

**Riverside Health Care Facilities, Inc.**  
**Financial Statements**  
For the year ended March 31, 2021

**Riverside Health Care  
Facilities, Inc.  
Financial Statements  
For the year ended March 31, 2021**

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

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

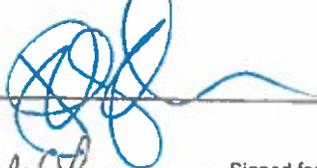
The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it 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

  
Signed for Henry Gauthier, CEO/President  
\_\_\_\_\_  
CEO

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## Independent Auditor's Report

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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, 2021, and the Statement of Operations, the Statement of Changes in Net Assets (Debt), 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, 2021, and its results of operations, changes in net assets (debt) 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, 2021, the Organization's current assets exceeded its current liabilities by \$551,615, representing a working capital surplus. As stated in Note 2, the working capital surplus position is subject to Ministry of Health funding uncertainty. In the absence of working capital relief funding from the Ministry of Health, the Organization's current liabilities would exceed its current assets by \$5,010,285, representing a working capital deficit. 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 29, 2021

**Riverside Health Care Facilities, Inc.**  
**Statement of Financial Position**

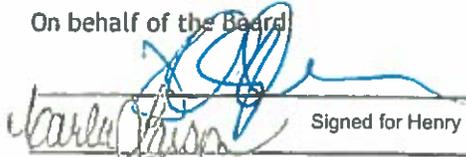
March 31	2021	2020
<b>Assets</b>		
<b>Current</b>		
Short-term deposits	\$ 30,106	\$ 29,895
Accounts receivable (Note 5)	11,325,474	4,651,481
Inventories (Note 6)	503,594	341,280
Prepaid expenses	409,106	410,322
	<u>12,268,280</u>	<u>5,432,978</u>
Capital assets (Note 7)	23,237,830	24,056,900
Construction in progress	2,547	99,827
Other assets	90,000	90,000
	<u>\$ 35,598,657</u>	<u>\$ 29,679,705</u>

**Liabilities and Net Assets (Debt)**

<b>Current</b>		
Bank indebtedness (Note 8)	\$ 71,456	\$ 1,242,358
Accounts payable and accrued liabilities (Note 9)	6,994,177	5,771,278
Due to LHIN/MOHLTC/other agencies	4,651,032	4,599,212
	<u>11,716,665</u>	<u>11,612,848</u>
Post-employment benefits and compensated absences (Note 10)	5,703,400	5,468,100
Deferred revenue (Note 11)	14,313,095	14,596,509
Long-term debt (Note 12)	265,642	-
	<u>31,998,802</u>	<u>31,677,457</u>
<b>Net assets (debt)</b>		
Unrestricted	(5,262,191)	(11,638,562)
Investment in capital assets (Note 13)	8,804,097	9,583,031
Board designated	57,949	57,779
	<u>3,599,855</u>	<u>(1,997,752)</u>
	<u>\$ 35,598,657</u>	<u>\$ 29,679,705</u>

**Contingencies (Note 15)**

On behalf of the Board

  
 \_\_\_\_\_ Director  
 Signed for Henry Gauthier, CEO/President  
 \_\_\_\_\_ Director

## Riverside Health Care Facilities, Inc. Summary Statement of Operations

For the year ended March 31	2021	2020
<b>Operating</b>		
<b>Revenue</b>		
LHIN - base allocation	\$ 26,919,193	\$ 26,440,123
LHIN/MOHLTC - one-time payment	3,470,502	1,278,108
LHIN/MOHLTC - quality based procedures	1,014,864	624,272
LHIN/MOHLTC - other revenue	496,472	454,280
	<u>31,901,031</u>	<u>28,796,783</u>
Patient revenue, differential and co-payment revenue	2,418,687	2,765,526
Recoveries and miscellaneous revenue	3,580,024	3,302,062
Amortization of deferred contributions related to equipment	407,670	270,292
Cancer care	9,948	14,890
	<u>38,317,360</u>	<u>35,149,553</u>
<b>Expenses</b>		
Salaries and wages	20,733,979	19,478,830
Benefits contributions from employers	5,437,709	5,074,593
Post-employment benefits and compensated absences	170,085	179,100
Medical staff remuneration	1,467,184	1,458,892
Nurse practitioners remuneration	149,481	122,835
Supplies and other expenses	5,814,378	5,675,290
Amortization of software licenses and fees	34,887	34,887
Medical and surgical supplies	1,069,998	834,365
Drugs and medical gases	1,926,414	1,573,089
Bad debts	164,319	118,032
Amortization of major equipment	1,201,305	657,146
Rent/lease of equipment	148,632	131,434
	<u>38,318,371</u>	<u>35,338,493</u>
<b>Total expenses</b>	<u>38,318,371</u>	<u>35,338,493</u>
<b>Deficit from operations</b>	<u>(1,011)</u>	<u>(188,940)</u>
<b>Other votes (Schedule 1) (Note 14)</b>		
Revenue	18,147,426	14,767,406
Expenses	17,577,421	17,372,956
	<u>570,005</u>	<u>(2,605,550)</u>
<b>Surplus (deficit) from other votes</b>	<u>570,005</u>	<u>(2,605,550)</u>
<b>Other funding sources (Schedule 2) (Note 14)</b>		
Revenue	257,665	237,909
Expenses	257,665	237,909
	<u>-</u>	<u>-</u>
<b>Surplus from other funding sources</b>	<u>-</u>	<u>-</u>
<b>Surplus (deficit) from operations, other votes and other funding sources</b>	<u>\$ 568,994</u>	<u>\$ (2,794,490)</u>

