Financial Statements of

ONGWANADA HOSPITAL

Year ended March 31, 2021

ONGWANADA HOSPITAL

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Year ended March 31, 2021

KPMG LLP
863 Princess Street, Suite 400
Kingston ON K7L 5N4
Canada
Tel 613-549-1550
Fax 613-549-6349

INDEPENDENT AUDITORS' REPORT

To the Members of Ongwanada Hospital

Opinion

We have audited the financial statements of Ongwanada Hospital (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2021
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at March 31, 2021, 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.

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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian 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.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 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.

KPMG

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

June 22, 2021

ONGWANADA HOSPITAL

Statement of Financial Position

March 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	$ 11,323,178	$ 7,392,598
Accounts receivable (note 2)	1,677,713	1,436,643
Prepaid expenses	168,372	300,665
Inventories	157,752	205,323
	13,327,015	9,335,229
Restricted assets:		
Patient safekeeping accounts		
Cash	314,720	124,419
Due from (to) general account	(10,340)	72,242
	304,380	196,661
Capital assets (note 3)	9,415,459	9,949,212
Due from Ongwanada Non-Profit Housing Corporation (note 9(a))	14,095	7,025
	$ 23,060,949	$ 19,488,127

	2021	2020

Liabilities, Deferred Contributions and Net Assets

	2021	2020
Current liabilities:		
Accounts payable and accrued liabilities (note 4)	$ 6,056,075	$ 5,273,558
Payable to Province of Ontario	1,476,444	8,612
Deferred revenue	283,805	163,498
Due to (from) patient safekeeping account	(10,340)	72,242
	7,805,984	5,517,910
Employee future benefits liability (note 5)	8,248,600	7,816,400
Patients' safekeeping accounts:		
Balances held in trust	304,380	196,661
Deferred capital contributions (note 6)	6,959,915	5,900,173
Net assets:		
Invested in capital assets (note 7(a))	3,950,544	4,049,039
Internally restricted	166,569	164,987
Unrestricted deficiency	(4,375,043)	(4,157,043)
	(257,930)	56,983
Contingent liabilities (note 10)		
Subsequent event (note 13)		
	$ 23,060,949	$ 19,488,127

See accompanying notes to financial statements.

On behalf of the Board:

______________________________ Member

______________________________ Member

ONGWANADA HOSPITAL

Statement of Operations

Year ended March 31, 2021, with comparative information for 2020

	Responsibility of Ministry of Children, Community and Social Services General programs	Responsibility of hospital	Plant and endowment fund	2021 Total	2020 Total
Revenue:					
Patient services:					
Approved funding	$ 41,300,424	$ –	$ –	$ 41,300,424	$ 37,685,296
Other patient revenue	1,625,517	–	–	1,625,517	1,677,119
Offset revenue and recoveries:					
Community residential services	1,624,996	–	–	1,624,996	1,497,435
Client and community services - environmental support	900,651	–	–	900,651	899,769
General administration	30,945	–	–	30,945	41,628
Community health services	–	2,535,183	–	2,535,183	2,100,321
Interest	20,627	–	31,287	51,914	168,776
Donations	–	–	68,066	68,066	18,925
Amortization of deferred capital contributions (note 6)	–	–	435,258	435,258	442,841
Other income	28,862	70,950	–	99,812	92,011
	45,532,022	2,606,133	534,611	48,672,766	44,624,121
Expenses:					
Developmental care:					
Community residential services (schedule A)	32,756,202	–	–	32,756,202	28,544,258
Client and community services - environmental support (schedule B)	8,358,878	–	–	8,358,878	10,493,655
General administration (schedule C)	2,792,537	–	–	2,792,537	2,812,406
Community health services (schedule B)	–	2,451,594	–	2,451,594	2,445,243
Amortization of capital assets	–	–	533,753	533,753	553,804
Change in vacation pay liability	157,274	26,957	–	184,231	95,131
Other expense	–	11,153	–	11,153	40,599
	44,064,891	2,489,704	533,753	47,088,348	44,985,096
MCCSS recovery	(1,467,131)	–	–	(1,467,131)	–
Excess (deficiency) of revenue over expenses	$ –	$ 116,429	$ 858	$ 117,287	$ (360,975)

See accompanying notes to financial statements.

