debts (recoveries)		
	<u>12,947,516</u>	<u>11,993,288</u>
Total expenses before amortization and post-retirement benefits and compensated absences		
	<u>(4,129,034)</u>	<u>(416,893)</u>
Fund balance before amortization and post-retirement benefits and compensated absences		
Amortization	7,805	7,837
Post-retirement benefits and compensated absences	67,500	75,500
	<u>75,305</u>	<u>83,337</u>
Total expenses		
	<u>13,022,821</u>	<u>12,076,625</u>
Deficiency of revenue over expenses for the year		
	<u>\$ (4,204,339)</u>	<u>\$ (500,230)</u>

**Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 14 - Community Support Services**

For the year ended March 31	2019	2018
Revenue		
LHIN - General subsidy	\$ 415,488	\$ 413,540
- One-time funding	-	8,537
Recoveries and miscellaneous revenue	339,139	365,362
	<u>754,627</u>	<u>787,439</u>
Expenses		
Salaries and wages - UPP	462,388	458,023
Salaries and wages - MOS	29,976	48,712
Benefit contributions - UPP	145,022	148,870
Benefit contributions - MOS	2,918	16,953
Supplies and sundry expenses	95,432	88,300
Building and grounds expense	7,127	6,531
Equipment	11,764	13,213
	<u>754,627</u>	<u>780,602</u>
Excess of revenue over expenses for the year	\$ -	\$ 6,837

**Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 15 - Community Paramedicine**

For the year ended March 31	2019	2018
Revenue		
LHIN - General subsidy	\$ 139,086	\$ 146,900
Expenses		
Contracted out services	139,086	146,900
Excess of revenue over expenses for the year	\$ -	\$ -

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 16 - Assisted Living

For the year ended March 31	2019	2018
Revenue		
LHIN - General subsidy	\$ 392,477	\$ 323,813
Recoveries and miscellaneous revenue	38,240	34,665
	<u>430,717</u>	<u>358,478</u>
Expenses		
Salaries and wages - UPP	212,031	194,316
Salaries and wages - MOS	96,405	84,306
Benefit contributions - UPP	64,569	61,565
Benefit contributions - MOS	31,978	16,530
Supplies and sundry expenses	18,502	3,030
Building and grounds expense	3,180	3,180
Equipment	4,052	3,050
	<u>430,717</u>	<u>365,977</u>
Deficiency of revenue over expenses for the year	\$ -	\$ (7,499)



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Notice To Reader

To Management and the Board of Directors of Riverside Health Care Facilities, Inc.

On the basis of information provided by management, we have compiled the Rainycrest - Home for the Aged - Calendar Year Schedule of Riverside Health Care Facilities, Inc. for the year ended December 31, 2018.

We have not performed an audit or a review engagement in respect of the schedule and, accordingly, we express no assurance thereon.

Readers are cautioned that the schedule may not be appropriate for their purposes.

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario
June 25, 2019

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Rainycrest - Home for the Aged - Calendar Year Schedule
(Unaudited - See Notice To Reader)

For the year ended December 31	2018	2017
Revenue		
Ministry of Health/LHIN	\$ 8,270,421	\$ 7,594,064
- General subsidy		
- Subsidy due back to LHIN/MOHLTC	(2,007,564)	(287,133)
- Doctor on-call funding	-	15,883
- High intensity needs and lab funding	-	341,641
	<u>6,262,857</u>	<u>7,664,455</u>
Resident fees	3,052,357	3,493,461
Handi-van	98,341	152,405
Other	208,180	307,503
	<u>9,621,735</u>	<u>11,617,824</u>
Expenses		
Operations		
Nursing and personal care		
Nursing administration	-	495,470
Nursing personal care	6,769,584	5,727,866
Doctor on-call expenditures	15,876	15,876
Medical director fees	23,944	51,891
RAI coordinator	84,360	79,404
	<u>6,893,764</u>	<u>6,370,507</u>
Total nursing and personal care		
	6,893,764	6,370,507
Other operations		
Program and support services	590,096	666,396
Raw food	517,618	610,732
Accommodation		
Housekeeping services	609,086	622,726
Building and property	419,073	406,054
Dietary services	1,105,331	1,123,193
Laundry and linen services	293,801	291,548
General and administrative	1,391,827	785,641
Facility costs	263,943	378,284
Handi-van	127,375	137,126
High intensity needs and lab costs	354,600	357,021
Bad debts	25,731	14,856
	<u>12,592,245</u>	<u>11,764,084</u>
Total expenses before amortization and post-retirement benefits and compensated absences	12,592,245	11,764,084
Fund balance before amortization and post-retirement benefits and compensated absences	(2,970,510)	(146,260)
	<u>7,835</u>	<u>7,863</u>
Amortization	7,835	7,863
Post-retirement benefits and compensated absences	65,971	73,306
	<u>73,806</u>	<u>81,169</u>
Total expenses	12,666,051	11,845,253
Deficiency of revenue over expenses for the year	\$ (3,044,316)	\$ (227,429)



Independent Auditor's Report

To Management and the Board of Directors of Riverside Health Care Facilities, Inc.