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

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

<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
Surplus (deficit), carried forward	\$ 568,994	\$ (2,794,490)
Ministry of Health - one-time working capital relief	5,561,900	-
Capital revenue		
Amortization of deferred contributions related to non-marketed buildings and service equipment	765,887	848,986
	6,896,781	(1,945,504)
Capital expenses		
Amortization of non-marketed buildings and service equipment	(1,299,344)	(1,402,781)
<b>Surplus (deficit) for the year</b>	<b>\$ 5,597,437</b>	<b>\$ (3,348,285)</b>

**Riverside Health Care Facilities, Inc.  
Statement of Changes in Net Assets (Debt)**

<b>For the year ended March 31</b>	<b>Unrestricted</b>	<b>Invested in Capital Assets</b>	<b>Board Designated</b>	<b>Total 2021</b>	<b>Total 2020</b>
Balance, beginning of year	\$ (11,638,562)	\$ 9,583,031	\$ 57,779	\$ (1,997,752)	\$ 1,349,810
Surplus (deficit) for the year	5,597,437	-	-	5,597,437	(3,348,285)
Net change in investment in capital assets (Note 13)	778,934	(778,934)	-	-	-
Net transfer to board designated	-	-	170	170	723
<b>Balance, end of year</b>	<b>\$ (5,262,191)</b>	<b>\$ 8,804,097</b>	<b>\$ 57,949</b>	<b>\$ 3,599,855</b>	<b>\$ (1,997,752)</b>

## Riverside Health Care Facilities, Inc. Statement of Cash Flows

For the year ended March 31	2021	2020
<b>Cash provided by (used in) operating activities</b>		
Surplus (deficit) for the year	\$ 5,597,437	\$ (3,348,285)
Adjustments to net assets	170	723
Items not involving cash		
Amortization of capital assets	2,534,753	2,100,094
Amortization of deferred contribution related to capital assets	(1,173,556)	(1,119,278)
Net increase in post-employment benefits and compensated absences	235,300	287,400
	<u>7,194,104</u>	<u>(2,079,346)</u>
<b>Change in non-cash working capital items</b>		
Accounts receivable	(6,673,993)	784,612
Inventories	(162,314)	(24,087)
Prepaid expenses	1,216	(115,572)
Accounts payable and accrued liabilities	1,222,899	(801,037)
Due to LHIN/MOHLTC	51,820	746,466
Deferred revenue	119,644	(37,782)
	<u>(5,440,728)</u>	<u>552,600</u>
	<u>1,753,376</u>	<u>(1,526,746)</u>
<b>Cash flow from capital activities</b>		
Purchase of capital assets	(1,618,402)	(843,690)
<b>Cash flow from investing activities</b>		
Increase in short-term deposits	(211)	(29,895)
<b>Cash flow from financing activities</b>		
Increase in deferred contributions	770,497	403,061
Increase in long-term debt	265,642	-
	<u>1,036,139</u>	<u>403,061</u>
<b>Increase (decrease) in cash during the year</b>	<b>1,170,902</b>	<b>(1,997,270)</b>
<b>Cash (bank indebtedness), beginning of year</b>	<b>(1,242,358)</b>	<b>754,912</b>
<b>Bank indebtedness, end of year</b>	<b>\$ (71,456)</b>	<b>\$ (1,242,358)</b>

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# Riverside Health Care Facilities, Inc.

## Notes to Financial Statements

March 31, 2021

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### 1. Significant Accounting Policies

<b>Nature of Organization</b>	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.										
<b>Management's Responsibility</b>	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").										
<b>Cash and Cash Equivalents</b>	Cash and cash equivalents consist of cash on hand, bank balances and investments in money market instruments with maturities of three months or less.										
<b>Inventory</b>	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.										
<b>Capital Assets</b>	<p>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.</p> <p>Construction in progress is not amortized until construction is substantially complete and the assets are ready for use.</p> <p>Capital assets are amortized on a straight line basis using the following estimated annual rates:</p> <table><tr><td>Land improvements</td><td>10 to 15 years</td></tr><tr><td>Buildings</td><td>20 to 40 years</td></tr><tr><td>Building service equipment</td><td>20 to 40 years</td></tr><tr><td>Major equipment</td><td>5 to 20 years</td></tr><tr><td>Computer software</td><td>3 to 5 years</td></tr></table>	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
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										

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## Riverside Health Care Facilities, Inc. Notes to Financial Statements

March 31, 2021

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### 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.

