Ontario

2018/19 Consolidated Local Health Integration Network Annual Report

Ontario

Table of Contents

1. Letter from the Chair

With the proclamation of the *Connecting Care Act, 2019* in June 2019, Ontario Health officially came into being as a Crown agency. While the critically important challenge of improving patient care and ending hallway medicine lies ahead, this year's combined Local Health Integration Network (LHIN) Annual Report provides an opportunity to reflect on the past year and to lay a path forward.

Since March 2019, when the members of the board of directors for Ontario Health were appointed to the boards for each of the Local Health Integration Networks we have had the opportunity to learn about and provide direction to the work of all 14 LHINs. Best practices and innovation on quality improvement, digital health, and integration and coordination of care have been developed in all corners of the province. It is these best practices that will be built upon as we move forward with the creation of Ontario Health.

Every part of Ontario has a unique geography and a population with diverse needs and preferences. On behalf of the LHINs' Boards, I would like to express a sincere thank you to all of the local voices that contribute to improving the health care system. It is our commitment that patients and their families, caregivers, and providers will continue to be heard as we move forward with building a truly integrated health care system that will provide an unparalleled patient experience.

We are now focused on building a strong, integrated and vibrant entity that can readily take on the enormous mandate that we have been given. We are operating in an undeniable reality -- the demand for health care is accelerating with an aging population living longer with complex health conditions. So, we must find a way to continue to modernize health care, leverage the digital solutions that are already available and break down the siloes for the benefit of patients, providers and the professionals who keep the system working each day.

In closing, I would like to thank the previous LHIN Boards who provided oversight to the work and accomplishments reflected within this annual report. I would also like to express my appreciation to the LHIN CEOs and their teams for their strong commitment to patients, caregivers and providers in their communities, which can be seen throughout the pages of the 2018/19 Annual Report.

Sincerely,

William Hatanaka
Board Chair

2. Introduction

On February 26, 2019, the Government of Ontario announced its long-term plan to end hallway health care and build a modern, sustainable and integrated health care system that starts and ends with the patient. This includes the creation of local Ontario Health Teams and integrating the functions of the Local Health Integration Networks (LHINs) and other provincial agencies into a single agency – Ontario Health. In recognition of the transformation underway, for the 2018-19 reporting year, Ontario's 14 LHINs have developed a single, pan-LHIN Annual Report.

The LHIN mandate, per the *Local Health System Integration Act, 2006 (LHSIA)*, is to plan, fund and integrate in their local health system. Through amendments to LHSIA in 2016, the LHIN mandate was expanded to include the management and delivery of home and community care services for patients across Ontario. There are 14 LHINs across the province and are listed as follows:

1. Erie St. Clair LHIN (ESC LHIN)
2. South West LHIN (SW LHIN)
3. Waterloo Wellington LHIN (WW LHIN)
4. Hamilton Niagara Haldimand Brant LHIN (HNHB LHIN)
5. Central West LHIN (CW LHIN)
6. Mississauga Halton LHIN (MH LHIN)
7. Toronto Central LHIN (TC LHIN)
8. Central LHIN (CEN LHIN)
9. Central East LHIN (CE LHIN)
10. South East LHIN (SE LHIN)
11. Champlain LHIN (CHA LHIN)
12. North Simcoe Muskoka LHIN (NSM LHIN)
13. North East LHIN (NE LHIN)
14. North West LHIN (NW LHIN)

As work to support the phased transition to Ontario Health begins, LHINs continue to ensure Ontarians receive the care they need when they need it.

In 2018-19, LHINs worked closely with hospitals, long-term care homes, community health centres, community support services, assisted living services in supportive housing, acquired brain injury services and mental health and addictions services, through community engagement, direction, and funding and accountability agreements.

In addition to their mandate, LHINs were charged with:

- Promoting health equity, including working to reduce or eliminate health disparities and inequities;

- Respecting the requirements of the *French Language Services Act, 1990 (FLSA)* in the planning, design, delivery and evaluation of health services; and
- Participating in the development and implementation of health promotion strategies to support population health improvement and outcomes.

3. Population Profile

Below is a chart with a population profile of Ontario which includes information on the number and type of health service providers (HSPs) across the province. Individual LHIN population profiles can be found in Appendix One.

Area (km^2):	908,699 km^2	**Health Service Providers:**
Total Population:	13,448,494	• 141 Hospitals
Population Age 65+:	16.7%	• 626 Long-Term Care Homes
Population Growth Rate:	4.6%	• 602 Community Services
Population Density	14.8/km^2	• 380 Mental Health Agencies
Rural Population	17.2%	• 100 Residential Hospices
Indigenous Population	2.8%	• 75 Community Health Centres
Francophone Population	4.7%	
Low Income Population	14.4%	

Source:

- Statistics Canada. Canada, Provinces, Territories, Census Divisions, Census Subdivisions and Dissemination Areas tables. Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001.
- Land area and population density: 2016 Census Geographic Attribute File. Statistics Canada.
- Special Tabulations: Statistics Canada. 2016 Census. Detailed age and sex; Inclusive Definition of Francophone; Seniors living alone. Prepared by Health Analytics and Insight Branch (HAIB), March 2019.
- Population Health/Select Highlights from the LHINs' 2019-22 IHSPs and the 2019-22 IHSP Environmental Scan document.

4. Description of Activities over the Year

In 2018-19, LHINs focused on advancing government priorities such as:

- Hospital overcrowding;
- Mental health and addictions;
- Long-term care;
- Home care; and
- Capacity planning.

In addition to advancing those priorities, LHINs are working to find ways to deliver services more efficiently and effectively.

Reducing Hospital Overcrowding

Alternate Level of Care (ALC)

In 2018-19, LHINs and HSPs worked collaboratively to reduce hospital overcrowding and increase patient flow across the health care system. Patients designated as ALC reduce available hospital capacity for patients who require acute level care. Patients are designated as ALC when they remain in hospital although they no longer require hospital-level services. As of March 31, 2019, there were 4,711 patients designated as ALC, who were occupying 16.2 percent of hospital inpatient beds.

In the North East (NE) LHIN, designated staff known as a Patient Flow Leads, have been supporting hospitals in implementing an ALC Avoidance Framework which includes strategies to ensure patients are receiving care in the right place. The NE LHIN has implemented the ALC Avoidance Framework in several hospitals and continues to work with partners to ensure better use of existing programs, such as transitional care and rehabilitation services, to meet the needs of patients and relieve pressures on hospitals. By transferring patients out of the hospital and into a community setting, you reduce the risk of hospital infections, and patients receive a more appropriate level of care where they have opportunities to be active and socialize with others.

The Central (CEN) LHIN has added over 360 new Reactivation Care Centre (RCC) beds to help ease pressure on overcrowded hospitals. The RCC care model was developed in December 2017 in partnership with HSPs and the Ministry of Health (formerly known as the Ministry of Health and Long-Term Care) or (the "ministry"). Building on the positive patient experience and early improvement in patient flow and functional assessment data, a second RCC was opened in December 2018 with 94 beds, which became fully operational with 214 beds in May 2019. In 2018-19, the RCCs helped 407 patients

optimize their functional independence to return home with home and community care services, and an additional 451 patients were able to transition to convalescent or long-term care.

The Toronto Central (TC) LHIN has initiated service resolution tables where partners in both acute care hospitals and the community sector collaborate to align resources as a means to support and transition ALC patients to the appropriate community settings. To date, rounds with providers have resulted in transitions of complex ALC patients saving 3983 ALC days in hospital.

Short-Term Transitional Care Models (STTCM)

In 2018-19, the ministry provided LHINs with $62 million in funding to enable the delivery of 66 STTCMs. STTCMs alleviate hospital occupancy pressures and improve patient flow. STTCMs have contributed to improved patient outcomes, strengthened system integration between LHINs and delivery partners, and have assisted in maintaining overall system capacity.

The North West (NW) LHIN focused on several initiatives to support the STTCMs. The Sioux Lookout MenoYaWin Health Centre engaged patients and caregivers and developed a culturally appropriate care and post-discharge plan. 511 patients have been discharged using this model. Supportive Housing Rehabilitation Care Beds in partnership with St. Joseph's Care Group and PR Cook Apartments provided supportive housing services for individuals undergoing rehabilitative treatment who reside outside of Thunder Bay. The Enhanced Seniors Priority Care Pathway supported 908 individuals that are non-acute, at-risk, over the age of 65, identified in the emergency department (ED) based on various conditions.

In 2018-19, the North Simcoe Muskoka (NSM) LHIN’s STTCM portfolio was expanded. With additional one-time funding from the ministry, the NSM LHIN established a 29-bed transition unit in partnership with Bayshore and IOOF Seniors Home, that provided restorative services to patients designated as ALC within South Georgian Bay. Additionally, NSM LHIN was also able to continue Helpings Hands' 21-bed transition unit for patients designated as ALC which served the Barrie and Area and Couchiching sub-regions.

The Central East (CE) LHIN operated 56 STTCM beds/spaces across six projects that helped increase patient flow outside of hospitals and ensured patients received more appropriate levels of care. One of CE LHIN’s projects included the 20-bed Enhanced Behavioural Rehabilitation Transitional Unit located at the Ontario Shores Centre for Mental Health Sciences (OSCMHS). This 20-bed psychiatric unit used existing space at OSCMHS to provide intensive, specialized supports to frail seniors with dementia and

responsive behaviours who faced barriers to discharge that prevented them from transitioning to a more permanent discharge destination. In 2018-19, 89 patients were served, and 72 patients were discharged (excludes deaths). While some patients returned to acute care, an encouraging number transitioned home or to other facilities upon discharge.

The Mississauga Halton (MH) LHIN's Bridges to Care Program focuses on providing short-term, enhanced supports in the community to support safer and smoother patient transitions with a goal of removing barriers to discharge by providing enhanced community supports, while optimizing long-term care placement strategies that enable earlier transitions. By the end of 2018-19, 71 transitional spaces were operational with 227 transitions occurring from hospital to community.

In the Erie St. Clair (ESC) LHIN, Intensive Hospital to Home (IHH), IHH-Rehab, and Mobile Assisted Living: Neighbourhoods of Care were initiatives funded by the ministry as STTCM. These initiatives supported approximately 300 ALC patients, or patients at risk of being designated as ALC, transition safely from hospital to community.

The Hamilton Niagara Haldimand Brant (HNHB) LHIN continued to expand the STTCM program in 2018-19 with the addition of a new site in Niagara. This addition brought the total number of transitional care sites to 16. Additionally, 28 beds were provided within the existing programs in Hamilton and Niagara. Across HNHB LHIN's five STTCMS that operated in 2018-19, 61 spaces were created, over 270 patients were served and 170 were discharged. More than 650 patients were supported by the transitional bed program through 228 transitional care beds across the LHIN.

Kingston Health Sciences Centre (KHSC) in the South East (SE) LHIN initiated a pilot partnership with Bayshore HealthCare to deliver a comprehensive health services program through an ALC Transition Unit outside the hospital. This assisted KHSC in decreasing the number of ALC patients currently occupying inpatient beds by saving approximately 4,300 ALC days since the launch. The pilot also reduced the number of repeat ED visits and avoidable hospital re-admissions by former ALC patients. The ALC Transition Unit has 30 co-located beds within a community retirement setting.

TC LHIN operated a total of 190 STTCM beds, which throughout the year had a total of 785 admissions and 719 discharges that saved a total of 64,165 ALC days. Pine Villa is a 69–bed transitional supportive housing site, where clients are supported by personal support workers, Registered Practical Nurses, case managers, social workers and recreational therapists. It provides care in a community setting for clients who no longer need to be in a hospital but who are not yet able to return to their own home and helps clients to regain their strength and independence outside the hospital.

Together with their caregivers, clients are better able to make informed, realistic decisions about their future care needs and living arrangements.

Addressing Seasonal Demands on Hospitals

In 2018-19, several LHINs addressed capacity pressures in hospitals during the winter months by implementing a strategy focused on improving patient flow. Initial feedback from partners shows positive impacts on the health system because of the varied initiatives that focused on ED diversion and patient flow outside of hospitals. Proactively addressing the seasonal surge is important, as there is an increased demand of people visiting EDs due to influenza, weather-related injuries, and reduced access to family doctors during the holidays.

In the Champlain (CHA) LHIN, short-term projects were implemented in 2018-19 to improve care and serve patients in a timely manner. The projects include: providing non-urgent transportation for more than 1,600 patients leaving hospital and adding nurses in Ottawa's EDs to receive almost 14,000 patients arriving by ambulance. In addition, the CHA LHIN provided almost $25 million in additional funding for temporary inpatient beds and brought in specialized rehabilitation equipment to address the needs of survivors of the January 2019 bus crash in Ottawa.

In the ESC LHIN, the Seasonal Influenza Surge Plan provided a coordinated response to influenza and the corresponding hospital volume pressures. This was demonstrated by lower-average acute care occupancy rates. The ESC LHIN engaged a broad cross-section of providers to review best practices and improvement opportunities to revise a strategy document to guide seasonal Influenza surge planning and implementation.

The South West (SW) LHIN provided 93 additional spaces for flex acute care and 14 additional mental health beds across the region's hospital sites to alleviate occupancy pressures during influenza season and other surge periods. In addition, a surge plan and protocol were used during the 2018-19 holiday season to ensure access and flow were maintained during predictable peaks in volume.

Improving Mental Health & Addictions Services

Rapid Access Addiction Medicine (RAAM) Clinics

Responding to the opioid crisis was a priority for LHINs in 2018-19. To address the urgent and ongoing health needs of people with opioid addictions, LHINs put in place several initiatives to improve access to services and quality of care, including RAAM clinics. The RAAM model of care is designed to provide short- and long-term treatment

and support, including triaging clients to the most appropriate ongoing care provider, to reduce opioid overdoses, hospital ED visits, and inpatient stays.

In the CEN LHIN, five new RAAM clinics were opened in 2018-19, with planning underway for a sixth clinic to open in 2019/20. The five clinics, which are operated by Addictions Services for York Region in partnership with local hospitals, provide immediate access to comprehensive, life-saving treatment including same-day counselling, addiction and withdrawal medication and support, as well as social services programming. The clinics supported 481 patients in 2018-19.

The Waterloo Wellington (WW) LHIN invested in short- and long-term strategies to address the current opioid crisis, including supporting a new RAAM clinic in all four sub-regions. Additionally, a partnership between Stonehenge Therapeutic Community and Cambridge Memorial Hospital ensured that those admitted to the ED for an overdose had access to a peer support program.

In the Central West (CW) LHIN, the Canadian Mental Health Association (CMHA) Peel-Dufferin Branch established a RAAM clinic, providing immediate access to lifesaving treatment by offering same-day primary care, counselling and addictions medication. This model has helped save lives by engaging people with treatments options.

In 2018-19, the CE LHIN's four RAAM clinics expanded access to care through increased hours of service, increased onsite resources, and Fentanyl Test Kit distribution. In support of addiction and mental health services, opioid services were strengthened and expanded in the SE LHIN. The model is anchored in primary care and/or RAAM clinics. The care provided to those in need is an integrated team approach including mental health and addictions, primary care, public health and peer support services. Expansion has increased to rural areas to ensure region-wide opportunity of access.

In the NE LHIN, the Regional Mental Health and Addictions Advisory Council developed a Regional Opioid Strategy. As part of the strategy, four RAAM clinics were implemented in the region's four urban centres and enhanced access to RAAM services for rural residents through community spoke sites in Espanola, Thessalon, Parry Sound and Wawa. The NE LHIN is working to open 10 more RAAM sites by April 2020.

The NW LHIN also expanded the RAAM model within the City of Thunder Bay. RAAM partners are working together to provide a spectrum of services including withdrawal management, assessment, residential and outpatient treatment and system navigation to address other needs, such as affordable housing. Additionally, further investment was made to support the expansion of opioid addictions treatment services across the region.

TC LHIN's Integrated Community Care Committee successfully designed and implemented a multi-year change process to improve waitlist efficiency and access to Intensive Case Management services within the LHIN. This work resulted in a 24% increase in overall service capacity with 70% of new referrals sent to service and a 38% decrease in the waitlist overall by the end of FY2018/19

Big White Wall and BounceBack Programs

The province-wide Big White Wall program is a free online peer support medium moderated 24/7 by clinically trained guides. It is a self-management tool for adults and youth aged 16 and older experiencing symptoms of mild to moderate depression and anxiety. People can self-refer, and users can talk anonymously with other members of the community who are feeling the same way they are.

The BounceBack program is a free skill-building program designed to help adults and youth aged 15 and older manage symptoms of depression and anxiety, combat unhelpful thinking, and become more active and assertive. Online videos, telephone coaching and workbooks are available through the program.

By working with local CMHA, the NE LHIN successfully implemented these two province-wide psychotherapy initiatives in 2018-19. The Big White Wall and the BounceBack programs exceeded quarterly targets in the process. The NE LHIN helped to organize public launch events for the programs in Haileybury, North Bay, Sault Ste. Marie, Sudbury, and Timmins. Fourth-quarter results for 2018-19 showed 304 referrals for the Big White Wall and 410 for BounceBack.

In 2018-19, the CHA LHIN widely promoted the province-wide Big White Wall and BounceBack programs. The CHA LHIN had roughly 2,400 Champlain residents take part in the programs in 2018-19.

The Big White Wall and BounceBack programs have been positive in the SW LHIN, with 8 percent of all BounceBack referrals and 7 percent of all new Big White Wall registrations in the fourth-quarter of the 2018-19 fiscal year. The TC and CE LHINs also supported the province-wide implementation of these Structured Psychotherapy services through close collaboration with Ontario Telemedicine Network (Big White Wall) and CMHA Ontario (BounceBack).

Assertive Community Treatment (ACT) Teams

ACT Teams bring together case managers, nurses, addiction specialists, psychiatrists, social workers and peer support workers to form a multi-disciplinary, community-based approach to health and social well-being treatment, recovery and support for

those with serious and persistent mental illness and psychosis who may have a history of repeat hospital visits.

To support growing community needs for mental wellness support, and to enhance capacity and access to readily available services, the CEN LHIN funded and promoted several new mental health services in 2018-19. A new ACT Team was established in South Simcoe to enable quicker and more equitable access for residents in the area, an augmentation to the six other ACT Teams currently in operation. This new South Simcoe ACT Team supported 41 clients with 2,809 visits in 2018-19, while the seven ACT Teams combined to support more than 800 clients with an average of over 100 visits per client. Across all mental health services funded by CEN LHIN, there were over 198,000 visits for case management, supportive counselling and other mental health related services.

Mobile Response Crisis Teams

In 2018-19, the NW LHIN expanded the Joint Mobile Crisis Response Team in the City of Thunder Bay. This program is being led by CMHA - Thunder Bay in partnership with the Thunder Bay Police Service. The Joint Mobile Crisis Response Team, which includes a mental health crisis response worker and, if required, a uniformed police officer, provides a coordinated response to individuals experiencing a mental health crisis. As of the third quarter of 2018-19, the program exceeded the annual target, serving over 400 individuals and diverting 39 individuals from the ED.

Police service members across the NSM LHIN are responding to calls related to individuals who are experiencing a mental health crisis. In 2018-19, the NSM LHIN also created Mobile Response Crisis Teams in each of the five NSM LHIN sub-regions. This initiative is based on pre-existing regional pilots in Barrie, Collingwood, Wasaga Beach, Orillia and Midland. The pre-existing pilots have proven to decrease rates of police apprehension, hospital admission and ED visits, while also improving quality and access to an appropriate level of care.

Improving Long-Term Care

Enhanced Behavioural Support in Long-Term Care Homes

Behavioural Supports Ontario (BSO) is a comprehensive system of supports to enhance care for individuals with responsive behaviours and support their caregivers. Typically, responsive behaviours are associated with dementia, mental health, substance use and/or other neurological conditions, and represents an unmet need that an individual may express through mood changes, verbal or physical responses. Specially trained

BSO staff aim to identify and reduce triggers, provide non-pharmacological interventions, and improve engagement and quality of life for individuals. For example, Long-Term Care Transitional Leads provide enhanced transitional support to clients, family and long-term care home employees before, during and after a person's transition to long-term care.

In the HNHB LHIN, Transitional Leads supported 518 clients and 293 family members and/or informal caregivers in 2018-19. Additionally, 377 referrals were received by Transitional Leads to support clients anticipated to demonstrate responsive behaviours upon moving to long-term care (an 85 percent increase over 2017/18). Transitional Leads also supported 145 transitions from community to a long-term care home (a 26 percent increase over 2017/18).

The CEN LHIN provided funding to increase BSO supports to 15 additional long-term care homes, nearly doubling the number of homes with embedded BSO staff to 33. Across the 33 long-term care homes, 7,528 residents and 5,471 of their family members received supports from BSO staff. The NE LHIN also provided funding to long-term care homes to support new BSO positions in 16 of the region's long-term care homes.

The MH LHIN, in collaboration with its 28 long-term care homes, the Alzheimer Society of Peel and other system partners made enhancements to the Regional BSO Program in 2018-19. The improvements include: ensuring dedicated BSO staff are within all long-term care homes; BSO education and training for staff; and strengthening non-pharmacological interventions. Investments in non-pharmacological interventions have helped reduce the intensity and frequency of distressing behavioural expressions for residents and improve their quality of life. For example, one long-term care home used its BSO non-pharmacological investment towards the development of a BSO sensory pathway room. The room opened in January 2019 and provides an opportunity for both relaxation and stimulation of the senses.

Throughout 2018-19, the SE LHIN, ESC LHIN, and TC LHIN also added additional staff to support residents with responsive behaviours. The SE LHIN facilitated the hiring of 9.33 permanent full-time equivalent BSO staff (nurses and other health professionals) and the ESC LHIN provided additional nursing support and personal support workers. The TC LHIN implemented embedded Behavioural Support Leads within all its 36 long-term care homes to support transitions for clients.

In the WW LHIN, an addition of a BSO team at St. Joseph's Health Centre in Guelph has reduced the number of incidents and the severity of violence of long-term care residents towards other residents and staff. This mobile transition team, consisting of

a geriatric specialist and nurses, was available to work closely with caregivers and staff at all long-term care homes in the WW LHIN.

Long-Term Care Behavioural Units

In April 2018, a 20-bed Specialized Behavioural Support Unit opened at the Perley and Rideau Veterans' Health Centre in CHA LHIN to provide care for people with dementia who are exhibiting responsive behaviours. These behaviours may include yelling, hitting, pacing, and grabbing. The unit provides an essential service in the region – a secure environment where, over multiple months, these individuals receive enriched care and treatment that stabilizes their behaviour and supports their successful transition to an appropriate residential setting. The unit was made possible through a partnership with the CHA LHIN, The Royal Ottawa Mental Health Centre, BSO, and the Perley-Rideau. Since opening in April, the unit has admitted 23 residents, most of whom arrived from The Royal Ottawa Mental Health Centre, as well as others from long-term care and acute-care hospitals.

In December 2018, the MH LHIN, Trillium Health Partners and Responsive Management Inc. collaborated with the ministry to open a 30-bed Behavioural Unit at the Cooksville Care Centre in Mississauga. The unit supports an increasing number of patients with complex behavioural needs and those who are designated as ALC patients in the hospital or the community. As of March 31, 2019, the Cooksville Behavioural Unit Pilot served 23 residents, primarily from the acute care sector. Out of those residents served, from the day of admission to day 14 on the unit, 73.9 percent had an improvement in their Aggressive Behaviour Scale (ABS). In addition, there has been a decrease of approximately 36.4 percent in the use of scheduled antipsychotic medications for residents on the unit from December 2018 to March 2019 and approximately 72 percent of residents were in restraints prior to admission to the unit. As of March 31, 2019, there were no residents being restrained.

In the SW LHIN, funding for the pilot behavioural support transitional unit at McGarrell Place Long-Term Care Home continued throughout the 2018-19 fiscal year. This 29-bed unit provides a higher level of support for residents living with responsive behaviours. The model is focused on supporting the delivery of intensive behavioural support services in a long-term care setting, instead of a hospital. The unit is part of a coordinated continuum of care that leverages the strengths of specialist teams such as Geriatric Psychiatry and BSO Mobile teams and builds upon the knowledge and resources which currently exist. From December 2017 to March 2019, 21 people were admitted and eight were discharged.

Improving Access to Long-Term Care with Additional Beds

In 2018-19, the ESC LHIN supported the ministry's strategy to improve access to long-term care through its investment in new long-stay beds, identifying and recommending future demands within each of the sub-regions, and through the opportunity to redevelop class C homes as a priority. Trillium Villa in Sarnia was selected as the first long-term care home to receive additional beds as part of its facilities redevelopment.

To help meet the needs of patients requiring long-term care, the NE LHIN has worked with long-term care homes to expand capacity and enhance services for older adults. To help ensure long-term care patients receive quality care and better access to services, 19 long-term care homes have been identified for redevelopment by 2025. These redevelopments will bring homes up to the latest standards and allow for the opportunity to enhance access to short stay and respite beds. These efforts are part of strategies to end hallway medicine, decrease waitlists and divert patients from becoming ALC.

In the SE LHIN, access to long-term care in the region will improve with the addition of 128 new beds at the Mohawks of the Bay of Quinte located in Deseronto, and an additional 64-beds for the Providence Manor redevelopment project in Kingston.

The WW LHIN is planning for the expansion of 97 long-term care beds. In Kitchener, plans are underway to redevelop the Village of Winston Park into a 192-bed facility. As more people continue to be added to the waitlist, this expansion will help increase access to long-term care closer to home. In Cambridge, 51 new long-term care beds have been allotted for a new project at St. Luke's Place which will increase capacity to 165 residents.

Improving the Delivery of Home Care

Care Coordination Initiatives

In 2018-19, LHINs worked in partnership with HSPs, service provider organizations, primary care providers, patients, and caregivers to develop innovative and collaborative initiatives to safely transition patients along their care journey. Moving care coordination closer to the client and building capacity to manage complex patients is integral to optimizing outcomes.

In 2018-19, the MH LHIN worked collaboratively with partners and providers, including the MH LHIN Regional Learning Centre, to develop a care coordination curriculum. The curriculum includes online modules and in-class workshop sessions designed to teach participants about accessing and managing coordinated care plans, leading care conferences, and strategies and techniques to build therapeutic alliance. By the end

of 2018-19, 70 staff members from 13 participating community organizations completed in-class and online training. The Regional Learning Centre is extending online and in-class care Coordination Core Competency training to MH LHIN care coordination staff and 23 partner organizations.

The NE LHIN coordinates and delivers home care services for more than 17,000 people daily; however, it is recognized that some clients may not always be receiving the services they need. In response, the NE LHIN began piloting the Neighbourhood Model of Care with the support of numerous partners. Under this new model, a care coordinator is assigned to a specified neighbourhood or multi-residential building where there is an identified population of high-needs seniors. The model helps target services to people who might otherwise have difficulty accessing the health care system. In March 2019, the model launched its first site in Sault Ste. Marie, with plans in place for additional sites.

