

**Riverside Health Care Facilities, Inc.**  
**Financial Statements**  
For the year ended March 31, 2020

**Riverside Health Care  
Facilities, Inc.  
Financial Statements  
For the year ended March 31, 2020**

<b>Contents</b>	
<b>Management's Responsibility for the Financial Statements</b>	<b>2</b>
<b>Independent Auditor's Report</b>	<b>3</b>
<b>Financial Statements</b>	
Statement of Financial Position	5
Summary Statement of Operations	6
Statement of Changes in Net Assets (Debt)	8
Statement of Cash Flows	9
Notes to Financial Statements	10
Schedule 1 - Summary of Fund Type II's - Other Votes	23
Schedule 2 - Summary of Fund Type III's - Other Funding Sources	24
Schedule 3 - Family Violence Counselling Program	25
Schedule 4 - Riverside Community Family Violence Service - PARR	26
Schedule 5 - Child Witness Program	27
Schedule 6 - Mental Health (Case Management)	28
Schedule 7 - Mental Health (Counselling)	29
Schedule 8 - Addictions	30
Schedule 9 - Problem Gambling	31
Schedule 10 - Crisis Response	32
Schedule 11 - Supportive Housing	33
Schedule 12 - Patient Navigator	34
Schedule 13 - Rainycrest - Home for the Aged	35
Schedule 14 - Community Support Services	36
Schedule 15 - Community Paramedicine	37
Schedule 16 - Assisted Living	38
<b>Notice To Reader</b>	<b>39</b>
Unaudited - Rainycrest - Home for the Aged - Calendar Year Schedule	40
<b>Independent Auditor's Report - Trust Funds</b>	<b>41</b>
Statement of Financial Position	43
Rainycrest - Bequest Trust Fund - Statement of Receipts and Disbursements	44
Rainycrest - Residents' Council Trust Fund - Statement of Receipts and Disbursements	45
Note to Statements of Trust Accounts	46

---

## 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.

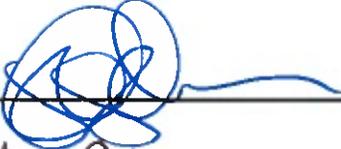
The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it 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 BDO Canada LLP, independent external auditors appointed by the Organization. The audit has been performed in accordance with Canadian generally accepted auditing standards. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Organization's financial statements.

  
\_\_\_\_\_ Board Chair

  
\_\_\_\_\_ CEO  
For Henry Gauthier.



Tel: 807-274-9848  
Fax: 807-274-5142  
www.bdo.ca

BDO Canada LLP  
607 Portage Avenue  
Fort Frances ON P9A 0A7 Canada

---

## Independent Auditor's Report

---

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

### Opinion

We have audited the financial statements of Riverside Health Care Facilities, Inc. (the Organization), which comprise the Statement of Financial Position as at March 31, 2020, 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, 2020, and its results of operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that as of March 31, 2020, the Organization's current liabilities exceeded its current assets by \$6.2 million. As stated in Note 2, these conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Organization's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario  
August 4, 2020

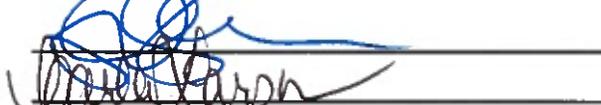
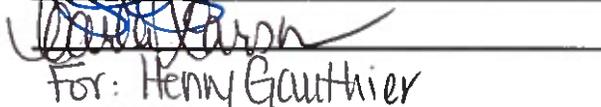
**Riverside Health Care Facilities, Inc.**  
**Statement of Financial Position**

March 31	2020	2019
<b>Assets</b>		
<b>Current</b>		
Cash and bank (Note 3)	\$ -	\$ 754,912
Short-term deposits	29,895	-
Accounts receivable (Note 4)	4,651,481	5,496,093
Inventories (Note 5)	341,280	317,193
Prepaid expenses	410,322	294,750
	5,432,978	6,862,948
<b>Capital assets (Note 6)</b>	24,056,900	25,144,469
<b>Construction in progress</b>	99,827	268,662
<b>Other assets</b>	90,000	30,000
	\$ 29,679,705	\$ 32,306,079

