

**Riverside Health Care Facilities, Inc.**  
**Financial Statements**  
For the year ended March 31, 2023

**Riverside Health Care  
Facilities, Inc.  
Financial Statements  
For the year ended March 31, 2023**

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

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

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

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

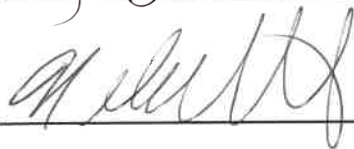
The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

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

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



Board Chair



CEO



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

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## Independent Auditor's Report

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

### Opinion

We have audited the financial statements of Riverside Health Care Facilities, Inc. (the Organization), which comprise the Statement of Financial Position as at March 31, 2023, 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 the 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, 2023, and its results of operations, changes in net assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

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

### Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that as of March 31, 2023, the Organization's current liabilities exceeded its current assets by \$3,669,127, representing a working capital deficit. As stated in Note 2, these conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Organization's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

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

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



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

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

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

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

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

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario  
June 20, 2023



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

March 31	2023	2022
<b>Assets</b>		
<b>Current</b>		
Cash and bank (Note 4)	\$ -	\$ 7,441,568
Short-term deposits	30,392	30,303
Accounts receivable (Note 5)	13,011,358	5,965,134
Inventories (Note 6)	497,927	565,981
Prepaid expenses	780,132	505,609
	14,319,809	14,508,595
Capital assets (Note 7)	29,096,632	22,724,625
Construction in progress	2,876,133	1,359,923
Other assets	-	30,000
	\$ 46,292,574	\$ 38,623,143

**Liabilities and Net Assets**

<b>Current</b>		
Bank indebtedness (Note 8)	\$ 1,772,330	\$ -
Accounts payable and accrued liabilities (Note 9)	9,359,319	8,133,802
Due to LHIN/MOHLTC/other agencies	6,857,287	5,374,837
	17,988,936	13,508,639
Post-employment benefits and compensated absences (Note 10)	6,389,500	6,073,800
Deferred revenue (Note 11)	16,835,867	14,774,496
Long-term debt (Note 12)	899,969	929,597
Asset retirement obligations (Note 13)	6,063,436	-
	48,177,708	35,286,532
<b>Net assets (debt)</b>		
Unrestricted	(12,315,694)	(6,415,356)
Investment in capital assets (Note 14)	10,371,390	9,693,849
Board designated	59,170	58,118
	(1,885,134)	3,336,611
	\$ 46,292,574	\$ 38,623,143

On behalf of the Board:

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

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

For the year ended March 31	2023	2022
<b>Operating</b>		
<b>Revenue</b>		
LHIN - base allocation	\$ 28,160,538	\$ 27,539,043
LHIN/MOHLTC - one-time payment	4,062,385	3,049,950
LHIN/MOHLTC - quality based procedures	1,600,445	874,827
LHIN/MOHLTC - other revenue	497,723	603,048
	<u>34,321,091</u>	<u>32,066,868</u>
Patient revenue, differential and co-payment revenue	2,591,727	2,466,323
Recoveries and miscellaneous revenue	4,836,992	4,223,335
Amortization of deferred contributions related to equipment	359,793	319,188
Cancer care	9,637	12,574
	<u>42,119,240</u>	<u>39,088,288</u>
<b>Total revenue</b>		
<b>Expenses</b>		
Salaries and wages	23,795,854	20,624,702
Benefits contributions from employers	5,248,426	5,141,349
Post-employment benefits and compensated absences	163,800	199,100
Medical staff remuneration	2,488,165	1,858,445
Nurse practitioners remuneration	216,482	143,449
Supplies and other expenses	6,836,665	6,059,237
Amortization of software licenses and fees	17,831	33,465
Medical and surgical supplies	1,408,329	1,047,908
Drugs and medical gases	2,627,198	1,843,279
Bad debts	120,058	73,577
Amortization of major equipment	830,976	754,276
Rent/lease of equipment	182,672	119,225
	<u>43,936,456</u>	<u>37,898,012</u>
<b>Total expenses</b>		
	<u>(1,817,216)</u>	<u>1,190,276</u>
<b>Surplus (deficit) from operations</b>		
<b>Other votes (Schedule 1) (Note 15)</b>		
Revenue	21,629,056	17,936,595
Expenses	23,968,483	18,909,535
	<u>(2,339,427)</u>	<u>(972,940)</u>
<b>Surplus (deficit) from other votes</b>		
<b>Other funding sources (Schedule 2) (Note 15)</b>		
Revenue	260,666	213,730
Expenses	260,666	211,156
	<u>-</u>	<u>2,574</u>
<b>Surplus from other funding sources</b>		
<b>Surplus (deficit) from operations, other votes and other funding sources</b>	<u>\$ (4,156,643)</u>	<u>\$ 219,910</u>

