

Financial Statements of

ONGWANADA HOSPITAL

Year ended March 31, 2018

ONGWANADA HOSPITAL

Financial Statements

Year ended March 31, 2018

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INDEPENDENT AUDITORS' REPORT

To the Members of Ongwanada Hospital

We have audited the accompanying financial statements of Ongwanada Hospital, which comprise the statement of financial position as at March 31, 2018, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ongwanada Hospital as at March 31, 2018, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

June 21, 2018

ONGWANADA HOSPITAL

Statement of Financial Position

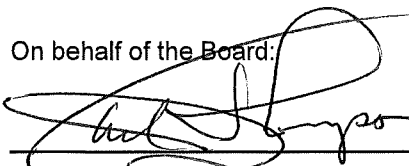
March 31, 2018, with comparative information for 2017


	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,074,939	\$ 5,966,608
Accounts receivable:		
Province of Ontario	–	475,447
Sundry (note 2)	815,880	575,975
Due from patient safekeeping accounts	12,329	–
Prepaid expenses	83,890	150,654
Inventories	155,450	144,556
Cash held as loan security (note 4)	–	1,000,000
	<u>9,142,488</u>	<u>8,313,240</u>
Restricted assets:		
Patient safekeeping accounts		
Cash	107,780	60,821
Due from (to) general account	(12,329)	95
	<u>95,451</u>	<u>60,916</u>
Capital assets (note 3)	9,048,316	8,929,797
Due from Ongwanada Non-Profit Housing Corporation (note 10(a))	155,313	53,951
	<u>\$ 18,441,568</u>	<u>\$ 17,357,904</u>

	2018	2017
Liabilities, Deferred Contributions and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 3,369,880	\$ 2,778,217
Payable to Province of Ontario	6,961	-
Deferred revenue	469,024	110,615
Due to patient safekeeping account	-	95
	<u>3,845,865</u>	<u>2,888,927</u>
Employee future benefits liability (note 6)	7,726,600	7,556,900
Patients' safekeeping accounts:		
Balances held in trust	95,451	60,916
Deferred capital contributions (note 7)	6,284,492	6,097,813
Net assets:		
Invested in capital assets (note 8(a))	2,763,824	2,831,984
Internally restricted	167,270	165,561
Unrestricted deficiency	<u>(2,441,934)</u>	<u>(2,244,197)</u>
	489,160	753,348
Contingent liabilities (note 11)		
Commitments (note 13)		
	<u>\$ 18,441,568</u>	<u>\$ 17,357,904</u>

See accompanying notes to financial statements.

On behalf of the Board:


 _____ Member


 _____ Member

ONGWANADA HOSPITAL

Statement of Operations

Year ended March 31, 2018, with comparative information for 2017

	Responsibility of Ministry of Community and Social Services		Plant and endowment fund	2018 Total	2017 Total
	General programs	Responsibility of hospital			
Revenue:					
Patient services:					
Approved funding	\$ 31,284,235	\$ -	\$ -	\$ 31,284,235	\$ 30,934,604
Other patient revenue	1,582,269	-	-	1,582,269	1,539,189
Offset revenue and recoveries:					
Community residential services	417,501	-	-	417,501	339,253
Client and community services - environmental support	798,805	-	-	798,805	1,253,640
General administration	83,883	-	-	83,883	57,946
Community health services	-	1,896,774	-	1,896,774	1,694,576
Interest	9,520	-	86,037	95,557	69,920
Donations	-	-	10,917	10,917	9,618
Amortization of deferred capital contributions (note 7)	-	-	492,293	492,293	483,934
Other income	119,192	50,989	-	170,181	178,767
	34,295,405	1,947,763	589,247	36,832,415	36,561,447
Expenses:					
Developmental care:					
Community residential services (schedule A)	18,869,461	-	-	18,869,461	18,000,677
Client and community services - environmental support (schedule B)	12,661,968	-	-	12,661,968	13,190,017
General administration (schedule C)	2,763,614	-	-	2,763,614	2,564,418
Community health services (schedule B)	-	1,877,502	-	1,877,502	1,642,705
Interest on pay equity and wage compression	362	-	-	362	16,515
Amortization of capital assets	-	-	676,637	676,637	659,755
Change in vacation pay liability	-	54,870	-	54,870	(11,546)
Change in sick pay liability	-	207	-	207	-
Other expense	-	16,525	5,757	22,282	15,069
	34,295,405	1,949,104	682,394	36,926,903	36,077,610
Excess (deficiency) of revenue over expenses	\$ -	\$ (1,341)	\$ (93,147)	\$ (94,488)	\$ 483,837

See accompanying notes to financial statements.