Throughout 2018-19, the NSM LHIN continued to advance an initiative to connect care coordinators with primary care settings to provide patients with improved access to equitable, continuous, and quality primary care and home care services. An NSM LHIN Advisory Committee made concentrated efforts during the year to develop knowledge and understanding of the care coordinator role and function, to identify information shared between the LHIN and primary care settings, and to create a foundation to support care coordinators to be part of primary care teams. To ensure the patient voice was part of the planning process, a discussion was held with the Patient and Family Advisory Committee (PFAC) regarding the value of having an integrated team.

The ESC LHIN expanded the Rapid Response Nurse responsibilities into a Clinical Care Coordinator model in partnership with 13 primary care organizations. This resulted in improved access to home and community care services through primary care practitioners and more seamless care for patients. The TC LHIN realigned care coordination resources to embed care coordinators in neighbourhoods across the region, allowing for more integrated, timely, and seamless access to the health system.

Palliative Care Initiatives

In 2018-19, LHINs were engaged in strengthening the delivery of palliative and end-of-life care in the community. This aligns with improving the care experience of the patient and their families while reducing the use of hospitals.

In the fall of 2018, the MH LHIN undertook a process to identify two service provider organizations (SPO) to deliver palliative care nursing and personal support to adult patients in the Palliative Program. The successful SPOs were identified In February

2019 and the process has started to transition all patients on the Palliative Care Program to these SPOs. The MH LHIN Palliative Care Network offered a broad range of education and training to service provider organizations along with more than 200 health care professionals from across multiple sectors. These opportunities included, Learning Essential Approaches to Palliative Care (LEAP) courses, Fundamentals of Hospice Palliative Care, and a personalized academic detailing service called "The Palliative Approach to Care," which is being delivered to Primary Care Physicians. In addition, the MH LHIN began engagements with paramedic services in Halton and Peel regions to offer Palliative Care education to their staff in the upcoming year.

The CEN LHIN continued to focus on the Ontario Palliative Care Network's 2017-20 Action Plan. This included enhancing patient and caregiver engagement, aligning hospice care planning provincially, and establishing palliative models of care to increase access and enable quality standard adoption. Of note, the CEN LHIN celebrated a milestone of one year since launching its Regional Palliative Care Hub Model, which aims to improve the patient and caregiver experience and better support patients in their end-of-life journey. The model introduced regional palliative care teams in each of the six sub-regions, including dedicated palliative nursing and personal support providers with specialized training in palliative care which supported and enhanced the experience of 3,592 palliative patients in 2018-19.

The CHA LHIN and partners developed a new workshop this year to support family members who care for loved ones with life-limiting illnesses. The suggestion for this practical caregiver program came from a palliative-care patient as part of the CHA LHIN Board of Director's patient storytelling initiative. The multi-week educational program was co-created by caregivers and health providers associated with the CHA LHIN Hospice Palliative Care Program. Educational topics included managing stress, hygiene at home, providing personal support, using lifts and transfers, and coping with emergencies. The hospice/palliative regional program is now planning to extend this training opportunity to groups and organizations focused on dementia care. Overall, the CHA LHIN invests over $35 million in hospice palliative care annually through 13 HSPs in the region.

In 2018-19, both the HNHB LHIN and ESC LHIN focused on eShift palliative care which uses technology to enable specialized, palliative trained registered nurses to care for patients virtually by continuously monitoring and directing trained health care technicians with enhanced skills to provide hands-on care at a patient's bedside. Using smart phones to communicate, the technicians act as the eyes, ears and hands of the nurse. A dynamic electronic record is continuously updating and alerting the nurse. While allowing their caregivers to rest, sleep, or leave the home, eShift provides people with an opportunity to be cared for at home and helps avoid unnecessary

hospital visits. Since launching eShift palliative care in Niagara at the end of January 2019, 79 patients have received enhanced palliative care at home in the HNHB LHIN. The ESC LHIN has implemented a virtual eShift Ward for palliative care and end-of-life patients to ensure greater reliability of care through fewer missed visits.

In CE LHIN, a key imitative was Choice and Dignity in Death (CANDID), a palliative pilot project that supports individuals who are homeless or vulnerably housed. While 34 new patients were enrolled as of March 2019, 75 percent were given the opportunity to die in their preferred location. The opening of the CMHA – Durham Branch's one-bed hospice further supports CANDID patients to die in their preferred location.

Addressing Personal Support Service Human Resource Challenge

LHINs have identified challenges recruiting and retaining personal support workers (PSWs) in their regions. These recruitment and retention challenges are impacting access to care, primarily in the long-term care and home care sectors. In January 2019, the LHINs struck a PSW Capacity Working Group to better understand these challenges and to identify actions to address them. LHINs, in collaboration with local partners, are implementing a range of strategies to respond to their PSW recruitment and retention challenges. Examples include:

- Developing paths to incentivize PSW students to pursue working in the home and community care sector, including a focus on rural communities;
- Utilizing all disciplines to the full scope of their practice, freeing up PSWs to provide care;
- Working with local partners to optimize and build capacity within their regions (including examining workforce and regional immigration trends);
- Creating bridging opportunities for career progression; from upgrading the certification for Home Support Workers to PSW paths, to removing restrictions for other disciplines and foreign trained health care providers to pursuing PSW careers; and
- Piloting new models of care, Care Community Model or Hospital Hubs, and partnering with organizations to leverage technology in the provision of Personal Support care.

LHINs are also implementing strategies related to Client Partnered Scheduling (including Windows of Care), where the goal is to find a visit time that works for the client and lets service providers make the best use of their current PSW workforce, while meeting client needs. This is generally related to increasing the number of visits in the middle of the day, while reducing peak demand for services in the early morning and the evening. Additionally, LHINs are aiming to reduce PSW travel times, through the re-alignment of sub-regional services to bring existing service providers and their staff closer to the location of their patients.

Capacity Planning

Dementia Capacity Planning Strategy

The Dementia Capacity Planning Strategy aims to translate priorities into actionable capacity plans that support the planning and delivery of programs and services at a local level while also making progress towards broader health system goals. The ministry and LHINs worked together to co-design this approach to capacity planning. Through health (dementia) system capacity planning there is an aim to identify:

- Promising practices across the province;
- Data and program/services gaps; and
- Opportunities for future policy work that align with the ministry's priorities and intended outcomes.

The CHA LHIN created 165 new adult day program spaces, which increased the availability of specialized services in the community for people living with dementia. Approximately 350 people with dementia and 400 family members in CHA LHIN accessed newly funded, community-based, respite services during the last two quarters of 2018-19. In addition, transportation was provided for nearly 2,500 round-trips to help increase access for clients who experienced barriers in getting to and from adult day programs. Building on these new investments, the LHIN collaborated with the Champlain Dementia Network to develop a 10-year dementia capacity plan. The plan serves to build a system of care that improves access to appropriate services and assistance for the dementia population.

The HNHB LHIN engaged with key dementia care stakeholders including people with lived experience and HSPs including the Regional Geriatric Program, the Alzheimer Societies and the HNHB Dementia Network to identify capacity gaps and develop an evidence informed community capacity plan for dementia care. The plan reflected current and future health care needs for the population, and an approach to optimize and align the services available to address these needs. Priorities identified to address system capacity gaps included: Education, Early Diagnosis and Connection to Service; Coordinated Care Management; and Enhancing Services for People with Dementia and their Care Partners. Between September and December 2018, 99 caregivers (and persons with dementia) received a total of 2,314 hours of respite.

Similarly, the NSM LHIN expanded BSO resources in both Long-Term Care and the Community. Adult Day and community support programs received funding to enhance and expand capacity providing more access and services to people living with dementia across the region. Funding was also provided to support education and improve access to caregiver support for Indigenous peoples within the LHIN.

The SW LHIN's Frail Senior Strategy, which is an integrated approach to planning regional capacity, informed the development of the LHIN's Dementia Capacity Plan. This plan combines several funding/initiative streams to better offer services based on population needs across the LHIN. These combined streams include funding for BSO, Health Links, Assess and Restore, Senior-Friendly Care, Primary Care Collaborative Memory Clinics, community programs, and Specialized Geriatric Services.

Primary Care Capacity Planning

The MH LHIN is working on initiatives that will build awareness of health care system resources and capacity within the primary care sector. Driven through the development of Interprofessional Primary Care Teams, the MH LHIN sought to strengthen its foundation of primary care through the creation of an evidence-based model of primary care. The team of primary care advisors expanded its scope to provide academic detailing to physicians where a learning module is developed, accredited and delivered on strategic topics. Primary care advisors are also using practice facilitation techniques to foster change in workflow and increase adoption of various platforms. Primary care advisors are achieving excellent outcomes. The target was surpassed with 40 physicians registering for the e-Visit platform. Referrals to BounceBack, a provincial mental health and addictions program, increased by 240 percent following a primary care advisor promotion.

The TC LHIN is developing a primary care capacity planning model with the University of Ottawa as part of the LHIN-City of Toronto partnership action plan. This will assist in generating an evidence base for primary care funding requests and investments that will enable primary care planning within the City of Toronto.

The SE LHIN has also made significant achievements in strengthening access to primary care. In November 2018, 300 attendees participated in the annual Primary Health Care Forum, an education and networking event focused on health equity. Two Interprofessional Primary Care Teams launched in Rural Frontenac, Lennox and Addington, and Perth/Smiths Falls regions supporting physicians with essential allied health professionals for team-based primary care. Regionally, the SE LHIN has focused on the Chronic Obstructive Pulmonary Disease (COPD) population and a Lung Health Network was formed to promote quality improvement initiatives and provide a collaborative community of practice with hospital, public health and primary care.

Significant work has been done to expand Interprofessional Primary Care Team-based care and improve access to primary care in the NE and NW LHINs. The Northern Physician Resources Task Force, a collaborative multi-sector table chaired by the NE and NW LHINs, and informed largely by HealthForceOntario, worked on increasing

physician human resource capacity. The ability to understand recruitment and ongoing needs has improved considerably, and organizations have made significant changes in their offerings to support recruitment and retention.

Musculoskeletal (MSK) Initiatives and Rapid Access Clinics (RAC)

RACs have been introduced across the province to help people with highly prevalent and poorly managed MSK conditions – starting with moderate to severe hip and knee osteoarthritis, and low back pain.

The RAC model of care is building front-line capacity and standardized supports to improve access to high quality care. This model of care is effective because:

- Primary care providers have one central point of contact to refer their patients instead of sending multiple referrals for specialists or imaging;
- Patients receive a timely inter-professional assessment – typically from a nurse practitioner, physiotherapist, or chiropractor with advanced skills and training – within four weeks and receive evidence informed management recommendations faster;
- Patients who require a surgeon consultation will have the option to see the first available surgeon or a surgeon of their choice; and
- Patients who are not surgical candidates are connected to local community services or provided a self-management plan for their condition.

As of April 1, 2019, the RAC model of care is operational across all LHINs, with 66 assessment sites providing better access to care for patients. LHINs have been leading local implementation that has included establishing a governance model; determining their central intake location for patient referrals; hiring and training key staff that includes front-line assessment staff; and identifying surgeon champions to support local engagement.

In 2018-19, the NSM LHIN continued to support capacity planning as it:

- Increased access to specialty care through standardized triage and assessment within a four-week target from referral;
- Provided management of those with MSK hip, knee and low back pain conditions;
- Provided patient choice of assessment centre or surgeon consult, if applicable; and
- Streamlined the primary care referral process to orthopedic specialists.

Over 4,800 patients received hip or knee replacement surgery at five of the CEN LHIN hospitals: Humber River Hospital, Mackenzie Health, Markham Stouffville Hospital, North York General Hospital and Southlake Regional Health Centre. In addition, an inter-professional assessment and education clinic model for low back pain has been implemented at the Markham Stouffville Hospital.

The Hip and Knee RAC at Trillium Health Partners and Halton Healthcare opened on November 1, 2018 with 548 referrals received in the first five months of the program. 14 Low Back Pain RAC assessment sites were launched within the MH LHIN on March 1, 2019 with 140 referrals received in the first month.

5. Community Engagement

LHINs use community engagement as way to inform strategies that aim to improve patient experience, system performance and population health. Engaging with patients, families and caregivers ensures the health care system recognizes the health care needs and the cultural diversity of the province. Typical community engagement activities undertaken by the LHINs include: focus groups, surveys, presentations, and committee meetings with health system partners.

Engagement with Francophone Communities

LHINs are committed to engaging with the Francophone community to inform planning and integration of French Language Health Services (FLHS). They engage with French Language Health Planning Entities (FLHPE) who are responsible for providing advice on local FLHS to the LHINs. LHINs and FLHPE worked together to improve the planning and delivery of FLHS, including the deployment of the FLS Planning Tool (OZi Portal) to LHIN-funded HSPs and contracted SPOs to support the analysis of Ontario's FLHS capacity.

Northern Francophone Community Engagement

About 23 percent of the NE LHIN population identifies as Francophone. The NE LHIN works in partnership with the Réseau du mieux-être francophone du Nord-Est de l'Ontario (Réseau) to consult and engage with French speaking communities on ways to improve access to care in their language of choice. Increased access to FLHS is achieved through the HSP designation process and the monitoring of programs and compliance, which is done jointly by the NE LHIN and the Réseau. The region has 42 HSPs designated under the FLSA to provide services in French. An additional 55 HSPs have been identified to provide services in French and are in varying stages of their designation process. To help providers fulfill reporting requirements, the NE LHIN adopted the OZi tool for FLHS reporting, which makes it easier to obtain data to plan for FLHS. In 2018-19, the NE LHIN and the local Réseau held extensive Francophone community engagement sessions to identify health care priorities. Ten (10) engagements were held across the region and the outcomes helped to inform ongoing work to increase access to care for Francophone populations.

The NW LHIN worked extensively with the Réseau and 49 HSPs to complete a new, provincially standardized electronic report to assess capacity for the provision of FLHS. All 49 providers have completed input of data into this report successfully. As well, the Réseau participated in sub-region collaborations to support the Francophone

perspective. To expand the provision of FLHS in the region, the NW LHIN approved 10 new FLHS HSPs.

French Language Services (FLS) Community of Practice

In March 2019, the SW LHIN launched a Community of Practice for Bilingual Professionals to provide French speaking health professionals an online platform to enhance their ability to deliver services in French, access resources and tools, network with their peers, and work towards developing pathways and strategies that improve accessibility to FLS. To date, there is a list of approximately 100 professionals who are interested in becoming active members.

Similarly, the FLS Community of Practice in the NSM LHIN collaborates to share best practices, policies, resources, and lessons learned to enable and support FLS across the region. The FLS Community of Practice consists of all French language identified and designated HSPs in the region as well non-LHIN funded organizations. The NSM LHIN also leveraged the expertise of the group to overcome barriers and gaps in improving LHIN-wide service provision. Some milestones include: improving access through the hiring and sharing of a Francophone nurse practitioner between the Chigamik and Barrie Community Health Centres, and the completion of a regional inventory of available bilingual programs and services to provide a more detailed assessment of current local capacity. This information has been utilized to promote services throughout the region using various communication channels in French.

The MH LHIN has also identified several local champions that are increasing FLS capacity across the region by working collaboratively with HSPs who participate in the LHIN's FLS Community of Practice. In 2018-19, the Community of Practice supported a number of important initiatives that enhance care for Francophones within the LHIN, including; building a successful business case for a French Language Health Promoter at the East Mississauga Community Health Centre, providing assistance in the engagement of local Francophone community members for surveys, focus groups and health service planning reports, and organizing events and inviting guests to present on practices to increase capacity for FLHS.

French Primary Care Providers & FLS Navigation Tools

In June 2018, the SW LHIN in partnership with health and social service partners developed a regional Francophone Community Health and Social Services Hub. The hub provides information and assists clients with service navigation and provides them with a network of culturally-sensitive services. While the hub is in London Middlesex, the service is available to anyone across the SW LHIN. Common referrals have been related to mental health support, family physicians/midwives, Collège Boréal, the

Centre Communautaire Regional de London, and French seniors' groups. In 2018-19, the SE LHIN implemented a FLS Navigator pilot project to support Francophones seeking regional health services in French. The initial results indicated Francophones are mainly searching for a French speaking family physician, and services in French for children and youth, such as speech therapists and psychologists. Work focused on addressing these issues in partnership with stakeholders such as the FLHPE, primary care, Children Community and Social Services, and Public Health Units is on-going.

The WW LHIN's French website and French versions of all patient resources are helping to engage Francophone patients and family members in their own health care. The LHIN is supporting the Active Offer of services in French by ensuring that, at the point of contact, Francophone residents can speak with someone in their language of choice. The WW LHIN conducted intensive consultations with Francophone immigrants and newcomers to the region to identify the needs of this vulnerable group. From four community engagement events, having access to a French-speaking primary care provider was identified as the top priority. As a result, the LHIN has identified all primary care providers providing FLS and a new process will make it easier for Francophone residents to get primary care in their language of choice.

Similarly, the CEN LHIN works in partnership with Entité 4 and the North York and York Region French Language Services Advisory Committee to support planning, integrating and promoting linguistically-appropriate care for over 30,000 Francophones in the LHIN. In 2018-19, some of the initiatives undertaken to expand FLS awareness and access in CEN LHIN included augmenting LHIN processes to support the team's FLS capacity and introducing new tools to enhance patient interaction in their language of preference. Working with the Entité 4, the CEN LHIN co-hosted workshops and webinars for HSPs and Service Provider Organizations on FLS requirements, Active Offer and supported the Entité 4 "Cap sur votre santé" public forum to engage providers and residents. To support future planning, the CEN LHIN led the local roll-out of a provincial survey project to gather baseline FLS capacity data. This initiative earned outstanding completion rates – 100 percent from FLS identified organizations and 88 percent from non-identified organizations.

Sector-Based / Program and Initiatives

In 2018-19, the CHA LHIN developed and distributed a survey to its Francophone home care patients to determine whether home care clients were offered services in French, and to examine the quality of home care services offered in French. The questionnaire was distributed to nearly 2,500 Francophones, with a response rate of approximately 25 percent. Overall results were positive, showing high patient satisfaction among Francophone clients. However, it was noted that there is a need to

improve access to French language personal support services delivered by contracted home care providers.

In the NSM LHIN, with the assistance of the local FLHPE and Chigamik (Community Health Centre), the LHIN engaged with regional Francophone partners to gather input for the drafting of the Dementia Capacity Plan. This engagement led to a greater understanding of the related challenges that the Francophone community faces; including the absence of targeted programs or education available in French, and the need for support groups for caregivers.

Engagement with Indigenous Communities

To better address the health care needs of local communities, LHINs are required under LHSIA to engage Indigenous peoples. Indigenous peoples comprise of First Nations, Métis, and Inuit living both on and off-reserve, in urban and rural areas. By building mutually respectful relationships and through direct engagement with local Indigenous communities and leadership, LHINs can facilitate new partnerships, resulting in more opportunities to adapt, enhance or build new culturally-appropriate services.

Cultural Competency Training

LHINs recognize the importance of having HSPs undertake Indigenous cultural competency training to better understand the history of Indigenous peoples in Canada, and to learn approaches to deliver health services in a culturally safe manner. This training supports strategic planning as well as personal and professional development towards becoming culturally safe in the delivery of care. Cultural safety training is one of the most effective means of creating cultural safety in the workplace through the purchase of on-line training seats for LHIN and HSP staff. In all 4,729 seats were purchased in 2018-19 with an 87 percent completion rate.

The HNHB LHIN has engaged with, and is learning from, its local Indigenous communities to inform the design, delivery and evaluation of health care services. The LHIN engages and collaborates regularly with Mississaugas of the Credit First Nation, Six Nations of the Grand River and Indigenous health service organizations individually and collectively through the HNHB Indigenous Health Network (the “Network”) which gathers approximately 10 times each year. To advance the Network’s strategic plan, the HNHB LHIN supported access to online Indigenous Cultural Safety (ICS) training for 459 individuals, secured 1,000 additional training spaces, and 187 post training spaces to advance ICS education. In February 2019, 47 individuals attended a Network's

engagement event for mainstream health care professionals who have completed the online ICS training.

Through the Indigenous Holistic Wellness Project, the CW LHIN worked with Indigenous and non-Indigenous partners to improve access to traditional ceremonies, healing services, cultural competency learning opportunities, and to increase understanding of Indigenous cultures, history, traditions and lived experiences. Participants from the CW LHIN and its partner organizations took part in online ICS training. In addition, over 110 participants took part in cultural competency workshops entitled "Getting to the Roots of Tolerance" and the "KAIROS Blanket Exercise."

In 2018-19, the NE LHIN implemented a one-day cultural mindfulness program that supported training for front-line health care providers and administrators. To date, 125 people have participated in the program which includes a learning circle where participants explore Indigenous ways of knowing, culture, histories and perspectives. Cultural competency training for Northerners is one of the actions outlined in the NE LHIN Aboriginal Health Care Strategy and Reconciliation Plan, developed jointly between the NE LHIN and its Local Aboriginal Health Committee. More than 600 people have participated in ICS training to date, with an additional 300 training seats reserved for additional training in 2019/20.

Similarly, the TC LHIN continued to support HSPs by providing funded online ICS training for HSP staff throughout the year. The TC LHIN worked to ensure mental health and addictions services for the Indigenous community are aligned and supported by a seamless network of culturally secure care and trauma-based care providers. This work included ongoing collaboration with Toronto Public Health and the Indigenous communities to provide an Indigenous specific response to the opioid crisis in Toronto.

Throughout 2018-19 LHINs worked with HSPs to complete ICS training. Examples include:

- NSM LHIN supported online ICS training for 324 health professionals and, in collaboration with the Barrie Area Native Advisory Circle, supported more than 700 people to attend in-person Cross-Cultural Awareness Training workshops;
- ESC LHIN provided cultural awareness and patient care training to Complex Care Coordinators, including a draft, culturally-based Indigenous Patient/Family Care Plan;
- CHA LHIN supported the training of 512 individuals and participated in meetings with the Champlain Indigenous Health Circle Forum, which represents First Nations, Inuit and Métis organizations to discuss the group's annual work plan and priorities including ICS training;

- SE LHIN provided ICS training to 120 individuals, HSPs and service provider organizations;
- SW LHIN funded ICS training for 1274 system partners across its region in the 2018/19 fiscal year, including 64 staff registered at St. Thomas Elgin General Hospital;
- In CEN LHIN, in-person ICS training was provided to HSP staff by Georgina Island and Addiction Services for York Region in partnership with the Ontario Federation of Indigenous Friendship Centres, training 200 and 180 staff respectively, while San'yas provided on-line training to another 145 HSP staff; and
- MH LHIN provided ICS training to 89 individuals, HSPs and SPOs. 100 percent of the MH LHIN executive team completed online ICS training, and executive leaders at the Peel Public Health Unit, and Halton Public Health Unit participated in a full-day in-person Indigenous Cultural Safety Leadership workshop provided by the Ontario ICS Program.

Conferences/Forums

In addition to ICS Training undertaken in 2018-19, several LHINs were involved or participated in conferences and forums hosted by Indigenous HSPs and organizations.

The MH LHIN collaborated with the Peel Aboriginal Network, CMHA – Halton Region Branch, Reach Out Centre for Kids and the CW LHIN, to host "Strength and Resilience," a one-day symposium, which was held on March 27, 2019. The symposium focused on bridging the gap between traditional Indigenous health and wellness and complementary medical practices to address Indigenous mental health needs. It was part of the Indigenous Holistic Wellness Project, a joint two-year initiative between organizations aiming to improve Indigenous health outcomes. Approximately 250 participants increased their knowledge and awareness of the critical mental health issues affecting Indigenous Peoples in Canada.

The CE LHIN participated in health fairs/conferences in November 2018, February 2019, and March 2019 – hosted by Indigenous HSPs, service providers and organizations to provide information on available Home and Community Care services that would support Indigenous residents to live healthier at home.

In 2018-19, the WW LHIN volunteered at the First Peoples' Healing Conference and participated in meetings and community gatherings for the Indigenous Health and Wellness Program that supports services in WW LHIN.

In the SE LHIN, the 2018 Primary Health Care Forum hosted a plenary session named "Case of Colonialism: Reconciliation in the Health Sector and Beyond" held by Max FineDay, and breakout session facilitated by the Aboriginal Cancer Team at the South

East Regional Cancer Program focused on decreasing barriers to care for marginalized populations, including Indigenous peoples.

The NW LHIN collaborated with Indigenous leaders to transition the NW LHIN Aboriginal Health Services Advisory Committee into the Indigenous Health Council. NW LHIN also worked with Indigenous communities on crisis response and collaborated with government partners to ensure supports and resources were in place and assisted in coordination when requested.

The CE LHIN continued to work with the First Nation, Métis, Inuit and Indigenous Peoples to improve their overall health status. Through two long-established advisory groups, the Central East First Nations Health Advisory Circle and the CE LHIN Métis, Inuit and Indigenous Peoples Health Advisory Circle, the CE LHIN continued to receive advice on a variety of topics reflecting on provincial priorities.

6. Health System Performance

In 2018-19, the LHINs experienced challenges meeting the provincial target for most performance indicators. The provincial targets for the performance indicators were developed as a benchmark for LHINs, with the expectation that they would work to continuously improve toward achieving the target. The provincial results show the LHINs met or achieved the provincial target for only one performance indicator; *Percentage of home care clients who received their nursing visit within 5 days of the date they were authorized for nursing services*. Population, socio-economic, geographic and demographic circumstances in different parts of the province vary and have an impact on health care delivery,

Individually, every LHIN, except one, exceeded the provincial target for at least one indicator. Two LHINs (TC LHIN and CEN LHIN) met or exceeded the provincial target for five of the performance indicators. An additional four LHINs (ESC LHIN, WW LHIN, CW LHIN, and CHA LHIN) met or exceeded the provincial target for at least three of the performance indicators.