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## Riverside Health Care Facilities, Inc. Notes to Financial Statements

March 31, 2021

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### 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, short-term deposits, bank indebtedness 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.

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## Riverside Health Care Facilities, Inc. Notes to Financial Statements

March 31, 2021

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### 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.

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# Riverside Health Care Facilities, Inc.

## Notes to Financial Statements

March 31, 2021

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### 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.

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### 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 has been facing financial difficulties for continuous years. At March 31, 2020, the Organization's current liabilities exceeded its current assets by \$6,179,870 (2019 - \$3,562,113), representing working capital deficits for those two years.

At March 31, 2021, the Organization's current assets exceed its current liabilities by \$551,615, representing a working capital surplus. Included in the Organization's current assets is a receivable from the Ministry of Health and Long-Term Care in the amount of \$5,561,900 for estimated one-time working capital relief funding. Without this current asset, the Organization's current liabilities would exceed its current assets by \$5,010,285, representing a working capital deficit. As disclosed in Note 3 to the financial statements, the funding from the Ministry of Health is subject to uncertainty and as a result the Organization's March 31, 2021, working capital balance is subject to the same uncertainty.

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. The Organization's ability to maintain a working capital surplus position is dependent on the receipt of the estimated one-time working capital relief 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, 2021

### 3. COVID-19 Ministry of Health Funding

In response to the ongoing COVID-19 pandemic, the Ministry of Health (MOH) has announced funding programs to assist hospitals with incremental operating and capital costs, revenue decreases as a result of COVID-19, and working fund support. Additionally, as part of the broad based funding reconciliation, the MOH is allowing hospitals to reallocate surplus funding that otherwise would have been repayable from certain programs to offset budget constraints created by COVID-19.

Management's estimate of the Hospital's MOH revenue is based on guidance which continues to evolve and the impacts of COVID-19 on the Hospital's operations, revenues and expenses. This guidance includes the maximum amount of funding potentially available to the Hospital, as well as the criteria for eligibility. As a result, there is measurement uncertainty associated with the MOH revenue related to COVID-19. In addition, as the funding is subject to review and reconciliation in subsequent periods, funding recognized as revenue during a period may be increased or decreased in subsequent periods.

### 4. 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.

### 5. Accounts Receivable

	2021	2020
Ministry of Health and Long-Term Care	\$ 7,153,997	\$ 968,429
Insurers and patients	849,399	1,009,976
Other	3,322,078	2,673,076
	\$ 11,325,474	\$ 4,651,481

### 6. Inventories

	2021	2020
Medical and surgical supplies	\$ 45,013	\$ 44,173
Drugs	166,440	177,068
Pandemic	189,551	30,802
Other	102,590	89,237
	\$ 503,594	\$ 341,280

**Riverside Health Care Facilities, Inc.**  
**Notes to Financial Statements**

**March 31, 2021**

**7. Capital Assets**

	2021		2020	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 1,497,829	\$ -	\$ 1,497,829	\$ 1,497,829
Land improvements	326,971	317,653	9,318	11,603
Buildings and service equipment	54,178,639	35,796,946	18,381,693	19,250,559
Machinery and equipment	18,587,442	15,317,386	3,270,056	3,183,089
Computer software	1,039,782	960,848	78,934	113,820
	<b>\$75,630,663</b>	<b>\$52,392,833</b>	<b>\$23,237,830</b>	<b>\$ 24,056,900</b>

**8. 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 \$5,000,000 in the form of a demand operating loan. The amount drawn under the credit agreement as at March 31, 2021, was \$71,456 (2020 - \$1,242,358).

**9. Accounts Payable and Accrued Liabilities**

	2021		2020	
Trade accounts payable	\$ 2,872,095	\$ 1,892,202		
Accrued salaries and benefits	4,122,082	3,879,076		
	<b>\$ 6,994,177</b>	<b>\$ 5,771,278</b>		

**Riverside Health Care Facilities, Inc.**  
**Notes to Financial Statements**

March 31, 2021

**10. 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 May 2020.

	2021		
	Post-employment Benefits	Non-Vesting Sick Leave	Total
Accrued employee future benefits obligation	\$ 5,405,600	\$ 33,000	\$ 5,438,600
Unamortized actuarial gains (losses)	288,000	(23,200)	264,800
<b>Total</b>	<b>\$ 5,693,600</b>	<b>\$ 9,800</b>	<b>\$ 5,703,400</b>
	2020		
	Post-employment Benefits	Non-Vesting Sick Leave	Total
Accrued employee future benefits obligation	\$ 4,718,500	\$ 114,000	\$ 4,832,500
Unamortized actuarial gains (losses)	665,600	(30,000)	635,600
<b>Total</b>	<b>\$ 5,384,100</b>	<b>\$ 84,000</b>	<b>\$ 5,468,100</b>