ONGWANADA HOSPITAL

Statement of Changes in Net Assets

Year ended March 31, 2018, with comparative information for 2017

		Invested in capital assets	Internally restricted	Unrestricted	2018 Total	2017 Total				
Balance (deficiency), beginning of year	\$	2,831,984	\$	165,561	\$	2,244,197	\$	753,348	\$	1,694,811
Excess (deficiency) of revenue over expenses (note 8(b))		(184,344)		1,709		88,147		(94,488)		483,837
Net change in investment in capital assets (note 8(b))		116,184		-		(116,184)		-		-
Change in employee future benefits liability (note 6)		-		-		(169,700)		(169,700)		(1,425,300)
Balance (deficiency), end of year	\$	2,763,824	\$	167,270	\$	(2,441,934)	\$	489,160	\$	753,348

See accompanying notes to financial statements.

ONGWANADA HOSPITAL

Statement of Cash Flows

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ (94,488)	\$ 483,837
Items not involving cash:		
Amortization of deferred capital contributions	(492,293)	(483,934)
Amortization of capital assets	676,637	659,755
Loss on disposal of capital assets	11,655	7,479
Change in non-cash operating working capital:		
Accounts receivable:		
Province of Ontario	475,447	415,173
Sundry	(239,905)	96,678
Due from Ongwanada Non-Profit Housing Corporation	(101,362)	170,978
Prepaid expenses	66,764	(52,785)
Inventories	(10,894)	(7,389)
Cash held as loan security	1,000,000	—
Accounts payable and accrued liabilities	591,663	(1,041,783)
Payable to Province of Ontario	6,961	—
Deferred revenue	358,409	110,615
Due from/to patient safekeeping account	(12,424)	(1,062)
	2,236,170	357,562
Financing activities:		
Increase in deferred capital contributions	678,972	387,619
Repayment of long-term debt	—	(611,680)
	678,972	(224,061)
Capital activities:		
Additions to capital assets	(806,811)	(387,619)
Increase (decrease) in cash and cash equivalents	2,108,331	(254,118)
Cash and cash equivalents, beginning of year	5,966,608	6,220,726
Cash and cash equivalents, end of year	\$ 8,074,939	\$ 5,966,608

See accompanying notes to financial statements.

ONGWANADA HOSPITAL

Notes to Financial Statements

Year ended March 31, 2018

Ongwanada Hospital (the "Organization") was incorporated without share capital under the Ontario Corporations Act on November 23, 1945. The Organization is principally involved in providing support services to citizens with development disabilities in the rural and urban communities of South Eastern Ontario. The Organization is a registered charity under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting.

(a) Revenue recognition:

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

Under various Province of Ontario Acts and Regulations thereto, the Organization is funded primarily in accordance with budget arrangements established by the Ministry of Community and Social Services (the "Ministry"). 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. These financial statements reflect agreed arrangements approved by the Ministry with respect to the year ended March 31, 2018.

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 recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

Other patient revenue is recognized when the goods are sold or the service is provided.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months.

ONGWANADA HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2018

1. Significant accounting policies (continued):

(c) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

(d) Inventories:

Inventories are valued at the lower of cost and replacement cost.

(e) Capital assets:

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expense as incurred. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

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

Asset	Rate
Buildings	2.5%
Furniture and equipment	20%
Vehicles	10%

The costs incurred for major capital projects are classified separately as construction-in-progress until the project is complete. When complete, the costs are transferred to the appropriate capital asset category.

(f) Compensated absences:

Compensation expense is accrued for all employees as entitlement to these payments is earned, in accordance with the Organization's benefit plans for vacation and sick leave.