Indicator	Provincial Target	Provincial				
		2014/15 FY Result	2015/16 FY Result	2016/17 FY Result	2017/18 FY Result	2018-19 FY Result (YTD)
1. Performance Indicators						
Percentage of home care clients with complex needs who received their personal support visit within 5 days of the date that they were authorized for personal support services*	95.00%	85.39%	85.36%	89.86%	87.80%	87.05%
Percentage of home care clients who received their nursing visit within 5 days of the date they were authorized for nursing services*	95.00%	93.71%	94.00%	96.07%	96.25%	95.89%

Indicator	Provincial Target	Provincial				
		2014/15 FY Result	2015/16 FY Result	2016/17 FY Result	2017/18 FY Result	2018-19 FY Result (YTD)
90th Percentile Wait Time from community for Home Care Services - Application from Community Setting to first Home Care Service (excluding case management) *	21 days	29.00	29.00	30.00	29.00	28.00
90th Percentile Wait Time from Hospital Discharge to Service Initiation for Home and Community Care*	TBD	7.00	7.00	7.00	7.00	7.00
90th percentile emergency department (ED) length of stay for complex patients	8 hours	10.13	9.97	10.38	10.75	10.87
90th percentile emergency department (ED) length of stay for minor/uncomplicated patients	4 hours	4.03	4.07	4.15	4.38	4.62
Percent of priority 2, 3 and 4 cases completed within access target for hip replacement	90.00%	81.51%	79.97%	78.47%	77.99%	79.58%
Percent of priority 2, 3 and 4 cases completed within access target for knee replacement	90.00%	79.76%	79.14%	75.02%	73.72%	75.12%
Percentage of Alternate Level of Care (ALC) Days*	9.46%	14.35%	14.50%	15.69%	15.70%	16.20%
ALC rate	12.70%	13.70%	13.98%	15.19%	15.68%	15.35%
Repeat Unscheduled Emergency Visits within 30 Days for Mental Health Conditions*	16.30%	19.62%	20.19%	20.67%	21.60%	21.54%
Repeat Unscheduled Emergency Visits within 30 Days for Substance Abuse Conditions*	22.40%	31.34%	33.01%	32.50%	32.80%	33.14%
Readmission within 30 days for selected HIG conditions**	15.50%	16.60%	16.65%	16.74%	16.57%	16.64%
2. Monitoring Indicators						

Indicator	Provincial Target	Provincial				
		2014/15 FY Result	2015/16 FY Result	2016/17 FY Result	2017/18 FY Result	2018-19 FY Result (YTD)
Percent of priority 2, 3 and 4 cases completed within access target for cataract surgery	90.00%	59.47%	62.58%	67.57%	69.77%	70.58%
Percent of priority 2 and 3 cases completed within access target for MRI scans	90.00%	78.25%	78.18%	82.11%	84.73%	84.20%
Percent of priority 2 and 3 cases completed within access target for CT scans	NA	14.00	14.00	13.00	13.00	14.00
Wait times from application to eligibility determination for long-term care home placements: from community setting**	NA	8.00	7.00	7.00	7.00	8.00
Wait times from application to eligibility determination for long-term care home placements: from acute-care setting**	NA	19.56	18.47	17.12	16.82	10.49
Rate of emergency visits for conditions best managed elsewhere per 1,000 population*	NA	320.78	320.13	321.18	335.22	242.68
Hospitalization rate for ambulatory care sensitive conditions per 100,000 population*	NA	46.09%	46.61%	47.43%	46.71%	46.72%
Percentage of acute care patients who had a follow-up with a physician within 7 days of discharge**	90.00%	59.47%	62.58%	67.57%	69.77%	70.58%

*FY 2018-19 is based on the available data from the fiscal year (Q1-Q3, 2018-19)

**FY 2018-19 is based on the available data from the fiscal year (Q1-Q2, 2018-19)

Note: Historical data is not refreshed, so the current annual report does not include any resubmissions for data that were previously reported.

Challenges and Actions/Initiatives to Improve Performance

The LHINs experienced the biggest challenges for the following three performance indicators:

1. 90th Percentile Wait Time from community for Home Care Services - Application from Community Setting to first Home Care Service (excluding case management);
2. Percentage of Alternate Level of Care (ALC) Days; and
3. Repeat Unscheduled Emergency Visits within 30 Days for Substance Abuse Conditions.

Below are some of the challenges and strategies LHINs have developed to improve their performance indicator results:

Indicator	Challenges	Actions/Initiatives to Improve Performance
90th Percentile Wait Time from community for Home Care Services - Application from Community Setting to first Home Care Service (excluding case management)	PSW staff shortage is driving poor performance which has led to reductions in referral acceptance, increased missed care and anecdotal feedback from the Service Provider Organizations. Limited availability of therapy, Care Coordinators and provider staff, both internal and external, have added to an increase in wait times.	LHINs have implemented several process improvements which led to enhanced performance in assessment and service initiation efficiency such as: • Revising the Intake Prioritization Framework; • Modifying the management of pre-planned surgical referrals; and • Setting a focus and prioritization for staff to complete initial assessments. Strategies are being implemented by SPOs across the LHINs to recruit and retain PSWs.
Percentage of Alternate Level of Care Days	Performance for this indicator is significantly dependant upon sufficient and effective degrees of system support and capacity. More specifically, supporting ALC discharges for patients with cognitive and/or behavioural disorders who require Long-	Continue to work collaboratively with system partners (e.g. acute care, LTC and primary care) to implement a variety of strategies or that improve transitions to other levels of care.

Indicator	Challenges	Actions/Initiatives to Improve Performance
	Term Care placement is becoming an increasing challenge. An additional challenge is the increase in long-stay discharges (including behavioural long stay patients), and the limited availability of health service providers in the more rural areas of hospital catchment areas.	
Repeat Unscheduled Emergency Visits within 30 Days for Substance Abuse Conditions	Addiction providers are working at capacity with addiction assessment and referral services having time lags in responding to clients requesting supports (withdrawal management beds). Lack of standardized assessment tools.	Work is on-going to review and establish an implementation plan for standardized assessment tools. RAAM clinics have been proven effective at reducing unscheduled repeat emergency department visits, the LHIN's primary driver of this indicator remains alcohol use.

The LHINs have either achieved or been within 10 percent of the provincial target for the following two performance indicators:

1. Percentage of home care clients who received their nursing visit within 5 days of the date they were authorized for nursing services; and
2. 90th percentile ED length of stay for complex patients.

Indicator	Challenges	Actions/Initiatives to Improve Performance
Percentage of home care clients who received their nursing visit within 5 days of the date they were authorized for nursing services	Patient volumes can impact this metric especially during peak hours of service or when there are many high acuity patients within the ED. Additionally, the number of ambulances to the site can impact this metric and offload delays, can slow processes in the ED, as can nurse and physician shortages.	Alignment of physician and nurse resources to peak hours of demand. Enhanced hospital processes for identification of urgent patients to streamline care, which otherwise would create delays to be seen as a priority.
90th percentile emergency department length of stay for complex patients	Performance for this indicator is strongly influenced by long lengths of stay experienced by patients waiting in the ED for admission to an inpatient unit. Increased numbers of patients visiting hospitals with higher and more complex care needs. PSW and nursing shortages across the province impacting access to care at home and in long-term care. Challenges accessing Mental Health supports, particularly for children needing inpatient care.	Ministry investments enabled the provision of additional acute surge beds during periods of heightened demand, increasing acute care capacity and enabling a more effective and efficient movement of patients through EDs to appropriate inpatient beds. Additional funding was provided for flex acute and mental health beds to support ED flow and more timely admission to inpatient beds during times of surge.

7. Board Appointees

The following Board Members were cross-appointed effective March 7, 2019, and are currently the Board of Directors for all 14 LHINs:

- William Hatanaka
- Mary Elyse Allan
- James Aspin
- Andrea Barrack
- Alexander Barron
- Adalsteinn Brown
- Robert Devitt
- Garry Foster
- Shelly Jamieson
- Anju Virmani Kumar
- Jacqueline Moss
- Paul Tsaparis

The following individuals served on LHIN Boards during the 2018-19 Fiscal Year.

LHIN	Name of Appointee	Date Appointed	Term Expiration
ESC	Martin Girash	November 20, 2013	March 7, 2019
ESC	Donald (Lindsay) Boyd	September 8, 2014	March 7, 2019
ESC	Nora Bressette	June 30, 2016	March 7, 2019
ESC	Sheila MacKinnon	March 8, 2017	March 7, 2019
ESC	Rick Charlebois	April 12, 2017	March 7, 2019
ESC	Sharon Pillon	April 26, 2017	March 7, 2019
ESC	Deborah Crawford	June 7, 2017	March 7, 2019
ESC	Susan Martin	August 31, 2017	October 3, 2018
ESC	Wallace Hogan	October 18, 2017	March 7, 2019
SW	Linda Ballantyne	May 1, 2017	March 7, 2019
SW	Jean-Marc Boisvenue	March 1, 2017	March 7, 2019
SW	Surendra Chunilall	April 11, 2013	March 7, 2019
SW	Myrna Fisk	November 16, 2016	March 7, 2019
SW	Glenn Forrest	November 2, 2016	March 7, 2019
SW	Allan MacKay	March 21, 2018	March 7, 2019

LHIN	Name of Appointee	Date Appointed	Term Expiration
SW	James Sheppard	January 8, 2018	March 7, 2019
SW	Leslie Showers	April 20, 2016	March 7, 2019
SW	Cynthia St John	April 12, 2017	March 7, 2019
SW	Wilfred Riecker	November 6, 2013	March 7, 2019
SW	Lori Van Opstal	November 3, 2013	March 7, 2019
SW	Aniko Varpalotai	October 3, 2012	October 2, 2018
WW	Michael Delisle	April 14, 2015	December 31, 2018
WW	Jeff Nesbitt	November 19, 2013	March 7, 2019
WW	William Jamieson Harper	June 7, 2017	March 7, 2019
WW	Karen Scian	March 8, 2017	March 7, 2019
WW	Kithio Mwanzia	October 4, 2017	March 7, 2019
WW	Peter Sweeney	April 26, 2017	March 7, 2019
WW	Rita Westbrook	June 7, 2017	March 7, 2019
WW	Janice Kopinak	August 17, 2017	March 7, 2019
HNHB	Shelley Moneta	July 11, 2017	March 7, 2019
HNHB	Paul Armstrong	November 28, 2016	March 7, 2019
HNHB	Suzanne Belanger-Fontaine	September 20, 2017	March 7, 2019
HNHB	Saqib Cheema	February 2, 2017	March 7, 2019
HNHB	William Chopp	March 1, 2017	March 7, 2019
HNHB	Marianne Knight	November 1, 2017	March 7, 2019
HNHB	Madhuri Ramakrishnan	February 24, 2016	February 23, 2019
HNHB	William Thompson	May 13, 2015	December 31, 2018
HNHB	Dominic Venestra	May 27, 2015	December 31, 2018
CW	Carmine Domanico	June 18, 2017	March 7, 2019
CW	Jeff Payne	May 26, 2015	December 31, 2018
CW	Adrian Bita	May 6, 2015	December 31, 2018
CW	Neil Davis	November 28, 2016	March 7, 2019
CW	Anita Gittens	June 14, 2017	March 7, 2019
CW	Peter Harris	March 1, 2017	March 7, 2019

LHIN	Name of Appointee	Date Appointed	Term Expiration
CW	Ashish Kemkar	March 1, 2017	March 7, 2019
CW	Dr. Hugh O'Brodovich	May 31, 2017	March 7, 2019
CW	Heather Picken	January 8, 2018	March 7, 2019
CW	Angélique Rebelo	November 1, 2017	March 7, 2019
CW	Moyra Vande Vooren	April 12, 2017	March 7, 2019
MH	Mary Davies	April 30, 2014	March 7, 2019
MH	Louis Girard	June 17, 2016	March 7, 2019
MH	Patrick Hop Hing	February 12, 2019	March 7, 2019
MH	Richard Johnson	June 17, 2016	March 7, 2019
MH	Kimbalin Kelly	November 19, 2014	March 7, 2019
MH	Gulzar Ladhani	November 19, 2014	March 7, 2019
MH	Rhonda Lawson	March 22, 2017	March 7, 2019
MH	Joanne Rogers	July 11, 2017	March 7, 2019
MH	Sadaf Parvaiz	August 31, 2017	March 7, 2019
MH	Hans Dieter Pagani	January 8, 2018	March 7, 2019
TC	Vivek Goel	November 16, 2016	March 7, 2019
TC	Christopher Hoffmann	October 22, 2014	March 7, 2019
TC	Yasmin Meralli	September 8, 2014	March 7, 2019
TC	Felix Wu	October 22, 2014	March 7, 2019
TC	Jason Madden	November 30, 2016	March 7, 2019
TC	Pamela Griffith-Jones	November 16, 2016	March 7, 2019
TC	Carolyn Acker	February 2, 2017	March 7, 2019
TC	Myra Libenson	May 10, 2017	March 7, 2019
TC	Karen Sadlier-Brown	May 10, 2017	March 7, 2019
TC	Dunbar Russel	June 2, 2017	March 7, 2019
TC	Natasha Vandenhoven	June 27, 2017	March 7, 2019
CEN	Warren Jestin	October 22, 2014	March 7, 2019
CEN	Charles Schade	May 17, 2017	March 7, 2019
CEN	Michael MacEachern	February 2, 2017	March 7, 2019
CEN	Stephen Smith	April 5, 2017	March 7, 2019

LHIN	Name of Appointee	Date Appointed	Term Expiration
CEN	Graham Constantine	April 5, 2017	March 7, 2019
CEN	Tanya Goldberg	June 30, 2016	March 7, 2019
CEN	David Lai	March 20, 2016	March 7, 2019
CEN	Heather Martin	May 10, 2017	March 7, 2019
CEN	Elspeth McLean	September 13, 2017	January 1, 2019
CEN	Mark Solomon	July 11, 2017	March 7, 2019
CEN	Audrey Wubbenhorst	October 23, 2013	October 22, 2018
CEN	Aldous (Sally) Young	October 23, 2013	October 22, 2018
CE	Louis O'Brien	October 5, 2016	March 7, 2019
CE	Amorell Saunders N'Daw	April 2, 2014	March 7, 2019
CE	Michael Nettleton	March 8, 2017	March 7, 2019
CE	Glenn Rogers	May 30, 2016	March 7, 2019
CE	Patrick Connolly	April 12, 2017	March 7, 2019
CE	Sabnavis Gopikrishna	October 22, 2014	March 7, 2019
CE	Debbie Doherty	February 2, 2017	March 7, 2019
CE	Aileen Ashman	May 18, 2016	March 7, 2019
CE	Elaine Aimone	September 13, 2017	March 7, 2019
CE	David Barlow	March 8, 2017	March 7, 2019
CE	Bonnie St. George	November 2, 2016	March 7, 2019
SE	Hersh Sehdev	January 8, 2018	March 7, 2019
SE	Lois Burrows	November 21, 2012	November 17, 2018
SE	Maribeth Madgett	December 10, 2014	March 7, 2019
SE	Brian Smith	May 6, 2015	December 31, 2018
SE	Jack Butt	June 17, 2015	December 31, 2018
SE	Jean Lord	January 11, 2017	March 7, 2019
SE	David Vigar	February 2, 2017	March 7, 2019
SE	Annette Bergeron	March 1, 2017	March 7, 2019
SE	Marsha Stephen	April 5, 2017	March 7, 2019
SE	Steve Gauthier	May 10, 2017	March 7, 2019
SE	Linda Murray	November 29, 2017	March 7, 2019

LHIN	Name of Appointee	Date Appointed	Term Expiration
SE	Jo-Anne Brady	February 21, 2018	March 7, 2019
CHA	Jean-Pierre Boisclair	March 4, 2015	March 7, 2019
CHA	Nick Busing	June 30, 2016	March 7, 2019
CHA	Abebe Engdasaw	February 15, 2017	March 7, 2019
CHA	Barbara Foulds	April 5, 2017	March 7, 2019
CHA	Guy Freedman	November 4, 2015	November 3, 2018
CHA	Diane Hupé	June 30, 2016	March 7, 2019
CHA	Anne MacDonald	June 2, 2017	March 7, 2019
CHA	Mindy McHardy	June 14, 2017	March 7, 2019
CHA	Wendy Nicklin	October 5, 2016	March 7, 2019
CHA	Randy Reid	August 28, 2013	March 7, 2019
CHA	Gregory Taylor	April 12, 2017	March 7, 2019
CHA	Pierre Tessier	April 22, 2015	December 31, 2018
NSM	Kirsten Parker	May 31, 2017	March 7, 2019
NSM	Andreas Ott	March 1, 2017	March 7, 2019
NSM	Barbara Dickson	April 15, 2015	December 31, 2018
NSM	Jacques Boulet	April 5, 2017	March 7, 2019
NSM	Andrea Butcher-Milne	March 1, 2017	March 7, 2019
NSM	Ewelina Chwilkowska	November 2, 2016	October 3, 2018
NSM	Colleen Geiger	February 15, 2017	March 7, 2019
NSM	Edward Salisbury	August 17, 2017	March 7, 2019
NSM	Larry Saunders	February 10, 2016	February 9, 2019
NSM	Ernest Vaillancourt	December 9, 2015	December 31, 2018
NSM	Tim Withey	March 1, 2017	January 17, 2019
NE	Ron Farrell	March 22, 2017	March 7, 2019
NE	Judy Koziol	November 28, 2018	March 7, 2019
NE	Kim T. Morris	July 11, 2017	March 7, 2019
NE	Denis Bérubé	November 5, 2017	March 7, 2019
NE	Lorraine Dupuis	March 21, 2018	March 7, 2019
NE	John Febbraro	December 2, 2015	December 1, 2018

LHIN	Name of Appointee	Date Appointed	Term Expiration
NE	Cheryl St-Amour	March 21, 2018	March 7, 2019
NE	Anne Stewart	September 13, 2017	March 7, 2019
NE	Elizabeth Stone	March 1, 2017	March 7, 2019
NE	Petra Wall	September 13, 2017	March 7, 2019
NE	David Wolfe	November 28, 2018	March 7, 2019
NE	Mark Palumbo	March 1, 2017	March 7, 2019
NW	Gil Labine	November 5, 2014	March 7, 2019
NW	Cathy Farrell	April 24, 2013	March 7, 2019
NW	Tina Copenace	October 18, 2012	October 17, 2018
NW	Darryl Allan	March 18, 2015	December 31, 2018
NW	Tim Berube	March 25, 2015	December 31, 2018
NW	Carol Neff	December 7, 2016	March 7, 2019
NW	Beatrice Metzler	March 1, 2017	March 7, 2019
NW	Dorothy Piccinin	March 1, 2017	March 7, 2019
NW	Cindy Jarvela	March 8, 2017	March 7, 2019
NW	Francois Hastir	August 31, 2017	October 31, 2018

8. Audited Financial Statements

(See attached Audited Financial Statements)

Appendix One – Population Profile

LHIN	Population Profile		Health Service Providers*
Erie St. Clair	Area (km^2):	7,324	• 5 Hospitals • 36 Long-Term Care Homes • 29 Community Services • 20 Mental Health Agencies • 4 Residential Hospices • 5 Community Health Centres
	Total Population:	627,633	
	% of Ontario Population:	4.67%	
	Population Age 65+:	19.0%	
	Population Growth Rate:	1.4%	
	Population Density:	85.7	
	Rural Population:	22.5%	
	Indigenous Population:	3.4%	
	Francophone Population:	3.3%	
	Low Income Population:	15.9%	
South West	Area (km^2):	20,915	• 20 Hospitals • 78 Long-Term Care Homes • 56 Community Services • 28 Mental Health Agencies • 6 Residential Hospices • 5 Community Health Centres
	Total Population:	953,652	
	% of Ontario Population:	7.09%	
	Population Age 65+:	18.9%	
	Population Growth Rate:	3.1%	
	Population Density	45.6	
	Rural Population	39.8%	
	Indigenous Population	2.4%	
	Francophone Population	1.4%	
	Low Income Population	15.0%	
Waterloo Wellington	Area (km^2):	4,751	• 8 Hospitals • 36 Long-Term Care Homes • 24 Community Services • 13 Mental Health Agencies • 4 Residential Hospices • 4 Community Health Centres
	Total Population:	766,027	
	% of Ontario Population:	5.70%	
	Population Age 65+:	14.9%	
	Population Growth Rate:	5.9%	
	Population Density:	161.2	
	Rural Population:	14.0%	
	Indigenous Population:	1.7%	
	Francophone Population:	1.6%	
	Low Income Population:	11.6%	
Hamilton Niagara Haldimand Brant	Area (km^2):	6,474	• 9 Hospitals • 86 Long-Term Care Homes • 59 Community Services • 38 Mental Health Agencies
	Total Population:	1,399,080	
	% of Ontario Population:	10.40%	
	Population Age 65+:	19.1%	

LHIN	Population Profile		Health Service Providers*
	Population Growth Rate:	3.0%	• 7 Residential Hospices • 7 Community Health Centres
	Population Density:	216.1	
	Rural Population:	13.8%	
	Indigenous Population:	2.7%	
	Francophone Population:	2.3%	
	Low Income Population:	13.5%	
Central West	Area (km^2):	2,591	• 2 Hospitals • 23 Long-Term Care Homes • 19 Community Services • 8 Mental Health Agencies • 3 Residential Hospices • 2 Community Health Centres
	Total Population:	922,240	
	% of Ontario Population:	6.86%	
	Population Age 65+:	12.6%	
	Population Growth Rate:	9.6%	
	Population Density	355.9	
	Rural Population	6.1%	
	Indigenous Population	0.8%	
	Francophone Population	1.5%	
	Low Income Population	12.4%	
Mississauga Halton	Area (km^2):	1,054	• 2 Hospitals • 28 Long-Term Care Homes • 32 Community Services • 10 Mental Health Agencies • 4 Residential Hospices • 1 Community Health Centres
	Total Population:	1,164,755	
	% of Ontario Population:	8.66%	
	Population Age 65+:	14.1%	
	Population Growth Rate:	5.1%	
	Population Density	1104.6	
	Rural Population	1.6%	
	Indigenous Population	0.7%	
	Francophone Population	2.3%	
	Low Income Population	12.4%	
Toronto Central	Area (km^2):	192	• 18 Hospitals • 36 Long-Term Care Homes • 65 Community Services • 82 Mental Health Agencies • 4 Residential Hospices • 16 Community Health Centres
	Total Population:	1,232,258	
	% of Ontario Population:	9.16%	
	Population Age 65+:	14.0%	
	Population Growth Rate:	7.2%	
	Population Density	6412.6	
	Rural Population	0.0%	
	Indigenous Population	1.1%	
	Francophone Population	2.9%	
	Low Income Population	19.0%	
Central	Area (km^2):	2,731	• 9 Hospitals

LHIN	Population Profile		Health Service Providers*
	Total Population:	1,812,964	• 46 Long-Term Care Homes • 33 Community Services • 24 Mental Health Agencies • 3 Residential Hospices • 2 Community Health Centres
	% of Ontario Population:	13.48%	
	Population Age 65+:	15.4%	
	Population Growth Rate:	6.4%	
	Population Density	663.9	
	Rural Population	3.7%	
	Indigenous Population	0.6%	
	Francophone Population	1.7%	
	Low Income Population	15.8%	
Central East	Area (km^2):	15,395	• 8 Hospitals • 68 Long-Term Care Homes • 43 Community Services • 24 Mental Health Agencies • 10 Residential Hospices • 3 Community Health Centres
	Total Population:	1,550,531	
	% of Ontario Population:	11.53%	
	Population Age 65+:	17.4%	
	Population Growth Rate:	3.5%	
	Population Density	100.7	
	Rural Population	14.6%	
	Indigenous Population	1.8%	
	Francophone Population	1.8%	
	Low Income Population	15.0%	
South East	Area (km^2):	18,253	• 6 Hospitals • 37 Long-Term Care Homes • 26 Community Services • 12 Mental Health Agencies • 7 Residential Hospices • 5 Community Health Centres
	Total Population:	482,391	
	% of Ontario Population:	3.59%	
	Population Age 65+:	22.3%	
	Population Growth Rate:	0.9%	
	Population Density	26.4	
	Rural Population	55.8%	
	Indigenous Population	4.7%	
	Francophone Population	3.1%	
	Low Income Population	14.6%	
Champlain	Area (km^2):	17,723	• 20 Hospitals • 61 Long-Term Care Homes • 58 Community Services • 45 Mental Health Agencies • 10 Residential Hospices • 11 Community Health Centres
	Total Population:	1,292,639	
	% of Ontario Population:	9.61%	
	Population Age 65+:	16.7%	
	Population Growth Rate:	5.0%	
	Population Density	72.9	
	Rural Population	21.5%	
	Indigenous Population	3.2%	

LHIN	Population Profile		Health Service Providers*
	Francophone Population	19.8%	
	Low Income Population	12.8%	
North Simcoe Muskoka	Area (km^2):	8,449	• 7 Hospitals • 26 Long-Term Care Homes • 29 Community Services • 11 Mental Health Agencies • 6 Residential Hospices • 3 Community Health Centres
	Total Population:	464,184	
	% of Ontario Population:	3.45%	
	Population Age 65+:	19.6%	
	Population Growth Rate:	5.7%	
	Population Density	54.9	
	Rural Population	41.5%	
	Indigenous Population	5.0%	
	Francophone Population	2.7%	
	Low Income Population	12.2%	
North East	Area (km^2):	395,920	• 25 Hospitals • 41 Long-Term Care Homes • 69 Community Services • 44 Mental Health Agencies • 23 Residential Hospices • 6 Community Health Centres
	Total Population:	551,801	
	% of Ontario Population:	4.10%	
	Population Age 65+:	20.6%	
	Population Growth Rate:	-0.2%	
	Population Density	1.4	
	Rural Population	47.3%	
	Indigenous Population	13.4%	
	Francophone Population	22.5%	
	Low Income Population	14.9%	
North West	Area (km^2):	406,926	• 12 Hospitals • 12 Long-Term Care Homes • 59 Community Services • 33 Mental Health Agencies • 6 Residential Hospices • 2 Community Health Centres
	Total Population:	228,339	
	% of Ontario Population:	1.70%	
	Population Age 65+:	18.1%	
	Population Growth Rate:	2.8%	
	Population Density	0.6	
	Rural Population	54.2%	
	Indigenous Population	24.8%	
	Francophone Population	3.1%	
	Low Income Population	13.2%	

* HSPs who provide more than one type of service are included in more than one HSP category.

Appendix Two – LHIN Performance Data

*FY 2018-19 is based on the available data from the fiscal year (Q1-Q3, 2018-19)

**FY 2018-19 is based on the available data from the fiscal year (Q1-Q2, 2018-19)

Note: Historical data is not refreshed, so the current annual report does not include any resubmissions for data that were previously reported.

