

**Riverside Health Care
Facilities, Inc.
Financial Statements
For the year ended March 31, 2025**

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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. 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 MNP 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

To 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, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 3 in the financial statements, which indicates that, as of March 31, 2025, the Organization's current liabilities exceeded its current assets by \$545,006, representing a working capital deficit. As stated in Note 2, these conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Organizations ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

The financial statement for the year ended March 31, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on June 18, 2024.

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

Management is responsible for the preparation and fair presentation of the 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.

Fort Frances, Ontario

June 17, 2025

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Riverside Health Care Facilities, Inc.

Statement of Financial Position

March 31	2025	2024
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Assets

Current

Cash and bank (Note 4)	\$ 2,698,418	\$ 557,138
Portfolio investments	93,346	31,562
Accounts receivable (Note 5)	8,828,265	13,304,326
Inventories (Note 6)	453,422	472,679
Prepaid expenses	884,601	833,362

	12,958,052	15,199,067
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Capital assets (Note 7)	35,055,508	31,327,865
Construction in progress	711,662	1,848,435

	\$48,725,222	\$ 48,375,367
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Liabilities and Net Assets

Current

Accounts payable and accrued liabilities (Note 9)	6,420,622	8,025,259
Due to LHIN/MOHLTC/other agencies	7,082,436	7,532,709

	13,503,058	15,557,968
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Post-employment benefits and compensated absences (Note 10)	6,309,300	6,319,500
Deferred revenue (Note 11)	21,477,551	19,958,795
Long-term debt (Note 12)	1,118,158	1,217,357
Asset retirement obligations (Note 13)	6,713,485	6,447,215

	49,121,552	49,500,835
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Net assets (debt)

Unrestricted	(8,078,250)	(9,604,636)
Investment in capital assets (Note 14)	7,618,884	8,417,809
Board designated	63,036	61,359

	(396,330)	(1,125,468)
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	\$48,725,222	\$ 48,375,367
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Contingencies (Note 16)

On behalf of the Board:

_____ Director

_____ Director

Riverside Health Care Facilities, Inc. Summary Statement of Operations

For the year ended March 31	2025	2024
Operating		
Revenue		
LHIN - base allocation	\$ 32,406,128	\$ 29,611,612
LHIN/MOHLTC - one-time payments	12,132,371	12,222,125
LHIN/MOHLTC - quality based procedures	2,389,726	1,799,109
LHIN/MOHLTC - other revenue	907,331	752,439
	<u>47,835,556</u>	<u>44,385,285</u>
Patient revenue, differential and co-payment revenue	2,950,187	2,989,715
Recoveries and miscellaneous revenue	4,695,305	5,398,953
Amortization of deferred contributions related to equipment	693,534	532,945
Cancer care	4,795	7,686
	<u>56,179,377</u>	<u>53,314,584</u>
Total revenue		
Expenses		
Salaries and wages	27,809,558	26,475,224
Benefits contributions from employers	5,974,657	6,204,792
Post-employment benefits and compensated absences	33,900	11,300
Medical staff remuneration	3,071,007	2,987,134
Nurse practitioners remuneration	750,304	790,998
Supplies and other expenses	8,565,727	6,948,108
Amortization of software licenses and fees	102,033	21,158
Medical and surgical supplies	1,659,549	1,734,822
Drugs and medical gases	2,707,467	2,801,745
Bad debts	252,392	109,683
Amortization of major equipment	1,132,718	961,599
Rent/lease of equipment	245,545	194,355
Rainy River clinic	1,287,929	-
	<u>53,592,786</u>	<u>49,240,918</u>
Total expenses		
Surplus (deficit) from operations	<u>2,586,591</u>	<u>4,073,666</u>
Other votes (Schedule 1) (Note 15)		
Revenue	23,626,003	22,645,308
Expenses	24,942,047	25,452,525
	<u>(1,316,044)</u>	<u>(2,807,217)</u>
Surplus (deficit) from other votes		
Other funding sources (Schedule 2) (Note 15)		
Revenue	818,974	712,966
Expenses	631,542	742,209
	<u>187,432</u>	<u>(29,243)</u>
Surplus from other funding sources		
Surplus (deficit) from operations, other votes and other funding sources	<u>\$ 1,457,979</u>	<u>\$ 1,237,206</u>

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

For the year ended March 31	2025	2024
Surplus, carried forward	\$ 1,457,979	\$ 1,237,206
Capital revenue		
Amortization of deferred contributions related to non-marketed buildings and service equipment	<u>958,583</u>	<u>818,697</u>
	2,416,562	2,055,903
Capital expenses		
Amortization of non-marketed buildings and service equipment	(1,422,831)	(1,861,440)
Accretion expense on asset retirement obligations	<u>(266,270)</u>	<u>(250,420)</u>
Surplus (deficit) for the year	\$ 727,461	\$ (55,957)