(g) Employee future benefits:

The Organization uses the immediate recognition approach to account for its defined benefit plans. The Organization accrues its obligations under the defined benefit plans as the employees render the services necessary to earn the non-pension post-retirement benefits. The cost of non-pension post-retirement benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service, which incorporates management's best estimate of future salary levels, other cost escalation, retirement ages of employees and other actuarial factors. The measurement date of the accrued benefit obligation coincides with the Organization's fiscal year. Actuarial gains (losses) that arise from changes in actuarial assumptions used to determine the accrued benefit obligation are recognized in the statement of changes in net assets.

ONGWANADA HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2018

1. Significant accounting policies (continued):

(g) Employee future benefits (continued):

The Organization is an employer member of the Healthcare of Ontario Pension Plan, which is a multi-employer, defined benefit pension plan. The Organization has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles.

(h) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(i) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has not elected to subsequently carry any such financial instruments at fair value.

Financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

ONGWANADA HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2018

2. Sundry accounts receivable:

	2018	2017
Trade	\$ 369,247	\$ 249,893
Harmonized sales tax	211,983	101,741
Copayment	151,764	150,395
Other	162,154	153,214
	895,148	655,243
Less: allowance for doubtful accounts	79,268	79,268
	\$ 815,880	\$ 575,975

3. Capital assets:

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Land	\$ 911,723	\$ —	\$ 911,723	\$ 911,723
Buildings	15,979,949	8,992,328	6,987,621	7,386,594
Furniture and equipment	3,467,825	3,188,592	279,233	252,916
Vehicles	1,264,245	929,805	334,440	378,564
Construction-in-progress	535,299	—	535,299	—
	\$ 22,159,041	\$ 13,110,725	\$ 9,048,316	\$ 8,929,797

Cost and accumulated amortization of capital assets at March 31, 2017 amounted to \$21,741,859 and \$12,812,062, respectively.

4. Cash held as loan security:

In 2017, the bank term loan was fully repaid. The bank term loan was a non-revolving one-year loan that matured on October 31, 2016, with interest only payable monthly at the bank's prime lending rate.

The bank term loan was secured by cash collateral of \$1,000,000 which earned interest at the bank's prime lending rate less 1.9%. This security was released during the current year.

ONGWANADA HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2018

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$367,411 (2017 - \$327,172), which includes amounts payable for harmonized sales tax and payroll-related taxes.

6. Employee future benefits:

The Organization provides extended health care, dental and life insurance benefits to its employees. An independent actuarial study of the employee future benefits has been undertaken. The most recent valuation of the employee future benefits was completed as at March 31, 2017.

At March 31, 2018, the Organization's accrued benefit obligation relating to post-retirement benefit plans is \$7,726,600 (2017 - \$7,556,900).

The significant actuarial assumptions adopted in estimating the Organization's accrued benefit obligation are as follows:

Discount rate for calculation of accrued benefit obligation	3.40% per annum
Discount rate for calculation of net benefit costs	3.50% per annum
Salary escalation	2.50% per annum
Dental benefits escalation	2.75% per annum
Health benefits escalation	6.00% in 2019, decreasing by 0.25% per year to an ultimate rate of 4.50%

Information with respect to the Organization's post-retirement obligations is as follows:

	2018	2017
Accrued benefit obligation, beginning of year	\$ 7,556,900	\$ 6,131,600
Expense recognized for the year	546,800	502,700
Past service cost	—	418,000
Benefits paid for the year	(455,300)	(310,400)
Actuarial experience loss recognized	78,200	815,000
Accrued benefit obligation, end of year	\$ 7,726,600	\$ 7,556,900

ONGWANADA HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2018

7. Deferred capital contributions:

Deferred capital contributions related to capital assets represent the unamortized amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2018	2017
Balance, beginning of year	\$ 6,097,813	\$ 6,194,128
Additional contributions received	678,972	387,619
Less amortization of deferred capital contributions	(492,293)	(483,934)
Balance, end of year	\$ 6,284,492	\$ 6,097,813

8. Investment in capital assets:

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

	2018	2017
Capital assets	\$ 9,048,316	\$ 8,929,797
Amounts financed by:		
Deferred contributions	(6,284,492)	(6,097,813)
	\$ 2,763,824	\$ 2,831,984