Erie St. Clair LHIN MLAA Indicators
2018-19 Annual Report Data

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
1. Performance Indicators							
1	Percentage of home care clients with complex needs who received their personal support visit within 5 days of the date that they were authorized for personal support services*	95.00%	92.45%	90.54%	93.46%	95.51%	92.68%
2	Percentage of home care clients who received their nursing visit within 5 days of the date they were authorized for nursing services*	95.00%	95.04%	95.03%	95.88%	96.46%	96.19%
3	90th Percentile Wait Time from community for Home Care Services - Application from Community Setting to first Home Care Service (excluding case management) *	21 days	18.00	19.00	26.00	27.00	27.00
4	90th Percentile Wait Time from Hospital Discharge to Service Initiation for Home and Community Care*	TBD	0.00	0.00	5.00	5.00	5.00

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
5	90th percentile emergency department (ED) length of stay for complex patients	8 hours	8.87	9.67	9.55	9.78	9.92
6	90th percentile emergency department (ED) length of stay for minor/uncomplicated patients	4 hours	4.00	3.98	4.22	4.45	4.85
7	Percent of priority 2, 3 and 4 cases completed within access target for hip replacement	90.00%	83.85%	80.24%	87.90%	88.22%	84.09%
8	Percent of priority 2, 3 and 4 cases completed within access target for knee replacement	90.00%	75.26%	75.94%	72.62%	67.56%	72.51%
9	Percentage of Alternate Level of Care (ALC) Days*	9.46%	18.07%	15.97%	14.96%	10.46%	11.16%
10	ALC rate	12.70%	19.58%	19.50%	15.24%	13.28%	12.36%
11	Repeat Unscheduled Emergency Visits within 30 Days for Mental Health Conditions*	16.30%	17.05%	17.80%	19.10%	18.00%	18.30%
12	Repeat Unscheduled Emergency Visits within 30 Days for Substance Abuse Conditions*	22.40%	25.04%	23.99%	30.92%	32.70%	30.50%
13	Readmission within 30 days for selected HIG conditions**	15.50%	15.51%	14.66%	15.57%	16.02%	15.37%
2. Monitoring Indicators							
14	Percent of priority 2, 3 and 4 cases completed within access target for cataract surgery	90.00%	94.40%	84.60%	90.62%	85.61%	85.33%
15	Percent of priority 2 and 3 cases completed within access target for MRI scans	90.00%	0.00%	0.00%	88.50%	84.85%	84.03%

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
16	Percent of priority 2 and 3 cases completed within access target for CT scans	90.00%	0.00%	0.00%	94.22%	94.40%	94.18%
17 (a)	Wait times from application to eligibility determination for long-term care home placements: from community setting**	NA	10.00	10.00	11.00	9.00	12.00
17 (b)	Wait times from application to eligibility determination for long-term care home placements: from acute-care setting**	NA	7.00	7.00	5.00	4.00	3.00
18	Rate of emergency visits for conditions best managed elsewhere per 1,000 population*	NA	30.57	28.04	22.49	18.38	10.81
19	Hospitalization rate for ambulatory care sensitive conditions per 100,000 population*	NA	384.49	404.45	389.65	417.71	295.26
20	Percentage of acute care patients who had a follow-up with a physician within 7 days of discharge**	NA	44.12%	44.30%	45.41%	45.85%	45.25%

*FY 2018-19 is based on the available data from the fiscal year (Q1-Q3, 2018-19)

**FY 2018-19 is based on the available data from the fiscal year (Q1-Q2, 2018-19)

South West LHIN MLAA Indicators
2018-19 Annual Report Data

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
1. Performance Indicators							
1	Percentage of home care clients with complex needs who received their personal support visit within 5 days of the date that they were authorized for personal support services*	95.00%	90.87%	88.95%	91.99%	88.90%	85.95%
2	Percentage of home care clients who received their nursing visit within 5 days of the date they were authorized for nursing services*	95.00%	92.59%	93.10%	93.69%	94.01%	93.31%
3	90th Percentile Wait Time from community for Home Care Services - Application from Community Setting to first Home Care Service (excluding case management)*	21 days	21.00	21.00	22.00	30.00	25.00
4	90th Percentile Wait Time from Hospital Discharge to Service Initiation for Home and Community Care*	TBD	0.00	0.00	8.00	9.00	10.00
5	90th percentile emergency department (ED) length of stay for complex patients	8 hours	8.37	7.73	7.73	8.45	8.40
6	90th percentile emergency department (ED) length of stay for minor/uncomplicated patients	4 hours	3.62	3.62	3.60	3.90	4.03
7	Percent of priority 2, 3 and 4 cases completed within access target for hip replacement	90.00%	76.53%	68.39%	50.35%	47.44%	52.30%

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
8	Percent of priority 2, 3 and 4 cases completed within access target for knee replacement	90.00%	76.83%	68.86%	47.56%	44.16%	51.83%
9	Percentage of Alternate Level of Care (ALC) Days*	9.46%	8.39%	9.24%	10.46%	9.66%	10.04%
10	ALC rate	12.70%	9.65%	11.05%	11.68%	11.64%	11.98%
11	Repeat Unscheduled Emergency Visits within 30 Days for Mental Health Conditions*	16.30%	17.64%	18.00%	18.37%	18.40%	20.10%
12	Repeat Unscheduled Emergency Visits within 30 Days for Substance Abuse Conditions*	22.40%	21.08%	23.06%	24.52%	27.00%	26.60%
13	Readmission within 30 days for selected HIG conditions**	15.50%	17.34%	17.19%	17.12%	17.17%	16.94%
2. Monitoring Indicators							
14	Percent of priority 2, 3 and 4 cases completed within access target for cataract surgery	90.00%	88.52%	91.27%	83.57%	81.47%	84.71%
15	Percent of priority 2 and 3 cases completed within access target for MRI scans	90.00%	0.00%	0.00%	66.49%	65.75%	69.49%
16	Percent of priority 2 and 3 cases completed within access target for CT scans	90.00%	0.00%	0.00%	84.57%	82.41%	81.82%
17 (a)	Wait times from application to eligibility determination for long-term care home placements: from community setting**	NA	8.00	9.00	7.00	8.00	8.00
17 (b)	Wait times from application to eligibility determination for long-term care home placements: from acute-care setting**	NA	4.00	4.00	3.00	3.00	3.00

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
18	Rate of emergency visits for conditions best managed elsewhere per 1,000 population*	NA	46.03	42.56	41.76	42.79	28.04
19	Hospitalization rate for ambulatory care sensitive conditions per 100,000 population*	NA	389.32	397.79	414.67	423.36	295.93
20	Percentage of acute care patients who had a follow-up with a physician within 7 days of discharge**	NA	40.80%	42.37%	42.61%	41.51%	41.47%

*FY 2018-19 is based on the available data from the fiscal year (Q1-Q3, 2018-19)

**FY 2018-19 is based on the available data from the fiscal year (Q1-Q2, 2018-19)

Note: Historical data is not refreshed, so the current annual report does not include any resubmissions for data that were previously reported.

Waterloo Wellington LHIN MLAA Indicators
2018-19 Annual Report Data

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
1. Performance Indicators							
1	Percentage of home care clients with complex needs who received their personal support visit within 5 days of the date that they were authorized for personal support services*	95.00%	84.50%	85.66%	92.90%	95.32%	96.44%
2	Percentage of home care clients who received their nursing visit within 5 days of the date they were authorized for nursing services*	95.00%	94.77%	93.97%	95.98%	97.00%	95.72%
3	90th Percentile Wait Time from community for Home Care Services - Application from Community Setting to first Home Care Service (excluding case management)*	21 days	12.00	13.00	13.00	14.00	15.00
4	90th Percentile Wait Time from Hospital Discharge to Service Initiation for Home and Community Care*	TBD	0.00	0.00	5.00	5.00	6.00
5	90th percentile emergency department (ED) length of stay for complex patients	8 hours	7.62	7.73	7.48	8.63	9.17
6	90th percentile emergency department (ED) length of stay for minor/uncomplicated patients	4 hours	4.23	4.42	4.32	5.10	5.30
7	Percent of priority 2, 3 and 4 cases completed within access target for hip replacement	90.00%	84.88%	63.44%	43.62%	58.79%	62.34%

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
8	Percent of priority 2, 3 and 4 cases completed within access target for knee replacement	90.00%	81.80%	61.75%	41.72%	52.74%	54.34%
9	Percentage of Alternate Level of Care (ALC) Days*	9.46%	13.20%	11.94%	12.00%	14.92%	15.24%
10	ALC rate	12.70%	9.96%	9.33%	9.44%	12.88%	13.19%
11	Repeat Unscheduled Emergency Visits within 30 Days for Mental Health Conditions*	16.30%	15.20%	17.08%	17.98%	18.90%	18.10%
12	Repeat Unscheduled Emergency Visits within 30 Days for Substance Abuse Conditions*	22.40%	24.36%	24.01%	27.42%	26.50%	26.30%
13	Readmission within 30 days for selected HIG conditions**	15.50%	15.84%	14.95%	15.72%	15.52%	15.07%
2. Monitoring Indicators							
14	Percent of priority 2, 3 and 4 cases completed within access target for cataract surgery	90.00%	95.13%	73.77%	70.05%	68.36%	67.51%
15	Percent of priority 2 and 3 cases completed within access target for MRI scans	90.00%	0.00%	0.00%	72.97%	93.27%	81.06%
16	Percent of priority 2 and 3 cases completed within access target for CT scans	90.00%	0.00%	0.00%	86.52%	91.52%	92.49%
17 (a)	Wait times from application to eligibility determination for long-term care home placements: from community setting**	NA	12.00	11.00	9.00	10.00	11.00
17 (b)	Wait times from application to eligibility determination for long-term care home placements: from acute-care setting**	NA	6.00	4.00	5.00	5.00	5.00

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
18	Rate of emergency visits for conditions best managed elsewhere per 1,000 population*	NA	13.24	12.44	11.13	11.28	8.41
19	Hospitalization rate for ambulatory care sensitive conditions per 100,000 population*	NA	299.64	293.40	302.40	324.61	233.02
20	Percentage of acute care patients who had a follow-up with a physician within 7 days of discharge**	NA	44.14%	44.51%	46.44%	45.56%	44.99%

*FY 2018-19 is based on the available data from the fiscal year (Q1-Q3, 2018-19)

**FY 2018-19 is based on the available data from the fiscal year (Q1-Q2, 2018-19)

Hamilton Niagara Haldimand Brant LHIN MLAA Indicators
2018-19 Annual Report Data

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
1. Performance Indicators							
1	Percentage of home care clients with complex needs who received their personal support visit within 5 days of the date that they were authorized for personal support services*	95.00%	89.37%	90.28%	89.92%	88.63%	85.62%
2	Percentage of home care clients who received their nursing visit within 5 days of the date they were authorized for nursing services*	95.00%	92.67%	93.69%	95.97%	95.89%	95.77%
3	90th Percentile Wait Time from community for Home Care Services - Application from Community Setting to first Home Care Service (excluding case management)*	21 days	23.00	25.00	28.00	28.00	29.00
4	90th Percentile Wait Time from Hospital Discharge to Service Initiation for Home and Community Care*	TBD	0.00	0.00	6.00	6.00	6.00
5	90th percentile emergency department (ED) length of stay for complex patients	8 hours	13.28	12.83	14.53	15.97	16.02
6	90th percentile emergency department (ED) length of stay for minor/uncomplicated patients	4 hours	4.50	4.55	4.57	5.08	5.43
7	Percent of priority 2, 3 and 4 cases completed within access target for hip replacement	90.00%	75.06%	79.22%	73.88%	66.32%	70.10%

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
8	Percent of priority 2, 3 and 4 cases completed within access target for knee replacement	90.00%	72.25%	75.32%	66.34%	63.41%	65.05%
9	Percentage of Alternate Level of Care (ALC) Days*	9.46%	18.23%	16.21%	16.27%	16.51%	17.30%
10	ALC rate	12.70%	15.78%	13.61%	14.31%	15.91%	14.90%
11	Repeat Unscheduled Emergency Visits within 30 Days for Mental Health Conditions*	16.30%	18.59%	18.78%	20.40%	20.80%	20.90%
12	Repeat Unscheduled Emergency Visits within 30 Days for Substance Abuse Conditions*	22.40%	27.11%	30.10%	29.57%	30.90%	29.40%
13	Readmission within 30 days for selected HIG conditions**	15.50%	16.50%	16.60%	16.97%	16.31%	16.20%
2. Monitoring Indicators							
14	Percent of priority 2, 3 and 4 cases completed within access target for cataract surgery	90.00%	84.78%	85.21%	84.90%	88.76%	93.81%
15	Percent of priority 2 and 3 cases completed within access target for MRI scans	90.00%	0.00%	0.00%	61.45%	70.24%	66.40%
16	Percent of priority 2 and 3 cases completed within access target for CT scans	90.00%	0.00%	0.00%	71.75%	78.18%	78.03%
17 (a)	Wait times from application to eligibility determination for long-term care home placements: from community setting**	NA	9.00	8.00	8.00	9.00	11.00
17 (b)	Wait times from application to eligibility determination for long-term care home placements: from acute-care setting**	NA	6.00	5.00	6.00	8.00	8.00

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
18	Rate of emergency visits for conditions best managed elsewhere per 1,000 population*	NA	22.27	20.06	19.61	18.36	10.43
19	Hospitalization rate for ambulatory care sensitive conditions per 100,000 population*	NA	389.33	397.01	411.62	415.92	310.02
20	Percentage of acute care patients who had a follow-up with a physician within 7 days of discharge**	NA	47.71%	48.07%	48.25%	47.93%	46.83%

*FY 2018-19 is based on the available data from the fiscal year (Q1-Q3, 2018-19)

**FY 2018-19 is based on the available data from the fiscal year (Q1-Q2, 2018-19)

Central West LHIN MLAA Indicators
2018-19 Annual Report Data

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
1. Performance Indicators							
1	Percentage of home care clients with complex needs who received their personal support visit within 5 days of the date that they were authorized for personal support services*	95.00%	92.23%	88.97%	85.31%	82.61%	85.97%
2	Percentage of home care clients who received their nursing visit within 5 days of the date they were authorized for nursing services*	95.00%	96.52%	95.43%	95.17%	95.69%	96.90%
3	90th Percentile Wait Time from community for Home Care Services - Application from Community Setting to first Home Care Service (excluding case management)*	21 days	19.00	21.00	24.00	30.00	30.00
4	90th Percentile Wait Time from Hospital Discharge to Service Initiation for Home and Community Care*	TBD	0.00	0.00	8.00	8.00	9.00
5	90th percentile emergency department (ED) length of stay for complex patients	8 hours	10.85	10.57	11.23	9.72	9.10
6	90th percentile emergency department (ED) length of stay for minor/uncomplicated patients	4 hours	3.50	3.68	3.85	3.63	3.83

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
7	Percent of priority 2, 3 and 4 cases completed within access target for hip replacement	90.00%	47.47%	67.50%	75.90%	68.81%	71.75%
8	Percent of priority 2, 3 and 4 cases completed within access target for knee replacement	90.00%	47.88%	72.19%	64.65%	53.70%	54.70%
9	Percentage of Alternate Level of Care (ALC) Days*	9.46%	7.14%	6.38%	8.12%	9.35%	9.42%
10	ALC rate	12.70%	6.26%	5.53%	6.44%	8.11%	7.27%
11	Repeat Unscheduled Emergency Visits within 30 Days for Mental Health Conditions*	16.30%	24.74%	24.84%	24.37%	26.90%	26.00%
12	Repeat Unscheduled Emergency Visits within 30 Days for Substance Abuse Conditions*	22.40%	27.59%	31.89%	33.78%	36.10%	38.50%
13	Readmission within 30 days for selected HIG conditions**	15.50%	15.90%	15.91%	16.20%	16.76%	16.16%
2. Monitoring Indicators							
14	Percent of priority 2, 3 and 4 cases completed within access target for cataract surgery	90.00%	89.21%	87.08%	92.63%	96.74%	96.68%
15	Percent of priority 2 and 3 cases completed within access target for MRI scans	90.00%	0.00%	0.00%	NA	NA	NA
16	Percent of priority 2 and 3 cases completed within access target for CT scans	90.00%	0.00%	0.00%	95.41%	97.53%	94.83%
17 (a)	Wait times from application to eligibility determination for long-term care home	NA	20.00	21.00	18.00	20.00	20.00

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
	placements: from community setting**						
17 (b)	Wait times from application to eligibility determination for long-term care home placements: from acute-care setting**	NA	12.00	13.00	11.00	14.00	14.00
18	Rate of emergency visits for conditions best managed elsewhere per 1,000 population*	NA	5.25	4.93	4.17	5.60	4.25
19	Hospitalization rate for ambulatory care sensitive conditions per 100,000 population*	NA	279.11	273.16	272.23	280.86	194.50
20	Percentage of acute care patients who had a follow-up with a physician within 7 days of discharge**	NA	55.41%	56.52%	56.65%	56.34%	57.54%

*FY 2018-19 is based on the available data from the fiscal year (Q1-Q3, 2018-19)

**FY 2018-19 is based on the available data from the fiscal year (Q1-Q2, 2018-19)

Mississauga Halton LHIN MLAA Indicators
2018-19 Annual Report Data

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
1. Performance Indicators							
1	Percentage of home care clients with complex needs who received their personal support visit within 5 days of the date that they were authorized for personal support services*	95.00%	92.07%	91.48%	92.63%	90.81%	91.43%
2	Percentage of home care clients who received their nursing visit within 5 days of the date they were authorized for nursing services*	95.00%	95.22%	95.58%	96.69%	96.60%	96.08%
3	90th Percentile Wait Time from community for Home Care Services - Application from Community Setting to first Home Care Service (excluding case management)*	21 days	27.00	28.00	34.00	27.00	24.00
4	90th Percentile Wait Time from Hospital Discharge to Service Initiation for Home and Community Care*	TBD	0.00	0.00	11.00	9.00	10.00
5	90th percentile emergency department (ED) length of stay for complex patients	8 hours	9.15	9.62	10.47	10.82	11.18
6	90th percentile emergency department (ED) length of stay for minor/uncomplicated patients	4 hours	3.58	3.70	3.72	3.82	4.05
7	Percent of priority 2, 3 and 4 cases completed within access target for hip replacement	90.00%	89.36%	69.10%	57.02%	49.42%	53.74%

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
8	Percent of priority 2, 3 and 4 cases completed within access target for knee replacement	90.00%	76.51%	53.48%	46.16%	42.06%	43.49%
9	Percentage of Alternate Level of Care (ALC) Days*	9.46%	12.62%	14.05%	15.18%	17.29%	15.57%
10	ALC rate	12.70%	9.60%	11.35%	14.05%	14.70%	13.38%
11	Repeat Unscheduled Emergency Visits within 30 Days for Mental Health Conditions*	16.30%	17.23%	17.30%	16.69%	17.40%	17.50%
12	Repeat Unscheduled Emergency Visits within 30 Days for Substance Abuse Conditions*	22.40%	25.50%	25.48%	27.21%	27.20%	29.80%
13	Readmission within 30 days for selected HIG conditions**	15.50%	16.09%	15.52%	15.80%	15.60%	14.52%
2. Monitoring Indicators							
14	Percent of priority 2, 3 and 4 cases completed within access target for cataract surgery	90.00%	95.74%	77.31%	73.06%	64.05%	68.75%
15	Percent of priority 2 and 3 cases completed within access target for MRI scans	90.00%	0.00%	0.00%	79.68%	83.44%	83.21%
16	Percent of priority 2 and 3 cases completed within access target for CT scans	90.00%	0.00%	0.00%	79.58%	81.01%	81.24%
17 (a)	Wait times from application to eligibility determination for long-term care home placements: from community setting**	NA	20.00	15.00	12.00	12.00	15.00
17 (b)	Wait times from application to eligibility determination for long-term care home placements: from acute-care setting**	NA	17.00	11.00	12.00	15.00	9.50

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
18	Rate of emergency visits for conditions best managed elsewhere per 1,000 population*	NA	6.36	6.00	5.17	5.39	3.44
19	Hospitalization rate for ambulatory care sensitive conditions per 100,000 population*	NA	205.67	192.44	199.39	202.72	150.82
20	Percentage of acute care patients who had a follow-up with a physician within 7 days of discharge**	NA	52.99%	53.46%	54.28%	54.75%	55.36%

*FY 2018-19 is based on the available data from the fiscal year (Q1-Q3, 2018-19)

**FY 2018-19 is based on the available data from the fiscal year (Q1-Q2, 2018-19)

Toronto Central LHIN MLAA Indicators
2018-19 Annual Report Data

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
1. Performance Indicators							
1	Percentage of home care clients with complex needs who received their personal support visit within 5 days of the date that they were authorized for personal support services*	95.00%	85.47%	85.03%	93.95%	95.57%	96.05%
2	Percentage of home care clients who received their nursing visit within 5 days of the date they were authorized for nursing services*	95.00%	93.64%	93.50%	96.19%	96.06%	96.54%
3	90th Percentile Wait Time from community for Home Care Services - Application from Community Setting to first Home Care Service (excluding case management)*	21 days	25.00	26.00	26.00	26.00	28.00
4	90th Percentile Wait Time from Hospital Discharge to Service Initiation for Home and Community Care*	TBD	7.00	7.00	8.00	9.00	11.00
5	90th percentile emergency department (ED) length of stay for complex patients	8 hours	12.17	12.18	12.85	13.08	13.62
6	90th percentile emergency department (ED) length of stay for minor/uncomplicated patients	4 hours	4.47	4.50	4.58	4.65	4.82
7	Percent of priority 2, 3 and 4 cases completed within access target for hip replacement	90.00%	85.53%	80.19%	90.28%	91.75%	94.57%

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
8	Percent of priority 2, 3 and 4 cases completed within access target for knee replacement	90.00%	85.61%	84.05%	90.89%	91.85%	93.46%
9	Percentage of Alternate Level of Care (ALC) Days*	9.46%	9.79%	10.46%	12.86%	11.25%	11.25%
10	ALC rate	12.70%	10.33%	11.97%	12.58%	11.49%	11.75%
11	Repeat Unscheduled Emergency Visits within 30 Days for Mental Health Conditions*	16.30%	26.59%	28.54%	27.90%	28.40%	28.50%
12	Repeat Unscheduled Emergency Visits within 30 Days for Substance Abuse Conditions*	22.40%	40.84%	43.17%	41.95%	39.00%	40.40%
13	Readmission within 30 days for selected HIG conditions**	15.50%	17.89%	18.13%	17.72%	17.99%	18.45%
2. Monitoring Indicators							
14	Percent of priority 2, 3 and 4 cases completed within access target for cataract surgery	90.00%	88.43%	86.55%	80.12%	79.36%	79.47%
15	Percent of priority 2 and 3 cases completed within access target for MRI scans	90.00%	52.48%	50.43%	47.95%	55.23%	59.82%
16	Percent of priority 2 and 3 cases completed within access target for CT scans	90.00%	65.24%	67.68%	69.15%	75.61%	72.79%
17 (a)	Wait times from application to eligibility determination for long-term care home placements: from community setting**	NA	3.00	NR	N/R*	NR*	NR*
17 (b)	Wait times from application to eligibility determination for long-term care home placements: from acute-care setting**	NA	11.00	NR	N/R*	NR*	NR*

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
18	Rate of emergency visits for conditions best managed elsewhere per 1,000 population*	NA	6.90	6.73	6.32	5.70	3.16
19	Hospitalization rate for ambulatory care sensitive conditions per 100,000 population*	NA	259.37	244.27	250.57	272.35	203.00
20	Percentage of acute care patients who had a follow-up with a physician within 7 days of discharge**	NA	49.89%	50.52%	51.59%	50.26%	49.94%

*FY 2018-19 is based on the available data from the fiscal year (Q1-Q3, 2018-19)

**FY 2018-19 is based on the available data from the fiscal year (Q1-Q2, 2018-19)

Central LHIN MLAA Indicators
2018-19 Annual Report Data

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
1. Performance Indicators							
1	Percentage of home care clients with complex needs who received their personal support visit within 5 days of the date that they were authorized for personal support services*	95.00%	84.35%	83.68%	92.39%	93.03%	95.32%
2	Percentage of home care clients who received their nursing visit within 5 days of the date they were authorized for nursing services*	95.00%	94.13%	94.23%	96.65%	96.41%	96.03%
3	90th Percentile Wait Time from community for Home Care Services - Application from Community Setting to first Home Care Service (excluding case management)*	21 days	31.00	33.00	33.00	22.00	22.00
4	90th Percentile Wait Time from Hospital Discharge to Service Initiation for Home and Community Care*	TBD	6.00	6.00	6.00	5.00	6.00
5	90th percentile emergency department (ED) length of stay for complex patients	8 hours	10.28	9.80	10.20	10.35	10.67
6	90th percentile emergency department (ED) length of stay for minor/uncomplicated patients	4 hours	3.43	3.33	3.50	3.80	4.18
7	Percent of priority 2, 3 and 4 cases completed within access target for hip replacement	90.00%	95.63%	97.46%	97.90%	97.40%	94.94%
8	Percent of priority 2, 3 and 4 cases completed within access target for knee replacement	90.00%	93.88%	96.20%	96.41%	95.31%	93.36%
9	Percentage of Alternate Level of Care (ALC) Days*	9.46%	14.34%	14.36%	15.95%	16.65%	17.49%
10	ALC rate	12.70%	13.23%	13.87%	15.72%	15.14%	12.32%

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
11	Repeat Unscheduled Emergency Visits within 30 Days for Mental Health Conditions*	16.30%	18.25%	18.99%	19.28%	20.70%	20.30%
12	Repeat Unscheduled Emergency Visits within 30 Days for Substance Abuse Conditions*	22.40%	23.68%	26.02%	25.12%	25.70%	27.90%
13	Readmission within 30 days for selected HIG conditions**	15.50%	15.90%	15.92%	15.94%	15.52%	16.68%
2. Monitoring Indicators							
14	Percent of priority 2, 3 and 4 cases completed within access target for cataract surgery	90.00%	99.71%	98.46%	96.69%	99.68%	99.41%
15	Percent of priority 2 and 3 cases completed within access target for MRI scans	90.00%	62.78%	67.66%	69.42%	67.87%	79.99%
16	Percent of priority 2 and 3 cases completed within access target for CT scans	90.00%	84.92%	83.75%	82.66%	83.87%	87.63%
17 (a)	Wait times from application to eligibility determination for long-term care home placements: from community setting**	NA	17.00	22.00	19.00	21.00	22.00
17 (b)	Wait times from application to eligibility determination for long-term care home placements: from acute-care setting**	NA	6.00	6.00	4.00	5.00	4.00
18	Rate of emergency visits for conditions best managed elsewhere per 1,000 population*	NA	6.53	6.87	6.41	6.07	4.06
19	Hospitalization rate for ambulatory care sensitive conditions per 100,000 population*	NA	190.85	177.72	177.24	198.25	150.93
20	Percentage of acute care patients who had a follow-up with a physician within 7 days of discharge**	NA	53.32%	54.31%	54.83%	53.80%	53.71%

*FY 2018-19 is based on the available data from the fiscal year (Q1-Q3, 2018-19)