**Riverside Health Care Facilities, Inc.**  
**Notes to Financial Statements**

March 31, 2021

**10. Post-employment Benefits and Compensated Absences (continued)**

	2021		
	Post-employment Benefits	Non-Vesting Sick Leave	Total Expenses
Current year benefit cost	\$ 391,100	\$ -	\$ 391,100
Interest on accrued benefit obligation	185,100	2,700	187,800
Amortized actuarial gains (losses)	(49,800)	7,700	(42,100)
<b>Total expenses</b>	<b>\$ 526,400</b>	<b>\$ 10,400</b>	<b>\$ 536,800</b>
 Benefit payments	 \$ 216,900	 \$ 84,600	 \$ 301,500
 Current year actuarial losses	 \$ (327,800)	 \$ (900)	 \$ (328,700)
	2020		
	Post-employment Benefits	Non-Vesting Sick Leave	Total Expenses
Current year benefit cost	\$ 323,000	\$ -	\$ 323,000
Interest on accrued benefit obligation	162,700	5,200	167,900
Amortized actuarial gains (losses)	(14,100)	18,100	4,000
<b>Total expenses</b>	<b>\$ 471,600</b>	<b>\$ 23,300</b>	<b>\$ 494,900</b>
 Benefit payments	 \$ 207,500	 \$ -	 \$ 207,500
 Current year actuarial gains	 \$ 424,400	 \$ 52,600	 \$ 477,000

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## Riverside Health Care Facilities, Inc. Notes to Financial Statements

March 31, 2021

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### 10. 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 latest valuation for HOOPP indicated the plan is 119% funded and disclosed net assets available for benefits of \$104 billion with an accrued pension obligation of \$79.9 billion and a surplus of \$24.1 billion. 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. Due to the nature of HOOPP, the Organization does not recognize any share of the HOOPP surplus or deficit. Contributions to the plan during the year by the Organization on behalf of its employees amounted to \$2,291,296 (2020 - \$2,276,992) 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, 2021, of the future benefits was determined using a discount rate of 3.10% (2020 - 3.70%).

b) Extended health care costs

Extended health care costs were assumed to increase at a rate of 7.00% in the first year following the valuation year and decrease by annual decrements of 0.25% to an ultimate rate of 5.00%, with a rate of 6.00% for 2021 (2020 - 6.25%).

c) Dental costs

Dental costs were assumed to increase at 4.0% per annum in 2021 (2020 - 4.0%).

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**Riverside Health Care Facilities, Inc.**  
**Notes to Financial Statements**

March 31, 2021

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**10. 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:

	2021	2020
Wage and salary escalation	1.50%	1.50%
Discount rate	3.10%	3.70%

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**11. Deferred Revenue**

	2021	2020
Deferred revenue		
Other deferred revenue	\$ 34,803	\$ 22,508
Health Infrastructure Renewal Fund (HIRF)	27,650	305
Long-term care Infection Prevention and Control (IPAC) minor capital funding	80,004	-
	142,457	22,813
Deferred contributions related to capital assets	14,170,638	14,573,696
	<b>\$ 14,313,095</b>	<b>\$ 14,596,509</b>

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

Management has determined that the deferred Health Infrastructure Renewal Fund (HIRF) balance of \$27,650 (2020 - \$305) and the Long-term care Infection Prevention and Control (IPAC) minor capital funding of \$80,004 (2020 - \$NIL) are related to funding that was unable to be spent due to COVID-19.

**Riverside Health Care Facilities, Inc.**  
**Notes to Financial Statements**

March 31, 2021

**12. Long-term Debt**

	2021	2020
TD bank property purchase loan, repayable monthly at \$1,085 principal and interest, fixed interest rate of 1.61%. Unsecured with a maturity date of December 14, 2025.	\$ 265,642	\$ -
Less current portion.	8,809	-
	\$ 256,833	\$ -

Payments of principal required over the next five years and thereafter are as follows:

	Principal Repayments	Interest	Total
2022	\$ 8,809	\$ 4,212	\$ 13,021
2023	8,952	4,069	13,021
2024	9,097	3,924	13,021
2025	9,245	3,776	13,021
2026	9,395	3,626	13,021
Thereafter	220,144	36,994	257,138
	\$ 265,642	\$ 56,601	\$ 322,243

**13. Investment in Capital Assets**

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

	2021	2020
Capital assets	\$ 23,237,830	\$ 24,056,900
Construction in progress	2,547	99,827
Amounts financed by:		
Deferred contributions (Note 11)	(14,170,638)	(14,573,696)
Long-term debt (Note 12)	(265,642)	-
	\$ 8,804,097	\$ 9,583,031

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

	2021	2020
Purchase of capital assets	\$ 1,618,402	\$ 843,690
Amounts funded by deferred contributions	(770,497)	(403,061)
Amortization of deferred contributions related to capital assets	1,173,556	1,119,278
Amortization of capital assets	(2,534,753)	(2,100,094)
Amounts funded by long-term debt	(265,642)	-
	\$ (778,934)	\$ (540,187)

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## Riverside Health Care Facilities, Inc. Notes to Financial Statements

March 31, 2021

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### 14. 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.