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

	2018	2017
Excess of revenue over expenses:		
Amortization of deferred capital contributions	\$ 492,293	\$ 483,934
Amortization of capital assets	(676,637)	(659,755)
	\$ (184,344)	\$ (175,821)
Net change in investment in capital assets:		
Purchase of capital assets	\$ 806,811	\$ 387,619
Disposal of capital assets	(11,655)	(7,479)
Amounts funded by deferred contributions	(678,972)	(387,619)
	\$ 116,184	\$ (7,479)

ONGWANADA HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2018

9. Pension plan:

Substantially all of the employees of the Organization are members of the Healthcare of Ontario Pension Plan (the "Plan"), which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the Ontario Hospital Association. The Plan specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay

Contributions to the Plan made during the year by the Organization on behalf of its employees amounted to \$1,649,859 (2017 - \$1,602,887) and are included in the statement of operations.

Pension expense is based on Plan management's best estimates, in consultation with its actuaries, of the amount, required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by the Plan. The funding objective is for employer contributions to the Plan to remain a constant percentage of employees' contributions.

Variances between actuarial funding estimates and actual experience may be material and any differences are generally to be funded by the participating members. The Plan's 2017 Annual Report indicates the plan is fully funded at 122%.

10. Related entities:

(a) Ongwanada Non-Profit Housing Corporation:

The Organization currently controls Ongwanada Non-Profit Housing Corporation (the "Housing Corporation") by virtue of having common board members. The Board members of the Housing Corporation are also the Executive Committee members of the Organization's Board. In addition, general members of the Housing Corporation are board members of the Organization. The Housing Corporation is incorporated without share capital under the laws of Ontario to provide non-profit housing services and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

ONGWANADA HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2018

10. Related entities (continued):

(a) Ongwanada Non-Profit Housing Corporation (continued):

The Housing Corporation has not been consolidated in the Organization's financial statements. Financial statements of the Housing Corporation are available upon request. Financial summaries of this unconsolidated entity as at March 31, 2018 and March 31, 2017, and for the years ended March 31, 2018 and March 31, 2017, are as follows:

	2018	2017
Assets:		
Current	\$ 200,689	\$ 64,971
Replacement reserve fund	105,114	49,440
Capital assets	2,194,430	2,308,303
	<u>2,500,233</u>	<u>2,422,714</u>
Liabilities and fund balance:		
Current	321,744	180,214
Long-term	2,073,375	2,193,060
Replacement reserve fund	105,114	49,440
	<u>2,500,233</u>	<u>2,422,714</u>
Net assets	<u>\$ -</u>	<u>\$ -</u>

The amount owing to the Organization is composed of \$37,317 (2017 - \$(684)) owing from the replacement reserve fund and \$192,630 (2017 - \$53,267) included in current liabilities.

	2018	2017
Revenue	\$ 715,688	\$ 521,966
Expense	715,688	521,966
Excess of revenue over expense	<u>\$ -</u>	<u>\$ -</u>

	2018	2017
Cash flows provided by (used in):		
Operating activities	\$ 113,873	\$ 108,371
Financing and investing activities	(113,873)	(108,371)
Increase in cash	<u>\$ -</u>	<u>\$ -</u>

ONGWANADA HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2018

10. Related entities (continued):

(a) Ongwanada Non-Profit Housing Corporation (continued):

The Housing Corporation follows an appropriate disclosed basis of accounting, under which the following accounting policies differ from those followed by the Organization:

- (i) Amortization of lands, building and equipment is provided at an amount equivalent to the principal repayment of debt rather than being amortized over their useful lives.
- (ii) Capital assets purchased after initial project construction are reported as direct expenses of the replacement reserve fund rather than being capitalized on the statement of financial position and amortized over their useful life.
- (iii) Transfers to the replacement reserve fund are accounted for on the statement of operations, rather than as an interfund transfer on the statement of changes in net assets.

The Organization enters into transactions with the Housing Corporation in the normal course of operations.

The Organization leases certain residential properties from the Housing Corporation on a month-to-month basis. These properties are sublet to clients receiving support services from the Organization on the same terms and conditions.

The Organization provides project management and maintenance services to the Housing Corporation. In return for these services the Housing Corporation paid fees of \$67,620 (2016 - \$67,620) to the Organization.