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

For the year ended March 31	2023	2022
Surplus, carried forward	\$ (4,156,643)	\$ 219,910
<b>Capital revenue</b>		
Amortization of deferred contributions related to non-marketed buildings and service equipment	785,177	779,996
	(3,371,466)	999,906
<b>Capital expenses</b>		
Amortization of non-marketed buildings and service equipment	(1,610,843)	(1,263,319)
Accretion expense on asset retirement obligations	(240,488)	-
<b>Surplus (deficit) for the year</b>	\$ (5,222,797)	\$ (263,413)



**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 2023</b>	<b>Total 2022</b>
Balance, beginning of year	\$ (6,415,356)	\$ 9,693,849	\$ 58,118	\$ 3,336,611	\$ 3,599,855
Surplus (deficit) for the year	(5,222,797)	-	-	(5,222,797)	(263,413)
Net change in investment in capital assets (Note 14)	(677,541)	677,541	-	-	-
Net transfer to board designated	-	-	1,052	1,052	169
<b>Balance, end of year</b>	<b>\$ (12,315,694)</b>	<b>\$ 10,371,390</b>	<b>\$ 59,170</b>	<b>\$ (1,885,134)</b>	<b>\$ 3,336,611</b>

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

For the year ended March 31	2023	2022
<b>Cash provided by (used in) operating activities</b>		
Surplus (deficit) for the year	\$ (5,222,797)	\$ (263,413)
Adjustments to net assets	1,052	169
Items not involving cash		
Amortization of capital assets	2,460,747	2,051,467
Amortization of deferred contribution related to capital assets	(1,144,970)	(1,099,185)
Net increase in post-employment benefits and compensated absences	315,700	370,400
Accretion expense on asset retirement obligations	240,488	-
	<u>(3,349,780)</u>	<u>1,059,438</u>
<b>Change in non-cash working capital items</b>		
Accounts receivable	(7,046,225)	5,420,340
Inventories	68,055	(62,387)
Prepaid expenses	(274,524)	(96,498)
Other current assets	30,000	-
Accounts payable and accrued liabilities	1,225,518	1,139,621
Due to LHIN/MOHLTC	1,482,450	723,805
Deferred revenue	884,503	1,170,937
	<u>(3,630,223)</u>	<u>8,295,818</u>
	<u>(6,980,003)</u>	<u>9,355,256</u>
<b>Cash flow from capital activities</b>		
Purchase of capital assets	(4,526,016)	(2,895,638)
<b>Cash flow from investing activities</b>		
Increase in short-term deposits	(89)	(197)
<b>Cash flow from financing activities</b>		
Increase in deferred contributions	2,321,838	389,648
Proceeds from issuance of long-term debt	-	684,200
Repayment of long-term debt	(29,628)	(20,245)
	<u>2,292,210</u>	<u>1,053,603</u>
<b>Increase (decrease) in cash during the year</b>	<b>(9,213,898)</b>	<b>7,513,024</b>
<b>Cash (bank indebtedness), beginning of year</b>	<b>7,441,568</b>	<b>(71,456)</b>
<b>Cash (bank indebtedness), end of year</b>	<b>\$ (1,772,330)</b>	<b>\$ 7,441,568</b>

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# Riverside Health Care Facilities, Inc.

## Notes to Financial Statements

March 31, 2023

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### 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

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

March 31, 2023

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### 1. Significant Accounting Policies (continued)

#### Retirement and Post-employment Benefits and Compensated Absences

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

- (i) The costs of post-employment future benefits are actuarially determined using management's best estimate of health care costs, disability recovery rates and discount rates. Adjustments to these costs arising from changes in estimates and experienced gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight line basis. Plan amendments, including past service costs, are recognized as an expense in the period of the plan amendment.
- (ii) The Organization is an employer member of the Healthcare of Ontario Pension Plan (HOOPP), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The costs to the Organization of the multi-employer defined benefit pension are the employer's contributions due to the plan in the period.
- (iii) The cost of vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, employees' use of entitlement and discount rates. Adjustments to these costs arising from changes in actuarial assumption and/or experience are recognized over the estimated average remaining service life of the employees.
- (iv) The discount rate used in the determination of the above-mentioned liabilities is equal to the Organization's internal rate of borrowing.

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

March 31, 2023

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### 1. Significant Accounting Policies (continued)

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

#### **Fair Value**

This category includes cash and cash equivalents, short-term deposits, bank indebtedness and derivatives.

They are initially recognized at cost and subsequently carried at fair value. Changes in fair value are recognized in the Statement of Remeasurement Gains and Losses until they are realized, when they are transferred to the Statement of Operations. Changes in fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

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

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

#### **Amortized Cost**

This category includes accounts receivable, accounts payable, 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.