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### 15. Contingencies

Riverside Health Care Facilities, Inc. has been named as a defendant in multiple claims which arose in the ordinary course of business. The lawsuits are ongoing and as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of the legal claims. Management believes the Organization has sufficient insurance to cover costs related to these pending litigations.

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### 16. 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.

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### 17. Uncertainty Due to COVID-19

As the impact of COVID-19 continues, there could be further impact on the Organization, its patients, employees, and suppliers that could impact the timing and amounts realized on the Organization's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the Organization is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time.

As disclosed in Note 2 - Going Concern and Note 16 - Economic Dependence, the Organization is dependant on continued financial support from the Province of Ontario. Should the impact of COVID-19 on the Organization increase, its ability to continue operating as a going concern will be put further into question and there will be an increased need for additional financial support from the Province of Ontario.

The Organization will continue to focus on collecting receivables, managing expenses and leveraging available credit facilities to ensure it is able to continue providing essential services to individuals and families in the Rainy River District.

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## Riverside Health Care Facilities, Inc. Notes to Consolidated Financial Statements

March 31, 2021

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### 18. 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, short-term deposits and bank indebtedness 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.

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### 19. Comparative Figures

Certain prior year figures have been restated to conform to current year financial statement presentation.

**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	2021	2020
<b>Revenue</b>		
Mental Health - Case Management (Schedule 6)	\$ 86,547	\$ 86,547
Mental Health - Counselling (Schedule 7)	529,914	508,429
Addictions (Schedule 8)	246,801	227,175
Problem Gambling (Schedule 9)	96,716	96,716
Crisis Response (Schedule 10)	54,100	67,522
Supportive Housing (Schedule 11)	545,798	490,000
Patient Navigator (Schedule 12)	104,896	102,997
Safe Space (Schedule 13)	60,000	-
Municipal tax	14,400	14,400
Rainycrest - Home for the Aged (Schedule 14)	14,845,934	11,679,830
Community Support Services (Schedule 15)	837,334	846,107
Community Paramedicine (Schedule 16)	179,567	146,900
Assisted Living (Schedule 17)	545,419	500,783
	<u>18,147,426</u>	<u>14,767,406</u>
<b>Expenses</b>		
Mental Health - Case Management (Schedule 6)	86,547	86,547
Mental Health - Counselling (Schedule 7)	529,914	514,519
Addictions (Schedule 8)	246,801	227,175
Problem Gambling (Schedule 9)	96,716	96,716
Crisis Response (Schedule 10)	54,100	67,522
Supportive Housing (Schedule 11)	545,798	490,000
Patient Navigator (Schedule 12)	104,896	102,997
Safe Space (Schedule 13)	60,000	-
Municipal tax	14,400	14,400
Rainycrest - Home for the Aged (Schedule 14)	14,274,652	14,279,290
Community Support Services (Schedule 15)	838,611	846,107
Community Paramedicine (Schedule 16)	179,567	146,900
Assisted Living (Schedule 17)	545,419	500,783
	<u>17,577,421</u>	<u>17,372,956</u>
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>\$ 570,005</b>	<b>\$ (2,605,550)</b>

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

<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Family Violence Counselling Program (Schedule 3)	\$ 193,389	\$ 178,987
Riverside Community Family Violence Service - PARR (Schedule 4)	52,883	47,667
Child Witness Program (Schedule 5)	11,393	11,255
	<u>257,665</u>	<u>237,909</u>
<b>Expenses</b>		
Family Violence Counselling Program (Schedule 3)	193,389	178,987
Riverside Community Family Violence Service - PARR (Schedule 4)	52,883	47,667
Child Witness Program (Schedule 5)	11,393	11,255
	<u>257,665</u>	<u>237,909</u>
<b>Excess of revenue over expenses for the year</b>	<b>\$ -</b>	<b>\$ -</b>

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

<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Ministry of Community and Social Services (Note 14)	\$ 162,078	\$ 162,521
Other	31,311	12,210
Recoveries	-	4,256
	<u>193,389</u>	<u>178,987</u>
<b>Expenses</b>		
Salaries MOS	23,180	22,492
Salaries UPP	84,161	83,365
Benefits MOS	4,820	5,508
Benefits UPP	17,638	18,291
Staff travel	-	4,409
Staff training	584	1,061
Other services	1,004	1,978
Supplies and equipment	7,448	7,091
Advertising	536	697
Rent	12,000	12,000
Insurance	1,020	1,020
Memberships	-	-
Capacity building	9,687	8,865
Rural resource	31,311	12,210
	<u>193,389</u>	<u>178,987</u>
<b>Excess of revenue over expenses for the year</b>	<b>\$ -</b>	<b>\$ -</b>