**Liabilities and Net Assets (Debt)**

<b>Current</b>		
Bank indebtedness (Note 10)	\$ 1,242,358	\$ -
Accounts payable and accrued liabilities (Note 7)	5,771,278	6,572,315
Due to LHIN/MOHLTC/other agencies	4,599,212	3,852,746
	11,612,848	10,425,061
<b>Post-employment benefits and compensated absences (Note 8)</b>	5,468,100	5,180,700
<b>Deferred revenue (Note 9)</b>	14,596,509	15,350,508
	31,677,457	30,956,269
<b>Net assets (debt)</b>		
Unrestricted	(11,638,562)	(8,830,464)
Investment in capital assets (Note 12)	9,583,031	10,123,218
Board designated	57,779	57,056
	(1,997,752)	1,349,810
	\$ 29,679,705	\$ 32,306,079

On behalf of the Board:

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director  
 For: Henry Gauthier

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

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

For the year ended March 31	2020	2019
<b>Operating</b>		
<b>Revenue</b>		
LHIN - base allocation	\$ 26,440,123	\$ 25,249,466
LHIN/MOHLTC - one-time payment	1,278,108	1,943,701
LHIN/MOHLTC - paymaster	1,638,826	1,403,691
LHIN/MOHLTC - quality based procedures	716,789	83,352
	<u>30,073,846</u>	<u>28,680,210</u>
Patient revenue, differential and co-payment revenue	2,765,526	2,976,824
Recoveries and miscellaneous revenue	2,024,999	1,738,865
Amortization of deferred contributions related to equipment	270,292	277,779
Cancer care	14,890	10,052
	<u>35,149,553</u>	<u>33,683,730</u>
<b>Total revenue</b>	<b>35,149,553</b>	<b>33,683,730</b>
<b>Expenses</b>		
Salaries and wages	19,478,830	18,441,525
Benefits contributions from employers	5,074,593	4,849,741
Post-employment benefits and compensated absences	179,100	149,371
Medical staff remuneration	1,458,892	1,445,840
Nurse practitioners remuneration	122,835	3,098
Supplies and other expenses	5,675,290	5,318,650
Amortization of software licenses and fees	34,887	28,948
Medical and surgical supplies	834,365	578,582
Drugs and medical gases	1,573,089	940,490
Bad debts	118,032	153,137
Amortization of major equipment	657,146	662,412
Rent/lease of equipment	131,434	135,789
	<u>35,338,493</u>	<u>32,707,583</u>
<b>Total expenses</b>	<b>35,338,493</b>	<b>32,707,583</b>
<b>Surplus (deficit) from operations</b>	<b>(188,940)</b>	<b>976,147</b>
<b>Other votes (Schedule 1) (Note 11)</b>		
Revenue	14,767,406	11,678,144
Expenses	17,372,956	15,881,928
	<u>(2,605,550)</u>	<u>(4,203,784)</u>
<b>Deficit from other votes</b>	<b>(2,605,550)</b>	<b>(4,203,784)</b>
<b>Other funding sources (Schedule 2) (Note 11)</b>		
Revenue	237,909	209,652
Expenses	237,909	209,652
	<u>-</u>	<u>-</u>
<b>Surplus from other funding sources</b>	<b>-</b>	<b>-</b>
<b>Deficit from operations, other votes and other funding sources</b>	<b>\$ (2,794,490)</b>	<b>\$ (3,227,637)</b>

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>2020</b>	<b>2019</b>
<b>Deficit, carried forward</b>	<b>\$ (2,794,490)</b>	<b>\$ (3,227,637)</b>
<b>Capital revenue</b>		
Amortization of deferred contributions related to non-marketed buildings and service equipment	<u>848,986</u>	<u>846,350</u>
	<b>(1,945,504)</b>	<b>(2,381,287)</b>
<b>Capital expenses</b>		
Amortization of non-marketed buildings and service equipment	<u>(1,402,781)</u>	<u>(1,318,362)</u>
<b>Deficit for the year</b>	<b>\$ (3,348,285)</b>	<b>\$ (3,699,649)</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 2020</b>	<b>Total 2019</b>
Balance, beginning of year	\$ (8,830,464)	\$ 10,123,218	\$ 57,056	\$ 1,349,810	\$ 5,048,838
Deficit for the year	(3,348,285)	-	-	(3,348,285)	(3,699,649)
Net change in investment in capital assets (Note 12)	540,187	(540,187)	-	-	-
Net transfer to board designated	-	-	723	723	621
<b>Balance, end of year</b>	<b>\$ (11,638,562)</b>	<b>\$ 9,583,031</b>	<b>\$ 57,779</b>	<b>\$ (1,997,752)</b>	<b>\$ 1,349,810</b>