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

March 31, 2023

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### 1. Significant Accounting Policies (continued)

#### **Board Designated Net Assets**

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

#### **Revenue Recognition**

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

Under the Health Insurance Act and Regulations thereto, the Organization is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health and Long-Term Care ("MOHLTC") and the North West Local Health Integration Network ("LHIN"). Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

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

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

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

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

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

Unrestricted investment income is recognized as revenue when earned.

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

March 31, 2023

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### 1. Significant Accounting Policies (continued)

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

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

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

**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.

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

March 31, 2023

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### 2. Going Concern

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

The Organization, which is primarily funded by the Ontario Ministry of Health and Long-Term Care and the North West Local Health Integration Network has been facing financial difficulties for continuous years. The Organization incurred a loss from operations, other votes and other funding sources during the year ended March 31, 2023 of \$4,156,643 and, as at March 31, 2023, the Organization's current liabilities exceeded its current assets by \$3,669,127, 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.

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

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

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

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### 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.



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

**March 31, 2023**

**5. Accounts Receivable**

	2023	2022
Ministry of Health and Long-Term Care	\$ 6,946,062	\$ 2,461,353
Insurers and patients	1,210,188	843,975
Other	4,855,108	2,659,806
	\$ 13,011,358	\$ 5,965,134

**6. Inventories**

	2023	2022
Medical and surgical supplies	\$ 41,464	\$ 43,429
Drugs	300,676	97,117
Pandemic	9,162	176,348
Other	146,624	249,087
	\$ 497,926	\$ 565,981

**7. Capital Assets**

	2023		2022	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 1,497,829	\$ -	\$ 1,497,829	\$ 1,497,829
Land improvements	340,425	322,363	18,062	7,033
Buildings and service equipment	61,109,567	38,669,899	22,439,668	17,895,545
Machinery and equipment	22,015,516	16,902,081	5,113,435	3,278,750
Computer software	1,039,782	1,012,144	27,638	45,468
	\$ 86,003,119	\$ 56,906,487	\$ 29,096,632	\$ 22,724,625

**8. Credit Facilities**

Riverside Health Care Facilities, Inc. is party to a short-term credit agreement with a Canadian chartered bank pursuant to which the Organization could borrow up to \$5,000,000 in the form of a demand operating loan. The amount drawn under the credit agreement as at March 31, 2023, was \$1,772,330 (2022 - \$Nil).

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

March 31, 2023

### 9. Accounts Payable and Accrued Liabilities

	2023	2022
Trade accounts payable	\$ 4,018,767	\$ 3,493,250
Accrued salaries and benefits	5,340,552	4,640,552
	\$ 9,359,319	\$ 8,133,802

### 10. Post-employment Benefits and Compensated Absences

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

The Organization measures its accrued benefits obligation for accounting purposes as at March 31st of each year. The latest actuarial valuation was performed in May 2020.

	2023		
	Post-employment Benefits	Non-Vesting Sick Leave	Total
Accrued employee future benefits obligation	\$ 3,096,900	\$ 68,200	\$ 3,165,100
Unamortized actuarial gains (losses)	3,273,900	(49,500)	3,224,400
Total	\$ 6,370,800	\$ 18,700	\$ 6,389,500
	2022		
	Post-employment Benefits	Non-Vesting Sick Leave	Total
Accrued employee future benefits obligation	\$ 5,346,600	\$ 32,500	\$ 5,379,100
Unamortized actuarial gains (losses)	709,600	(14,900)	694,700
Total	\$ 6,056,200	\$ 17,600	\$ 6,073,800

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

**March 31, 2023**

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

	2023		
	Post-employment Benefits	Non-Vesting Sick Leave	Total Expenses
Current year benefit cost	\$ 411,200	\$ -	\$ 411,200
Interest on accrued benefit obligation	219,600	1,200	220,800
Amortized actuarial losses (gains)	(59,500)	5,600	(53,900)
<b>Total expenses</b>	<b>\$ 571,300</b>	<b>\$ 6,800</b>	<b>\$ 578,100</b>
<b>Benefit payments</b>	<b>\$ 256,700</b>	<b>\$ 5,700</b>	<b>\$ 262,400</b>
<b>Current year actuarial gains (losses)</b>	<b>\$ 2,623,800</b>	<b>\$ (40,200)</b>	<b>\$ 2,583,600</b>
	2022		
	Post-employment Benefits	Non-Vesting Sick Leave	Total Expenses
Current year benefit cost	\$ 438,000	\$ -	\$ 438,000
Interest on accrued benefit obligation	177,600	1,000	178,600
Amortized actuarial losses (gains)	(21,900)	7,200	(14,700)
<b>Total expenses</b>	<b>\$ 593,700</b>	<b>\$ 8,200</b>	<b>\$ 601,900</b>
<b>Benefit payments</b>	<b>\$ 231,100</b>	<b>\$ 400</b>	<b>\$ 231,500</b>
<b>Current year actuarial gains (losses)</b>	<b>\$ 443,500</b>	<b>\$ 1,100</b>	<b>\$ 444,600</b>