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

For the year ended March 31	Unrestricted	Invested in Capital Assets	Board Designated	Total 2025	Total 2024
Balance, beginning of year (Note 2)	\$ (9,604,636)	\$ 8,417,809	\$ 61,359	\$ (1,125,468)	\$ (1,071,699)
Surplus (deficit) for the year	727,461	-	-	727,461	(55,957)
Net change in investment in capital assets (Note 14)	798,925	(798,925)	-	-	-
Net transfer to board designated	-	-	1,677	1,677	2,189
Balance, end of year	\$ (8,078,250)	\$ 7,618,884	\$ 63,036	\$ (396,330)	\$ (1,125,467)

Riverside Health Care Facilities, Inc. Statement of Cash Flows

For the year ended March 31	2025	2024
Cash provided by (used in) operating activities		
Surplus (deficit) for the year	\$ 727,461	\$ (55,957)
Adjustments to net assets	1,677	2,189
Items not involving cash		
Amortization of capital assets	2,701,245	3,022,259
Amortization of deferred contribution related to capital assets	(1,652,118)	(1,351,641)
Net increase in post-employment benefits and compensated absences	(10,200)	(70,000)
Accretion expense on asset retirement obligations	266,270	250,420
	<u>2,034,335</u>	<u>1,797,270</u>
Change in non-cash working capital items		
Accounts receivable	4,476,061	(669,563)
Inventories	19,257	25,248
Prepaid expenses	(51,240)	(34,879)
Accounts payable and accrued liabilities	(1,604,636)	(1,214,819)
Due to LHIN/MOHLTC	(450,273)	675,422
Deferred revenue	(1,703,968)	542,421
	<u>685,201</u>	<u>(676,170)</u>
	<u>2,719,536</u>	<u>1,121,100</u>
Cash flow from capital activities		
Purchase of capital assets	<u>(5,292,115)</u>	<u>(3,566,728)</u>
Cash flow from investing activities		
Increase in portfolio investments	<u>(61,784)</u>	<u>(1,170)</u>
Cash flow from financing activities		
Increase in deferred contributions	4,874,842	3,807,591
Repayment of long-term debt	(99,199)	(208,321)
	<u>4,775,643</u>	<u>3,599,270</u>
Increase in cash during the year	2,141,280	1,152,472
Cash (bank indebtedness), beginning of year	<u>557,138</u>	<u>(595,334)</u>
Cash and bank, end of year	<u>\$ 2,698,418</u>	<u>\$ 557,138</u>

Riverside Health Care Facilities, Inc. Notes to Financial Statements

March 31, 2025

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").

**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, 2025

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, 2025

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, accrued liabilities, long-term debt 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, 2025

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, 2025

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.

**Asset Retirement
Obligations**

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

Riverside Health Care Facilities, Inc. Notes to Financial Statements

March 31, 2025

2. Amalgamation

On November 1, 2024, Riverside Health Care Facilities, Inc. and LaVerendrye Non-Profit Supportive Housing Corporation amalgamated to form a single entity and continue operations as Riverside Health Care Facilities, Inc.

The amalgamation was accounted for using the continuity of interest method as the combination occurred between entities under common control. Under the continuity of interest method, the current and comparative information presented in these financial statements represent the combined information as if the two entities had always been one entity. As a result of the amalgamation, opening retained earnings for each year and net income for 2024 has been determined as follows:

	<u>2025</u>	<u>2024</u>
Net assets, beginning of year, as previously stated:		
Riverside Health Care Facilities, Inc.	\$ (1,912,593)	\$ (1,885,134)
LaVerendrye Non-Profit Supportive Housing Corporation	<u>787,125</u>	<u>813,435</u>
Net assets, beginning of year, as restated	<u>\$ (1,125,468)</u>	<u>\$ (1,071,699)</u>
Surplus (deficit) for the year ended March 31, 2024, as previously stated:		
Riverside Health Care Facilities, Inc.	\$ (29,648)	\$ (29,648)
LaVerendrye Non-Profit Supportive Housing Corporation	<u>(26,310)</u>	<u>(26,310)</u>
Surplus (deficit) for the year ended March 31, 2024, as restated	<u>\$ (55,958)</u>	<u>\$ (55,958)</u>

3. 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. The Organization realized income from operations, other votes and other funding sources during the year ended March 31, 2025 of \$1,457,979, however that result included over \$11,200,000 of one-time Provincial funding for operational pressures and, as at March 31, 2025, the Organization's current liabilities continued to exceed its current assets by \$545,006, representing a working capital deficit.