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

<b>For the year ended March 31</b>	<b>2020</b>	<b>2019</b>
<b>Cash provided by (used in) operating activities</b>		
Deficit for the year	\$ (3,348,285)	\$ (3,699,649)
Adjustments to net assets	723	621
Items not involving cash		
Amortization of capital assets	2,100,094	2,017,528
Amortization of deferred contribution related to capital assets	(1,119,278)	(1,124,129)
Net increase in post-employment benefits and compensated absences	287,400	232,600
	<u>(2,079,346)</u>	<u>(2,573,029)</u>
<b>Change in non-cash working capital items</b>		
Accounts receivable	784,612	(1,988,978)
Inventories	(24,087)	(33,199)
Prepaid expenses	(115,572)	(5,520)
Accounts payable and accrued liabilities	(801,037)	1,227,202
Due to LHIN/MOHLTC	746,466	2,588,581
Deferred revenue	(37,782)	35,247
	<u>552,600</u>	<u>1,823,333</u>
	<u>(1,526,746)</u>	<u>(749,696)</u>
<b>Cash flow from capital activities</b>		
Purchase of capital assets	(843,690)	(1,184,814)
<b>Cash flow from investing activities</b>		
Increase in short-term deposits	(29,895)	-
<b>Cash flow from financing activities</b>		
Increase in deferred contributions	403,061	386,712
<b>Decrease in cash during the year</b>	<u>(1,997,270)</u>	<u>(1,547,798)</u>
<b>Cash and bank, beginning of year</b>	<u>754,912</u>	<u>2,302,710</u>
<b>Cash (bank indebtedness), end of year</b>	<u>\$ (1,242,358)</u>	<u>\$ 754,912</u>

---

# Riverside Health Care Facilities, Inc.

## Notes to Financial Statements

March 31, 2020

---

### 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, 2020

---

### 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, 2020

---

### 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.

---

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

March 31, 2020

---

### 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, 2020

---

### 1. Significant Accounting Policies (continued)

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

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

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

---

### 2. Going Concern

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

The Organization, which is primarily funded by the Ontario Ministry of Health and Long-Term Care and the North West Local Health Integration Network has been facing financial difficulties for continuous years. The Organization incurred a loss from operations, other votes and other funding sources during the year ended March 31, 2020, of \$2,794,490 (2019 - \$3,227,637) and, as of that date, the Organization's current liabilities exceeded its current assets by \$6,179,870 (2019 - \$3,562,113).

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, 2020

### 3. Cash and Bank

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

### 4. Accounts Receivable

	2020	2019
Ministry of Health and Long-Term Care	\$ 968,429	\$ 1,573,657
Insurers and patients	1,009,976	956,422
Other	2,673,076	2,966,014
	\$ 4,651,481	\$ 5,496,093

### 5. Inventories

	2020	2019
Medical and surgical supplies	\$ 44,173	\$ 43,878
Drugs	177,068	186,782
Pandemic	30,802	-
Other	89,237	86,533
	\$ 341,280	\$ 317,193

### 6. Capital Assets

	2020		2019	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 1,497,829	\$ -	\$ 1,497,829	\$ 1,497,829
Land improvements	326,971	315,368	11,603	13,888
Buildings and service equipment	53,688,696	34,438,137	19,250,559	20,475,185
Machinery and equipment	17,268,148	14,085,059	3,183,089	3,008,860
Computer software	1,039,782	925,962	113,820	148,707
	\$73,821,426	\$49,764,526	\$24,056,900	\$ 25,144,469