ONGWANADA HOSPITAL

Statement of Changes in Net Assets

Year ended March 31, 2021, with comparative information for 2020

	Invested in capital assets	Internally restricted	Unrestricted	2021 Total	2020 Total
Balance (deficiency), beginning of year	$ 4,049,039	$ 164,987	$ (4,157,043)	$ 56,983	$ 287,458
Excess (deficiency) of revenue over expenses (note 7(b))	(98,495)	1,582	214,200	117,287	(360,975)
Change in employee future benefits liability (note 5)	–	–	(432,200)	(432,200)	130,500
Balance (deficiency), end of year	$ 3,950,544	$ 166,569	$ (4,375,043)	$ (257,930)	$ 56,983

See accompanying notes to financial statements.

ONGWANADA HOSPITAL

Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	$ 117,287	$ (360,975)
Items not involving cash:		
Amortization of deferred capital contributions	(435,258)	(442,841)
Amortization of capital assets	533,753	553,804
Change in non-cash operating working capital:		
Accounts receivable	(241,070)	(738,457)
Due from Ongwanada Non-Profit Housing Corporation	(7,070)	(23,641)
Prepaid expenses	132,293	(174,836)
Payable to Province of Ontario	1,467,832	–
Inventories	47,571	(38,831)
Accounts payable and accrued liabilities	782,517	1,505,278
Deferred revenue	120,307	(194,659)
Due from patient safekeeping account	(82,582)	71,046
	2,435,580	155,888
Financing activities:		
Increase in deferred capital contributions	1,495,000	30,675
Investing activities:		
Additions to capital assets	–	(1,464,782)
Increase (decrease) in cash and cash equivalents	3,930,580	(1,278,219)
Cash and cash equivalents, beginning of year	7,392,598	8,670,817
Cash and cash equivalents, end of year	$ 11,323,178	$ 7,392,598

See accompanying notes to financial statements.

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 Children, 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, 2021.

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.

(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.

1. Significant accounting policies (continued):

(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 and its components	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.

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.

1. Significant accounting policies (continued):

(g) Employee future benefits (continued):

The most recent regulatory funding valuation of this multi-employer pension plan conducted as at December 31, 2020 disclosed actuarial assets of $103,983 million with accrued pension liabilities of $79,852 million, resulting in a surplus of $24,131 million. This filing valuation also confirmed that the plan was fully funded on a solvency basis as at December 31, 2020 based on the assumptions and methods adopted for the valuation.

(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.

2. Accounts receivable:

	2021	2020
Trade receivables	$ 1,525,672	$ 568,210
Harmonized sales tax	–	227,797
Copayment	150,464	154,541
Others	124,692	609,210
	1,800,828	1,559,758
Less: allowance for doubtful accounts	123,115	123,115
	$ 1,677,713	$ 1,436,643

3. Capital assets:

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Land	$ 911,723	$ –	$ 911,723	$ 911,723
Buildings and its components	18,508,698	10,255,320	8,253,378	8,673,035
Furniture and equipment	3,589,030	3,464,899	124,131	176,994
Vehicles	1,294,920	1,168,693	126,227	187,460
	$ 24,304,371	$ 14,888,912	$ 9,415,459	$ 9,949,212

Cost and accumulated amortization of capital assets at March 31, 2020 amounted to $24,304,371 and $14,355,159, respectively.

Capital assets have been reviewed for full or partial impairment and management has determined there are no impairment losses to be recognized during the year (2020 - $Nil).

4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $404,260 (2020 - $316,282), which includes amounts payable for harmonized sales tax and payroll-related taxes.

5. 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, 2020.

At March 31, 2021, the Organization's accrued benefit obligation relating to post-retirement benefit plans is $8,248,600 (2020 - $7,816,400).

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

Discount rate for calculation of accrued benefit obligation	3.10% per annum
Discount rate for calculation of net benefit costs	3.70% per annum
Salary escalation	2.50% per annum
Dental benefits escalation	3.00% per annum
Health benefits escalation	5.37% for 2021-2024, decreasing by 0.12% per year to an ultimate rate of 3.57%

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

	2021	2020
Accrued benefit obligation, beginning of year	$ 7,816,400	$ 7,946,900
Expense recognized for the year	490,400	570,000
Actuarial experience loss (gain) recognized	530,500	(193,000)
Benefits paid for the year	(588,700)	(507,500)
Accrued benefit obligation, end of year	$ 8,248,600	$ 7,816,400

6. Deferred capital contributions:

Capital assets:

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.