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, 2025

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

	2025	2024
Ministry of Health and Long-Term Care	\$ 4,416,977	\$ 8,066,225
Insurers and patients	1,647,977	1,353,951
Other	2,763,311	3,884,150
	<u>\$ 8,828,265</u>	<u>\$ 13,304,326</u>

6. Inventories

	2025	2024
Medical and surgical supplies	\$ 40,185	\$ 40,363
Drugs	244,688	272,513
Pandemic	11,458	9,164
Other	157,091	150,639
	<u>\$ 453,422</u>	<u>\$ 472,679</u>

7. Capital Assets

	2025			2024
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 1,588,429	\$ -	\$ 1,588,429	\$ 1,588,429
Land improvements	3,622,685	3,341,066	281,619	272,576
Buildings and service equipment	68,560,320	41,965,968	26,594,352	23,993,166
Machinery and equipment	24,636,580	18,894,974	5,741,606	5,367,400
Computer software	1,983,173	1,133,671	849,502	106,294
	\$ 100,391,187	\$ 65,335,679	\$ 35,055,508	\$ 31,327,865

Riverside Health Care Facilities, Inc.

Notes to Financial Statements

March 31, 2025

8. Bank Indebtedness

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, 2025, was \$267,997 (2024 - \$1,149,906).

9. Accounts Payable and Accrued Liabilities

	2025	2024
Trade accounts payable	\$ 1,448,838	\$ 3,432,632
Accrued salaries and benefits	4,971,784	4,592,627
	<u>\$ 6,420,622</u>	<u>\$ 8,025,259</u>

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 prepared effective March 31, 2023 and results from that valuation have been extrapolated to March 31, 2025.

	2025		
	Post-employment Benefits	Non-Vesting Sick Leave	Total
Accrued employee future benefits obligation	\$ 3,669,500	\$ 27,800	\$ 3,697,300
Unamortized actuarial gains (losses)	2,627,300	(15,300)	2,612,000
Total	<u>\$ 6,296,800</u>	<u>\$ 12,500</u>	<u>\$ 6,309,300</u>
	2024		
	Post-employment Benefits	Non-Vesting Sick Leave	Total
Accrued employee future benefits obligation	\$ 3,320,800	\$ 26,500	\$ 3,347,300
Unamortized actuarial gains (losses)	3,004,500	(32,300)	2,972,200
Total	<u>\$ 6,325,300</u>	<u>\$ (5,800)</u>	<u>\$ 6,319,500</u>

Riverside Health Care Facilities, Inc.
Notes to Financial Statements

March 31, 2025

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

	2025		
	Post-employment Benefits	Non-Vesting Sick Leave	Total Expenses
Current year benefit cost	\$ 268,700	\$ -	\$ 268,700
Interest on accrued benefit obligation	167,800	1,300	169,100
Amortized actuarial losses (gains)	(279,700)	17,200	(262,500)
Total expenses	<u>\$ 156,800</u>	<u>\$ 18,500</u>	<u>\$ 175,300</u>
Benefit payments	<u>\$ 185,300</u>	<u>\$ 200</u>	<u>\$ 185,500</u>
Current year actuarial gains (losses)	<u>\$ (97,500)</u>	<u>\$ (200)</u>	<u>\$ (97,700)</u>
	2024		
	Post-employment Benefits	Non-Vesting Sick Leave	Total Expenses
Current year benefit cost	\$ 256,400	\$ -	\$ 256,400
Interest on accrued benefit obligation	156,400	2,200	158,600
Amortized actuarial losses (gains)	(269,400)	17,200	(252,200)
Total expenses	<u>\$ 143,400</u>	<u>\$ 19,400</u>	<u>\$ 162,800</u>
Benefit payments	<u>\$ 188,900</u>	<u>\$ 43,900</u>	<u>\$ 232,800</u>
Current year actuarial gains (losses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Riverside Health Care Facilities, Inc. Notes to Financial Statements

March 31, 2025

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. The latest valuation for HOOPP indicated the plan is 111% funded and disclosed net assets available for benefits of \$123.0 billion with an accrued pension obligation of \$112.6 billion and a surplus of \$10.4 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 \$2,231,394 (2024 - \$2,528,447) 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 prepared effective March 31, 2023 and extrapolation of the results of that valuation to March 2025.

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

- a) Discount rate
The present value as at March 31, 2025, of the future benefits was determined using a discount rate of 4.50% (2024 - 4.80%).
- b) Extended health care costs
Extended health care costs were assumed to increase at a rate of 6.00% in the first year following the valuation year and decrease by annual decrements of 0.25% to an ultimate rate of 4.00%.
- c) Dental costs
Dental costs were assumed to increase at 4.00% per annum.