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

**March 31, 2020**

**7. Accounts Payable and Accrued Liabilities**

	2020	2019
Trade accounts payable	\$ 1,892,202	\$ 2,834,688
Accrued salaries and benefits	3,879,076	3,737,627
	\$ 5,771,278	\$ 6,572,315

**8. Post-employment Benefits and Compensated Absences**

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

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

	2020		
	Post-employment Benefits	Non-Vesting Sick Leave	Total
Accrued employee future benefits obligation	\$ 4,718,500	\$ 114,000	\$ 4,832,500
Unamortized actuarial losses	665,600	(30,000)	635,600
Total	\$ 5,384,100	\$ 84,000	\$ 5,468,100
	2019		
	Post-employment Benefits	Non-Vesting Sick Leave	Total
Accrued employee future benefits obligation	\$ 4,864,700	\$ 161,400	\$ 5,026,100
Unamortized actuarial losses	255,300	(100,700)	154,600
Total	\$ 5,120,000	\$ 60,700	\$ 5,180,700

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

**March 31, 2020**

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

	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 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
	2019		
	Post-employment Benefits	Non-Vesting Sick Leave	Total Expenses
Current year benefit cost	\$ 304,800	\$ -	\$ 304,800
Interest on accrued benefit obligation	160,000	5,400	165,400
Amortized actuarial losses	(25,200)	17,900	(7,300)
<b>Total expenses</b>	<b>\$ 439,600</b>	<b>\$ 23,300</b>	<b>\$ 462,900</b>
Benefit payments	\$ 220,300	\$ 10,000	\$ 230,300

---

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

**March 31, 2020**

---

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

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

Retirement Benefits

HOOPP Pension Plan

Substantially all of the full-time employees and some of the part-time employees of the Organization are members of the Healthcare of Ontario Pension Plan (HOOPP). The plan is a multi-employer plan and therefore the Organization's contributions are accounted for as if the plan were a defined contribution plan with the Organization's contributions being expensed in the period they come due. Contributions to the plan during the year by the Organization on behalf of its employees amounted to \$2,276,992 (2019 - \$2,159,192) 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, 2020, of the future benefits was determined using a discount rate of 3.70% (2019 - 3.20%).
- 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 6.25% for 2020 (2019 - 6.50%).
- c) **Dental costs**  
Dental costs were assumed to increase at 4.0% per annum in 2020 (2019 - 4.0%).

---

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

**March 31, 2020**

---

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

Compensated Absences

Non-Vesting Sick Leave

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

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

	2020	2019
Wage and salary escalation	1.50%	1.50%
Discount rate	3.70%	3.20%

---

**9. Deferred Revenue**

	2020	2019
Deferred revenue		
Other deferred revenue	\$ 22,508	\$ 60,595
Health Infrastructure Renewal Fund (HIRF)	305	-
	22,813	60,595
Unexpended deferred contributions related to capital assets	14,573,696	15,289,913
	\$ 14,596,509	\$ 15,350,508

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, 2020

---

### 10. Credit Facilities

Riverside Health Care Facilities, Inc. is party to a short-term credit agreement with a Canadian chartered bank pursuant to which the Organization could borrow up to \$5,000,000 in the form of a demand operating loan. The amount drawn under the credit agreement as at March 31, 2020, was \$1,242,358 (2019 - \$NIL).

---

### 11. Other Votes and Other Funding Source Revenues

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

---

### 12. Investment in Capital Assets

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

	2020	2019
Capital assets	\$ 24,056,900	\$ 25,144,469
Construction in progress	99,827	268,662
Amounts financed by:		
Deferred contributions (Note 9)	(14,573,696)	(15,289,913)
	\$ 9,583,031	\$ 10,123,218

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

	2020	2019
Purchase of capital assets	\$ 843,690	\$ 1,184,814
Amounts funded by deferred contributions	(403,061)	(386,713)
Amortization of deferred contributions related to capital assets	1,119,278	1,124,129
Amortization of capital assets	(2,100,094)	(2,017,528)
	\$ (540,187)	\$ (95,298)

---

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

March 31, 2020

---

### 13. Financial Instrument Risk Management

#### Credit Risk

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

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

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

#### Market Risk

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

#### Liquidity Risk

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

#### Financial Instrument Classification

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

Cash and cash equivalents, 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.