**FY 2018-19 is based on the available data from the fiscal year (Q1-Q2, 2018-19)

Central East LHIN MLAA Indicators
2018-19 Annual Report Data

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
1. Performance Indicators							
1	Percentage of home care clients with complex needs who received their personal support visit within 5 days of the date that they were authorized for personal support services*	95.00%	87.88%	88.69%	90.64%	90.10%	87.21%
2	Percentage of home care clients who received their nursing visit within 5 days of the date they were authorized for nursing services*	95.00%	95.67%	95.84%	96.83%	96.51%	95.87%
3	90th Percentile Wait Time from community for Home Care Services - Application from Community Setting to first Home Care Service (excluding case management)*	21 days	23.00	30.00	49.00	41.00	40.00
4	90th Percentile Wait Time from Hospital Discharge to Service Initiation for Home and Community Care*	TBD	13.00	10.00	9.00	9.00	9.00
5	90th percentile emergency department (ED) length of stay for complex patients	8 hours	9.62	9.47	10.33	11.00	11.28
6	90th percentile emergency department (ED) length of stay for minor/uncomplicated patients	4 hours	4.02	3.92	4.08	4.33	4.70
7	Percent of priority 2, 3 and 4 cases completed within access target for hip replacement	90.00%	95.63%	94.27%	91.86%	91.97%	92.71%

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
8	Percent of priority 2, 3 and 4 cases completed within access target for knee replacement	90.00%	94.03%	90.70%	88.67%	86.52%	88.43%
9	Percentage of Alternate Level of Care (ALC) Days*	9.46%	16.84%	15.22%	18.40%	20.83%	20.94%
10	ALC rate	12.70%	18.13%	17.79%	23.62%	23.96%	21.51%
11	Repeat Unscheduled Emergency Visits within 30 Days for Mental Health Conditions*	16.30%	19.63%	19.58%	21.45%	23.80%	22.10%
12	Repeat Unscheduled Emergency Visits within 30 Days for Substance Abuse Conditions*	22.40%	25.18%	26.03%	27.30%	29.20%	27.50%
13	Readmission within 30 days for selected HIG conditions**	15.50%	16.69%	17.33%	16.95%	16.78%	16.98%
2. Monitoring Indicators							
14	Percent of priority 2, 3 and 4 cases completed within access target for cataract surgery	90.00%	98.03%	95.10%	95.53%	96.71%	98.60%
15	Percent of priority 2 and 3 cases completed within access target for MRI scans	90.00%	67.95%	74.31%	80.98%	84.67%	92.81%
16	Percent of priority 2 and 3 cases completed within access target for CT scans	90.00%	84.62%	88.04%	95.10%	97.78%	98.79%
17 (a)	Wait times from application to eligibility determination for long-term care home placements: from community setting**	NA	21.00	20.00	17.00	20.00	20.00
17 (b)	Wait times from application to eligibility determination for long-term care home placements: from acute-care setting**	NA	10.00	10.00	8.00	8.00	10.00

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
18	Rate of emergency visits for conditions best managed elsewhere per 1,000 population*	NA	14.85	14.52	12.82	12.19	7.05
19	Hospitalization rate for ambulatory care sensitive conditions per 100,000 population*	NA	322.50	317.86	308.07	317.42	228.60
20	Percentage of acute care patients who had a follow-up with a physician within 7 days of discharge**	NA	47.54%	47.32%	48.17%	47.94%	47.94%

*FY 2018-19 is based on the available data from the fiscal year (Q1-Q3, 2018-19)

**FY 2018-19 is based on the available data from the fiscal year (Q1-Q2, 2018-19)

South East LHIN MLAA Indicators
2018-19 Annual Report Data

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
1. Performance Indicators							
1	Percentage of home care clients with complex needs who received their personal support visit within 5 days of the date that they were authorized for personal support services*	95.00%	86.84%	84.62%	90.72%	88.12%	87.68%
2	Percentage of home care clients who received their nursing visit within 5 days of the date they were authorized for nursing services*	95.00%	92.70%	91.90%	96.14%	96.28%	95.36%
3	90th Percentile Wait Time from community for Home Care Services - Application from Community Setting to first Home Care Service (excluding case management)*	21 days	23.00	21.00	22.00	21.00	20.00
4	90th Percentile Wait Time from Hospital Discharge to Service Initiation for Home and Community Care*	TBD	6.00	7.00	7.00	7.00	7.00
5	90th percentile emergency department (ED) length of stay for complex patients	8 hours	9.47	8.90	9.18	8.87	8.98
6	90th percentile emergency department (ED) length of stay for minor/uncomplicated patients	4 hours	4.28	4.35	4.48	4.43	4.58
7	Percent of priority 2, 3 and 4 cases completed within access target for hip replacement	90.00%	55.82%	60.17%	66.78%	80.63%	77.31%

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
8	Percent of priority 2, 3 and 4 cases completed within access target for knee replacement	90.00%	61.35%	66.27%	74.55%	78.17%	76.42%
9	Percentage of Alternate Level of Care (ALC) Days*	9.46%	15.40%	15.24%	17.21%	17.74%	16.06%
10	ALC rate	12.70%	17.11%	19.19%	17.74%	19.30%	20.66%
11	Repeat Unscheduled Emergency Visits within 30 Days for Mental Health Conditions*	16.30%	21.94%	21.79%	20.12%	22.40%	21.80%
12	Repeat Unscheduled Emergency Visits within 30 Days for Substance Abuse Conditions*	22.40%	24.86%	28.14%	22.84%	25.80%	26.20%
13	Readmission within 30 days for selected HIG conditions**	15.50%	16.23%	17.01%	17.64%	17.34%	18.07%
2. Monitoring Indicators							
14	Percent of priority 2, 3 and 4 cases completed within access target for cataract surgery	90.00%	90.95%	84.43%	65.34%	67.53%	66.01%
15	Percent of priority 2 and 3 cases completed within access target for MRI scans	90.00%	60.94%	67.79%	67.55%	64.70%	76.61%
16	Percent of priority 2 and 3 cases completed within access target for CT scans	90.00%	84.87%	78.20%	78.63%	83.82%	80.37%
17 (a)	Wait times from application to eligibility determination for long-term care home placements: from community setting**	NA	13.00	15.00	14.00	13.00	13.00
17 (b)	Wait times from application to eligibility determination for long-term care home placements: from acute-care setting**	NA	7.00	7.00	7.00	6.50	9.00

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
18	Rate of emergency visits for conditions best managed elsewhere per 1,000 population*	NA	41.11	39.92	37.54	38.21	23.33
19	Hospitalization rate for ambulatory care sensitive conditions per 100,000 population*	NA	460.80	506.16	498.43	549.67	389.21
20	Percentage of acute care patients who had a follow-up with a physician within 7 days of discharge**	NA	42.72%	42.50%	43.04%	41.00%	41.64%

*FY 2018-19 is based on the available data from the fiscal year (Q1-Q3, 2018-19)

**FY 2018-19 is based on the available data from the fiscal year (Q1-Q2, 2018-19)

Champlain LHIN MLAA Indicators
2018-19 Annual Report Data

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
Performance Indicators							
1	Percentage of home care clients with complex needs who received their personal support visit within 5 days of the date that they were authorized for personal support services*	95.00%	78.86%	77.03%	77.33%	71.39%	69.23%
2	Percentage of home care clients who received their nursing visit within 5 days of the date they were authorized for nursing services*	95.00%	91.70%	93.48%	96.04%	96.08%	95.21%
3	90th Percentile Wait Time from community for Home Care Services - Application from Community Setting to first Home Care Service (excluding case management)*	21 days	62.00	55.00	34.00	50.00	44.00
4	90th Percentile Wait Time from Hospital Discharge to Service Initiation for Home and Community Care*	TBD	7.00	7.00	7.00	8.00	10.00
5	90th percentile emergency department (ED) length of stay for complex patients	8 hours	10.68	10.38	11.22	11.68	11.53
6	90th percentile emergency department (ED) length of stay for minor/uncomplicated patients	4 hours	4.52	4.58	4.77	5.03	5.42
7	Percent of priority 2, 3 and 4 cases completed within access target for hip replacement	90.00%	81.96%	85.27%	90.84%	89.76%	90.25%

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
8	Percent of priority 2, 3 and 4 cases completed within access target for knee replacement	90.00%	85.02%	88.02%	86.19%	89.16%	93.14%
9	Percentage of Alternate Level of Care (ALC) Days*	9.46%	12.10%	12.70%	14.20%	14.32%	15.39%
10	ALC rate	12.70%	12.13%	12.64%	13.94%	14.47%	14.65%
11	Repeat Unscheduled Emergency Visits within 30 Days for Mental Health Conditions*	16.30%	18.02%	17.72%	18.19%	18.50%	19.20%
12	Repeat Unscheduled Emergency Visits within 30 Days for Substance Abuse Conditions*	22.40%	27.02%	27.41%	25.02%	25.70%	26.10%
13	Readmission within 30 days for selected HIG conditions**	15.50%	16.11%	16.84%	16.35%	15.59%	16.18%
Monitoring Indicators							
14	Percent of priority 2, 3 and 4 cases completed within access target for cataract surgery	90.00%	89.84%	88.91%	85.86%	81.70%	84.00%
15	Percent of priority 2 and 3 cases completed within access target for MRI scans	90.00%	52.32%	56.84%	77.55%	73.60%	67.06%
16	Percent of priority 2 and 3 cases completed within access target for CT scans	90.00%	81.30%	75.52%	83.28%	83.18%	84.13%
17 (a)	Wait times from application to eligibility determination for long-term care home placements: from community setting**	NA	20.00	21.00	24.00	24.00	24.00
17 (b)	Wait times from application to eligibility determination for long-term care home placements: from acute-care setting**	NA	11.00	10.00	9.00	13.00	15.00

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
18	Rate of emergency visits for conditions best managed elsewhere per 1,000 population*	NA	21.94	20.23	18.66	19.25	12.22
19	Hospitalization rate for ambulatory care sensitive conditions per 100,000 population*	NA	297.25	305.79	303.84	304.59	222.32
20	Percentage of acute care patients who had a follow-up with a physician within 7 days of discharge**	NA	42.31%	42.08%	43.03%	41.59%	41.46%

*FY 2018-19 is based on the available data from the fiscal year (Q1-Q3, 2018-19)

**FY 2018-19 is based on the available data from the fiscal year (Q1-Q2, 2018-19)

North Simcoe Muskoka LHIN MLAA Indicators
2018-19 Annual Report Data

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
1. Performance Indicators							
1	Percentage of home care clients with complex needs who received their personal support visit within 5 days of the date that they were authorized for personal support services*	95.00%	69.53%	77.19%	89.20%	87.03%	87.62%
2	Percentage of home care clients who received their nursing visit within 5 days of the date they were authorized for nursing services*	95.00%	91.52%	93.08%	95.79%	97.62%	98.03%
3	90th Percentile Wait Time from community for Home Care Services - Application from Community Setting to first Home Care Service (excluding case management)*	21 days	69.00	67.00	51.00	41.00	33.00
4	90th Percentile Wait Time from Hospital Discharge to Service Initiation for Home and Community Care*	TBD	6.00	7.00	8.00	6.00	7.00
5	90th percentile emergency department (ED) length of stay for complex patients	8 hours	8.95	9.03	9.10	10.38	10.23
6	90th percentile emergency department (ED) length of stay for minor/uncomplicated patients	4 hours	3.95	4.37	4.25	4.37	4.35
7	Percent of priority 2, 3 and 4 cases completed within access target for hip replacement	90.00%	90.62%	81.32%	77.26%	83.08%	73.05%

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
8	Percent of priority 2, 3 and 4 cases completed within access target for knee replacement	90.00%	88.66%	84.52%	75.69%	77.35%	69.44%
9	Percentage of Alternate Level of Care (ALC) Days*	9.46%	21.02%	23.83%	21.13%	20.24%	22.68%
10	ALC rate	12.70%	15.04%	15.81%	14.47%	17.03%	18.67%
11	Repeat Unscheduled Emergency Visits within 30 Days for Mental Health Conditions*	16.30%	16.08%	17.18%	17.01%	17.00%	17.40%
12	Repeat Unscheduled Emergency Visits within 30 Days for Substance Abuse Conditions*	22.40%	25.00%	21.12%	23.96%	22.30%	21.80%
13	Readmission within 30 days for selected HIG conditions**	15.50%	16.17%	16.81%	16.60%	17.25%	16.45%
2. Monitoring Indicators							
14	Percent of priority 2, 3 and 4 cases completed within access target for cataract surgery	90.00%	94.39%	81.36%	68.41%	50.82%	62.92%
15	Percent of priority 2 and 3 cases completed within access target for MRI scans	90.00%	51.19%	52.98%	57.35%	63.96%	59.92%
16	Percent of priority 2 and 3 cases completed within access target for CT scans	90.00%	87.85%	82.11%	81.97%	85.20%	83.28%
17 (a)	Wait times from application to eligibility determination for long-term care home placements: from community setting**	NA	19.50	15.00	15.00	14.00	13.00
17 (b)	Wait times from application to eligibility determination for long-term care home placements: from acute-care setting**	NA	13.00	15.00	24.00	28.00	35.00

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
18	Rate of emergency visits for conditions best managed elsewhere per 1,000 population*	NA	31.64	28.48	26.46	26.38	16.60
19	Hospitalization rate for ambulatory care sensitive conditions per 100,000 population*	NA	392.71	401.63	389.40	403.15	326.75
20	Percentage of acute care patients who had a follow-up with a physician within 7 days of discharge**	NA	40.80%	42.83%	43.65%	41.13%	43.32%

*FY 2018-19 is based on the available data from the fiscal year (Q1-Q3, 2018-19)

**FY 2018-19 is based on the available data from the fiscal year (Q1-Q2, 2018-19)

North East LHIN MLAA Indicators
2018-19 Annual Report Data

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
1. Performance Indicators							
1	Percentage of home care clients with complex needs who received their personal support visit within 5 days of the date that they were authorized for personal support services*	95.00%	86.06%	83.70%	96.05%	87.65%	85.88%
2	Percentage of home care clients who received their nursing visit within 5 days of the date they were authorized for nursing services*	95.00%	93.61%	94.09%	98.20%	98.49%	98.13%
3	90th Percentile Wait Time from community for Home Care Services - Application from Community Setting to first Home Care Service (excluding case management)*	21 days	70.00	48.00	39.00	31.00	28.00
4	90th Percentile Wait Time from Hospital Discharge to Service Initiation for Home and Community Care*	TBD	11.00	9.00	7.00	7.00	9.00
5	90th percentile emergency department (ED) length of stay for complex patients	8 hours	8.20	8.47	8.60	8.43	8.62
6	90th percentile emergency department (ED) length of stay for minor/uncomplicated patients	4 hours	3.95	3.92	4.05	4.10	4.25
7	Percent of priority 2, 3 and 4 cases completed within access target for hip replacement	90.00%	72.26%	87.08%	82.28%	76.67%	81.78%

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
8	Percent of priority 2, 3 and 4 cases completed within access target for knee replacement	90.00%	71.13%	84.16%	81.84%	74.45%	70.07%
9	Percentage of Alternate Level of Care (ALC) Days*	9.46%	23.17%	27.64%	26.31%	25.05%	27.99%
10	ALC rate	12.70%	21.03%	19.45%	22.47%	24.95%	24.77%
11	Repeat Unscheduled Emergency Visits within 30 Days for Mental Health Conditions*	16.30%	17.56%	17.95%	18.84%	18.60%	18.70%
12	Repeat Unscheduled Emergency Visits within 30 Days for Substance Abuse Conditions*	22.40%	31.29%	32.76%	27.34%	28.90%	31.60%
13	Readmission within 30 days for selected HIG conditions**	15.50%	17.84%	17.32%	17.47%	17.09%	17.36%
2. Monitoring Indicators							
14	Percent of priority 2, 3 and 4 cases completed within access target for cataract surgery	90.00%	90.52%	91.90%	93.72%	93.61%	86.89%
15	Percent of priority 2 and 3 cases completed within access target for MRI scans	90.00%	68.71%	69.40%	71.21%	71.99%	69.36%
16	Percent of priority 2 and 3 cases completed within access target for CT scans	90.00%	83.66%	84.77%	85.90%	83.25%	85.09%
17 (a)	Wait times from application to eligibility determination for long-term care home placements: from community setting**	NA	8.00	8.00	7.00	7.00	7.00
17 (b)	Wait times from application to eligibility determination for long-term care home placements: from acute-care setting**	NA	7.00	9.00	11.00	9.00	9.00

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
18	Rate of emergency visits for conditions best managed elsewhere per 1,000 population*	NA	55.29	54.49	52.87	55.03	34.06
19	Hospitalization rate for ambulatory care sensitive conditions per 100,000 population*	NA	626.00	627.01	598.97	632.37	444.85
20	Percentage of acute care patients who had a follow-up with a physician within 7 days of discharge**	NA	36.41%	37.03%	38.99%	37.50%	37.87%

*FY 2018-19 is based on the available data from the fiscal year (Q1-Q3, 2018-19)

**FY 2018-19 is based on the available data from the fiscal year (Q1-Q2, 2018-19)

North West LHIN MLAA Indicators
2018-19 Annual Report Data

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
1. Performance Indicators							
1	Percentage of home care clients with complex needs who received their personal support visit within 5 days of the date that they were authorized for personal support services*	95.00%	76.43%	78.52%	83.92%	83.46%	77.67%
2	Percentage of home care clients who received their nursing visit within 5 days of the date they were authorized for nursing services*	95.00%	89.31%	88.32%	95.86%	96.09%	95.42%
3	90th Percentile Wait Time from community for Home Care Services - Application from Community Setting to first Home Care Service (excluding case management)*	21 days	35.00	28.00	30.00	26.00	23.00
4	90th Percentile Wait Time from Hospital Discharge to Service Initiation for Home and Community Care*	TBD	5.00	5.00	5.00	5.00	5.00
5	90th percentile emergency department (ED) length of stay for complex patients	8 hours	9.73	9.33	9.58	10.30	10.38
6	90th percentile emergency department (ED) length of stay for minor/uncomplicated patients	4 hours	3.88	3.93	4.18	4.67	4.98
7	Percent of priority 2, 3 and 4 cases completed within access target for hip replacement	90.00%	73.04%	83.08%	78.65%	76.65%	88.47%

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
8	Percent of priority 2, 3 and 4 cases completed within access target for knee replacement	90.00%	64.66%	71.85%	76.61%	74.49%	78.27%
9	Percentage of Alternate Level of Care (ALC) Days*	9.46%	21.72%	21.27%	26.07%	24.00%	25.56%
10	ALC rate	12.70%	27.60%	27.76%	30.58%	33.98%	33.99%
11	Repeat Unscheduled Emergency Visits within 30 Days for Mental Health Conditions*	16.30%	16.32%	16.98%	18.12%	20.70%	21.40%
12	Repeat Unscheduled Emergency Visits within 30 Days for Substance Abuse Conditions*	22.40%	43.22%	46.24%	43.76%	43.00%	45.10%
13	Readmission within 30 days for selected HIG conditions**	15.50%	16.64%	16.45%	17.75%	17.27%	17.68%
2. Monitoring Indicators							
14	Percent of priority 2, 3 and 4 cases completed within access target for cataract surgery	90.00%	93.87%	91.51%	89.21%	82.73%	93.32%
15	Percent of priority 2 and 3 cases completed within access target for MRI scans	90.00%	89.65%	88.88%	83.38%	77.61%	64.41%
16	Percent of priority 2 and 3 cases completed within access target for CT scans	90.00%	80.58%	59.46%	89.42%	88.29%	82.85%
17 (a)	Wait times from application to eligibility determination for long-term care home placements: from community setting**	NA	35.00	34.50	32.00	27.00	39.00
17 (b)	Wait times from application to eligibility determination for long-term care home placements: from acute-care setting**	NA	15.00	12.00	14.00	11.00	13.00

No.	Indicator	Provincial Target	LHIN				
			2014/15 Fiscal Year Result	2015/16 Fiscal Year Result	2016/17 Fiscal Year Result	2017/18 Fiscal Year Result	2018/19 Fiscal Year Result (Year to Date)
18	Rate of emergency visits for conditions best managed elsewhere per 1,000 population*	NA	42.67	42.62	39.71	35.19	23.87
19	Hospitalization rate for ambulatory care sensitive conditions per 100,000 population*	NA	519.59	564.67	600.65	619.81	420.49
20	Percentage of acute care patients who had a follow-up with a physician within 7 days of discharge**	NA	36.98%	36.89%	38.65%	39.72%	36.73%

*FY 2018-19 is based on the available data from the fiscal year (Q1-Q3, 2018-19)

**FY 2018-19 is based on the available data from the fiscal year (Q1-Q2, 2018-19)

Financial statements of

Central East Local Health Integration Network

March 31, 2019

Deloitte LLP
400 Applewood Crescent
Suite 500
Vaughan ON L4K 0C3
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Independent Auditor's Report

To the Members of the Board of Directors of
Central East Local Health Integration Network

Audit Opinion

We have audited the accompanying financial statements of Central East Local Health Integration Network (the "LHIN"), which comprise the statement of financial position as at March 31, 2019 and the statements of operations and changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements"). We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the LHIN as at March 31, 2019, and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 LHIN 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.

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

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

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

Those charged with governance are responsible for overseeing the LHIN'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 GAAS 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 GAAS, 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 LHIN'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 LHIN'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 LHIN to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants
Licensed Public Accountants
June 14, 2019

Central East Local Health Integration Network

Statement of financial position

As at March 31, 2019

	Notes	2019 $	2018 $
Assets			
Current assets			
Cash		**48,091,153**	42,669,834
Due from Ministry of Health and Long-Term Care ("MOHLTC")	12	**5,310,853**	2,343,736
Accounts receivable		**1,459,741**	2,812,047
Prepaid expenses		**782,807**	665,772
		55,644,554	48,491,389
Capital assets	6	**1,317,436**	2,075,599
		56,961,990	50,566,988
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**48,693,513**	42,483,364
Due to Health Service Providers ("HSPs")	12	**1,389,453**	2,343,736
Due to Ministry of Health and Long-Term Care ("MOHLTC")	3	**4,778,781**	3,420,078
Due to Central West LHIN		**—**	12,534
Deferred operating contributions		**782,807**	231,677
		55,644,554	48,491,389
Deferred capital contributions	7	**1,317,436**	2,075,599
		56,961,990	50,566,988
Commitments	8		
Net assets		**56,961,990**	50,566,988

The accompanying notes are an integral part of the financial statements.

Approved by the Board of Directors:

William Hatanaka, Board Chair

Garry Foster, Audit Committee Chair

Central East Local Health Integration Network

Statement of operations and changes in net assets

Year ended March 31, 2019

	Notes	2019 Actual $	2018 Actual $
Revenue			
MOHLTC funding – transfer payments	12	**2,116,862,805**	2,100,877,092
MOHLTC funding – Operations and Initiatives		**347,466,827**	255,860,074
Interest income			523,172
Amortization of deferred capital contributions	7	**764,114**	725,061
Other revenue		**2,916,512**	1,886,781
		351,147,453	258,995,088
Total revenue		**2,468,010,258**	2,359,872,180
Expenses			
HSP transfer payments	12	**2,116,862,805**	2,100,877,092
Operations and Initiatives			
Contracted out			
In-home/clinic services		**217,657,758**	151,002,240
School services		**9,317,941**	10,617,259
Hospice services		**582,181**	315,000
Salaries and benefits		**91,901,007**	68,418,396
Medical supplies		**15,667,629**	14,753,212
Medical equipment rental		**4,088,224**	3,805,571
Supplies and sundry		**4,511,025**	3,884,436
Building and ground		**4,787,148**	3,782,365
Amortization		**764,114**	725,061
Repairs and maintenance		**1,870,426**	1,691,548
		351,147,453	258,995,088
Total expenses		**2,468,010,258**	2,359,872,180
Excess of revenue over expenses before the undernoted		**—**	—
Net assets, beginning of year		**—**	—
Net assets, end of year		**—**	—

The accompanying notes are an integral part of the financial statements.

Central East Local Health Integration Network

Statement of cash flows

Year ended March 31, 2019

	Notes	2019 $	2018 $
Operating activities			
Excess of revenue over expenses		**—**	—
Cash received on transition from CCAC		**—**	33,185,980
Less amounts not affecting cash			
Amortization of capital assets		**(764,114)**	725,061
Amortization of deferred capital contributions	7	**764,114**	(725,061)
		—	33,185,980
Changes in non-cash working capital items	10	**5,421,319**	9,128,856
		5,421,319	42,314,836
Investing activity			
Purchase of capital assets		**(5,951)**	(275,959)
Financing activity			
Increase in deferred contributions		**5,951**	275,959
Net change in cash		**5,421,319**	42,314,836
Cash, beginning of year		**42,669,834**	354,998
Cash, end of year		**48,091,153**	42,669,834

The accompanying notes are an integral part of the financial statements.

1. Description of business

The Central East Local Health Integration Network was incorporated by Letters Patent on June 2, 2005 as a corporation without share capital. Following Royal Assent to Bill 36 on March 28, 2006, it was continued under the *Local Health System Integration Act, 2006* (the "Act") as the Central East Local Health Integration Network (the "LHIN") and its Letters Patent were extinguished. As an agent of the Crown, the LHIN is not subject to income taxation.

The LHIN is, and exercises its powers only as, an agent of the Crown. Limits on the LHIN's ability to undertake certain activities are set out in the Act.

The mandate of the LHIN is as follows:

(a) Plan, fund and integrate the local health system within its geographic area

The LHIN spans carefully defined geographical areas and allows for local communities and health care providers within the geographical area to work together to identify local priorities, plan health services and deliver them in a more coordinated fashion. The LHIN covers Durham North East, Durham West, Halliburton County and the City of Kawartha Lakes, Northumberland County, Peterborough City and County, Scarborough North and Scarborough South. The LHIN enters into service accountability agreements with health service providers.

The LHIN has also entered into an accountability agreement with the Ministry of Health and Long Term Care ("MOHLTC"), which provides the framework for LHIN accountabilities and activities.

All funding payments to LHIN managed Health Service Providers are flowed through the LHIN's financial statements. Funding payments authorized by the LHIN to Health Service Providers, are recorded in the LHIN's Financial Statements as revenue from the MOHLTC and as transfer payment expenses to Health Service Providers.

(b) Provision of community services

These services include health and related social services, medical supplies and equipment for the care of persons in home and community settings and to provide goods and services to assist caregivers in the provision of care for such persons, to manage the placement of persons into long-term care homes, supportive housing programs, chronic care and rehabilitation beds in hospitals, and to provide information to the public about, and make referrals to, health and social services.

2. Significant accounting policies

The financial statements of the LHIN are the representations of management, prepared in accordance with Canadian public sector accounting standards including the 4200 series standards for government not-for-profit organizations, as issued by the Public Sector Accounting Board. Significant accounting policies adopted by the LHIN are as follows:

Revenue recognition

The LHIN follows the deferral method of accounting for contributions. Contributions from the MOHLTC represent externally restricted contributions which must be spent within the fiscal year provided. Unspent contributions from the MOHLTC are set up as repayable to the MOHLTC at the end of the year. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

2. Significant accounting policies (continued)

Ministry of Health and Long-Term Care Funding

The LHIN is funded by the Province of Ontario in accordance with the Ministry-LHIN Accountability Agreement ("MLAA"), which describes budgetary arrangements established by the MOHLTC. The Financial Statements reflect funding approved by the MOHLTC to support LHIN managed Health Services Providers and the operations of the LHIN. The LHIN cannot authorize payments in excess of the budgetary allocation set by the MOHLTC in the MLAA. Due to the nature of the Accountability Agreement, the LHIN is economically dependent on the MOHLTC.