Riverside Health Care Facilities, Inc. Notes to Financial Statements

March 31, 2025

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:

	2025	2024
Wage and salary escalation	1.50%	1.50%
Discount rate	4.50%	4.80%

11. Deferred Revenue

	2025	2024
Deferred physician recruitment funding	\$ 221,251	\$ 156,071
Other deferred revenue	515,590	704,325
Accounting software implementation costs	-	368,987
Hospital Investing in Canada Infrastructure Program (ICIP) funding	-	1,214,402
Non-Profit Housing - Building Replacement	411,317	408,651
Non-Profit Housing - Rent Stabilization	12,749	12,439
	1,160,907	2,864,875
Deferred contributions related to capital assets	20,316,644	17,093,920
	<u>\$ 21,477,551</u>	<u>\$ 19,958,795</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, 2025

12. Long-term Debt

	2025	2024
TD bank property purchase loan, part of multiple draw committed reducing term facility, repayable monthly at \$1,085 principal and interest, fixed interest rate of 1.61%. Unsecured with a maturity date of December 14, 2025.	\$ 229,537	\$ 238,782
TD bank property purchase loan, part of multiple draw committed reducing term facility, repayable monthly at \$1,482 principal and interest, fixed interest rate of 1.99%. Unsecured with a maturity date of May 14, 2026.	306,911	318,458
TD bank property purchase loan, part of multiple draw committed reducing term facility, repayable monthly at \$1,530 principal and interest, fixed interest rate of 2.68%. Unsecured with a maturity date of December 3, 2026.	302,363	312,471
Mortgage payable, repayable at \$10,602 monthly including interest at 2.70%, matured April 1, 2024.	\$ -	\$ 10,578
Mortgage payable, repayable at \$6,026 monthly including interest at 4.52%, maturing June 1, 2029, secured by real estate with a carrying value of \$303,983 (March 31, 2024 carrying value of \$337,068).	279,347	337,068
	1,118,158	1,217,357
Less current portion	92,590	30,258
	<u>\$ 1,025,568</u>	<u>\$ 1,187,099</u>

Payments of principal required over the next five years, assuming refinancing on similar terms, and thereafter, are as follows:

	Principal Repayments	Interest	Total
2026	\$ 92,590	\$ 28,879	\$ 121,469
2027	96,053	25,780	121,833
2028	99,658	21,810	121,468
2029	103,413	18,055	121,468
2030	52,273	14,963	67,236
Thereafter	674,171	125,823	799,994
	<u>\$ 1,118,158</u>	<u>\$ 235,310</u>	<u>\$ 1,353,468</u>

The gross interest paid relating to the above long-term debt was \$34,709 (2024 - \$43,074).

Riverside Health Care Facilities, Inc. Notes to Financial Statements

March 31, 2025

13. Asset Retirement Obligations

The Organization's financial statements include asset retirement obligations for asbestos abatement work to be performed at the LaVerendrye General Hospital facility and the Rainycrest Home for the Aged facility. The related asset retirement costs are being amortized on a straight line basis. The liability has been estimated using a net present value technique with a discount rate of 4.13% (2024 - 4.13%). The estimated total undiscounted future expenditures are \$17,365,661 (2024 - \$17,365,661), which are estimated to be incurred over the next 24 years. The liability is expected to be settled in the March 31, 2049 fiscal year.

The carrying amount of the liabilities are as follows:

Asset Retirement Obligations as at March 31, 2024	\$ 6,447,215
Increase due to accretion expense	<u>266,270</u>
Asset retirement obligations as at March 31, 2025	<u>\$ 6,713,485</u>

14. Investment in Capital Assets

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

	<u>2025</u>	<u>2024</u>
Capital assets	\$ 35,055,508	\$ 30,980,219
Construction in progress	711,662	1,848,435
Amounts financed by:		
Deferred contributions (Note 11)	(20,316,644)	(17,093,920)
Long-term debt (Note 12)	(1,118,158)	(869,711)
Asset retirement obligations (Note 13)	(6,713,485)	(6,447,215)
	<u>\$ 7,618,883</u>	<u>\$ 8,417,808</u>

Riverside Health Care Facilities, Inc. Notes to Financial Statements

March 31, 2025

13. Investment in Capital Assets (continued)

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

	2025	2024
Purchase of capital assets	\$ 5,292,115	\$ 3,566,728
Increase in capital assets from asset retirement obligations	-	133,358
Amounts funded by deferred contributions	(4,874,842)	(3,807,592)
Amortization of deferred contributions related to capital assets	1,652,118	1,351,641
Amortization of capital assets	(2,701,245)	(3,022,259)
Decrease (increase) in amounts funded by long-term debt	99,199	208,321
Increase in amounts funded by asset retirement obligations	(266,270)	(383,778)
	<u>\$ (798,925)</u>	<u>\$ (1,953,581)</u>

15. 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.

16. Contingencies

Riverside Health Care Facilities, Inc. has been named as a defendant in legal claims which arose in the ordinary course of business. The lawsuits are ongoing and as litigation is subject to many uncertainties, it is premature to make any evaluation of the possible outcome or possible settlement amount of the claims. Consequently, no provision for the claims have been made in the financial statements. Management believes the Organization has sufficient insurance to cover costs related to pending litigation.