---

### 14. Economic Dependence

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

---

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

March 31, 2020

---

### 15. Subsequent Event

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. 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, and as of July 21, 2020, there have been minimal positive cases of the virus in the district that the Organization operates within, 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 14 - 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.

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

<b>For the year ended March 31</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
Mental Health - Case Management (Schedule 6)	\$ 86,547	\$ 86,547
Mental Health - Counselling (Schedule 7)	508,429	546,184
Addictions (Schedule 8)	227,175	204,053
Problem Gambling (Schedule 9)	96,716	96,966
Crisis Response (Schedule 10)	67,522	-
Supportive Housing (Schedule 11)	490,000	490,130
Patient Navigator (Schedule 12)	102,997	96,952
Municipal tax	14,400	14,400
Rainycrest - Home for the Aged (Schedule 13)	11,679,830	8,818,482
Community Support Services (Schedule 14)	846,107	754,627
Community Paramedicine (Schedule 15)	146,900	139,086
Assisted Living (Schedule 16)	500,783	430,717
	<u>14,767,406</u>	<u>11,678,144</u>
<b>Expenses</b>		
Mental Health - Case Management (Schedule 6)	86,547	86,547
Mental Health - Counselling (Schedule 7)	514,519	546,184
Addictions (Schedule 8)	227,175	202,741
Problem Gambling (Schedule 9)	96,716	96,966
Crisis Response (Schedule 10)	67,522	757
Supportive Housing (Schedule 11)	490,000	490,130
Patient Navigator (Schedule 12)	102,997	96,952
Municipal tax	14,400	14,400
Rainycrest - Home for the Aged (Schedule 13)	14,279,290	13,022,821
Community Support Services (Schedule 14)	846,107	754,627
Community Paramedicine (Schedule 15)	146,900	139,086
Assisted Living (Schedule 16)	500,783	430,717
	<u>17,372,956</u>	<u>15,881,928</u>
<b>Deficiency of revenue over expenses for the year</b>	<b>\$ (2,605,550)</b>	<b>\$ (4,203,784)</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>2020</b>	<b>2019</b>
<b>Revenue</b>		
Family Violence Counselling Program (Schedule 3)	\$ 178,987	\$ 162,070
Riverside Community Family Violence Service - PARR (Schedule 4)	47,667	47,582
Child Witness Program (Schedule 5)	11,255	-
	<u>237,909</u>	<u>209,652</u>
<b>Expenses</b>		
Family Violence Counselling Program (Schedule 3)	178,987	162,070
Riverside Community Family Violence Service - PARR (Schedule 4)	47,667	47,582
Child Witness Program (Schedule 5)	11,255	-
	<u>237,909</u>	<u>209,652</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**

For the year ended March 31	2020	2019
<b>Revenue</b>		
Ministry of Community and Social Services (Note 11)	\$ 162,521	\$ 162,070
Other	12,210	-
Recoveries	4,256	-
	178,987	162,070
<b>Expenses</b>		
Salaries MOS	22,492	19,600
Salaries UPP	83,365	80,908
Benefits MOS	5,508	4,800
Benefits UPP	18,291	17,878
Staff travel	4,409	1,197
Staff training	1,061	7,451
Professional fees	-	191
Other services	1,978	-
Supplies and equipment	7,091	5,734
Advertising	697	1,589
Rent	12,000	12,000
Insurance	1,020	1,020
Equipment	-	1,999
Memberships	-	826
Capacity building	8,865	6,216
Rural resource	12,210	-
Meetings	-	661
	178,987	162,070
<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**

<b>For the year ended March 31</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
Ministry of the Attorney General (Note 11)	\$ 47,582	\$ 47,582
Recoveries	85	-
	<u>47,667</u>	<u>47,582</u>
<b>Expenses</b>		
Salaries MOS	3,513	2,349
Salaries UPP	28,215	29,477
Benefits MOS	970	564
Benefits UPP	6,166	6,575
Supplies and sundry	8,803	8,428
Equipment	-	189
	<u>47,667</u>	<u>47,582</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 5 - Child Witness Program**