Opinion

We have audited the Statements of Trust Accounts (the Statements) of Riverside Health Care Facilities, Inc. (the Organization), which comprise the Statement of Financial Position as at March 31, 2019, and the Statement of Receipts and Disbursements for the Bequest Trust and the Residents' Council Trust for the year then ended, and Note to Statements of Trust Funds.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying Statements for the year ended March 31, 2019, are prepared, in all material respects, in accordance with the basis of accounting as described in the Note.

Basis for Qualified Opinion

In common with many Organizations of this nature, the Organization derives trust fund receipts from and on behalf of residents, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these receipts was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to funds received in trust for the years ended March 31, 2019, and 2018, assets as at March 31, 2019, and 2018, and fund balances as at April 1 and March 31 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended March 31, 2018, was modified accordingly because of the possible effects of this limitation in scope.

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 Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the 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 audit opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to the Note to the Statements, which describes the basis of accounting. The Statements are prepared to assist the Organization to meet the reporting requirements of the Ministry of Health and Long-Term Care. As a result, the Statements may not be suitable for another purpose.

Responsibilities of Management and Those Charged with Governance for the Statement

Management is responsible for the preparation of the Statements in accordance with the basis of accounting as described in the Note, and for such internal control as management determines is necessary to enable the preparation of the Statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's Responsibilities for the Audit of the Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

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

Fort Frances, Ontario
June 25, 2019

Riverside Health Care Facilities, Inc.
Statement of Financial Position
Trust Funds

March 31, 2019	Rainycrest Bequest	Rainycrest Residents' Council	Emo Health Centre	Rainy River Health Centre	Rainycrest Residents' Comfort	2019 Total	2018 Total
Assets							
Cash and bank	\$ -	\$ 26,181	\$ 473	\$ 2,536	\$ 33,746	\$ 62,936	\$ 73,327
Short-term investments	-	-	-	-	-	-	128,951
	\$ -	\$ 26,181	\$ 473	\$ 2,536	\$ 33,746	\$ 62,936	\$ 202,278
Liabilities							
Balance	\$ -	\$ 26,181	\$ 473	\$ 2,536	\$ 33,746	\$ 62,936	\$ 202,278

**Riverside Health Care Facilities, Inc.
Statement of Receipts and Disbursements
Rainycrest - Bequest Trust Fund**

For the year ended March 31	2019	2018
Revenue		
Interest	\$ 837	\$ 1,635
Expenditure		
Transfer to Riverside Health Care Facilities, Inc.	129,788	-
Excess (deficiency) of revenue over expenditure	(128,951)	1,635
Trust fund balance, beginning of year	128,951	127,316
Trust fund balance, end of year	\$ -	\$ 128,951

**Riverside Health Care Facilities, Inc.
Statement of Receipts and Disbursements
Rainycrest - Residents' Council Trust Fund**

For the year ended March 31	2019	2018
Revenue		
Beverage sales	\$ 2,860	\$ 11,355
Interest	419	178
Other revenue	-	-
	<u>3,279</u>	<u>11,533</u>
Expenditure		
Beverage purchases	287	6,189
Capital expenditures	-	4,795
	<u>287</u>	<u>10,984</u>
Excess of revenue over expenditure	2,992	549
Trust fund balance, beginning of year	23,189	22,640
Trust fund balance, end of year	\$ 26,181	\$ 23,189

Riverside Health Care Facilities, Inc. Note to Statements of Trust Accounts

March 31, 2019

Summary of Significant Accounting Policies

Basis of Accounting	Sources of revenue and expenditure are reported on the cash basis of accounting.
Capital Assets	Capital assets are reported as an expenditure on the Statement of Operations in the year of acquisition. Capital assets are not capitalized, and accordingly no amortization is recorded.
Inventories	Inventories of supplies are expensed in the year they are acquired.
Emo Health Centre, Rainy River Health Centre and Rainycrest Residents' Comfort Trust Funds	No Statement of Receipts and Disbursements is presented for these Trust Funds. The funds held in these Trusts belong to the residents or patients of the applicable facility and are held in non-interest bearing bank accounts in accordance with the requirements of the Ministry of Health and Long-Term Care. Any receipts or payments from the Trust are made on behalf of specific residents or patients and are accounted for as such.
Rainycrest Residents' Comfort Trust Funds	The Rainycrest Residents' Comfort Trust Funds of Riverside Health Care Facilities, Inc. are established in accordance with Ontario Regulation 79/10 under the Long-Term Care Homes Act, 2007.