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

March 31, 2023

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

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

#### Retirement Benefits

##### HOOPP Pension Plan

Substantially all of the full-time employees and some of the part-time employees of the Organization are members of the Healthcare of Ontario Pension Plan. The latest valuation for HOOPP indicated the plan is 112% funded and disclosed net assets available for benefits of \$103.7 billion with an accrued pension obligation of \$92.7 billion and a surplus of \$11.0 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 \$2,17,862 (2022 - \$2,244,502) 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, 2023, of the future benefits was determined using a discount rate of 4.80% (2022 - 3.90%).

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%, with a rate of 5.50% for 2023 (2022 - 5.75%).

c) **Dental costs**

Dental costs were assumed to increase at 4.00% per annum in 2023 (2022 - 4.0%).

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

March 31, 2023

### 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:

	2023	2022
Wage and salary escalation	1.50%	1.50%
Discount rate	4.80%	3.90%

### 11. Deferred Revenue

	2023	2022
Deferred physician recruitment funding	\$ 78,314	\$ -
Other deferred revenue	183,275	92,823
Accounting software implementation costs	368,987	337,971
Health Infrastructure Renewal Fund (HIRF)	820,812	95,000
Long-term care Investing in Canada Infrastructure Program (ICIP) funding	746,509	-
Long-term care Infection Prevention and Control (IPAC) minor capital funding	-	787,600
	2,197,897	1,313,394
Deferred contributions related to capital assets	14,637,970	13,461,102
	\$ 16,835,867	\$ 14,774,496

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

Management has determined that the deferred Health Infrastructure Renewal Fund (HIRF) balance of \$820,812 (2022 - \$95,000) is related to funding that was unable to be spent due to COVID-19.

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

March 31, 2023

### 12. Long-term Debt

	2023	2022
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.	\$ 247,879	\$ 256,831
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.	329,777	340,874
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.	322,313	331,892
	899,969	929,597
Less current portion	30,258	29,630
	\$ 869,711	\$ 899,967

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

	Principal Repayments	Interest	Total
2024	\$ 30,258	\$ 18,900	\$ 49,158
2025	30,900	18,258	49,158
2026	31,556	17,602	49,158
2027	32,227	16,931	49,158
2028	32,912	16,246	49,158
Thereafter	742,116	156,197	898,313
	\$ 899,969	\$ 244,134	\$ 1,144,103

The gross interest paid relating to the above long-term debt was \$29,630 (2022 - \$12,185).

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

**March 31, 2023**

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**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% (2022 - N/A). The estimated total undiscounted future expenditures are \$17,365,661 (2022 - N/A), which are estimated to be incurred over the next 26 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, 2022	\$ -
Increase on April 1, 2022 on adoption of PS 3280	5,822,948
Increase due to accretion expense	<u>240,488</u>
Asset retirement obligations as at March 31, 2023	<u>\$ 6,063,436</u>

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**14. Investment in Capital Assets**

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

	<u>2023</u>	<u>2022</u>
Capital assets	\$ 29,096,632	\$ 22,724,625
Construction in progress	2,876,133	1,359,923
Amounts financed by:		
Deferred contributions (Note 11)	(14,637,970)	(13,461,102)
Long-term debt (Note 12)	(899,969)	(929,597)
Asset retirement obligations (Note 13)	<u>(6,063,436)</u>	-
	<u>\$ 10,371,390</u>	<u>\$ 9,693,849</u>

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

**March 31, 2023**

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**14. Investment in Capital Assets (continued)**

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

	2023	2022
Purchase of capital assets	\$ 4,526,016	\$ 2,895,638
Increase in capital assets from asset retirement obligations	5,822,948	-
Amounts funded by deferred contributions	(2,321,838)	(389,649)
Amortization of deferred contributions related to capital assets	1,144,970	1,099,185
Amortization of capital assets	(2,460,747)	(2,051,467)
Decrease (increase) in amounts funded by long-term debt	29,628	(663,955)
Increase in amounts funded by asset retirement obligations	(6,063,436)	-
	\$ 677,541	\$ 889,752

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**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.

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**16. Economic Dependence**

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



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

March 31, 2023

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### 17. Financial Instrument Risk Management

#### Credit Risk

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

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

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

#### Market Risk

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

#### Liquidity Risk

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

#### Financial Instrument Classification

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

Cash and cash equivalents, short-term deposits and bank indebtedness are recognized at fair value using Level 1 fair value measurements. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price.