<b>For the year ended March 31</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
Ministry of Community and Social Services (Note 11)	\$ 11,255	\$ -
<b>Expenses</b>		
Compensation	10,210	-
Supplies and sundry	1,045	-
	<u>11,255</u>	<u>-</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>2020</b>	<b>2019</b>
<b>Revenue</b>		
LHIN (Note 11)	\$ 86,547	\$ 86,547
<b>Expenses</b>		
Salaries UPP	69,164	76,162
Benefits UPP	17,383	10,385
	<u>86,547</u>	<u>86,547</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 7 - Mental Health (Counselling)**

<b>For the year ended March 31</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
LHIN (Note 11)	\$ 494,088	\$ 500,200
Sessional fees	14,341	22,684
One-time funding	-	22,587
Recoveries	-	713
	<u>508,429</u>	<u>546,184</u>
<b>Expenses</b>		
Salaries MOS	120,160	129,163
Salaries UPP	245,680	249,805
Benefits MOS	28,179	28,543
Benefits UPP	73,955	60,578
Supplies and sundry	26,715	31,438
Equipment	3,489	22,764
Future benefits	2,000	1,209
Sessional fees	14,341	22,684
	<u>514,519</u>	<u>546,184</u>
<b>Deficiency of revenue over expenses for the year</b>	<b>\$ (6,090)</b>	<b>\$ -</b>

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

<b>For the year ended March 31</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
LHIN (Note 11)	\$ 225,927	\$ 201,531
Recoveries	1,248	2,522
	<u>227,175</u>	<u>204,053</u>
<b>Expenses</b>		
Salaries MOS	21,495	21,501
Salaries UPP	119,334	111,583
Benefits MOS	5,436	5,033
Benefits UPP	33,137	26,826
Supplies and sundry	26,435	32,989
Equipment	20,338	4,202
Future benefits	1,000	607
	<u>227,175</u>	<u>202,741</u>
<b>Excess of revenue over expenses for the year</b>	<b>\$ -</b>	<b>\$ 1,312</b>

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

<b>For the year ended March 31</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
LHIN (Note 11)	\$ 96,716	\$ 96,716
Recoveries	-	250
	<u>96,716</u>	<u>96,966</u>
<b>Expenses</b>		
Salaries MOS	5,353	5,353
Salaries UPP	72,225	72,003
Benefits MOS	1,285	1,285
Benefits UPP	17,513	18,198
Supplies and sundry	340	127
	<u>96,716</u>	<u>96,966</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 10 - Crisis Response**

<b>For the year ended March 31</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
LHIN (Note 11)	\$ 27,050	\$ -
Other	40,000	-
Recoveries	472	-
	<b>67,522</b>	<b>-</b>
<b>Expenses</b>		
Salaries MOS	5,284	-
Salaries UPP	48,937	219
Benefits MOS	1,052	-
Benefits UPP	9,696	36
Supplies and sundry	572	502
Equipment	1,981	-
	<b>67,522</b>	<b>757</b>
<b>Deficiency of revenue over expenses for the year</b>	<b>\$ -</b>	<b>\$ (757)</b>

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

<b>For the year ended March 31</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
LHIN (Note 11)	\$ 476,976	\$ 473,084
Recoveries	13,024	17,046
	<u>490,000</u>	<u>490,130</u>
<b>Expenses</b>		
Salaries MOS	70,458	68,157
Salaries UPP	292,740	288,423
Benefits MOS	19,650	20,936
Benefits UPP	61,054	62,251
Supplies and sundry	33,154	38,946
Equipment	10,168	9,303
Future benefits	1,000	612
Buildings and grounds	1,776	1,502
	<u>490,000</u>	<u>490,130</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>2020</b>	<b>2019</b>
<b>Revenue</b>		
LHIN (Note 11)	\$ 102,997	\$ 96,952
<b>Expenses</b>		
Salaries UPP	84,617	79,126
Benefits UPP	18,380	17,826
	<u>102,997</u>	<u>96,952</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 13 - Rainycrest - Home for the Aged**