During the year, the Organization provided temporary financing to the Housing Corporation to offset cash flow delays related to the timing of receipt of operating grants from the Ministry of Community and Social Services. At March 31, 2018, a balance of \$155,313 (2017 - \$53,951) was receivable from the Housing Corporation and is reported on the statement of financial position. The balance has no fixed terms of repayment, is unsecured and is non-interest bearing.

(b) Kingston Regional Hospital Laundry Incorporated:

Kingston Regional Hospital Laundry Incorporated, a corporation incorporated under the laws of the Province of Ontario, provides laundry services, linen replacement, uniforms and other related laundry services to five hospitals in the Kingston region. The Organization exercises significant influence, but not control, over Kingston Regional Hospital Laundry Incorporated.

ONGWANADA HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2018

10. Related entities (continued):

(b) Kingston Regional Hospital Laundry Incorporated (continued):

Kingston Regional Hospital Laundry Incorporated provides laundry services to the Organization based on rates reflecting the costs, expenses and disbursements incurred by them in the normal course of business relating to the provision of laundry services. The Organization contributes toward approved capital improvements and replacement costs incurred by Kingston Regional Hospital Laundry Incorporated. During the year, the Organization paid \$8,374 (2017 - \$9,532) to Kingston Regional Hospital Laundry Incorporated for laundry services.

(c) Ongwanada Auxiliary:

The Organization has an economic interest in Ongwanada Auxiliary. Ongwanada Auxiliary promotes and extends the interests of the Organization through the provision of volunteer auxiliary services and raising funds for the Organization. During the year, Ongwanada Auxiliary granted \$40,000 (2017 - \$Nil) to the Organization to fund equipment purchases and special program costs. At March 31, 2018, the Organization owed the Ongwanada Auxiliary \$17,123 (2017 - \$43,476). The balance owing is unsecured, bears interest at the bank's prime rate minus 1% and has no fixed terms of repayment.

11. Contingent liabilities:

(a) Reciprocal:

On July 1, 1987, a group of health care organizations, ("subscribers"), formed Healthcare Insurance Reciprocal of Canada ("HIROC"). HIROC is registered as a Reciprocal pursuant to Provincial Insurance Acts, which permits persons to exchange with other persons reciprocal contracts of indemnity insurance. HIROC facilitates the provision of liability insurance coverage of health care organizations in the provinces of Ontario, Manitoba, Saskatchewan and Newfoundland. Subscribers pay annual premiums, which are actuarially determined, and are subject to assessment for losses in excess of such premiums, if any, experienced by the group of subscribers for the years in which they were a subscriber. No such assessments have been made to March 31, 2018.

Since its inception in 1987, HIROC has accumulated an un-appropriated surplus, which is the total of premiums paid by all subscribers plus investment income less the obligation for claims reserves and expenses and operating expenses. Each subscriber which has an excess of premium plus investment income over the obligation for their allocation of claims reserves and expenses and operating expenses may be entitled to receive distributions of their share of the un-appropriated surplus at the time such distributions are declared by the Board of Directors of HIROC. There are no distributions receivables from HIROC as of March 31, 2018.

ONGWANADA HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2018

11. Contingent liabilities (continued):

(b) Pay equity:

An agreement has been reached on a new pay equity plan, incorporating a mutually agreed-upon job evaluation system, covering all Organization employees. The costs arising from maintaining this agreement have been recognized in the financial statements.

(c) General:

The nature of the Organization's activities is such that there may be litigation pending at any time. With respect to claims at March 31, 2018 against the Organization, management believes there are valid defenses and appropriate insurance coverages in place. In the event any claims specifically are successful, management believes that such claims are not expected to have a material effect on the financial position of the Organization.

12. Financial risk and concentration of risk:

(a) Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposure from 2017.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Organization is exposed to credit risk with respect to cash and cash equivalents and accounts receivable. The Organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not considered collectible in an allowance for doubtful accounts.