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

March 31, 2023

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### 18. Uncertainty Due to COVID-19

As the impact of COVID-19 continues, there could be further impact on the Organization, its patients, employees, and suppliers that could impact the timing and amounts realized on the Organization's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the Organization is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The Organization's ability to continue delivering essential and non-essential services and employ related staff, will depend on the legislative mandates from the various levels of government as well as maintaining staffing levels.

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

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### 19. Comparative Figures

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

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

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
Mental Health - Case Management (Schedule 6)	\$ 86,207	\$ 86,568
Mental Health - Counselling (Schedule 7)	636,911	581,981
Addictions (Schedule 8)	325,241	287,032
Problem Gambling (Schedule 9)	96,716	104,918
Crisis Response (Schedule 10)	66,216	66,216
Supportive Housing (Schedule 11)	494,416	551,836
ALC Back to Home (Schedule 12)	254,645	251,400
Patient Navigator (Schedule 13)	92,234	89,415
Municipal tax	14,400	14,400
Rainycrest - Home for the Aged (Schedule 14)	17,349,346	13,875,850
Community Support Services (Schedule 15)	1,353,088	1,326,543
Community Paramedicine (Schedule 16)	381,132	259,184
Assisted Living (Schedule 17)	478,504	441,252
	<u>21,629,056</u>	<u>17,936,595</u>
<b>Expenses</b>		
Mental Health - Case Management (Schedule 6)	86,207	86,544
Mental Health - Counselling (Schedule 7)	626,500	527,381
Addictions (Schedule 8)	337,305	341,632
Problem Gambling (Schedule 9)	96,725	104,918
Crisis Response (Schedule 10)	66,216	66,216
Supportive Housing (Schedule 11)	533,412	551,836
ALC Back to Home (Schedule 12)	260,644	251,948
Patient Navigator (Schedule 13)	92,234	89,415
Municipal tax	14,400	14,400
Rainycrest - Home for the Aged (Schedule 14)	19,647,104	14,812,884
Community Support Services (Schedule 15)	1,350,460	1,361,925
Community Paramedicine (Schedule 16)	381,132	259,184
Assisted Living (Schedule 17)	476,144	441,252
	<u>23,968,483</u>	<u>18,909,535</u>
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>\$ (2,339,427)</b>	<b>\$ (972,940)</b>

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

<u>For the year ended March 31</u>	<u>2023</u>	<u>2022</u>
<b>Revenue</b>		
Family Violence Counselling Program (Schedule 3)	\$ 188,607	\$ 171,212
Riverside Community Family Violence Service - PARR (Schedule 4)	47,586	42,518
Child Witness Program (Schedule 5)	24,473	-
	<u>260,666</u>	<u>213,730</u>
<b>Expenses</b>		
Family Violence Counselling Program (Schedule 3)	187,967	168,638
Riverside Community Family Violence Service - PARR (Schedule 4)	47,586	42,518
Child Witness Program (Schedule 5)	25,113	-
	<u>260,666</u>	<u>211,156</u>
<b>Excess of revenue over expenses for the year</b>	<b>\$ -</b>	<b>\$ 2,574</b>

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

<u>For the year ended March 31</u>	<u>2023</u>	<u>2022</u>
<b>Revenue</b>		
Ministry of Community and Social Services (Note 15)	\$ 157,296	\$ 139,901
Other	31,311	31,311
	<u>188,607</u>	<u>171,212</u>
<b>Expenses</b>		
Salaries MOS	25,586	16,475
Salaries UPP	91,068	85,653
Benefits MOS	2,918	
Benefits UPP	18,933	18,397
Staff travel	510	-
Staff training	65	
Other services	485	208
Supplies and equipment	42	(1,081)
Advertising	383	395
Rent	12,000	12,000
Insurance	1,020	1,020
Memberships	-	-
Capacity building	3,580	6,240
Rural resource	31,377	29,331
	<u>187,967</u>	<u>168,638</u>
<b>Excess of revenue over expenses for the year</b>	<b>\$ 640</b>	<b>\$ 2,574</b>

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

<u>For the year ended March 31</u>	<u>2023</u>	<u>2022</u>
<b>Revenue</b>		
Ministry of the Attorney General (Note 15)	\$ 47,586	\$ 42,518
<b>Expenses</b>		
Salaries MOS	(255)	
Salaries UPP	20,988	29,259
Benefits MOS	1,844	-
Benefits UPP	16,051	6,586
Supplies and sundry	8,958	6,673
	<u>47,586</u>	<u>42,518</u>
<b>Excess of revenue over expenses for the year</b>	<u>\$ -</u>	<u>\$ -</u>