Transfer payment amounts to Health Service Providers are based on the terms of the Health Service Provider Accountability Agreements with the LHIN, including any amendments made throughout the year. During the year, the LHIN authorizes the transfer of cash to the Health Service Providers. The cash associated with the transfer payment flows directly from the MOHLTC to the Health Service Provider and does not flow through the LHIN bank account.

LHIN Financial Statements includes only transfer payment funds and LHIN operating funds included in the Ministry-LHIN Accountability Agreement.

Capital assets

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments, which extend the estimated life of a capital asset, are capitalized.

Capital assets are amortized on a straight-line basis based on their estimated useful life as follows:

Computer equipment and software	3 years
Furniture and equipment	10 years
Leasehold improvements	Over the term of the lease
Medical equipment	10 years

For capital assets acquired or brought into use, during the year, amortization is provided for one half of a year.

Deferred capital contributions

Contributions received for the purchase of capital assets are deferred and are amortized to income at the same rate as the corresponding capital asset.

Financial instruments

Financial assets and liabilities are measured at amortized cost, with the exception of cash that is measured at fair value. Financial instruments measured at amortized cost 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.

Write-downs 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 write-down being recognized in the Statement of operations and changes in net assets.

2. Significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 reporting period. Significant estimates include depreciation rates for capital assets and certain accruals. Actual results could differ from those estimates.

3. Funding repayable to the MOHLTC

In accordance with the MLAA, the LHIN is required to be in a balanced position at year end. Thus, any funding received in excess of expenses incurred, is required to be returned to the MOHLTC.

The amount due to the MOHLTC at March 31 is made up as follows:

	2019	2018
	$	$
Due to MOHLTC, beginning of year	**3,420,078**	84,268
Due to MOHLTC transferred from CCAC	**—**	4,476,745
Funding repaid to MOHLTC	**—**	(4,331,348)
Funding repayable to the MOHLTC related to current year activities	**1,358,703**	3,190,413
Due to MOHLTC, end of year	**4,778,781**	3,420,078

4. Enabling technologies for integration project management office

Effective April 1, 2013, the LHIN entered into an agreement with Central, Central West, Toronto Central, Mississauga Halton and North Simcoe Muskoka LHINs (the "Cluster") in order to enable the effective and efficient delivery of e-health programs and initiatives within the geographic area of the Cluster. Under the agreement, decisions related to the financial and operating activities of the Enabling Technologies for Integration Project Management Office are shared. No LHIN is in a position to exercise unilateral control.

The LHIN's financial statement reflects its share of the MOHLTC funding for Enabling Technologies for Integration Project Management Offices for its cluster and related expenses. During the year the LHIN received one-time funding from Central West LHIN of $345,489 ($317,250 in 2018) of which $109,619 is included in accounts receivable at March 31, 2019 ($nil in 2018). The LHIN incurred eligible expenses of $345,489 ($304,896 in 2018).

5. Related party transactions

Health Shared Services Ontario ("HSSO")

HSSO is a provincial agency established January 1, 2017 by O. Reg. 456/16 made under the *Local Health System Integration Act, 2006* with objects to provide shared services to LHINs in areas that include human resources management, logistics, finance and administration and procurement. HSSO as a provincial agency is subject to legislation, policies and directives of the Government of Ontario and the Memorandum of Understanding between HSSO and the Minister of Health and Long-Term Care.

6. Capital assets

	Cost $	Accumulated amortization $	2019 Net book value $	2018 Net book value $
Computer equipment and software	**3,953,421**	**3,750,554**	**202,867**	512,805
Leasehold improvements	**4,982,658**	**4,345,933**	**636,725**	1,117,644
Furniture and equipment	**4,666,622**	**4,458,582**	**208,040**	86,116
Medical equipment	**1,562,600**	**1,292,796**	**269,804**	359,034
	15,165,301	**13,847,865**	**1,317,436**	2,075,599

7. Deferred capital contributions

The changes in the deferred capital contributions balance are as follows:

	2019 $	2018 $
Balance, beginning of year	**2,075,597**	83,787
Capital contributions received during the year	**5,953**	275,959
Capital contributions transferred from CCAC	**—**	2,440,914
Amortization for the year	**(764,114)**	(725,061)
Balance, end of year	**1,317,436**	2,075,599

8. Commitments

The LHIN has commitments under various operating leases as follows:

(a) Property leases

	$
2020	1,994,132
2021	1,127,621
2022	650,746
2023	576,660
	4,349,159

(b) Computer and office equipment leases

	$
2020	386,371
2021	144,739
2022	5,145
	536,255

8. Commitments (continued)

The LHIN also has funding commitments to HSPs associated with accountability agreements. The Transfer Payment Planning Targets to HSPs based on the current accountability agreements are as follows:

	$
2020	2,090,102,069
2021	2,078,265,918

The actual amounts which will ultimately be paid are contingent upon actual LHIN funding received from the MOHLTC.

9. Contingencies

The LHIN enters into accountability agreements with Health Service Providers which include planned funding targets. The actual funding provided by the LHIN is contingent on the MOHLTC providing the funding.

The LHIN has been named as defendants in various claims. Based on the opinion of legal counsel as to the realistic estimates of the merits of these actions and the LHINs potential liability, management believes any liability resulting from these actions would be adequately covered by existing liability insurance.

10. Change in non-cash working capital balances

	2019	2018
	$	$
Due From Ministry of Health and Long Term Care	**(2,967,117)**	115,164
Accounts receivable	**1,352,306**	(233,879)
Prepaid expenses	**(117,035)**	298,590
Accounts payable and accrued liabilities	**6,210,149**	18,931,733
Due to Health Service Providers	**(954,283)**	(115,164)
Due to Central West LHIN	**(12,534)**	(39,050)
Due to Health Shared Services Ontario	**—**	(3,338)
Due to Ministry of Health and Long Term Care	**1,358,703**	(1,140,935)
Deferred Operating contributions	**551,130**	(8,684,265)
Total change in non-cash working capital items	**5,421,319**	9,128,856

11. Pension plan

The LHIN contributes to the Healthcare of Ontario Pension Plan ("HOOPP"), which is a multi-employer plan, on behalf of approximately 1,020 members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay. The amount contributed to HOOPP for fiscal 2019 was $6,761,261 ($5,070,893 in 2018) for current service costs and is included as an expense in the 2019 Statement of operations and changes in net assets. The last actuarial valuation was completed for the plan as of December 31, 2018. At that time, the plan was fully funded.

12. Transfer payment to HSPs

The LHIN has authorization to allocate funding of $2,116,862,805 to various HSPs in its geographic area. The LHIN approved transfer payments to various sectors in 2019 as follows:

	2019 **$**	2018 $
Operations of hospitals	**1,317,426,328**	1,271,065,991
Grants to compensate for municipal taxation – public hospitals	**280,350**	280,275
Long-Term Care Homes	**476,501,529**	462,151,199
Community Care Access Centres	**—**	65,156,226
Community support services	**61,671,091**	58,961,189
Assisted living services in supportive housing	**16,060,248**	15,967,680
Community health centres	**37,218,621**	32,181,932
Community mental health addictions program	**72,239,218**	68,111,801
Specialty psychiatric hospitals	**133,417,720**	125,275,626
Acquired brain injury	**2,021,375**	1,698,848
Grants to compensate for municipal taxation – psychiatric hospitals	**26,325**	26,325
	2,116,862,805	2,100,877,092

The LHIN receives funding from the MOHLTC and in turn allocates it to the HSPs. As at March 31, 2019, an amount of $1,389,453 ($2,343,736 in 2018) was receivable from the MOHLTC, and was payable to HSPs. These amounts have been reflected as revenue and expenses in the Statement of operations and changes in net assets and are included in the table above.

Effective June 21, 2017 the LHIN assumed the assets, liabilities, rights and obligations of the Central East CCAC. The comparative amounts reported in respect of the CCAC in the table above represent funding provided to the CCAC up to the date of transfer.

13. Board expenses

The following provides the details of Board expenses reported in the Statement of operations and changes in net assets:

	2019 **$**	2018 $
Board Chair per diem expenses	**46,025**	36,225
Other Board members' per diem expenses	**85,225**	75,475
Other governance and travel	**24,315**	37,406
	155,565	149,106

14. Financial risk

The LHIN through its exposure to financial assets and liabilities, has exposure to credit risk and liquidity risk as follows:

Credit risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and incur a financial loss. The maximum exposure to credit risk is the carrying value reported in the statement of financial position. Credit risk is mitigated through collection practices and the diverse nature of amounts with accounts receivable.

Liquidity risk is the risk that the LHIN will not be able to meet all cash flow obligations as they come due. The LHIN mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and cash flow analysis.

15. Guarantees

The LHIN is subject to the provisions of the Financial Administration Act. As a result, in the normal course of business, the LHIN may not enter into agreements that include indemnities in favor of third parties, except in accordance with the Financial Administration Act and the related Indemnification Directive.

An indemnity of the Chief Executive Officer was provided directly by the LHIN pursuant to the terms of the Local Health System Integration Act, 2006 and in accordance with s.28 of the Financial Administration Act.

16. The People's Health Care Act

On April 18, 2019, *The People's Health Care Act* (the "Act") received Royal Assent. This legislation is a key component of the government's plan to build a modern, sustainable and integrated health care system. The Act grants the Minister of Health and Long-Term Care (the "Minister") the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations, including the LHIN, into Ontario Health (a new Crown Agency created by the Act), a health service provider, or an integrated care delivery system. The Act also grants the Minister the power to dissolve these organizations.

On March 8, 2019, the members of the board of directors of Ontario Health were appointed to also constitute the board of the LHIN. The board of directors of Ontario Health is tasked with overseeing the transition process of transferring multiple provincial agencies into Ontario Health. Following the transfer the LHIN would be dissolved.

The transition process is expected to occur over a number of years. A potential transfer and dissolution date is currently unknown. In the meantime, the LHIN continues to operate as required under the Local Health System Integration Act, 2006 and in accordance with its accountability agreement with the Minister.

Financial statements of
Central West Local Health Integration Network

March 31, 2019

Deloitte LLP
400 Applewood Crescent
Suite 500
Vaughan ON L4K 0C3
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Independent Auditor's Report

To the Board of Directors of
Central West Local Health Integration Network

Audit Opinion

We have audited the accompanying financial statements of Central West Local Health Integration Network (the "LHIN"), which comprise the statement of financial position as at March 31, 2019 and the statements of operations and changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements"). We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the LHIN as at March 31, 2019, and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 LHIN 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.

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

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

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

Those charged with governance are responsible for overseeing the LHIN'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 GAAS 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 GAAS, 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 LHIN'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 LHIN'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 LHIN to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants
Licensed Public Accountants
June 14, 2019

Central West Local Health Integration Network

Statement of financial position

As at March 31, 2019

	Notes	2019 $	2018 $
Assets			
Current assets			
Cash		**13,525,134**	14,006,796
Due from Ministry of Health and Long-Term Care ("MOHLTC")		**2,843,244**	2,765,654
Due from other LHINs – Enabling Technologies for Integration	4	**—**	20,346
Accounts receivable		**1,382,961**	1,253,589
Prepaid expenses		**490,927**	617,335
		18,242,266	18,663,720
Capital assets	6	**784,490**	810,955
		19,026,756	19,474,675
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**15,140,393**	13,917,016
Due to Health Service Providers ("HSPs")	13	**81,331**	2,411,674
Due to other LHINs		**228,802**	101,351
Due to Ministry of Health and Long-Term Care ("MOHLTC")	3	**2,679,738**	2,115,340
Deferred operating contributions	7	**112,002**	118,339
		18,242,266	18,663,720
Commitments and contingencies	9 and 10		
Deferred capital contributions	8	**784,490**	810,955
Net assets		**19,026,756**	19,474,675

The accompanying notes are an integral part of the financial statements.

Approved by the Board of Directors:

William Hatanaka, Board Chair

Garry Foster, Audit Committee Chair

Central West Local Health Integration Network

Statement of operations and changes in net assets

Year ended March 31, 2019

	Notes	2019 $	2018 $
Revenue			
MOHLTC funding – transfer payments	13	**872,195,398**	857,425,062
MOHLTC funding – Operations and Initiatives		**159,428,570**	122,663,280
Interest income		**—**	153,435
Amortization of deferred capital contributions		**273,338**	304,502
Other revenue		**1,212,827**	1,448,200
Total LHIN Operations, Initiatives, Amortization		**160,914,735**	124,569,417
eHealth-Enabling Technologies for Integration allocated to LHIN's	4	**(985,792)**	(1,932,719)
Funding repayable to the MOHLTC-unrestricted revenue		**(337,991)**	(22,780)
Funding repayable to the MOHLTC-restricted revenue		**(206,035)**	(1,307,215)
Total revenue		**1,031,580,315**	978,731,765
Expenses			
HSP transfer payments	13	**872,195,398**	857,425,062
Operations and Initiatives			
Contracted out			
In-home/clinic services		**100,907,693**	72,233,803
School services		**5,560,480**	5,153,864
Hospice services		**1,150,612**	960,815
Salaries and benefits		**37,331,179**	30,728,787
Medical supplies		**6,715,824**	4,984,437
Medical equipment rental		**1,692,909**	1,275,625
Supplies and sundry		**3,808,544**	3,066,308
Building and ground		**1,723,575**	1,339,955
Amortization		**273,338**	304,502
Repairs and maintenance		**220,763**	148,627
LHIN Operations, Initiatives, Amortization		**159,384,917**	120,196,723
		1,031,580,315	977,621,785
Excess of revenue over expenses before the undernoted		**—**	1,109,980
Net liabilities assumed on transition			(1,109,980)
		—	—
Net assets, beginning of year			—
Net assets, end of year		**—**	—

The accompanying notes are an integral part of the financial statements.

Central West Local Health Integration Network

Statement of cash flows

Year ended March 31, 2019

	Notes	2019 $	2018 $
Operating activities			
Excess of revenue over expenses		**—**	—
Cash received on transition		**—**	4,991,591
Net liabilities assumed on transition		**—**	1,109,980
Less amounts not affecting cash			
Amortization of capital assets		**273,338**	304,502
Amortization of deferred capital contributions		**(273,338)**	(304,502)
		—	6,101,571
Changes in non-cash working capital items	11	**(481,662)**	6,287,636
		(481,662)	12,389,207
Investing activities			
Purchase of capital assets		**(246,873)**	(257,310)
Increase in deferred contributions		**246,873**	257,310
		—	—
Net change in cash		**(481,662)**	12,389,207
Cash, beginning of year		**14,006,796**	1,617,589
Cash, end of year		**13,525,134**	14,006,796

The accompanying notes are an integral part of the financial statements.

1. Description of business

The Central West Local Health Integration Network was incorporated by Letters Patent on June 2, 2005 as a corporation without share capital. Following Royal Assent to Bill 36 on March 28, 2006, it was continued under the Local Health System Integration Act, 2006 (the "Act") as the Central West Local Health Integration Network (the "LHIN") and its Letters Patent were extinguished. As an agent of the Crown, the LHIN is not subject to income taxation.

The LHIN is, and exercises its powers only as, an agent of the Crown. Limits on the LHIN's ability to undertake certain activities are set out in the Act.

The LHIN spans the defined geographical areas of Dufferin County, the northern portion of Peel Region, part of York Region, and a small part of the City of Toronto.

The mandate of the LHIN is as follows:

(a) Plan, fund and integrate the local health system within its geographic area

The LHIN allows for local communities and health care providers within the geographical area to work together to identify local priorities, plan health services and deliver them in a more coordinated fashion. The LHIN enters into service accountability agreements with health service providers.

The LHIN has also entered into an accountability agreement with the Ministry of Health and Long Term Care ("MOHLTC"), which provides the framework for LHIN accountabilities and activities.

All funding payments to LHIN managed Health Service Providers are flowed through the LHIN's financial statements. Funding payments authorized by the LHIN to Health Service Providers, are recorded in the LHIN's Financial Statements as revenue from the MOHLTC and as transfer payment expenses to Health Service Providers.

(b) The delivery of home and community care services within its geographic area.

These services include health and related social services, medical supplies and equipment for the care of persons in home and community settings and to provide goods and services to assist caregivers in the provision of care for such persons, to manage the placement of persons into long-term care homes, supportive housing programs, chronic care and rehabilitation beds in hospitals, and to provide information to the public about, and make referrals to, health and social services.

2. Significant accounting policies

The financial statements of the LHIN are the representations of management, prepared in accordance with Canadian public sector accounting standards including the 4200 series for government not-for-profit organizations, as issued by the Public Sector Accounting Board. Significant accounting policies adopted by the LHIN are as follows:

Revenue recognition

The LHIN follows the deferral method of accounting for contributions. Contributions from the MOHLTC represent externally restricted contributions which must be spent within the fiscal year provided. Unspent contributions from the MOHLTC are set up as repayable to the MOHLTC at the end of the year. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

2. Significant accounting policies (continued)

Ministry of Health and Long-Term Care Funding

The LHIN is funded by the Province of Ontario in accordance with the Ministry-LHIN Accountability Agreement ("MLAA"), which describes budgetary arrangements established by the MOHLTC. The Financial Statements reflect funding approved by the MOHLTC to support LHIN managed Health Services Providers and the operations of the LHIN. The LHIN cannot authorize payments in excess of the budgetary allocation set by the MOHLTC in the MLAA. Due to the nature of the Accountability Agreement, the LHIN is economically dependent on the MOHLTC.

Transfer payment amounts to Health Service Providers are based on the terms of the Health Service Provider Accountability Agreements with the LHIN, including any amendments made throughout the year. During the year, the LHIN authorizes the transfer of cash to the Health Service Providers. The cash associated with the transfer payment flows directly from the MOHLTC to the Health Service Provider and does not flow through the LHIN bank account.

LHIN Financial Statements includes only transfer payment funds and LHIN operating funds included in the Ministry-LHIN Accountability Agreement.

Capital assets

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments, which extend the estimated life of an asset, are capitalized

Capital assets are amortized on a straight-line basis based on their estimated useful life as follows:

Furniture and equipment	3-10 years
Computer and communications equipment	3 years
Medical equipment	4 years
Leasehold improvements	Over the term of the lease

For assets acquired or brought into use, during the year, amortization is provided for one half of a year.

Deferred capital contributions

Contributions received for the purchase of capital assets are deferred and are amortized to income at the same rate as the corresponding capital asset.

Financial instruments

Financial assets and liabilities are measured at amortized cost, with the exception of cash that is measured at fair value. Financial instruments measured at amortized cost 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.

Write-downs 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 write-down being recognized in the Statement of operations and changes in net assets.

2. Significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 reporting period. Significant estimates include depreciation rates for capital assets and certain accruals. Actual results could differ from those estimates.

3. Funding repayable to the MOHLTC

In accordance with the MLAA, the LHIN is required to be in a balanced position at year end. Thus, any funding received in excess of expenses incurred, is required to be returned to the MOHLTC.

The amount due to the MOHLTC at March 31 is made up as follows:

	2019	2018
	$	$
Due to MOHLTC, beginning of year	**2,115,340**	974,005
Due to MOHLTC transferred from CCAC	**—**	453,294
Funding repaid to MOHLTC	**(282,332)**	(1,140,052)
Funding repayable to the MOHLTC related to current year activities	**837,084**	1,549,061
Funding repayable to the MOHLTC related to current year ETI PMO Cluster activities	**9,646**	279,032
Due to MOHLTC, end of year	**2,679,738**	2,115,340

4. Enabling technologies for integration project management office

Effective April 1, 2013, the LHIN entered into an agreement with Central, Central East, Toronto Central, Mississauga Halton and North Simcoe Muskoka (the "Cluster") in order to enable the effective and efficient delivery of e-health programs and initiatives within the geographic area of the Cluster. Central and Toronto Central LHINs left the cluster on April 1, 2018 to create a new regional cluster. Under the agreement, decisions related to the financial and operating activities of the Enabling Technologies for Integration Project Management Office are shared. No LHIN is in a position to exercise unilateral control.

The Central West LHIN is designated the Lead LHIN with this agreement and as such holds the accountability over the distribution of the funds and manages the shared Project Management Office. In the event that the Cluster experiences a surplus, the Lead LHIN is responsible for returning those funds to the MOHLTC. The total Cluster funding received for the year ended March 31, 2019 was $2,040,000 ($2,988,000 in 2018).

Funding of $985,792 ($1,932,719 in 2018) was allocated to other LHIN's within the cluster who incurred eligible expenses of $985,792 ($1,912,373 in 2018). The LHIN has set up a payable to the MOHLTC for $9,646.

4. Enabling technologies for integration project management office (continued)

The following provides condensed financial information for the ETI PMO funding and expenses for the cluster:

	Funding allocated $	Eligible expenses $	2019 Excess funding $	2018 Excess funding $
Central West LHIN	**1,054,208**	**1,044,562**	**9,646**	258,686
Allocation to Other LHINs				
Central LHIN	**—**	**—**	**—**	—
Central East LHIN	**345,489**	**345,489**	**—**	12,354
Toronto Central LHIN	**—**	**—**	**—**	—
Mississauga Halton LHIN	**350,866**	**350,866**	**—**	—
North Simcoe Muskoka LHIN	**289,437**	**289,437**	**—**	7,992
Total Other LHINs	**985,792**	**985,792**	**—**	20,346
Total All LHINs	**2,040,000**	**2,030,354**	**9,646**	279,032

5. Related party transactions

Health Shared Services Ontario ("HSSO")

HSSO is a provincial agency established January 1, 2017 by O. Reg. 456/16 made under the Local Health System Integration Act, 2006 ("LHSIA") with objects to provide shared services to LHINs in areas that include human resources management, logistics, finance and administration and procurement. HSSO as a provincial agency is subject to legislation, policies and directives of the Government of Ontario and the Memorandum of Understanding between HSSO and the Minister of Health and Long-Term Care.

6. Capital assets

	Cost $	Accumulated depreciation $	2019 Net book value $	2018 Net book value $
Furniture and equipment	**2,605,483**	**(2,210,702)**	**394,781**	452,168
Computer equipment	**282,654**	**(282,654)**	**—**	2,005
Medical equipment	**398,382**	**(97,625)**	**300,757**	178,875
Leasehold improvements	**2,397,984**	**(2,309,031)**	**88,953**	177,907
	5,684,503	**(4,900,012)**	**784,491**	810,955

7. Deferred operating contributions

Deferred operating contributions represent the unamortized amount of grants and other contributions received to fund expenditures of future periods BTI equipment leases represent the unamortized amount of grants received from Health shared Services Ontario for the payment of computer leases under the Base Technology Infrastructure Project.

7. Deferred operating contributions (continued)

	2019	2018
	$	$
Balance, beginning of year	**118,339**	—
Operating contributions received during the year	**208,722**	181,413
Operating contributions transferred from CCAC		111,166
Amount recognized as revenue in the year	**(215,059)**	(174,240)
Balance, end of year	**112,002**	118,339

8. Deferred capital contributions

The changes in the deferred capital contributions balance are as follows:

	2019	2018
	$	$
Balance, beginning of year	**810,955**	16,538
Capital contributions received during the year	**246,873**	257,309
Capital contributions transferred from CCAC	**—**	841,610
Amortization for the year	**(273,338)**	(304,502)
Balance, end of year	**784,490**	810,955

9. Commitments

The LHIN has commitments under various operating leases as follows:

	$
2020	1,846,465
2021	296,085
2022	53,224
2023	25,494
2024	8,027

10. Contingencies

The LHIN enters into accountability agreements with Health Service Providers which include planned funding targets. The actual funding provided by the LHIN is contingent on the MOHLTC providing the funding.

The LHIN has been named as defendants in various claims. Based on the opinion of legal counsel as to the realistic estimates of the merits of these actions and the LHINs potential liability, management believes any liability resulting from these actions would be adequately covered by existing liability insurance.

11. Change in non-cash working capital balances

	2019 $	2018 $
Due From Ministry of Health and Long Term Care	**(77,590)**	1,172,236
Due from other LHINs – Enabling Technologies for Integration	**20,346**	43,068
Accounts receivable	**(129,372)**	72,537
Prepaid expenses	**126,408**	(102,089)
Accounts payable and accrued liabilities	**1,223,377**	5,979,092
Due to Health Service Providers	**(2,330,343)**	(1,526,216)
Due to other LHINs	**127,451**	(46,206)
Due to Ministry of Health and Long Term Care	**564,398**	688,041
Deferred Operating contributions	**(6,337)**	7,173
Total change in non-cash working capital items	**(481,662)**	6,287,636

12. Pension plan

The LHIN contributes to the Healthcare of Ontario Pension Plan ("HOOPP"), which is a multi-employer plan, on behalf of approximately 380 members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay. The amount contributed to HOOPP for fiscal 2019 was $2,634,287 ($2,434,260 in 2018) for current service costs and is included as an expense in the 2019 Statement of operations and changes in net assets. The last actuarial valuation was completed for the plan as of December 31, 2018. At that time, the plan was fully funded.

13. Transfer payment to HSPs

The LHIN has authorization to allocate funding of $872,195,398 in 2019 to various HSPs in its geographic area. The LHIN approved transfer payments to various sectors as follows:

	2019 $	2018 $
Operations of hospitals	**609,882,321**	585,329,716
Grants to compensate for municipal taxation–public hospitals	**96,975**	96,975
Long-Term Care Homes	**177,101,783**	170,764,034
Community Care Access Centres	**—**	19,851,161
Community support services	**15,882,491**	15,166,565
Assisted living services in supportive housing	**11,190,366**	11,203,007
Community health centres	**14,064,935**	13,243,463
Community mental health and addictions program	**43,976,527**	41,770,141
	872,195,398	857,425,062

The LHIN receives funding from the MOHLTC and in turn allocates it to the HSPs. As at March 31, 2019, an amount of $81,331 ($2,411,674 in 2018) was receivable from the MOHLTC, and was payable to HSPs. These amounts have been reflected as revenue and expenses in the Statement of operations and changes in net assets and are included in the table above.

13. Transfer payment to HSPs (continued)

Effective May 31, 2017 the LHIN assumed the assets, liabilities, rights and obligations of the Central West Community Care Access Centre (CCAC). The 2018 comparative amount reported in respect of the CCAC in the table above represents funding provided to the CCAC up to the date of transfer.