Riverside Health Care Facilities, Inc. participates in the Healthcare Insurance Reciprocal of Canada (HIROC), a pooling of the public liability insurance risks of its hospital members. Members of the pool pay annual premiums, which are actuarially determined. Members are subject to assessment for losses, if any, experienced by the pool for the year in which they were members. No assessments have been made to March 31, 2025, with respect to claims.

17. 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. Notes to Consolidated Financial Statements

March 31, 2025

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 portfolio investments and bank indebtedness, are recognized at amortized cost.

Portfolio investments 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.

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	2025	2024
Revenue		
Mental Health - Case Management (Schedule 6)	\$ 90,898	\$ 90,904
Mental Health - Counselling (Schedule 7)	762,860	790,983
Addictions (Schedule 8)	212,170	212,457
Rapid Access Addiction Medicine Clinic (Schedule 9)	195,087	162,773
Problem Gambling (Schedule 9)	101,610	111,632
Crisis Response (Schedule 10)	69,528	69,540
Supportive Housing (Schedule 11)	519,787	526,474
ALC Back to Home (Schedule 12)	288,467	281,817
Patient Navigator (Schedule 13)	86,322	132,529
Municipal tax	14,400	14,400
Rainycrest - Home for the Aged (Schedule 14)	17,993,286	17,705,864
Community Support Services (Schedule 15)	2,014,376	1,665,469
Community Paramedicine (Schedule 16)	380,900	380,892
Assisted Living (Schedule 17)	896,312	499,574
	<u>23,626,003</u>	<u>22,645,308</u>
Expenses		
Mental Health - Case Management (Schedule 6)	90,898	90,904
Mental Health - Counselling (Schedule 7)	762,860	793,167
Addictions (Schedule 8)	212,170	212,368
Rapid Access Addiction Medicine Clinic (Schedule 9)	195,087	163,204
Problem Gambling (Schedule 9)	101,610	111,632
Crisis Response (Schedule 10)	69,528	69,540
Supportive Housing (Schedule 11)	524,589	584,568
ALC Back to Home (Schedule 12)	290,755	293,688
Patient Navigator (Schedule 13)	86,322	132,987
Municipal tax	16,642	13,350
Rainycrest - Home for the Aged (Schedule 14)	19,295,844	20,442,641
Community Support Services (Schedule 15)	2,018,530	1,664,010
Community Paramedicine (Schedule 16)	380,900	380,892
Assisted Living (Schedule 17)	896,312	499,574
	<u>24,942,047</u>	<u>25,452,525</u>
Excess (deficiency) of revenue over expenses for the year	\$ (1,316,044)	\$ (2,807,217)

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	2025	2024
Revenue		
Family Violence Counselling Program (Schedule 3)	\$ 200,137	\$ 193,154
Riverside Community Family Violence Service - PARR (Schedule 4)	-	-
Non-Profit Supportive Housing (Schedule 5)	<u>618,837</u>	<u>519,812</u>
	<u>818,974</u>	<u>712,966</u>
Expenses		
Family Violence Counselling Program (Schedule 3)	200,127	196,231
Riverside Community Family Violence Service - PARR (Schedule 4)	-	(144)
Non-Profit Supportive Housing (Schedule 5)	<u>431,415</u>	<u>546,122</u>
	<u>631,542</u>	<u>742,209</u>
Excess of revenue over expenses for the year	<u>\$ 187,432</u>	<u>\$ (29,243)</u>

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

For the year ended March 31	2025	2024
Revenue		
Ministry of Community and Social Services (Note 15)	\$ 158,840	\$ 161,839
Rural Resource revenue	31,311	31,311
Capacity Building revenue	9,986	-
Other	-	4
	<u>200,137</u>	<u>193,154</u>
Expenses		
Salaries MOS	23,550	4,792
Salaries UPP	95,440	101,749
Benefits MOS	-	-
Benefits UPP	21,920	21,257
Staff travel	649	392
Staff training	858	140
Other services	1,866	1,650
Supplies and equipment	3	1,258
Advertising	707	-
Rent	12,732	12,360
Insurance	1,116	1,080
Memberships	-	-
Capacity building	9,986	12,763
Rural resource	31,300	38,790
	<u>200,127</u>	<u>196,231</u>
Excess of revenue over expenses for the year	\$ 10	\$ (3,077)

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

For the year ended March 31	2025	2024
Revenue	\$ -	\$ -
Expenses		
Salaries UPP	-	9,850
Benefits UPP	-	(10,073)
Supplies and sundry	-	79
		(144)
Excess of revenue over expenses for the year	\$ -	\$ 144

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 5 - Non-Profit Suportive Housing

For the year ended March 31	2025	2024
Revenue		
Ministry of Health and Long-Term Care (Note 15)	\$ 408,583	\$ 331,325
Rental	147,214	127,456
Investment income	63,040	61,031
	<u>618,837</u>	<u>519,812</u>
Expenses		
Adminstration overhead	35,913	35,930
Amortization of capital costs	43,663	178,063
Capital reserve	18,802	18,802
Insurance	18,477	14,196
Interst on long-term debt	16,450	24,172
Materials and services	89,194	65,307
Municipal taxes	41,855	41,387
Salaries, wages and benefits	87,865	87,725
Utilities	79,196	80,540
	<u>431,415</u>	<u>546,122</u>
Fund balance, end of year	\$ 187,422	\$ (26,310)