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

For the year ended March 31	2021	2020
<b>Revenue</b>		
Ministry of the Attorney General (Note 14)	\$ 52,883	\$ 47,582
Recoveries	-	85
	<u>52,883</u>	<u>47,667</u>
<b>Expenses</b>		
Salaries MOS	3,088	3,513
Salaries UPP	29,458	28,215
Benefits MOS	865	970
Benefits UPP	6,394	6,166
Supplies and sundry	11,487	8,803
Equipment	1,591	-
	<u>52,883</u>	<u>47,667</u>
<b>Excess of revenue over expenses for the year</b>	<b>\$ -</b>	<b>\$ -</b>

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

<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Ministry of Community and Social Services (Note 14)	\$ 11,393	\$ 11,255
<b>Expenses</b>		
Compensation	-	10,210
Supplies and sundry	11,393	1,045
	<u>11,393</u>	<u>11,255</u>
<b>Excess of revenue over expenses for the year</b>	<u>\$ -</u>	<u>\$ -</u>

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

<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
LHIN (Note 14)	\$ 86,547	\$ 86,547
<b>Expenses</b>		
Salaries UPP	69,164	69,164
Benefits UPP	17,383	17,383
	<b>86,547</b>	<b>86,547</b>
<b>Excess of revenue over expenses for the year</b>	<b>\$ -</b>	<b>\$ -</b>

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

<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
LHIN (Note 14)	\$ 494,094	\$ 494,088
Sessional fees	19,746	14,341
One-time funding	16,074	-
	<u>529,914</u>	<u>508,429</u>
<b>Expenses</b>		
Salaries MOS	104,094	120,161
Salaries UPP	279,559	245,680
Benefits MOS	16,609	28,179
Benefits UPP	56,728	73,955
Supplies and sundry	40,102	26,714
Equipment	11,136	3,489
Future benefits	1,940	2,000
Sessional fees	19,746	14,341
	<u>529,914</u>	<u>514,519</u>
<b>Deficiency of revenue over expenses for the year</b>	<b>\$ -</b>	<b>\$ (6,090)</b>

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

<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
LHIN (Note 14)	\$ 245,553	\$ 225,927
Recoveries	1,248	1,248
	<u>246,801</u>	<u>227,175</u>
<b>Expenses</b>		
Salaries MOS	42,316	21,495
Salaries UPP	135,223	119,334
Benefits MOS	10,560	5,436
Benefits UPP	30,729	33,137
Supplies and sundry	23,296	26,435
Equipment	827	20,338
Future benefits	3,850	1,000
	<u>246,801</u>	<u>227,175</u>
<b>Excess of revenue over expenses for the year</b>	<b>\$ -</b>	<b>\$ -</b>

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

<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
LHIN (Note 14)	\$ 96,716	\$ 96,716
<b>Expenses</b>		
Salaries MOS	5,353	5,353
Salaries UPP	72,979	72,225
Benefits MOS	1,285	1,285
Benefits UPP	16,960	17,513
Supplies and sundry	139	340
	96,716	96,716
<b>Excess of revenue over expenses for the year</b>	<b>\$ -</b>	<b>\$ -</b>

**Riverside Health Care Facilities, Inc.**  
**Statement of Revenue and Expenses**  
**Schedule 10 - Crisis Response**

<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
LHIN (Note 14)	\$ 54,100	\$ 27,050
Other	-	40,000
Recoveries	-	472
	<u>54,100</u>	<u>67,522</u>
<b>Expenses</b>		
Salaries MOS	3,572	5,284
Salaries UPP	41,823	48,937
Benefits MOS	1,128	1,052
Benefits UPP	7,148	9,696
Supplies and sundry	1	572
Equipment	428	1,981
	<u>54,100</u>	<u>67,522</u>
<b>Excess of revenue over expenses for the year</b>	<b>\$ -</b>	<b>\$ -</b>

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

<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
LHIN (Note 14)	\$ 476,956	\$ 476,976
One-time funding	52,760	-
Recoveries	16,082	13,024
	<u>545,798</u>	<u>490,000</u>
<b>Expenses</b>		
Salaries MOS	60,967	70,458
Salaries UPP	359,437	292,740
Benefits MOS	20,604	19,650
Benefits UPP	60,292	61,054
Supplies and sundry	35,136	33,154
Equipment	6,509	10,168
Future benefits	1,925	1,000
Buildings and grounds	928	1,776
	<u>545,798</u>	<u>490,000</u>
<b>Excess of revenue over expenses for the year</b>	<b>\$ -</b>	<b>\$ -</b>