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

<u>For the year ended March 31</u>	<u>2023</u>	<u>2022</u>
<b>Revenue</b>		
Ministry of Community and Social Services (Note 15)	\$ 24,473	\$ -
<b>Expenses</b>		
Supplies and sundry	25,113	-
<b>Excess of revenue over expenses for the year</b>	\$ (640)	\$ -

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

For the year ended March 31	2023	2022
<b>Revenue</b>		
LHIN (Note 15)	\$ 86,207	\$ 86,568
<b>Expenses</b>		
Salaries UPP	67,825	69,161
Benefits UPP	16,282	17,383
Supplies and sundry	2,100	-
	<b>86,207</b>	<b>86,544</b>
<b>Excess of revenue over expenses for the year</b>	<b>\$ -</b>	<b>\$ 24</b>



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

For the year ended March 31	2023	2022
<b>Revenue</b>		
LHIN (Note 15)	\$ 493,949	\$ 493,949
Sessional fees	23,312	16,957
Recoveries	42,670	16,475
Other revenue - Thunder Bay Regional Health Sciences Centre	76,980	54,600
	<u>636,911</u>	<u>581,981</u>
<b>Expenses</b>		
Salaries MOS	127,749	170,339
Salaries UPP	254,311	196,775
Benefits MOS	25,953	29,908
Benefits UPP	84,636	43,733
Supplies and sundry	40,842	64,225
Equipment	932	744
Future benefits	3,850	4,700
Sessional fees	23,312	16,957
Thunder Bay Regional Health Sciences Centre	64,915	-
	<u>626,500</u>	<u>527,381</u>
<b>Excess of revenue over expenses for the year</b>	<b>\$ 10,411</b>	<b>\$ 54,600</b>

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

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
LHIN (Note 15)	\$ 195,918	\$ 285,420
Recoveries	1,560	1,612
Rapid access addiction medicine (RAAM) clinic	<u>127,763</u>	<u>-</u>
	<u>325,241</u>	<u>287,032</u>
<b>Expenses</b>		
Salaries MOS	26,683	20,094
Salaries UPP	88,702	145,036
Benefits MOS	3,544	-
Benefits UPP	21,619	36,819
Supplies and sundry	60,227	114,723
Equipment	6,842	22,610
Future benefits	1,925	2,350
Rapid access addiction medicine (RAAM) clinic	<u>127,763</u>	<u>-</u>
	<u>337,305</u>	<u>341,632</u>
<b>Excess of revenue over expenses for the year</b>	<u>\$ (12,064)</u>	<u>\$ (54,600)</u>

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

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
LHIN (Note 15)	\$ 96,716	\$ 96,716
Recoveries	-	8,202
	<u>96,716</u>	<u>104,918</u>
<b>Expenses</b>		
Salaries UPP	76,314	83,683
Benefits UPP	20,357	20,327
Supplies and sundry	54	908
	<u>96,725</u>	<u>104,918</u>
<b>Excess of revenue over expenses for the year</b>	<b>\$ (9)</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>2023</b>	<b>2022</b>
<b>Revenue</b>		
LHIN (Note 15)	\$ 66,216	\$ 66,216
<b>Expenses</b>		
Salaries MOS	10,107	-
Salaries UPP	46,926	46,326
Benefits MOS	1,383	-
Benefits UPP	7,357	8,306
Supplies and sundry	15	11,156
Equipment	428	428
	<u>66,216</u>	<u>66,216</u>
<b>Excess of revenue over expenses for the year</b>	<b>\$ -</b>	<b>\$ -</b>

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

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
LHIN (Note 15)	\$ 476,955	\$ 476,964
Recoveries	17,461	74,872
	<u>494,416</u>	<u>551,836</u>
<b>Expenses</b>		
Salaries MOS	49,250	56,240
Salaries UPP	314,939	344,614
Benefits MOS	23,467	21,260
Benefits UPP	93,418	80,080
Supplies and sundry	31,803	37,681
Equipment	17,973	9,081
Future benefits	1,925	2,350
Buildings and grounds	637	530
	<u>533,412</u>	<u>551,836</u>
<b>Excess of revenue over expenses for the year</b>	<b>\$ (38,996)</b>	<b>\$ -</b>

**Riverside Health Care Facilities, Inc.**  
**Statement of Revenue and Expenses**  
**Schedule 12 - ALC Back to Home**

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
LHIN (Note 13)		
- Operating	\$ 245,400	\$ 251,400
- Rent geared to income	9,245	-
	<u>254,645</u>	<u>251,400</u>
<b>Expenses</b>		
Salaries and wages - MOS	452	-
Salaries and wages - UPP	180,083	37,066
Benefit contributions - UPP	42,575	10,514
Equipment	32,550	1,424
Building and grounds expense	4,984	202,944
	<u>260,644</u>	<u>251,948</u>
<b>Deficiency of revenue over expenses for the year</b>	<b>\$ (5,999)</b>	<b>\$ (548)</b>