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

For the year ended March 31	2025	2024
Revenue		
LHIN (Note 15)	\$ 90,898	\$ 90,904
Expenses		
Salaries UPP	70,689	47,402
Benefits UPP	20,209	43,502
	90,898	90,904
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	2025	2024
Revenue		
LHIN (Note 15)	\$ 518,653	\$ 518,653
Sessional fees	22,696	26,200
One-time funding	-	24,204
Recoveries	(3,700)	3,459
Other revenue - Thunder Bay Regional Health Sciences Centre	225,211	218,467
	<u>762,860</u>	<u>790,983</u>
Expenses		
Salaries MOS	123,501	117,482
Salaries UPP	258,632	268,360
Benefits MOS	30,839	40,600
Benefits UPP	51,993	63,360
Supplies and sundry	44,204	52,896
Equipment	1,233	1,340
Future benefits	4,550	4,462
Sessional fees	22,696	26,200
Thunder Bay Regional Health Sciences Centre	225,212	218,467
	<u>762,860</u>	<u>793,167</u>
Excess of revenue over expenses for the year	\$ -	\$ (2,184)

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

For the year ended March 31	2025	2024
Revenue		
LHIN (Note 15)	\$ 210,818	\$ 210,812
Recoveries	1,352	1,645
	<u>212,170</u>	<u>212,457</u>
Expenses		
Salaries MOS	17	28,209
Salaries UPP	137,223	112,090
Benefits MOS	-	4,445
Benefits UPP	32,546	23,080
Supplies and sundry	40,109	42,264
Equipment		61
Future benefits	2,275	2,219
	<u>212,170</u>	<u>212,368</u>
Excess of revenue over expenses for the year	\$ -	\$ 89

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 9 - Rapid Access Addiction Medicine (RAAM) Clinic

For the year ended March 31	2025	2024
Revenue		
LHIN (Note 15)	\$ 129,787	\$ 162,773
Ontario Health Team	65,300	-
	<u>195,087</u>	<u>162,773</u>
Expenses		
Salaries UPP	131,336	119,457
Benefits UPP	28,011	31,649
Supplies and equipment	35,740	12,098
	<u>195,087</u>	<u>163,204</u>
Excess of revenue over expenses for the year	\$ -	\$ (431)

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 10 - Problem Gambling

For the year ended March 31	2025	2024
Revenue		
LHIN (Note 15)	<u>\$ 101,610</u>	<u>\$ 111,632</u>
Expenses		
Salaries UPP	80,385	88,525
Benefits UPP	19,522	23,015
Supplies and sundry	<u>1,703</u>	<u>92</u>
	<u>101,610</u>	<u>111,632</u>
Excess of revenue over expenses for the year	<u>\$ -</u>	<u>\$ -</u>

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 11 - Crisis Response

For the year ended March 31	2025	2024
<hr/>		
Revenue		
LHIN (Note 15)	\$ 69,528	\$ 69,540
	<hr/>	<hr/>
Expenses		
Salaries MOS	-	2,024
Salaries UPP	55,808	56,717
Benefits MOS	-	-
Benefits UPP	13,191	10,137
Staff travel	28	-
Supplies and sundry	2	32
Equipment	499	630
	<hr/>	<hr/>
	69,528	69,540
	<hr/>	<hr/>
Excess of revenue over expenses for the year	\$ -	\$ -
	<hr/>	<hr/>

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 12 - Supportive Housing

For the year ended March 31	2025	2024
Revenue		
LHIN (Note 15)	\$ 500,818	\$ 500,822
One-time funding	-	24,204
Recoveries	<u>18,969</u>	<u>1,448</u>
	<u>519,787</u>	<u>526,474</u>
Expenses		
Salaries MOS	(6,063)	78,578
Salaries UPP	387,326	344,095
Benefits MOS	8,216	22,777
Benefits UPP	91,126	100,308
Supplies and sundry	29,347	29,612
Equipment	9,035	6,979
Future benefits	2,275	2,219
Buildings and grounds	<u>3,327</u>	<u>-</u>
	<u>524,589</u>	<u>584,568</u>
Excess of revenue over expenses for the year	<u>\$ (4,802)</u>	<u>\$ (58,094)</u>