For the year ended March 31	2020	2019
<b>Revenue</b>		
Ministry of Health/LHIN		
- General subsidy	\$ 7,714,998	\$ 5,337,253
- One-time subsidies	37,500	14,451
- Doctor on-call funding	16,576	15,883
- High intensity needs and lab funding	127,206	186,872
	<u>7,896,280</u>	<u>5,554,459</u>
Resident fees	3,308,938	2,810,433
Falls Prevention	16,400	-
Handi-van	153,715	136,770
Other	304,497	316,820
	<u>11,679,830</u>	<u>8,818,482</u>
<b>Total revenue</b>		
<b>Expenses</b>		
Operations		
Nursing and personal care		
Nursing administration	377,958	474,749
Nursing personal care	7,037,959	6,623,089
Doctor on-call expenditures	15,876	15,876
Medical director fees	24,010	23,944
RAI coordinator	97,682	80,841
Nurse practitioner	137,562	84,827
	<u>7,691,047</u>	<u>7,303,326</u>
Total nursing and personal care		
	7,691,047	7,303,326
Other operations		
Program and support services	628,351	620,172
Raw food	525,810	529,935
Accommodation		
Housekeeping services	648,395	595,627
Building and property	861,385	621,274
Dietary services	1,277,599	1,106,429
Laundry and linen services	320,392	287,301
General and administrative	1,775,311	1,442,895
Facility costs	285,698	278,939
Falls Prevention	17,647	-
Handi-van	152,574	140,508
High intensity needs and lab costs	8,801	23,805
Bad debts (recoveries)	-	(2,695)
	<u>14,193,010</u>	<u>12,947,516</u>
<b>Total expenses before amortization and post-retirement benefits and compensated absences</b>		
	14,193,010	12,947,516
<b>Fund balance before amortization and post-retirement benefits and compensated absences</b>		
	<u>(2,513,180)</u>	<u>(4,129,034)</u>
Amortization		
Post-retirement benefits and compensated absences	5,280	7,805
	81,000	67,500
	<u>86,280</u>	<u>75,305</u>
<b>Total expenses</b>		
	<u>14,279,290</u>	<u>13,022,821</u>
<b>Deficiency of revenue over expenses for the year</b>		
	<u>\$ (2,599,460)</u>	<u>\$ (4,204,339)</u>

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

<b>For the year ended March 31</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
LHIN - General subsidy	\$ 535,296	\$ 415,488
Recoveries and miscellaneous revenue	310,811	339,139
	<u>846,107</u>	<u>754,627</u>
<b>Expenses</b>		
Salaries and wages - MOS	122,560	29,976
Salaries and wages - UPP	410,016	462,388
Benefit contributions - MOS	51,254	2,918
Benefit contributions - UPP	137,745	145,022
Supplies and sundry expenses	105,605	95,432
Equipment	8,312	11,764
Building and grounds expense	10,615	7,127
	<u>846,107</u>	<u>754,627</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 15 - Community Paramedicine**

<b>For the year ended March 31</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
LHIN - General subsidy	\$ 146,900	\$ 139,086
<b>Expenses</b>		
Contracted out services	146,900	139,086
<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 16 - Assisted Living**

<b>For the year ended March 31</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
LHIN - General subsidy	\$ 454,163	\$ 392,477
Recoveries and miscellaneous revenue	46,620	38,240
	<b>500,783</b>	<b>430,717</b>
<b>Expenses</b>		
Salaries and wages - MOS	46,377	96,405
Salaries and wages - UPP	291,990	212,031
Benefit contributions - MOS	19,922	31,978
Benefit contributions - UPP	93,900	64,569
Supplies and sundry expenses	35,789	18,502
Equipment	7,565	4,052
Building and grounds expense	5,240	3,180
	<b>500,783</b>	<b>430,717</b>
<b>Excess of revenue over expenses for the year</b>	<b>\$ -</b>	<b>\$ -</b>



Tel: 807-274-9848  
Fax: 807-274-5142  
www.bdo.ca

BDO Canada LLP  
607 Portage Avenue  
Fort Frances ON P9A 0A7 Canada

---

## Notice To Reader

---

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

On the basis of information provided by management, we have compiled the Rainycrest - Home for the Aged - Calendar Year Schedule of Riverside Health Care Facilities, Inc. for the year ended December 31, 2019.