	2021	2020
Balance, beginning of year	$ 5,900,173	$ 6,312,339
Additional contributions received	1,495,000	30,675
Less amortization of deferred capital contributions	(435,258)	(442,841)
Balance, end of year	$ 6,959,915	$ 5,900,173

The balance of deferred contributions for capital assets consists of the following:

	2021	2020
Unamortized capital contributions used to purchase	$ 5,464,915	$ 5,900,173
Unspent contributions	1,495,000	–
Balance, end of year	$ 6,959,915	$ 5,900,173

7. Investment in capital assets:

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

	2021	2020
Capital assets	$ 9,415,459	$ 9,949,212
Amounts financed by:		
Deferred contributions	(5,464,915)	(5,900,173)
	$ 3,950,544	$ 4,049,039

7. Investment in capital assets (continued):

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

	2021	2020
Excess of revenue over expenses:		
Amortization of deferred capital contributions	$ 435,258	$ 442,841
Amortization of capital assets	(533,753)	(553,804)
	$ (98,495)	$ (110,963)
Net change in investment in capital assets:		
Purchase of capital assets	$ –	$ 1,464,782
Amounts funded by deferred contributions	–	(30,675)
	$ –	$ 1,434,107

8. 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 $1,609,360 (2020 - $1,756,024) 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 2020 Annual Report indicates the plan is fully funded at 119%.

9. 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.

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, 2021 and March 31, 2020, and for the years ended March 31, 2021 and March 31, 2020, are as follows:

	2021	2020
Assets:		
Current	$ 50,297	$ 34,699
Replacement reserve fund	160,574	144,316
Capital assets	1,816,116	1,948,386
	2,026,987	2,127,401
Liabilities and fund balance:		
Current	183,937	168,338
Long-term	1,682,475	1,814,746
Replacement reserve fund	160,575	144,317
	2,026,987	2,127,401
Net assets	$ –	$ –

9. Related entities (continued):

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

The amount owing to the Organization is composed of $21,064 (2020 - $21,064) owing from the replacement reserve fund and $35,159 (2020 - $28,089) included in current liabilities.

	2021	2020
Revenue	$ 483,764	$ 516,057
Expense	483,764	516,057
Excess of revenue over expense	$ –	$ –

	2021	2020
Cash flows provided by (used in):		
Operating activities	$ 132,270	$ 125,916
Financing and investing activities	(132,270)	(125,916)
Increase in cash	$ –	$ –

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 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 $67,425 (2020 - $67,620) to the Organization.

9. Related entities (continued):

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

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 Children, Community and Social Services. At March 31, 2021, a balance of $14,095 was receivable from the Housing Corporation (2020 - $7,025) 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.

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 $1,506 (2020 - $8,944) 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. At March 31, 2021, the Organization owed the Ongwanada Auxiliary $Nil (2020 - $28,315) and is included in accounts payable and accrued liabilities on the Statement of Financial Position. The balance owing is unsecured, bears interest at the bank's prime rate minus 1% and has no fixed terms of repayment.

During the year, the Board passed a resolution whereby the operations of Ongwanada Auxiliary were to be wound down with the funds owed to be utilised towards the refurbishment of the Boardroom and purchase of IT infrastructure equipment.

10. 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, 2021.

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, 2021.

(b) 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, 2021 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.

11. 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 2020.

11. Financial risk and concentration of risk (continued):

(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 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 (note 2).

12. Impact of COVID-19:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. At the time of approval of these financial statements, the Corporation has undertaken the following activities in relation to the COVID-19 pandemic.

- The closure of certain facilities to the general public, with temporary facilities opened to deal with screening and testing activities;
- Revisions to the delivery of a number of services in order to create capacity for pandemic response and limit the potential for transmission within the Organization;
- The implementation of working from home requirements for certain employees;
- The Corporation received COVID-19 funding in the form of pandemic pay in the amount of $974,679 and temporary wage enhancement in the amount of $879,708 to offset the related COVID-19 costs; and
- The Corporation received capital funding from MCCSS during the year amounting to $1,495,000 but which remain unspent as a result of delays due to the impact of COVID-19 and which have been deferred to 2022 fiscal year.