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

<u>For the year ended March 31</u>	<u>2023</u>	<u>2022</u>
<b>Revenue</b>		
LHIN (Note 15)	\$ 92,234	\$ 89,415
<b>Expenses</b>		
Salaries UPP	74,839	66,975
Benefits UPP	16,048	20,627
Supplies and sundry	1,347	1,813
	<u>92,234</u>	<u>89,415</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 14 - Rainycrest - Home for the Aged**

For the year ended March 31	2023	2022
<b>Revenue</b>		
Ministry of Health/LHIN - General subsidy	\$ 8,970,293	\$ 8,547,512
- One-time subsidies	5,243,056	1,959,370
- Doctor on-call funding	15,844	16,981
- High intensity needs and lab funding	89,218	59,801
	<u>14,318,411</u>	<u>10,583,664</u>
Resident fees	2,907,770	3,210,839
Falls Prevention	13,857	15,354
Other	109,308	65,993
	<u>17,349,346</u>	<u>13,875,850</u>
<b>Expenses</b>		
Operations		
Nursing and personal care		
Nursing administration	233,819	243,167
Nursing personal care	11,377,748	7,767,371
Doctor on-call expenditures	15,844	16,904
Medical director fees	29,930	29,848
RAI coordinator	94,892	101,228
Nurse practitioner	30,307	111,471
	<u>11,782,540</u>	<u>8,269,989</u>
Total nursing and personal care		
	11,782,540	8,269,989
Other operations		
Program and support services	851,532	1,027,845
Raw food	568,368	548,684
Accommodation		
Housekeeping services	665,871	690,666
Building and property	1,681,083	764,035
Dietary services	1,018,007	931,185
Laundry and linen services	324,997	302,746
General and administrative	1,944,175	1,551,965
Facility costs	387,887	401,015
Falls prevention	-	19,583
High intensity needs and lab costs	273,738	141,093
Bad debts	4,709	9,571
	<u>4,709</u>	<u>9,571</u>
<b>Total expenses before amortization and post-retirement benefits and compensated absences</b>		
	<u>19,502,907</u>	<u>14,658,377</u>
<b>Fund balance before amortization and post-retirement benefits and compensated absences</b>		
	<u>(2,153,561)</u>	<u>(782,527)</u>
Amortization		
	1,097	407
Post-retirement benefits and compensated absences		
	143,100	154,100
	<u>144,197</u>	<u>154,507</u>
<b>Total expenses</b>	<u>19,647,104</u>	<u>14,812,884</u>
<b>Excess (deficiency) of revenue over expenses for the year</b>	<u>\$ (2,297,758)</u>	<u>\$ (937,034)</u>



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

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
LHIN - General subsidy	\$ 444,591	\$ 530,270
- One-time funding	16,837	17,233
Recoveries and miscellaneous revenue	761,181	661,246
Handi-van	130,479	117,794
	<u>1,353,088</u>	<u>1,326,543</u>
<b>Expenses</b>		
Salaries and wages - MOS	206,779	283,947
Salaries and wages - UPP	576,955	535,492
Benefit contributions - MOS	54,623	71,018
Benefit contributions - UPP	155,796	162,489
Supplies and sundry expenses	186,819	166,325
Equipment	20,469	19,626
Building and grounds expense	7,661	6,160
Handi-van	141,358	116,868
	<u>1,350,460</u>	<u>1,361,925</u>
<b>Deficiency of revenue over expenses for the year</b>	<b>\$ 2,628</b>	<b>\$ (35,382)</b>

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

<u>For the year ended March 31</u>	<u>2023</u>	<u>2022</u>
<b>Revenue</b>		
LHIN - General subsidy	\$ 381,132	\$ 146,892
- One-time funding	-	112,292
	<u>381,132</u>	<u>259,184</u>
<b>Expenses</b>		
Contracted out services	<u>381,132</u>	<u>259,184</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 17 - Assisted Living**

<u>For the year ended March 31</u>	<u>2023</u>	<u>2022</u>
<b>Revenue</b>		
LHIN - General subsidy	\$ 404,823	\$ 184,993
- One-time funding	32,263	206,407
Recoveries and miscellaneous revenue	41,418	49,852
	<u>478,504</u>	<u>441,252</u>
<b>Expenses</b>		
Salaries and wages - MOS	60,427	-
Salaries and wages - UPP	275,437	291,535
Benefit contributions - MOS	5,666	-
Benefit contributions - UPP	74,350	81,224
Supplies and sundry expenses	51,315	60,947
Equipment	6,034	4,101
Building and grounds expense	2,915	3,445
	<u>476,144</u>	<u>441,252</u>
<b>Excess of revenue over expenses for the year</b>	<b>\$ 2,360</b>	<b>\$ -</b>

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## Compilation Engagement Report

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

On the basis of information provided by management, we have compiled the Rainycrest - Home for the Aged - Calendar Year Schedule, (the schedule), of Riverside Health Care Facilities, Inc. (the Entity) for the year ended March 31, 2023, and the Note to Schedule, 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 have 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 and form of assurance on the schedule.