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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario  
August 4, 2020

**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>2019</b>	<b>2018</b>
<b>Revenue</b>		
Ministry of Health/LHIN - General subsidy	\$ 8,534,373	\$ 8,270,421
- Subsidy due back to LHIN/MOHLTC	(2,003,371)	(2,007,564)
- One-time subsidies	16,400	-
	<u>6,547,402</u>	<u>6,262,857</u>
Resident fees	3,096,259	3,052,357
Handi-van	161,693	98,341
Other	374,360	208,180
	<u>10,179,714</u>	<u>9,621,735</u>
<b>Expenses</b>		
<b>Operations</b>		
Nursing and personal care		
Nursing personal care	7,176,933	6,769,584
Doctor on-call expenditures	15,876	15,876
Medical director fees	23,944	23,944
RAI coordinator	87,853	84,360
	<u>7,304,606</u>	<u>6,893,764</u>
Total nursing and personal care		
	7,304,606	6,893,764
Other operations		
Program and support services	589,027	590,096
Raw food	474,400	517,618
Accommodation		
Housekeeping services	637,916	609,086
Building and property	819,255	419,073
Dietary services	1,247,848	1,105,331
Laundry and linen services	300,549	293,801
General and administrative	2,078,210	1,391,827
Facility costs	320,963	263,943
Handi-van	158,773	127,375
High intensity needs and lab costs	116,364	354,600
Bad debts	5,280	25,731
	<u>14,053,191</u>	<u>12,592,245</u>
Total expenses before amortization and post-retirement benefits and compensated absences		
	14,053,191	12,592,245
Fund balance before amortization and post-retirement benefits and compensated absences		
	<u>(3,873,477)</u>	<u>(2,970,510)</u>
Amortization		
Post-retirement benefits and compensated absences	6,321	7,835
	77,625	65,971
	<u>83,946</u>	<u>73,806</u>
Total expenses		
	<u>14,137,137</u>	<u>12,666,051</u>
<b>Deficiency of revenue over expenses for the year</b>		
	<u>\$ (3,957,423)</u>	<u>\$ (3,044,316)</u>



Tel: 807-274-9848  
Fax: 807-274-5142  
www.bdo.ca

BDO Canada LLP  
607 Portage Avenue  
Fort Frances ON P9A 0A7 Canada

---

## Independent Auditor's Report

---

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

### Opinion

We have audited the Statements of Trust Accounts (the Statements) of Riverside Health Care Facilities, Inc. (the Organization), which comprise the Statement of Financial Position as at March 31, 2020, 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, 2020, 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, 2020, and 2019, assets as at March 31, 2020, and 2019, and fund balances as at April 1 and March 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended March 31, 2019, 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.



Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario  
August 4, 2020

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

March 31, 2020	Rainycrest Residents' Council	Emo Health Centre	Rainy River Health Centre	Rainycrest Residents' Comfort	2020 Total	2019 Total
<b>Assets</b>						
Cash and bank	\$ 27,827	\$ 533	\$ 3,876	\$ 35,044	\$ 67,280	\$ 62,936
<b>Liabilities</b>						
Balance	\$ 27,827	\$ 533	\$ 3,876	\$ 35,044	\$ 67,280	\$ 62,936

---

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

<b>For the year ended March 31</b>	<b>2020</b>	<b>2019</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>	\$ -	\$ -

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

<b>For the year ended March 31</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
Beverage and other sales	\$ 1,746	\$ 2,860
Interest	517	419
	<u>2,263</u>	<u>3,279</u>
<b>Expenditure</b>		
Beverage purchases	617	287
	<u>1,646</u>	<u>2,992</u>
<b>Excess of revenue over expenditure</b>	<b>1,646</b>	<b>2,992</b>
<b>Trust fund balance, beginning of year</b>	<b>26,181</b>	<b>23,189</b>
<b>Trust fund balance, end of year</b>	<b>\$ 27,827</b>	<b>\$ 26,181</b>

---

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

**March 31, 2020**

---

**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.