The Corporation continues to respond to the pandemic and plans for continued operational and financial impacts during the 2022 fiscal year and beyond. Management has assessed the impact of COVID-19 and believes there are no significant financial issues that compromise its ongoing operations. The outcome and timeframe to a recovery from the current pandemic is highly unpredictable, thus it is not practicable to estimate and disclose its effect on future operations at this time..

13. Subsequent event:

Subsequent to the year end, the Corporation initiated the process of acquiring a property on Cassidy Street in Kingston, Ontario with legal formalities and paperwork yet to be completed To date, only legal fees have been incurred with the Corporation intending to complete the acquisition of the property in due course in the absence of any further COVID related delays.

14. Comparative information:

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

ONGWANADA HOSPITAL

Expenses of Developmental Care (Community Residential Services) SCHEDULE A

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
High support - 24-hour nursing:		
Barclay	$ 1,034,270	$ 1,345,269
Elizabeth	1,096,929	1,043,185
High support:		
Baxter	821,139	817,015
Sydenham	1,298,767	1,057,791
James	1,014,915	905,219
Respite:		
Wilson	505,801	271,969
Out of home	141,684	427,271
Low support:		
Dundas	9,717	9,497
Seaforth	680,527	595,826
Inverness	864,625	647,747
Douglas	727,635	649,752
Montreal North	699,082	656,764
Portsmouth	647,621	561,820
Montreal South	724,627	756,497
Mulcaster	667,662	596,140
Prince Charles	689,084	635,881
Richard	694,734	678,021
Church	839,757	744,192
Robinson	665,825	634,081
Cunningham	672,600	608,974
Henry	643,226	658,828
McKeown	651,061	694,452
Henrietta	730,835	28,664
Grosvenor	879,208	658,800
Muirfield	702,143	629,087
Mowat	749,898	680,643
Clinical:		
Sunnyside complex care home	1,667,375	1,327,830
Gore Road complex care home	1,336,410	1,168,178
Haig Road complex care home	1,335,872	1,278,620
Home share	1,260,025	1,348,360
Joint Service Agreements	6,024,223	3,954,048
Residential administration and support:		
Administration	1,658,161	1,729,284
Scheduling	266,803	306,281
Transportation	353,961	438,272
	$ 32,756,202	$ 28,544,258

ONGWANADA HOSPITAL

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

SCHEDULE B

Year ended March 31, 2021, with comparative information for 2020

		2021		2020
Housekeeping	$	352,102	$	367,755
Laundry and linen		1,506		8,944
Maintenance - Resource Centre		1,282,013		1,761,552
Maintenance - Crescent Centre		73,620		89,274
Maintenance - Balsam Grove		43,859		88,638
Adult protective services		306,102		414,800
Continuing education		512,822		1,119,127
Client services, administration		31,442		79,306
Chaplaincy		73,974		71,955
Medical associates		241,474		270,319
Radiology *		33,581		184,632
Clinical lab		57,723		41,190
Cytogenetics		120,324		122,274
Pharmacy *		2,418,013		2,260,611
Clinical services		1,139,470		953,910
Hydrotherapy		251,154		205,487
Crescent community services		809,352		1,473,018
Psychology		429,749		526,368
Behavior management		438,573		407,932
Social services		392,517		398,007
Volunteer services		46,392		48,540
Client facilitation		434,698		477,742
Planning and vocational services		148,548		152,925
Data analytics		190,530		241,096
Clinical records		222,152		230,382
Dietary		299,402		478,778
Community network of specialized care		459,380		464,336
	$	10,810,472	$	12,938,898

*Effective April 1, 2016, Pharmacy & Radiology were excluded from Ministry responsibility

Responsibility of Ministry of Children, Community and Social Services	$	8,358,878	$	10,493,655
Responsibility of Board		2,451,594		2,445,243
	$	10,810,472	$	12,938,898

ONGWANADA HOSPITAL

Expenses of Developmental Care (General Administration) SCHEDULE C

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Administration	$ 721,910	$ 605,324
Financial services	619,280	588,964
Human resources	504,343	623,475
Occupational health and safety	175,502	219,677
Support services	391,805	384,619
Management information system	379,697	390,347
	$ 2,792,537	$ 2,812,406