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

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario  
June 20, 2023

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

For the year ended December 31	2022	2021
<b>Revenue</b>		
Ministry of Health/LHIN	\$ 9,309,225	\$ 9,739,696
- General subsidy	(327,385)	(842,202)
- Subsidy due back to LHIN/MOHLTC	3,812,293	2,032,468
- One-time subsidies	16,316	25,630
- High intensity needs and lab funding	<u>12,810,449</u>	<u>10,955,592</u>
Resident fees	2,876,034	3,318,715
Other	<u>117,530</u>	<u>171,180</u>
<b>Total revenue</b>	<u><b>15,804,013</b></u>	<u><b>14,445,487</b></u>
<b>Expenses</b>		
Operations		
Nursing and personal care	11,218,809	6,978,674
Nursing personal care	15,220	17,126
Doctor on-call expenditures	29,930	29,848
Medical director fees	<u>11,263,959</u>	<u>7,025,648</u>
Total nursing and personal care	11,263,959	7,025,648
Other operations		
Program and support services	766,683	700,055
Raw food	579,579	527,703
Accommodation		
Housekeeping services	648,067	672,731
Building and property	1,190,433	464,238
Dietary services	972,013	895,701
Laundry and linen services	305,600	285,626
General and administrative	1,561,266	1,147,821
Facility costs	429,144	349,725
High intensity needs and lab costs	113,338	119,181
Bad debts	4,829	9,538
Nurse practitioner	71,154	103,507
Other equipment and direct expenses	84,286	88,307
COVID-19 direct costs	<u>184,047</u>	<u>1,709,849</u>
<b>Total expenses before amortization and post-retirement benefits and compensated absences</b>	<u><b>18,174,398</b></u>	<u><b>14,099,630</b></u>
<b>Fund balance before amortization and post-retirement benefits and compensated absences</b>	<u><b>(2,370,385)</b></u>	<u><b>345,857</b></u>
Amortization	1,199	29,540
Post-retirement benefits and compensated absences	<u>145,850</u>	<u>148,500</u>
	<u>147,049</u>	<u>178,040</u>
<b>Total expenses</b>	<u><b>18,321,447</b></u>	<u><b>14,277,670</b></u>
<b>Surplus of revenue over expenses for the year</b>	<u><b>\$ (2,517,434)</b></u>	<u><b>\$ 167,817</b></u>

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**Riverside Health Care Facilities, Inc.**  
**Note to Schedule**

**For the year ended March 31, 2023**

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**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



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## Independent Auditor's Report

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

### Opinion

We have audited the Statements of Trust Accounts (the Statements) of Riverside Health Care Facilities, Inc. (the Organization), which comprise the Statement of Financial Position as at March 31, 2023, and the Statement of Receipts and Disbursements for the Residents' Council Trust for the year then ended, and the 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, 2023, 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, 2023, and 2022, assets as at March 31, 2023, and 2022, and fund balances as at April 1 and March 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended March 31, 2022, 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 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.

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

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

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



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

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

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

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

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

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario

June 20, 2023



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

<b>March 31, 2023</b>	Rainycrest Residents' Council	Emo Health Centre	Rainy River Health Centre	Rainycrest Residents' Comfort	<b>2023 Total</b>	<b>2022 Total</b>
<b>Assets</b>						
Cash and bank	\$ 25,978	\$ 1,309	\$ 2,886	\$ 32,815	\$ 62,988	\$ 63,109
<b>Liabilities</b>						
Balance	\$ 25,978	\$ 1,309	\$ 2,886	\$ 32,815	\$ 62,988	\$ 63,109

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

<u>For the year ended March 31</u>	<u>2023</u>	<u>2022</u>
<b>Revenue</b>		
Beverage and other sales	\$ 265	\$ -
Interest	719	125
Other revenue	300	-
	<u>1,284</u>	<u>125</u>
Supplies	3,841	-
<b>Expenses</b>	<u>3,841</u>	<u>-</u>
<b>Excess of revenue over expenses</b>	(2,557)	125
Trust fund balance, beginning of year	<u>28,535</u>	28,410
<b>Trust fund balance, end of year</b>	<u>\$ 25,978</u>	<u>\$ 28,535</u>

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

March 31, 2023

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### Summary of Significant Accounting Policies

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