**Riverside Health Care Facilities, Inc.**  
**Statement of Revenue and Expenses**  
**Schedule 12 - Patient Navigator**

<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
LHIN (Note 14)	\$ 102,997	\$ 102,997
One-time funding	1,899	-
	<u>104,896</u>	<u>102,997</u>
<b>Expenses</b>		
Salaries UPP	86,913	84,617
Benefits UPP	17,983	18,380
	<u>104,896</u>	<u>102,997</u>
<b>Excess of revenue over expenses for the year</b>	<b>\$ -</b>	<b>\$ -</b>

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**Riverside Health Care Facilities, Inc.**  
**Statement of Revenue and Expenses**  
**Schedule 13 - Safe Space**

<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
LHIN (Note 14)	\$ 60,000	\$ -
<b>Expenses</b>		
Supplies and sundry	60,000	-
<b>Excess of revenue over expenses for the year</b>	<b>\$ -</b>	<b>\$ -</b>

**Riverside Health Care Facilities, Inc.**  
**Statement of Revenue and Expenses**  
**Schedule 14 - Rainycrest - Home for the Aged**

For the year ended March 31	2021	2020
<b>Revenue</b>		
Ministry of Health/LHIN		
- General subsidy	\$ 9,496,423	\$ 7,714,998
- One-time subsidies	1,657,329	37,500
- Doctor on-call funding	16,777	16,576
- High intensity needs and lab funding	237,189	127,206
	<u>11,407,718</u>	<u>7,896,280</u>
Resident fees	3,235,919	3,308,938
Falls Prevention	16,094	16,400
Handi-van	89,004	153,715
Other	97,199	304,497
	<u>14,845,934</u>	<u>11,679,830</u>
<b>Total revenue</b>		
<b>Expenses</b>		
Operations		
Nursing and personal care		
Nursing administration	233,908	377,958
Nursing personal care	7,205,281	7,037,959
Doctor on-call expenditures	16,768	15,876
Medical director fees	29,930	24,010
RAI coordinator	115,520	97,682
Nurse practitioner	137,635	137,562
	<u>7,739,042</u>	<u>7,691,047</u>
Total nursing and personal care		
	7,739,042	7,691,047
Other operations		
Program and support services	1,064,170	628,351
Raw food	528,373	525,810
Accommodation		
Housekeeping services	774,390	648,395
Building and property	498,505	861,385
Dietary services	1,019,402	1,277,599
Laundry and linen services	309,404	320,392
General and administrative	1,575,943	1,775,311
Facility costs	253,155	285,698
Falls Prevention	16,094	17,647
Handi-van	87,915	152,574
High intensity needs and lab costs	272,513	8,801
Bad debts	4,829	-
	<u>14,143,735</u>	<u>14,193,010</u>
<b>Total expenses before amortization and post-retirement benefits and compensated absences</b>		
	14,143,735	14,193,010
<b>Fund balance before amortization and post-retirement benefits and compensated absences</b>		
	<u>702,199</u>	<u>(2,513,180)</u>
Amortization	(783)	5,280
Post-retirement benefits and compensated absences	131,700	81,000
	<u>130,917</u>	<u>86,280</u>
<b>Total expenses</b>	<u>14,274,652</u>	<u>14,279,290</u>
<b>Excess (deficiency) of revenue over expenses for the year</b>	<u>\$ 571,282</u>	<u>\$ (2,599,460)</u>

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

<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
LHIN - General subsidy	\$ 473,315	\$ 535,296
- One-time funding	40,753	-
Recoveries and miscellaneous revenue	184,026	310,811
Other revenue	139,240	-
	<u>837,334</u>	<u>846,107</u>
<b>Expenses</b>		
Salaries and wages - MOS	152,455	122,560
Salaries and wages - UPP	361,183	410,016
Benefit contributions - MOS	24,139	51,503
Benefit contributions - UPP	109,844	137,496
Supplies and sundry expenses	116,780	105,605
Equipment	64,710	8,312
Building and grounds expense	9,500	10,615
	<u>838,611</u>	<u>846,107</u>
<b>Deficiency of revenue over expenses for the year</b>	<b>\$ (1,277)</b>	<b>\$ -</b>

**Riverside Health Care Facilities, Inc.  
Statement of Revenue and Expenses  
Schedule 16 - Community Paramedicine**

<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
LHIN - General subsidy	\$ 146,900	\$ 146,900
- One-time funding	32,667	-
	<b>179,567</b>	<b>146,900</b>
<b>Expenses</b>		
Contracted out services	179,567	146,900
	<b>179,567</b>	<b>146,900</b>
<b>Excess of revenue over expenses for the year</b>	<b>\$ -</b>	<b>\$ -</b>

**Riverside Health Care Facilities, Inc.**  
**Statement of Revenue and Expenses**  
**Schedule 17 - Assisted Living**

<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
LHIN - General subsidy	\$ 437,911	\$ 454,163
- One-time funding	53,190	-
Recoveries and miscellaneous revenue	54,318	46,620
	545,419	500,783
<b>Expenses</b>		
Salaries and wages - MOS	50,057	46,377
Salaries and wages - UPP	333,448	291,990
Benefit contributions - MOS	19,723	19,922
Benefit contributions - UPP	94,373	93,900
Supplies and sundry expenses	29,354	35,789
Equipment	14,377	7,565
Building and grounds expense	4,087	5,240
	545,419	500,783
<b>Excess of revenue over expenses for the year</b>	<b>\$ -</b>	<b>\$ -</b>



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## Notice To Reader

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**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, 2020.