14. Board expenses

The following provides the details of Board expenses reported in the Statement of operations and changes in net assets:

	2019	2018
	$	$
Board Chair per diem expenses	**42,971**	48,478
Other Board members' per diem expenses	**77,530**	59,423
Other governance and travel	**60,669**	61,794
	181,170	169,695

15. Financial risk

The LHIN through its exposure to financial assets and liabilities, has exposure to credit risk and liquidity risk as follows:

Credit risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and incur a financial loss. The maximum exposure to credit risk is the carrying value reported in the statement of financial position. Credit risk is mitigated through collection practices and the diverse nature of amounts with accounts receivable.

Liquidity risk is the risk that the LHIN will not be able to meet all cash flow obligations as they come due. The LHIN mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and cash flow analysis.

16. Guarantees

The LHIN is subject to the provisions of the Financial Administration Act. As a result, in the normal course of business, the LHIN may not enter into agreements that include indemnities in favor of third parties, except in accordance with the Financial Administration Act and the related Indemnification Directive.

An indemnity of the Chief Executive Officer was provided directly by the LHIN pursuant to the terms of the Local Health System Integration Act, 2006 and in accordance with s.28 of the Financial Administration Act.

17. The Peoples Health Care Act

On April 18, 2019, *The People's Health Care Act* (the "Act") received Royal Assent. This legislation is a key component of the government's plan to build a modern, sustainable and integrated health care system. The Act grants the Minister of Health and Long-Term Care (the "Minister") the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations, including the LHIN, into Ontario Health (a new Crown Agency created by the Act), a health service provider, or an integrated care delivery system. The Act also grants the Minister the power to dissolve these organizations.

17. The Peoples Health Care Act (continued)

On March 8, 2019, the members of the board of directors of Ontario Health were appointed to also constitute the board of the LHIN. The board of directors of Ontario Health is tasked with overseeing the transition process of transferring multiple provincial agencies into Ontario Health. Following the transfer the LHIN, would be dissolved.

The transition process is expected to occur over a number of years. A potential transfer and dissolution date is currently unknown. In the meantime, the LHIN continues to operate as required under the Local Health System Integration Act, 2006 and in accordance with its accountability agreement with the Minister.

Financial statements of

Central Local Health Integration Network

March 31, 2019

Deloitte LLP
400 Applewood Crescent
Suite 500
Vaughan ON L4K 0C3
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Independent Auditor's Report

To the Members of the Board of Directors of the
Central Local Health Integration Network

Audit Opinion

We have audited the accompanying financial statements of Central Local Health Integration Network (the "LHIN"), which comprise the statement of financial position as at March 31, 2019 and the statements of operations and changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements"). We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the LHIN as at March 31, 2019, and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 LHIN 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.

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

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

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

Those charged with governance are responsible for overseeing the LHIN'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 GAAS 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 GAAS, we exercised professional judgment and maintained 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 LHIN'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 LHIN'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 LHIN 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 14, 2019

Central Local Health Integration Network

Statement of financial position

As at March 31, 2019

	Notes	2019 $	2018 $
Assets			
Current assets			
Cash		**29,856,111**	31,095,681
Due from Ministry of Health and Long-Term Care ("MOHLTC")	12	**4,469,298**	9,674,366
Accounts receivable	5	**9,744,638**	6,840,697
Prepaid expenses		**1,172,724**	694,096
		45,242,771	48,304,840
Capital assets	6	**3,330,778**	1,684,930
		48,573,549	49,989,770
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**36,348,831**	37,016,366
Due to Health Service Providers ("HSPs")	12	**4,469,298**	9,674,366
Due to Ministry of Health and Long-Term Care ("MOHLTC")	3	**4,424,642**	1,614,108
Due to Central West LHIN	4	**—**	—
		45,242,771	48,304,840
Deferred capital contributions	7	**3,330,778**	1,684,930
		48,573,549	49,989,770
Commitments	8		
Net assets		**—**	—
		48,573,549	49,989,770

The accompanying notes are an integral part of the financial statements.

Approved by the Board of Directors:

William Hatanaka, Board Chair

Garry Foster, Audit Committee Chair

Central Local Health Integration Network

Statement of operations and changes in net assets

Year ended March 31, 2019

	Notes	2019 Actual $	2018 Actual $
Revenue			
MOHLTC funding – transfer payments	12	**2,000,531,469**	1,933,735,375
MOHLTC funding – Operations and Initiatives		**375,157,071**	298,813,918
Other funding sources			
Enabling technologies	4	**510,000**	476,000
Cancer Care Ontario		**1,687,917**	1,528,783
Interest income		**—**	324,652
Amortization of deferred capital contributions	7	**367,599**	407,687
Recoveries		**559,831**	382,976
		378,282,418	301,934,016
		2,378,813,887	2,235,669,391
Expenses			
HSP transfer payments	12	**2,000,531,469**	1,933,735,375
Operations and Initiatives			
Contracted out			
In-home/clinic services		**266,992,384**	203,891,670
School services		**9,155,069**	8,222,182
Hospice services		**1,839,768**	1,139,444
Salaries and benefits		**75,989,802**	60,803,103
Medical supplies, equipment rental and minor equipment		**16,269,805**	13,250,625
Supplies and sundry		**2,901,424**	3,003,701
Accommodation		**3,041,133**	3,062,114
Amortization		**367,599**	407,687
Information technology		**1,725,434**	1,483,685
		378,282,418	295,264,211
		2,378,813,887	2,228,999,586
Excess of revenue over expenses before the undernoted		**—**	6,669,805
Expenses of the restricted contribution fund		**—**	(41,097)
Net liabilities assumed on transition		**—**	(6,628,708)
Excess of revenue over expenses		**—**	—
Net assets, beginning of year		**—**	—
Net assets, end of year		**—**	—

The accompanying notes are an integral part of the financial statements.

Central Local Health Integration Network

Statement of cash flows

Year ended March 31, 2019

	Notes	2019 $	2018 $
Operating activities			
Excess of revenue over expenses		**—**	—
Cash received on transition		**—**	22,852,650
Net liabilities assumed on transition		**—**	6,628,708
Less amounts not affecting cash			
Amortization of deferred capital contributions	7	**(367,599)**	(407,687)
Amortization of capital assets		**367,599**	407,687
		—	29,481,358
Changes in non-cash working capital items	10	**(1,239,570)**	1,270,719
		(1,239,570)	30,752,077
Investing activities			
Purchase of capital assets		**(1,142,393)**	—
Leasehold improvement		**(871,054)**	(1,273,656)
		(2,013,447)	(1,273,656)
Financing activity			
Deferred capital contributions received	7	**2,013,447**	1,273,656
Net (decrease) increase in cash		**(1,239,570)**	30,752,077
Cash, beginning of year		**31,095,681**	343,604
Cash, end of year		**29,856,111**	31,095,681

The accompanying notes are an integral part of the financial statements.

1. Description of business

The Central Local Health Integration Network was incorporated by Letters Patent on June 2, 2005 as a corporation without share capital. Following Royal Assent to Bill 36 on March 28, 2006, it was continued under the Local Health System Integration Act, 2006 (the "Act") as the Central Local Health Integration Network (the "LHIN") and its Letters Patent were extinguished. As an agent of the Crown, the LHIN is not subject to income taxation.

The LHIN is, and exercises its powers only as, an agent of the Crown. Limits on the LHIN's ability to undertake certain activities are set out in the Act.

The mandate of the LHIN is as follows:

(a) Plan, fund and integrate the local health system within its geographic area. The LHIN spans carefully defined geographical areas and allows for local communities and health care providers within the geographical area to work together to identify local priorities, plan health services and deliver them in a more coordinated fashion. The LHIN covers most of North York, York Region and South Simcoe. The LHIN enters into service accountability agreements with health service providers.

The LHIN has also entered into an accountability agreement with the Ministry of Health and Long Term Care ("MOHLTC"), which provides the framework for LHIN accountabilities and activities.

All funding payments to LHIN managed Health Service Providers are flowed through the LHIN's financial statements. Funding payments authorized by the LHIN to Health Service Providers, are recorded in the LHIN's Financial Statements as revenue from the MOHLTC and as transfer payment expenses to Health Service Providers.

(b) Provision of community services. The LHIN has the responsibility to provide health and related social services and supplies and equipment for the care of persons in home, community and other settings and to provide goods and services to assist caregivers in the provision of care for such persons, to manage the placement of persons into long-term care homes, supportive housing programs, chronic care and rehabilitation beds in hospitals, and other programs and places where community services are provided under the Home Care and Community Services Act, 1994 and to provide information to the public about, and make referrals to, health and social services.

2. Significant accounting policies

The financial statements of the LHIN are the representations of management, prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations including the 4200 series standards, as issued by the Public Sector Accounting Board. Significant accounting policies adopted by the LHIN are as follows:

Revenue recognition

The LHIN follows the deferral method of accounting for contributions. Contributions from the MOHLTC represent externally restricted contributions which must be spent within the fiscal year provided. Unspent contributions from the MOHLTC are set up as repayable to the MOHLTC at the end of the year. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

2. Significant accounting policies (continued)

Ministry of Health and Long-Term Care Funding

The LHIN is funded by the Province of Ontario in accordance with the Ministry-LHIN Accountability Agreement ("MLAA"), which describes budgetary arrangements established by the MOHLTC. The Financial Statements reflect funding approved by the MOHLTC to support LHIN managed Health Services Providers and the operations of the LHIN. The LHIN cannot authorize payments in excess of the budgetary allocation set by the MOHLTC in the MLAA. Due to the nature of the Accountability Agreement, the LHIN is economically dependent on the MOHLTC.

Transfer payment amounts to Health Service Providers are based on the terms of the Health Service Provider Accountability Agreements with the LHIN, including any amendments made throughout the year. During the year, the LHIN authorizes the transfer of cash to the Health Service Providers. The cash associated with the transfer payment flows directly from the MOHLTC to the Health Service Provider and does not flow through the LHIN bank account.

LHIN Financial Statements includes only transfer payment funds and LHIN operating funds included in the Ministry-LHIN Accountability Agreement.

Capital assets

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments, which extend the estimated life of an asset, are capitalized

Capital assets are amortized on a straight-line basis based on their estimated useful life as follows:

Furniture and equipment	5 years
Computer equipment and software	3 years
Leasehold improvements	Over the term of the lease

Deferred capital contributions

Contributions received for the purchase of capital assets are deferred and are amortized to income at the same rate as the corresponding capital asset.

Financial instruments

Financial assets and liabilities are measured at amortized cost, with the exception of cash that is measured at fair value. Financial instruments measured at amortized cost 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.

Write-downs 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 write-down being recognized in the Statement of operations and changes in net assets.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 reporting period. Significant estimates include depreciation rates for capital assets and certain accruals. Actual results could differ from those estimates.

3. Funding repayable to the MOHLTC

In accordance with the MLAA, the LHIN is required to be in a balanced position at year end. Thus, any funding received in excess of expenses incurred, is required to be returned to the MOHLTC.

The amount due to the MOHLTC at March 31 is made up as follows:

	2019	2018
	$	$
Due to MOHLTC, beginning of year	**1,614,108**	56,107
Funding repaid to MOHLTC	**—**	(56,107)
Funding repayable to the MOHLTC related to current year activities	**2,810,534**	1,614,108
Due to MOHLTC, end of year	**4,424,642**	1,614,108

4. Enabling technologies for integration project management office

Effective April 1, 2018, the Central LHIN entered into an agreement with Toronto Central LHIN in order to enable the effective and efficient delivery of e-health programs and initiatives within the geographic area of the LHINs. Under the agreement, decisions related to the financial and operating activities of the Enabling Technologies for Integration Project Management Office are shared. No LHIN is in a position to exercise unilateral control.

The LHIN's financial statement reflects its share of the MOHLTC funding for Enabling Technologies for Integration Project Management Offices for its Cluster and related expenses. During the year, the LHIN received funding from Toronto Central LHIN of $510,000 ($476,000 in 2018 received from Central West under previous agreement).

5. Related party transactions

Health Shared Services Ontario ("HSSO")

HSSO is a provincial agency established January 1, 2017 by O. Reg. 456/16 made under the Local Health System Integration Act, 2006 ("LHSIA") with objects to provide shared services to LHINs in areas that include human resources management, logistics, finance and administration and procurement. HSSO as a provincial agency is subject to legislation, policies and directives of the Government of Ontario and the Memorandum of Understanding between HSSO and the Minister of Health and Long-Term Care.

As of March 31, 2019, an amount of $148,596 ($45,628 in 2018) is due from HSSO and is included in accounts receivable.

6. Capital assets

	Cost $	Accumulated amortization $	2019 Net book value $	2018 Net book value $
Computer equipment	**1,111,030**	**991,644**	**119,386**	—
Computer software	**1,206,269**	**1,135,469**	**70,800**	—
Leasehold improvements	**3,325,848**	**1,270,802**	**2,055,046**	1,406,021
Furniture and equipment	**3,080,501**	**1,994,955**	**1,085,546**	278,909
	8,723,648	**5,392,870**	**3,330,778**	1,684,930

7. Deferred capital contributions

The changes in the deferred capital contributions balance are as follows:

	2019 $	2018 $
Balance, beginning of year	**1,684,930**	109,388
Capital contributions transferred from CCAC	**—**	709,573
Capital contributions received during the year	**2,013,447**	1,273,656
Amortization for the year	**(367,599)**	(407,687)
Balance, end of year	**3,330,778**	1,684,930

8. Commitments

The LHIN has commitments under various operating leases as follows:

	$
2019	1,801,836
2020	1,741,384
2021	1,554,997
2022	1,466,683
2023	1,558,230
Thereafter	5,299,988
	13,423,118

9. Contingencies

The LHIN enters into accountability agreements with Health Service Providers which include planned funding targets. The actual funding provided by the LHIN is contingent on the MOHLTC providing the funding.

The LHIN has been named as defendants in various claims. Based on the opinion of legal counsel as to the realistic estimates of the merits of these actions and the LHINs potential liability, management believes any liability resulting from these actions would be adequately covered by existing liability insurance.

10. Change in non-cash working capital balances

	2019 $	2018 $
Due from MOHLTC	**(2,903,941)**	(7,049,538)
Accounts receivable	**5,205,068**	(3,891,546)
Prepaid expenses	**(478,628)**	136,181
Accounts payable and accrued liabilities	**(667,535)**	11,731,463
Due to HSPs	**(5,205,068)**	7,049,538
Due to MOHLTC	**2,810,534**	1,558,001
Deferred operating contributions	**—**	(8,263,380)
Total change in non-cash working capital items	**(1,239,570)**	1,270,719

11. Pension plan

The LHIN contributes to the Healthcare of Ontario Pension Plan ("HOOPP"), which is a multi-employer plan, on behalf of approximately 844 members of its staff. The plan is defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay. The amount contributed to HOOPP for fiscal 2019 was $5,389,518 for current service costs and is included as an expense in the 2018 Statement of Operations and changes in net assets. The last actuarial valuation was completed for the plan as of December 31, 2018. At that time, the plan was fully funded.

12. Transfer payment to HSPs

The LHIN has authorization to allocate funding of $2,000,565,967 to various HSPs in its geographic area. The LHIN approved transfer payments to various sectors in 2019 as follows, net of funding declined by certain HSPs totalling $34,498 which have been returned to the MOHLTC:

	2019 $	2018 $
Operations of hospitals	**1,423,768,274**	1,326,504,067
Grants to compensate for municipal taxation – public hospitals	**270,525**	275,250
Long-Term Care Homes	**368,957,068**	355,313,627
Community Care Access Centres	**—**	57,841,705
Community support services	**101,164,326**	95,501,061
Community health centres	**16,920,002**	13,397,510
Community mental health addictions program	**89,451,274**	84,902,155
	2,000,531,469	1,933,735,375

Funding declined by certain HSPs and returned to the MOHLTC are as follows:

	$
Community support services	12,463
Community mental health addictions program	22,035
	34,498

12. Transfer payment to HSPs (continued)

The LHIN receives funding from the MOHLTC and in turn allocates it to the HSPs. As at March 31, 2019, an amount of $4,469,298 ($9,674,366 in 2018) was receivable from the MOHLTC, and was payable to HSPs. These amounts have been reflected as revenue and expenses in the Statement of operations and are included in the table above.

Effective June 7, 2017 the LHIN assumed the assets, liabilities, rights and obligations of the Central CCAC. The comparative amounts reported in respect of the CCAC in the table above represent funding provided to the CCAC up to the date of transfer.

13. Board expenses

The following provides the details of Board expenses reported in the Statement of operations and changes in net assets:

	2019	2018
	$	$
Board Chair per diem expenses	**13,475**	15,500
Other Board members' per diem expenses	**39,925**	47,175
Other governance and travel	**10,436**	31,195
	63,836	93,870

14. Financial risk

The LHIN through its exposure to financial assets and liabilities, has exposure to credit risk and liquidity risk as follows:

Credit risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and incur a financial loss. The maximum exposure to credit risk is the carrying value reported in the statement of financial position. Credit risk is mitigated through collection practices and the diverse nature of amounts with accounts receivable.

Liquidity risk is the risk that the LHIN will not be able to meet all cash flow obligations as they come due. The LHIN mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and cash flow analysis.

15. Guarantees

The LHIN is subject to the provisions of the Financial Administration Act. As a result, in the normal course of business, the LHIN may not enter into agreements that include indemnities in favor of third parties, except in accordance with the Financial Administration Act and the related Indemnification Directive.

An indemnity of the Chief Executive Officer was provided directly by the LHIN pursuant to the terms of the Local Health System Integration Act, 2006 and in accordance with s.28 of the Financial Administration Act.

16. The People's Health Care Act

On April 18, 2019, *The People's Health Care Act* (the "Act") received Royal Assent. This legislation is a key component of the government's plan to build a modern, sustainable and integrated health care system. The Act grants the Minister of Health and Long-Term Care (the "Minister") the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations, including the LHIN, into Ontario Health (a new Crown Agency created by the Act), a health service provider, or an integrated care delivery system. The Act also grants the Minister the power to dissolve these organizations.

On March 8, 2019, the members of the board of directors of Ontario Health were appointed to also constitute the board of the LHIN. The board of directors of Ontario Health is tasked with overseeing the transition process of transferring multiple provincial agencies into Ontario Health. Following the transfer the LHIN would be dissolved.

The transition process is expected to occur over a number of years. A potential transfer and dissolution date is currently unknown. In the meantime, the LHIN continues to operate as required under the Local Health System Integration Act, 2006 and in accordance with its accountability agreement with the Minister.

Financial statements of

Champlain Local Health Integration Network

March 31, 2019

Deloitte LLP
100 Queen Street
Suite 1600
Ottawa ON K1P 5T8
Canada

Tel: 613-236-2442
Fax: 613-236-2195
www.deloitte.ca

Independent Auditor's Report

To the Members of
The Board of Directors of the
Champlain Local Health Integration Network

Opinion

We have audited the financial statements of the Champlain Local Health Integration Network (the "LHIN"), which comprise the statement of financial position as at March 31, 2019, and the statements of operations and changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the LHIN as at March 31, 2019, and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 LHIN 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.

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

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

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

Those charged with governance are responsible for overseeing the LHIN'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 GAAS 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 GAAS, 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 LHIN'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 LHIN'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 LHIN 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 14, 2019

Champlain Local Health Integration Network

Statement of financial position

As at March 31, 2019

	Notes	2019 $	2018 $
Assets			
Current assets			
Cash		**19,387,658**	15,489,893
Due from Ministry of Health and Long-Term Care ("MOHLTC")		**18,140,637**	11,252,159
Due from other LHINs – Enabling Technologies		**151,642**	65,674
Due from other LHINs – Translation		**42,625**	82,712
Due from Health Shared Services Ontario		**93,747**	407,468
Accounts receivable		**1,620,619**	2,388,437
Prepaid expenses		**8,018**	8,018
		39,444,946	29,694,361
Capital assets	6	**1,582,951**	1,190,724
		41,027,897	30,885,085
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**19,368,011**	15,028,715
Due to Health Service Providers ("HSP")		**14,837,917**	10,924,234
Due to MOHLTC	3	**5,236,829**	3,633,517
Due to other funders		**2,189**	99,195
Due to Health Shared Services Ontario		**—**	8,700
		39,444,946	29,694,361
Deferred capital contributions	7	**1,582,951**	1,190,724
		41,027,897	30,885,085
Commitments and contingent liabilities	8 and 14		
Net assets		**—**	—
		41,027,897	30,885,085

The accompanying notes are an integral part of the financial statements.

Approved by the Board

William Hantanaka, Board Chair

Garry Foster, Audit Committee Chair

Champlain Local Health Integration Network

Statement of operations and changes in net assets

Year ended March 31, 2019

	Notes	2019 $	2018 $
Revenue			
MOHLTC funding - transfer payments	11	**2,534,762,181**	2,461,739,987
Operations, initiatives and amortization			
MOHLTC funding - operations and initiatives		**286,618,263**	231,382,029
Interest income		**—**	272,211
Amortization of deferred capital contributions	7	**335,109**	326,913
Other revenue		**2,605,676**	3,156,297
Less			
Enabling Technology funding allocated		**(1,378,358)**	(1,464,326)
Funding repayable to MOHLTC		**(1,648,084)**	(1,172,512)
Funding repayable to other funders		**—**	(99,195)
		286,532,606	232,401,417
		2,821,294,787	2,694,141,404
Expenses			
HSP transfer payments	11	**2,534,762,181**	2,461,739,987
Operations, initiatives and amortization			
Contracted out			
In-home/clinic services		**182,090,545**	146,264,074
School therapy services		**2,935,415**	3,218,105
Hospice services		**6,081,385**	5,300,700
Salaries and benefits		**71,134,816**	57,559,368
Medical supplies		**10,913,018**	9,168,034
Medical equipment rental		**3,369,627**	3,189,713
Supplies and sundries		**3,988,591**	3,411,979
Building and ground		**2,881,723**	2,555,128
Amortization of capital assets		**335,109**	326,913
Repairs and maintenance		**190,469**	265,527
Professional services		**1,487,564**	918,026
Board costs		**130,507**	129,969
Le Reseau program costs		**993,837**	993,370
		286,532,606	233,300,906
		2,821,294,787	2,695,040,893
Deficiency of revenue over expenses before the undernoted		**—**	(899,489)
Net assets assumed on transition		**—**	899,489
Excess of revenue over expenses		**—**	—
Net assets, beginning of year		**—**	—
Net assets, end of year		**—**	—

The accompanying notes are an integral part of the financial statements.

Champlain Local Health Integration Network

Statement of cash flows

Year ended March 31, 2019

	Notes	2019 $	2018 $
Operating activities			
Excess of revenue over expenses		**—**	—
Cash received on transition		**—**	10,400,623
Net assets assumed on transition		**—**	(899,489)
Less amounts not affecting cash			
Amortization of capital assets		**335,109**	326,913
Amortization of deferred capital contributions		**(335,109)**	(326,913)
		—	9,501,134
Changes in non-cash operating working capital items	9	**3,897,765**	5,243,671
		3,897,765	14,744,805
Investing activities			
Purchase of capital assets		**(727,336)**	(573,077)
Increase in deferred capital contributions		**727,336**	573,077
		—	—
Net increase in cash		**3,897,765**	14,744,805
Cash, beginning of year		**15,489,893**	745,088
Cash, end of year		**19,387,658**	15,489,893

The accompanying notes are an integral part of the financial statements.

1. Description of business

The Champlain Local Health Integration Network was incorporated by letters patent on June 2, 2005, as a corporation without share capital. Following Royal Assent to Bill 36 on March 28, 2006, it was continued under the *Local Health System Integration Act*, *2006* (the "Act") as the Champlain Local Health Integration Network (the "LHIN") and its letters patent were extinguished. As an agent of the Crown, the LHIN is not subject to income taxation.

The LHIN is, and exercises its powers only as, an agent of the Crown. Limits on the LHIN's ability to undertake certain activities are set out in the Act.

The mandate of the LHIN is as follows:

(a) Plan, fund and integrate the local health system within its geographic area. The LHIN spans carefully defined geographical areas and allows for local communities and health care providers within the geographical area to work together to identify local priorities, plan health services and deliver them in a more coordinated fashion. The LHIN covers Renfrew County, the City of Ottawa, Prescott & Russell, Stormont, Dundas & Glengarry, North Grenville and four parts of North Lanark. Most people live in the Ottawa area. Cornwall, Clarence-Rockland and Pembroke/Petawawa are also large communities. The LHIN enters into service accountability agreements with Health Service Providers (HSP).

The LHIN has also entered into an accountability agreement with the Ministry of Health and Long-Term Care (MOHLTC), which provides the framework for LHIN accountabilities and activities.

All funding payments to LHIN managed HSP are flowed through the LHIN's financial statements. Funding payments authorized by the LHIN to HSP are recorded in the LHIN's financial statements as revenue from the MOHLTC and as transfer payment expenses to HSP.

(b) Effective May 24, 2017, the LHIN assumed the responsibility to provide health and related social services and supplies and equipment for the care of persons in home, community and other settings and to provide goods and services to assist caregivers in the provision of care for such persons, to manage the placement of persons into long-term care homes, supportive housing programs, chronic care and rehabilitation beds in hospitals, and other programs and places where community services are provided under the *Home Care and Community Services Act*, *1994,* and to provide information to the public about, and make referrals to, health and social services.

2. Significant accounting policies

The financial statements of the LHIN are the representations of management, prepared in accordance with Canadian public sector accounting standards including the 4200 series standards, as issued by the Public Sector Accounting Board. Significant accounting policies adopted by the LHIN are as follows:

Revenue recognition

The LHIN follows the deferral method of accounting for contributions. Contributions from the MOHLTC represent externally restricted contributions which must be spent within the fiscal year provided. Unspent contributions from the MOHLTC are set up as repayable to the MOHLTC at the end of the year. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

2. Significant accounting policies (continued)

Ministry of Health and Long-Term Care funding

The LHIN is funded by the Province of Ontario in accordance with the Ministry-LHIN Accountability Agreement (MLAA), which describes budgetary arrangements established by the MOHLTC. The financial statements reflect funding approved by the MOHLTC to support LHIN managed HSP and the operations of the LHIN. The LHIN cannot authorize payments in excess of the budgetary allocation set by the MOHLTC in the MLAA. Due to the nature of the MLAA, the LHIN is economically dependent on the MOHLTC.

Transfer payment amounts to HSP are based on the terms of the Health Service Provider MLAA with the LHIN, including any amendments made throughout the year. During the year, the LHIN authorizes the transfer of cash to the HSP. The cash associated with the transfer payment flows directly from the MOHLTC to the HSP and does not flow through the LHIN bank account.

Capital assets

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments, which extend the estimated life of an asset, are capitalized.

Capital assets are amortized on a straight-line basis based on their estimated useful life on the following terms:

Furniture and equipment	10 years
Computer and communication equipment	3 years
Computer software	3 years
Leasehold improvements	5 years

For assets acquired or brought into use, during the year, amortization is provided for one half of a full year.