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 13 - ALC Back to Home

For the year ended March 31	2025	2024
Revenue		
LHIN (Note 13)		
- Operating	\$ 257,673	\$ 257,678
- Rent geared to income	2,939	3,277
Recoveries and miscellaneous revenue	<u>27,855</u>	<u>20,862</u>
	<u>288,467</u>	<u>281,817</u>
Expenses		
Salaries and wages - MOS	-	(13,655)
Salaries and wages - UPP	228,570	234,117
Benefit contributions - UPP	50,703	49,873
Equipment	10,892	23,031
Building and grounds expense	<u>590</u>	<u>322</u>
	<u>290,755</u>	<u>293,688</u>
Deficiency of revenue over expenses for the year	<u>\$ (2,288)</u>	<u>\$ (11,871)</u>

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 14 - Patient Navigator

For the year ended March 31	2025	2024
Revenue		
LHIN (Note 15)	\$ 86,322	\$ 108,339
One-time funding	-	24,190
	<u>86,322</u>	<u>132,529</u>
Expenses		
Salaries UPP	69,010	108,841
Benefits UPP	16,192	22,862
Supplies and sundry	1,120	1,284
	<u>86,322</u>	<u>132,987</u>
Excess of revenue over expenses for the year	\$ -	\$ (458)

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 15 - Rainycrest - Home for the Aged

For the year ended March 31	2025	2024
Revenue		
Ministry of Health/LHIN		
- General subsidy	\$ 11,043,411	\$ 9,363,725
- One-time subsidies	3,058,212	4,650,526
- Doctor on-call funding	16,288	16,014
- High intensity needs and lab funding	89,302	196,290
	<u>14,207,213</u>	<u>14,226,555</u>
Resident fees	3,270,181	3,183,923
Falls Prevention	10,176	13,570
Other	505,716	281,816
	<u>17,993,286</u>	<u>17,705,864</u>
Expenses		
Operations		
Nursing and personal care		
Nursing administration	309,543	274,886
Nursing personal care	11,410,999	12,988,223
Doctor on-call expenditures	18,088	15,840
Medical director fees	32,470	30,012
RAI coordinator	69,479	57,047
Nurse practitioner	-	7,299
	<u>11,840,579</u>	<u>13,373,307</u>
Total nursing and personal care		
	11,840,579	13,373,307
Other operations		
Program and support services	864,185	899,978
Raw food	680,506	623,201
Accommodation		
Housekeeping services	728,228	682,404
Building and property	682,133	711,579
Dietary services	1,037,480	862,792
Laundry and linen services	364,912	464,154
General and administrative	2,276,684	2,111,250
Facility costs	410,791	315,006
Falls prevention	-	13,570
Medications management	5,401	49,032
High intensity needs and lab costs	444,659	402,068
Bad debts	31,786	-
	<u>19,367,344</u>	<u>20,508,341</u>
Total expenses before amortization and post-retirement benefits and compensated absences	<u>19,367,344</u>	<u>20,508,341</u>
Fund balance before amortization and post-retirement benefits and compensated absences	<u>(1,374,058)</u>	<u>(2,802,477)</u>
Post-retirement benefits and compensated absences	(71,500)	(65,700)
	<u>(71,500)</u>	<u>(65,700)</u>
Total expenses	<u>19,295,844</u>	<u>20,442,641</u>
Excess (deficiency) of revenue over expenses for the year	<u>\$ (1,302,558)</u>	<u>\$ (2,736,777)</u>

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

For the year ended March 31	2025	2024
Revenue		
LHIN - General subsidy	\$ 854,502	\$ 644,343
- One-time funding	-	62,699
Recoveries and miscellaneous revenue	1,030,266	808,498
Handi-van	129,608	149,929
	<u>2,014,376</u>	<u>1,665,469</u>
Expenses		
Salaries and wages - MOS	228,518	169,432
Salaries and wages - UPP	1,017,136	831,312
Benefit contributions - MOS	29,249	49,148
Benefit contributions - UPP	254,491	235,404
Supplies and sundry expenses	324,795	187,447
Equipment	21,826	25,333
Building and grounds expense	12,907	10,707
Handi-van	129,608	155,227
	<u>2,018,530</u>	<u>1,664,010</u>
Deficiency of revenue over expenses for the year	\$ (4,154)	\$ 1,459

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 17 - Community Paramedicine

For the year ended March 31	2025	2024
Revenue		
LHIN - General subsidy	\$ 380,900	\$ 146,892
- One-time funding	-	234,000
	<u>380,900</u>	<u>380,892</u>
Expenses		
Contracted out services	<u>380,900</u>	<u>380,892</u>
Excess of revenue over expenses for the year	<u>\$ -</u>	<u>\$ -</u>

Riverside Health Care Facilities, Inc.
Statement of Revenue and Expenses
Schedule 18 - Assisted Living

For the year ended March 31	2025	2024
Revenue		
LHIN - General subsidy	\$ 579,096	\$ 196,769
- Expansion funding	263,563	267,704
Recoveries and miscellaneous revenue	53,653	35,101
	<u>896,312</u>	<u>499,574</u>
Expenses		
Salaries and wages - MOS	14,609	45,500
Salaries and wages - UPP	527,051	245,121
Benefit contributions - UPP	121,070	66,169
Supplies and sundry expenses	91,804	33,939
Equipment	138,167	105,184
Building and grounds expense	3,611	3,661
	<u>896,312</u>	<u>499,574</u>
Excess of revenue over expenses for the year	\$ -	\$ -

Riverside Health Care Facilities, Inc.
Rainycrest Home for the Aged
Statement of Revenue and Expenses
For the year ended December 31, 2024

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Compilation Engagement Report

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 (the Schedule), of Riverside Health Care Facilities, Inc. for the year ended December 31, 2024, and the Note, which describes the basis of accounting applied in the preparation of the compiled schedule.