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 29, 2021

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

<b>For the year ended December 31</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
Ministry of Health/LHIN	\$ 9,612,623	\$ 8,534,373
- General subsidy		
- Subsidy due back to LHIN/MOHLTC	(322,058)	(2,003,371)
- One-time subsidies	1,463,603	16,400
	<b>10,754,168</b>	<b>6,547,402</b>
Resident fees	3,256,570	3,096,259
Handi-van	-	161,693
Other	100,344	374,360
<b>Total revenue</b>	<b>14,111,082</b>	<b>10,179,714</b>
<b>Expenses</b>		
<b>Operations</b>		
Nursing and personal care		
Nursing personal care	7,359,820	7,176,933
Doctor on-call expenditures	17,180	15,876
Medical director fees	28,520	23,944
RAI coordinator	102,094	87,853
<b>Total nursing and personal care</b>	<b>7,507,614</b>	<b>7,304,606</b>
Other operations		
Program and support services	675,407	589,027
Raw food	512,775	474,400
Accommodation		
Housekeeping services	775,004	637,916
Building and property	500,237	819,255
Dietary services	965,429	1,247,848
Laundry and linen services	332,064	300,549
General and administrative	1,687,886	2,078,210
Facility costs	385,945	320,963
Handi-van	-	158,773
High intensity needs and lab costs	226,767	116,364
Bad debts	-	5,280
Nurse practitioner	147,608	-
Other equipment and direct expenses	258,212	-
<b>Total expenses before amortization and post-retirement benefits and compensated absences</b>	<b>13,974,948</b>	<b>14,053,191</b>
<b>Fund balance before amortization and post-retirement benefits and compensated absences</b>	<b>136,134</b>	<b>(3,873,477)</b>
Amortization	(29,092)	6,321
Post-retirement benefits and compensated absences	119,025	77,625
	<b>89,933</b>	<b>83,946</b>
<b>Total expenses</b>	<b>14,064,881</b>	<b>14,137,137</b>
<b>Surplus (deficiency) of revenue over expenses for the year</b>	<b>\$ 46,201</b>	<b>\$ (3,957,423)</b>

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## Independent Auditor's Report

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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, 2021, and the Statement of Receipts and Disbursements for the Bequest Trust and for the Residents' Council Trust for the year then ended, and Note to Statements of Trust Accounts.

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, 2021, 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, 2021, and 2020, assets as at March 31, 2021, and 2020, and fund balances as at April 1 and March 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 31, 2020, 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 qualified 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 Statements

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 29, 2021

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

March 31, 2021	Rainycrest Residents' Council	Emo Health Centre	Rainy River Health Centre	Rainycrest Residents' Comfort	2021 Total	2020 Total
<b>Assets</b>						
Cash and bank	\$ 28,410	\$ 488	\$ 1,486	\$ 35,651	\$ 66,035	\$ 67,280
<b>Liabilities</b>						
Balance	\$ 28,410	\$ 488	\$ 1,486	\$ 35,651	\$ 66,035	\$ 67,280

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

<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Interest	\$ -	\$ 837
<b>Expenditure</b>		
Transfer to Riverside Health Care Facilities, Inc.	-	129,788
<b>Deficiency of revenue over expenditure</b>	-	(128,951)
<b>Trust fund balance, beginning of year</b>	-	128,951
<b>Trust fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

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

<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Beverage and other sales	\$ 441	\$ 1,746
Interest	142	517
	<u>583</u>	<u>2,263</u>
<b>Expenditure</b>		
Beverage purchases	-	617
<b>Excess of revenue over expenditure</b>	<b>583</b>	<b>1,646</b>
<b>Trust fund balance, beginning of year</b>	<b>27,827</b>	<b>26,181</b>
<b>Trust fund balance, end of year</b>	<b>\$ 28,410</b>	<b>\$ 27,827</b>

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

**March 31, 2021**

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**Summary of Significant Accounting Policies**

<b>Basis of Accounting</b>	Sources of revenue and expenditure are reported on the cash basis of accounting.
<b>Capital Assets</b>	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.
<b>Inventories</b>	Inventories of supplies are expensed in the year they are acquired.
<b>Emo Health Centre, Rainy River Health Centre and Rainycrest Residents' Comfort Trust Funds</b>	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.
<b>Rainycrest Residents' Comfort Trust Funds</b>	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.