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Notes to Financial Statements (continued)

Year ended March 31, 2018

13. Commitments:

The Organization is currently renovating the Sunnyside Road and Haig Road properties to better accommodate individuals with complex behavioural needs. The estimated costs and costs incurred to date on these projects is as follows:

	Projected cost	Incurred to date
Sunnyside Road	\$ 1,500,000	\$ 116,183
Haig Road	584,000	419,116
	<u>\$ 2,084,000</u>	<u>\$ 535,299</u>

The costs of Haig Road renovations is expected to be recovered from grants from the Ministry of Community and Social Services of which, \$419,116 has been received. The costs of the Sunnyside Road renovations will be covered out of the Organization's Board funds.

14. Comparative information:

Certain comparative information has been reclassified to conform to the financial statement presentation adopted in the current year.

ONGWANADA HOSPITAL

Expenses of Developmental Care (Community Residential Services)

SCHEDULE A

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
High support - 24 hour nursing:		
Barclay	\$ 1,047,454	\$ 985,381
Elizabeth	1,146,051	1,114,822
High support:		
Baxter	863,477	859,982
Sydenham	979,392	944,369
James	790,579	789,136
Respite:		
Wilson	274,542	221,157
Out of home	215,031	177,829
Low support:		
Dundas	9,686	8,940
Seaforth	621,564	599,912
Inverness	683,183	648,455
Douglas	662,936	660,724
Montreal North	733,245	700,680
Aberfoyle	2,210	1,043
Portsmouth	563,613	543,601
Montreal South	597,486	622,599
Mulcaster	601,364	594,282
Prince Charles	700,338	708,203
Richard	641,644	609,785
Church	793,594	689,123
Robinson	657,563	665,690
Cunningham	613,795	608,523
Henry	654,840	612,950
McKeown	661,895	606,691
Henrietta	5,100	9,025
Grosvenor	671,398	663,008
Muirfield	600,458	605,070
Mowat	676,143	612,993
Complex care:		
Gore	1,203,791	1,043,154
Residential administration and support:		
Administration	548,979	531,015
Scheduling	275,441	249,491
Transportation	372,669	313,044
	<u>\$ 18,869,461</u>	<u>\$ 18,000,677</u>

ONGWANADA HOSPITAL

Expenses of Developmental Care (Client and Community Services,
Environmental Support)

SCHEDULE B

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Housekeeping	\$ 412,396	\$ 410,729
Laundry and linen	8,738	9,532
Maintenance - Resource Centre	1,260,147	1,221,195
Maintenance - Crescent Centre	54,968	62,470
Maintenance - Balsam Grove	40,758	43,431
Adult protective services	176,789	175,003
Complex case management	-	96,252
Home share	1,490,999	1,529,692
Out of home respite	37,525	42,872
Continuing education	924,491	899,105
Client services, administration	69,147	66,562
Chaplaincy	73,749	58,407
Medical associates	249,538	252,855
Radiology *	208,921	218,131
Clinical lab	37,688	35,467
Cytogenetics	120,324	120,324
Pharmacy *	1,668,581	1,424,574
Clinical services	656,746	825,518
Hydrotherapy	149,408	195,372
Crescent community services	1,502,962	1,656,541
Psychology	328,050	278,649
Behavior management	272,350	306,929
Social services	349,330	338,785
Volunteer services	43,929	43,461
Client facilitation	452,267	445,447
Planning and vocational services	144,425	144,649
Data analytics	188,873	71,828
Clinical records	246,947	314,728
Joint service agreements	531,041	927,185
Dietary	414,644	431,832
Community network of specialized care	956,066	880,759
Treatment home	1,259,143	1,304,438
Haig Road complex care home	208,530	-
	\$ 14,539,470	\$ 14,832,722
*Effective April 1, 2016, Pharmacy & Radiology were excluded from Ministry responsibility		
Responsibility of Ministry of Community & Social Services	\$ 12,661,968	\$ 13,190,017
Responsibility of Board	1,877,502	1,642,705
	\$ 14,539,470	\$ 14,832,722

ONGWANADA HOSPITAL

Expenses of Developmental Care (General Administration)

SCHEDULE C

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Administration	\$ 630,802	\$ 534,268
Financial services	572,006	545,108
Human resources	639,396	588,945
Occupational health and safety	200,021	206,705
Support services	392,117	388,255
Management information system	329,272	301,137
	<u>\$ 2,763,614</u>	<u>\$ 2,564,418</u>