Management is responsible for the accompanying schedule, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the schedule.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the schedule.

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

Fort Frances, Ontario

June 17, 2025



Chartered Professional Accountants

Licensed Public Accountants

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

For the year ended December 31	2024	2023
Revenue		
Ministry of Health/LHIN		
- General subsidy	\$ -	\$ 11,403,992
- Subsidy due back to LHIN/MOHLTC	-	(1,908,807)
- One-time subsidies	-	2,259,164
- High intensity needs and lab funding	-	199,292
	-	11,953,641
Resident fees	-	3,113,401
Other	-	218,009
Total revenue	-	15,285,051
Expenses		
Operations		
Nursing and personal care		
Nursing personal care	-	12,416,205
Doctor on-call expenditures	-	15,840
Medical director fees	-	29,930
Total nursing and personal care	-	12,461,975
Other operations		
Program and support services	-	789,107
Raw food	-	588,058
Accommodation		
Housekeeping services	-	646,482
Building and property	-	1,645,298
Dietary services	-	818,426
Laundry and linen services	-	440,728
General and administrative	-	2,277,158
Facility costs	-	393,722
High intensity needs and lab costs	-	62,434
Bad debts	-	4,709
Nurse practitioner	-	354,497
Other equipment and direct expenses	-	92,996
COVID-19 direct costs	-	49,032
Total expenses before amortization and post-retirement benefits and compensated absences	-	20,624,622
Fund balance before amortization and post-retirement benefits and compensated absences	-	(5,339,571)
Amortization	-	-
Post-retirement benefits and compensated absences	-	12,463
	-	12,463
Total expenses	-	20,637,085
Surplus of revenue over expenses for the year	\$ -	\$ (5,352,034)

Riverside Health Care Facilities, Inc.
Note to Schedule

For the year ended December 31, 2024

Basis of Accounting

The basis of accounting applied in the preparation of the schedule is on the historical cost basis, reflecting cash transactions with the addition of:

- the deferral of restricted funding not yet used for its intended purposes
- adjustments to revenue for amounts receivable at year end
- adjustments to expenses for accounts payable and accrued liabilities
- amortization of capital assets using the straight line method

**Riverside Health Care Facilities,
Inc. Trust Funds
Financial Statements
For the year ended March 31, 2025**

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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, 2025, and the statement of receipts and disbursements for the Residents' Council Trust for the year then ended, and the note to the Statements.

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, 2025, 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, 2025, and 2024, assets as at March 31, 2025, and 2024, and fund balances as at April 1 and March 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended March 31, 2024, 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 of Trust Accounts, 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.

Other Matter

The financial statements for the year ended March 31, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on June 18, 2024.

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

Management is responsible for the preparation and fair presentation 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 Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

Fort Frances, Ontario

June 17, 2025

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

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

March 31, 2025	Rainycrest Residents' Council		Emo Health Centre		Rainy River Health Centre		Rainycrest Residents' Comfort		2025 Total	2024 Total		
Assets												
Cash and bank	\$	31,529	\$	1,832	\$	2,780	\$	33,496	\$	69,637	\$	63,025
Liabilities												
Balance	\$	31,529	\$	1,832	\$	2,780	\$	33,496	\$	69,637	\$	63,025

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

For the year ended March 31	2025	2024
Revenue		
Beverage and other sales	\$ 1,234	\$ -
Interest	1,282	1,289
Other revenue	4,504	-
	<u>7,020</u>	<u>1,289</u>
Expenses		
Supplies	1,084	1,648
Bank charges	26	-
	<u>1,110</u>	<u>1,648</u>
Excess of revenue over expenses	5,910	(359)
Trust fund balance, beginning of year	<u>25,619</u>	<u>25,978</u>
Trust fund balance, end of year	<u>\$ 31,529</u>	<u>\$ 25,619</u>

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

March 31, 2025

Summary of Significant Accounting Policies

Basis of Accounting	Sources of revenue and expenditure are reported on the cash basis of accounting.
Capital Assets	<p>Capital assets are reported as an expenditure on the Statement of Operations in the year of acquisition.</p> <p>Capital assets are not capitalized and, accordingly, no amortization is recorded.</p>
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.