Deferred capital contributions

Any amounts received that are used to fund expenses that are recorded as capital asset are recorded as deferred capital contributions and are recognized as revenue over the estimated useful life of the asset reflective of the provision of its services. This amortization revenue is in accordance with the amortization policy applied to the related capital asset.

Financial instruments

Financial assets and financial liabilities are measured at amortized cost, with the exception of cash that is measured at fair value. Financial instruments measured at amortized cost 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.

Write-downs 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 write-down being recognized in the statement of operations and changes in net assets.

2. Significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 reporting period. Significant estimates include depreciation rates for capital assets and certain accruals. Actual results could differ from those estimates.

3. Funding repayable to the MOHLTC

In accordance with the MLAA, the LHIN is required to be in a balanced position at year-end. Thus, any funding received in excess of expenses incurred is required to be returned to the MOHLTC.

The amount due to the MOHLTC as at March 31 is made up as follows:

	2019	2018
	$	$
Due to MOHLTC, beginning of year	**3,633,517**	186,517
Surplus funding received for PSW training repayable to MOHLTC	**—**	61,457
Funding repaid to MOHLTC	**(1,589,913)**	(247,974)
Funding repayable to MOHLTC transferred on May 24, 2017	**—**	2,461,005
Overpayment made by MOHLTC	**1,050,000**	—
Interest received from bank	**495,141**	—
Funding repayable to MOHLTC related to current year activities	**1,255,720**	1,078,691
Funding repayable to MOHLTC related to current year ETI PMO Cluster activities (note 4)	**392,364**	93,821
Due to MOHLTC, end of year	**5,236,829**	3,633,517

4. Enabling Technologies for Integration Project Management Office

In fiscal 2016, the LHIN entered into an agreement with the South East, North East and North West LHINs (the "Cluster") in order to enable the effective and efficient delivery of e-health programs and initiatives within the geographic area of the Cluster. Under the agreement, decisions related to the financial and operating activities of the Enabling Technologies for Integration Project Management Office are shared. No LHIN is in a position to exercise unilateral control.

The Champlain LHIN is designated the Lead LHIN with this agreement and as such holds the accountability over the distribution of the funds and manages the shared Integration Project Management Office. In the event that the Cluster experiences a surplus, the Lead LHIN is responsible for returning those funds to the MOHLTC. The total Cluster funding received for the year ended March 31, 2019, was $2,040,000 ($2,040,000 in 2018).

Funding of $1,530,000 ($1,530,000 in 2018) was allocated to other LHINs within the Cluster who incurred eligible expenses of $1,378,358 ($1,464,326 in 2018). The LHIN has set up a payable to the MOHLTC for $392,364.

4. Enabling Technologies for Integration Project Management Office (continued)

The following provides condensed financial information for the ETI PMO funding and expenses for the Cluster:

	Funding allocated $	**Eligible expenses $**	**2019 Excess funding $**	2018 Excess funding $
Champlain LHIN	**510,000**	**269,278**	**240,722**	28,147
South East LHIN	**510,000**	**444,326**	**65,674**	65,674
North East LHIN	**510,000**	**454,617**	**55,383**	—
North West LHIN	**510,000**	**479,415**	**30,585**	—
	2,040,000	**1,647,636**	**392,364**	93,821

5. Related party transactions

Health Shared Services Ontario (HSSO)

HSSO is a provincial agency established January 1, 2017, by O. Reg. 456/16 made under *Local Health System Integration Act, 2006* (LHSIA) with objects to provide shared services to LHINs in areas, that include human resource management, logistics, finance and administration and procurement. HSSO as a provincial agency is subject to legislation, policies and directives of the Government of Ontario and the Memorandum of Understanding between HSSO and the MOHLTC.

Board costs

The following provides the details of Board expenses reported in the statement of operations and changes in net assets:

	2019 $	2018 $
Board Chair per diem expenses	**58,911**	59,325
Other Board members' per diem expenses	**54,872**	49,856
Other governance and travel	**16,724**	21,696
	130,507	130,877

6. Capital assets

	Cost $	**Accumulated amortization $**	**2019 Net book value $**	2018 Net book value $
Furniture and equipment	**3,953,939**	**2,695,152**	**1,258,787**	936,203
Computer and communication equipment	**4,899,236**	**4,601,918**	**297,318**	209,141
Leasehold improvements	**4,749,874**	**4,723,028**	**26,846**	45,380
	13,603,049	**12,020,098**	**1,582,951**	1,190,724

7. Deferred capital contributions

The changes in the deferred capital contributions balance are as follows:

	2019	2018
	$	$
Balance, beginning of year	**1,190,724**	25,576
Capital contributions assumed on May 24, 2017	**—**	918,984
Capital contributions received during the year	**727,336**	573,077
Amortization for the year	**(335,109)**	(326,913)
Balance, end of year	**1,582,951**	1,190,724

8. Commitments

Facilities

The LHIN has entered into lease agreements for multiple facilities. Annual lease payments for the next five years at their current rates are as follows:

	$
2020	2,555,592
2021	2,222,237
2022	1,970,796
2023	1,919,104
2024	1,643,041

Operations

The LHIN has entered into operating lease commitments for equipment rental with varied conditions. Annual lease payments for the next two years are as follows:

	$
2020	627,453
2021	260,016

Health Service Providers

The LHIN enters into accountability agreements with HSP which include planned funding targets. The actual funding provided by the LHIN is contingent on the MOHLTC providing the funding. Minimum commitment to HSP, based on the current accountability agreements, is as follows:

	$
2020	2,472,794,832
2021	630,835,886
2022	630,835,886

9. Additional information to the statement of cash flows

	2019 $	2018 $
Changes in non-cash operating working capital items		
Due from MOHLTC	**(6,888,478)**	1,867,006
Due from other LHINs	**(45,881)**	(148,386)
Due from HSSO	**313,721**	(407,468)
Accounts receivable	**767,818**	(1,781,942)
Prepaid expenses	**—**	60,188
Accounts payable and accrued liabilities	**4,242,290**	3,971,599
Due to HSP	**3,913,683**	(1,867,006)
Due to MOHLTC	**1,603,312**	3,546,195
Due to HSSO	**(8,700)**	3,485
	3,897,765	5,243,671

10. Pension plan

The LHIN contributes to the Healthcare of Ontario Pension Plan (HOOPP), which is a multi-employer plan, on behalf of approximately 755 members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay. The amount contributed to HOOPP for fiscal 2019 was $5,035,525 ($4,089,744 in 2018) for current service costs and is included as an expense in the statement of operation and changes in net assets. The last actuarial valuation was completed for the plan as of December 31, 2018. At that time, the plan was fully funded.

11. Transfer payments to HSP

The LHIN has authorization to allocate funding of $2,534,762,181 to various HSP in its geographic area. The LHIN approved transfer payments to various sectors as follows:

	2019 $	2018 $
Operations of Hospitals	**1,784,054,373**	1,710,129,636
Grants to compensate for Municipal Taxation – Public Hospitals	**355,650**	355,650
Long-Term Care Homes	**379,814,940**	363,641,729
Community Care Access Centres	**—**	36,620,754
Community Support Services and Acquired Brain Injury	**55,246,824**	51,265,043
Assisted Living Services in Supportive Housing	**25,752,761**	24,783,086
Community Health Centres	**71,208,867**	66,733,068
Community Mental Health and Addictions Programs	**108,660,508**	100,625,134
Specialty Psychiatric Hospitals	**109,640,283**	107,557,912
Grants to compensate for Municipal Taxation – Psychiatric Hospitals	**27,975**	27,975
	2,534,762,181	2,461,739,987

11. Transfer payments to HSP (continued)

The LHIN receives funding from the MOHLTC and in turn allocates it to the HSP. As at March 31, 2019, an amount of $14,837,917 ($10,924,234 as at March 31, 2018) was receivable from the MOHLTC, and was payable to HSP. These amounts have been reflected as revenue and expenses in the statement of operations and changes in net assets and are included in the table above.

12. Financial risk

The LHIN through its exposure to financial assets and liabilities has exposure to credit risk and liquidity risk as follows:

Credit risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and incur a financial loss. The maximum exposure to credit risk is the carrying value reported in the statement of financial position. Credit risk is mitigated through collection practices and the diverse nature of amounts with accounts receivable.

Liquidity risk is the risk that the LHIN will not be able to meet all cash flow obligations as they come due. The LHIN mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and cash flow analysis.

13. Guarantees

The LHIN is subject to the provisions of the *Financial Administration Act*. As a result, in the normal course of business, the LHIN may not enter into agreements that include indemnities in favor of third parties, except in accordance with the *Financial Administration Act* and the related indemnification directive.

An indemnity of the Chief Executive Officer was provided directly by the LHIN pursuant to the terms of the *Local Health System Integration Act*, *2006,* and in accordance with s.28 of the *Financial Administration Act*.

14. Contingent liabilities

Operations

Due to the nature of its operations, the LHIN is susceptible to claims from clients, employees, suppliers and past service provider agencies. Management has recorded its best estimate of the outcome of these claims in these financial statements.

The LHIN enters into accountability agreements with HSP which include planned funding targets. The actual funding provided by the LHIN is contingent on the MOHLTC providing the funding.

The LHIN is a member of the Healthcare Insurance Reciprocal of Canada (HIROC), which is a pooling of the liability insurance risks of its members. Members of the pool pay annual premiums that are actuarially determined. HIROC members are subject to reassessment for losses, if any, experienced by the pool for the years in which they are members, and these losses could be material. No reassessments have been made to March 31, 2019.

Should these result in additional revenues or costs, the difference will be recorded in the year of settlement.

14. Contingent liabilities (continued)

GST/HST on Personal Support Services

The 2014 federal budget proposed to formally expand the tax exemption for homemaker services to include personal support services. This treatment is in line with current provincial and territorial practices. Starting March 22, 2013, personal support services are HST exempt. However, services provided before this date remain taxable. It is unclear at this time if the Canada Revenue Agency will proceed with the audit and reassessment of personal support service providers. While the LHIN believes this course of action is unlikely, such exposure could represent a significant financial liability for the LHIN. The LHIN has not recorded any liabilities with respect to this matter.

15. The People's Health Care Act

On April 18, 2019, *The People's Health Care Act* (the "Act") received Royal Assent. This legislation is a key component of the government's plan to build a modern, sustainable and integrated health care system. The Act grants the Minister of Health and Long-Term Care (the "Minister") the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations, including the LHIN, into Ontario Health (a new Crown Agency created by the Act), a health service provider, or an integrated care delivery system. The Act also grants the Minister the power to dissolve these organizations.

On March 8, 2019, the members of the board of directors of Ontario Health were appointed to also constitute the board of the LHIN. The board of directors of Ontario Health is tasked with overseeing the transition process of transferring multiple provincial agencies into Ontario Health. Following the transfer the LHIN would be dissolved.

Transition activities began in fiscal 2019. The Ministry has informed the LHIN that in the short term, the Ministry will not be providing mandate letters, nor proceeding with reaffirmation of the MOUs. In the meantime, LHSIA and MLAA obligations continue to apply to the LHIN which will operate with a limited scope.

Financial statements of

Erie St. Clair Local Health Integration Network

March 31, 2019

Deloitte LLP
400 Applewood Crescent
Suite 500
Vaughan ON L4K 0C3
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Independent Auditor's Report

To the Board of Directors of the
Erie St. Clair Local Health Integration Network

Audit Opinion

We have audited the accompanying financial statements of Erie St. Clair Local Health Integration Network (the "LHIN"), which comprise the statement of financial position as at March 31, 2019 and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements"). We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the LHIN as at March 31, 2019, and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 LHIN 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.

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

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

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

Those charged with governance are responsible for overseeing the LHIN'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 GAAS 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 GAAS, 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 LHIN'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 LHIN'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 LHIN to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants
Licensed Public Accountants
June 14, 2019

Erie St. Clair Local Health Integration Network

Statement of financial position

As at March 31, 2019

	Notes	2019 $	2018 $
Assets			
Current assets			
Cash		**18,331,829**	15,361,767
Due from Ministry of Health and Long-Term Care ("MOHLTC")		**12,154,200**	994,769
Due from Health Shared Services Ontario	5	**32,959**	120,092
Due from South West LHIN		**353,134**	—
Accounts receivable		**1,024,467**	670,091
Prepaid expenses and supplies		**1,429,355**	1,152,960
		33,325,944	18,299,679
Capital assets	6	**1,371,058**	1,830,251
		34,697,002	20,129,930
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**15,766,461**	13,514,836
Due to Health Service Providers ("HSPs")	12	**10,481,000**	434,869
Due to Ministry of Health and Long-Term Care ("MOHLTC")	3	**7,047,485**	4,260,763
Deferred revenue		**111,111**	138,616
Due to Health Shared Services Ontario	5	**—**	7,300
		33,406,057	18,356,384
Post Employment Benefits and Compensated Absence	7	**2,096,300**	1,574,600
Deferred capital contributions	8	**1,371,058**	1,830,251
		36,873,415	21,761,235
Commitments	9		
Net assets		**(2,176,413)**	(1,631,305)
		34,697,002	20,129,930

The accompanying notes are an integral part of the financial statements.

Approved by the Board of Directors:

William Hatanaka, Board Chair

Garry Foster, Audit Committee Chair

Erie St. Clair Local Health Integration Network

Statement of operations

Year ended March 31, 2019

	Notes	2019 $	2018 $
Revenue			
MOHLTC funding – transfer payments	12	**1,082,223,070**	1,080,822,329
MOHLTC funding – Operations and Initiatives		**169,788,930**	124,831,594
Interest income		**—**	188,126
Amortization of deferred capital contributions		**595,696**	511,316
Other revenue		**1,740,739**	1,261,635
Less			
Funding repayable to MOHLTC		**(3,156,092)**	(3,361,379)
e-health-Enabling Technologies for Integration allocated to LHIN's	4	**(3,121,866)**	—
Total LHIN Operations, Initiatives, Amortization		**165,847,407**	123,431,292
		1,248,070,477	1,204,253,621
Expenses			
HSP transfer payments	12	**1,082,223,070**	1,080,822,329
Operations and Initiatives			
Contracted out			
In-home/clinic services		**90,748,796**	62,655,229
School services		**6,315,144**	5,976,378
Hospice services		**4,332,448**	3,418,719
Salaries and benefits		**48,814,606**	37,521,115
Medical supplies		**6,262,116**	5,298,079
Medical equipment rental		**1,490,580**	962,407
Supplies and sundry		**3,057,291**	2,727,001
Equipment		**759,807**	613,487
Building and ground		**1,971,259**	1,522,865
Amortization		**595,696**	511,316
Professional service		**1,980,445**	1,573,407
Board costs	13	**64,327**	137,554
LHIN Operations, Initiatives, Amortization		**166,392,515**	122,917,557
Total expenses		**1,248,615,585**	1,203,739,886
Excess of (expenses over revenue) revenue over expenses before the undernoted		**(545,108)**	513,735
Net liabilities assumed on transition		**—**	(2,145,040)
Excess of expenses over revenue		**(545,108)**	(1,631,305)

The accompanying notes are an integral part of the financial statements.

Erie St. Clair Local Health Integration Network

Statement of changes in net assets

Year ended March 31, 2019

	Unrestricted $	Employee benefits $	2019 Total $	2018 Actual $
Net assets, beginning of year	**—**	**(1,631,305)**	**(1,631,305)**	—
Excess of revenue over expenses before the undernoted	**—**	**(545,108)**	**(545,108)**	513,735
Net liabilities assumed on transition	**—**	**—**	**—**	(2,145,040)
Net assets, end of year	**—**	**(2,176,413)**	**(2,176,413)**	(1,631,305)

The accompanying notes are an integral part of the financial statements.

Erie St. Clair Local Health Integration Network
Statement of cash flows
Year ended March 31, 2019

	Notes	**2019** **$**	2018 $
Operating activities			
Excess of revenue over expenses		**(545,108)**	(1,631,305)
Cash received on transition		**—**	12,548,860
Net liabilities assumed on transition		**—**	2,145,040
Less amounts not affecting cash			
Amortization of capital assets		**595,696**	511,316
Amortization of deferred capital contributions		**(595,696)**	(511,316)
		(545,108)	13,062,595
Changes in non-cash working capital items	11	**3,515,170**	1,383,570
		2,970,062	14,446,165
Investing activities			
Purchase of capital assets		**136,503**	328,367
(Decrease) increase in deferred contributions		**(136,503)**	(328,367)
		—	—
Net change in cash		**2,970,062**	14,446,165
Cash, beginning of year		**15,361,767**	915,602
Cash, end of year		**18,331,829**	15,361,767

The accompanying notes are an integral part of the financial statements.

1. Description of business

The Erie St. Clair Local Health Integration Network was incorporated by Letters Patent on June 2, 2005 as a corporation without share capital. Following Royal Assent to Bill 36 on March 28, 2006, it was continued under the Local Health System Integration Act, 2006 (the "Act") as the Erie St. Clair Local Health Integration Network (the "LHIN") and its Letters Patent were extinguished. As an agent of the Crown, the LHIN is not subject to income taxation.

The LHIN is, and exercises its powers only as, an agent of the Crown. Limits on the LHIN's ability to undertake certain activities are set out in the Act.

On April 3, 2017 the Minister of Health and Long-Term Care made an order under the provisions of the Local Health System Integration Act, 2006, as amended by the Patients First Act, 2016 to require the transfer of all assets, liabilities, rights and obligations of the Erie St. Clair Community Care Access Centre (CCAC), to the LHIN, including the transfer of all employees of the CCAC. This transition took place on June 21, 2017. Prior to the transition, the LHIN funded a significant portion of the CCACs operations via HSP transfer payments. Subsequent to transition date, the costs incurred for the delivery of services previously provided by the CCAC were incurred directly by the LHIN and are reported in the appropriate lines reported for 2018 in the statement of operations.

The mandate of the LHIN is as follows:

(a) Plan, fund and integrate the local health system within its geographic area. The LHIN spans carefully defined geographical areas and allows for local communities and health care providers within the geographical area to work together to identify local priorities, plan health services and deliver them in a more coordinated fashion. The LHIN covers the Municipalities of Essex, Lambton and Chatham-Kent. The LHIN enters into service accountability agreements with health service providers.

The LHIN has also entered into an accountability agreement with the Ministry of Health and Long Term Care ("MOHLTC"), which provides the framework for LHIN accountabilities and activities.

All funding payments to LHIN managed Health Service Providers are flowed through the LHIN's financial statements. Funding payments authorized by the LHIN to Health Service Providers, are recorded in the LHIN's Financial Statements as revenue from the MOHLTC and as transfer payment expenses to Health Service Providers.

(b) Provide health and related social services, medical supplies and equipment for the care of persons in home and community settings and to provide goods and services to assist caregivers in the provision of care for such persons. The LHIN manages the placement of persons into long-term care homes, supportive housing programs, chronic care and rehabilitation beds in hospitals. The LHIN provides information to the public about, and make referrals to, health and social services.

2. Significant accounting policies

The financial statements of the LHIN are the representations of management, prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations including the 4200 series standards, as issued by the Public Sector Accounting Board. Significant accounting policies adopted by the LHIN are as follows:

Revenue recognition

The LHIN follows the deferral method of accounting for contributions. Contributions from the MOHLTC represent externally restricted contributions which must be spent within the fiscal year provided. Unspent contributions from the MOHLTC are set up as repayable to the MOHLTC at the end of the year. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Ministry of Health and Long-Term Care Funding

The LHIN is funded by the Province of Ontario in accordance with the Ministry-LHIN Accountability Agreement ("MLAA"), which describes budgetary arrangements established by the MOHLTC. The Financial Statements reflect funding arrangements approved by the MOHLTC. The LHIN cannot authorize payments in excess of the budgetary allocation set by the MOHLTC. Due to the nature of the Accountability Agreement, the LHIN is economically dependent on the MOHLTC.

Transfer payment amounts to Health Service Providers are based on the terms of the Health Service Provider Accountability Agreements with the LHIN, including any amendments made throughout the year. During the year, the LHIN authorizes the transfer of cash to the Health Service Providers. The cash associated with the transfer payment flows directly from the MOHLTC and does not flow through the LHIN bank account.

LHIN Financial Statements do not include transfer payment funds not included in the Ministry-LHIN Accountability Agreement.

Capital assets

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments, which extend the estimated life of an asset, are capitalized.

Capital assets are amortized on a straight-line basis based on their estimated useful life as follows:

Furniture and equipment	5, 10 and 20 years
Computer and communications equipment	3 and 5 years
Leasehold improvements	5 and 10 years

For assets acquired or brought into use, during the year, amortization is provided for a full year.

Deferred capital contributions

Contributions received for the purchase of capital assets are deferred and are amortized to income at the same rate as the corresponding capital asset.

Financial instruments

Financial assets and liabilities are measured at amortized cost, with the exception of cash that is measured at fair value. Financial instruments measured at amortized cost 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.

2. Significant accounting policies (continued)

Financial instruments (continued)

Write-downs 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 write-down being recognized in the Statement of Operations.

Post employment benefits and compensated absences

The LHIN accrues its obligations relating to the defined benefit pension plan administered by the LHIN, other post employment benefits and sick leave as the employees render services necessary to earn benefits. The LHIN has adopted the following policies:

(i) The cost of benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of expected plan investment performance, salary escalation, mortality and termination rates, and retirement ages of employees;

(ii) For the purpose of calculating expected return on plan assets related to the defined benefit pension plan, these assets are valued at fair value;

(iii) The excess of the net actuarial gain /loss is amortized over the average remaining service period of the employees;

(iv) Differences arising from changes in assumptions and experience gains and losses are amortized on a straight line basis over the average remaining service period of the employees;

(v) Past service costs arising from plan amendments are recognized immediately in the period the plan amendments occur.

A majority of the employees of the LHIN are eligible to be members of the Health Care of Ontario Pension Plan ("HOOPP"), which is a multi-employer, defined benefit, final average earnings and contributory pension plan. Defined contribution plan accounting is applied to HOOPP as LHIN has insufficient information to apply defined benefit accounting.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 reporting period. Significant estimates include depreciation rates for capital assets and certain accruals. Actual results could differ from those estimates.

3. Funding repayable to the MOHLTC

In accordance with the MLAA, the LHIN is required to be in a balanced position at year end. Thus, any funding received in excess of expenses incurred, is required to be returned to the MOHLTC.

3. Funding repayable to the MOHLTC (continued)

The amount due to the MOHLTC at March 31 is made up as follows:

	2019 **$**	2018 $
Due to MOHLTC, beginning of year	**4,260,763**	45,627
Funding repaid to MOHLTC	**(521,959)**	(45,627)
Funding repayable to the MOHLTC related to current year activities	**2,955,547**	3,361,379
Funding repayable to the MOHLTC related to current year ETI PMO Cluster activities	**353,134**	—
Funding repayable to the MOHLTC assumed on transition	**—**	899,384
Due to MOHLTC, end of year	**7,047,485**	4,260,763

4. Enabling Technologies for Integration Project Management Office

Effective February 1, 2012, the LHIN entered into an agreement with South West, Waterloo Wellington and Hamilton Niagara Haldimand Brant LHINs (the "Cluster") in order to enable the effective and efficient delivery of e-health programs and initiatives within the geographic area of the Cluster. Under the agreement, decisions related to the financial and operating activities of the Enabling Technologies for Integration Project Management Office are shared. No LHIN is in a position to exercise unilateral control.

Effective April 1, 2018 the Erie St. Clair LHIN was designated the Lead LHIN with this agreement and as such holds the accountability over the distribution of the funds and manages the shared Project Management Office. In the event that the Cluster experiences a surplus, each LHIN is responsible for returning those restricted funds to the MOHLTC. The total Cluster funding received for the year ended March 31, 2019 was $4,475,000.

Funding of $3,475,000 was allocated to other LHIN's within the cluster who incurred eligible expenses of $3,121,866. The LHINs have set up a payable to the MOHLTC for $353,134.

The following provides condensed financial information for the ETI PMO funding and expenses for the cluster:

	Funding allocated **$**	**Eligible expenses** **$**	**2019 Excess Funding** **$**
Erie St. Clair LHIN	**1,000,000**	**1,000,000**	**—**
Southwest LHIN	**1,000,000**	**646,866**	**353,134**
Waterloo Wellington LHIN	**1,000,000**	**1,000,000**	**—**
Hamilton Niagara Haldimand Brant LHIN	**1,475,000**	**1,475,000**	**—**
	4,475,000	**4,121,866**	**353,134**

During the prior year, 2018, the LHIN received funding from South West LHIN of $510,000 and incurred expenses of $510,000.

5. Related party transactions

Health Shared Services Ontario (HSSO)

HSSO is a provincial agency established January 1, 2017 by O. Reg. 456/16 made under LHSIA with objects to provide shared services to LHINs in areas that include human resources management, logistics, finance and administration and procurement. HSSO as a provincial agency is subject to legislation, policies and directives of the Government of Ontario and the Memorandum of Understanding between HSSO and the Minister of Health and Long-Term Care.

6. Capital assets

	Cost **$**	**Accumulated amortization** **$**	**2019 Net book value** **$**	2018 Net book value $
Leasehold improvements	**4,347,660**	**3,584,633**	**763,027**	996,198
Furniture and equipment	**2,588,658**	**2,282,701**	**305,957**	402,402
Computer equipment	**2,351,110**	**2,049,036**	**302,074**	431,651
	9,287,428	**7,916,370**	**1,371,058**	1,830,251

7. Post employment benefits and compensated absences

The net post employment benefits and compensated absences liability consists of:

	2019 **$**	2018 $
(a) Pension plan – accrued future benefit asset	**(250,300)**	(292,700)
(b) Other benefits – accrued future benefit liability	**2,002,600**	1,360,900
(c) Accumulated sick leave liability	**344,000**	506,400
Net post employment benefits and compensated absences	**2,096,300**	1,574,600

(a) Pension plans

The LHIN has a defined benefit pension plan administered by the LHIN and managed by Standard Life of Canada, which provides pension benefits based on years of service prior to January 1, 1999 for some unionized employees and prior to January 1, 2002 for some non-unionized employees. Subsequent to the above mentioned dates, some of the respective employees became members of Healthcare of Ontario Pension Plan ("HOOPP"), a multi-employer final average pay contributory pension plan.

The LHIN uses actuarial reports prepared by independent actuaries for funding and accounting purposes. The most recent actuarial valuation of the pension plans for funding purposes was as of November 30, 2017. The measurement date is March 31, 2019.

7. Post employment benefits and compensated absences (continued)

(a) Pension plans (continued)

The following significant actuarial assumptions were employed to determine the periodic pension expense and the accrued benefit obligations:

	2019 %	2018 %
Assumptions		
Accrued benefit obligation as of March 31		
Discount rate	**3.18**	3.37
Rate of compensation increase	**1.75**	2.00
Benefit costs for period ended March 31		
Expected long-term rate of return on plan assets	**5.00**	5.00
Rate of compensation increase	**1.75**	2.00

Information about the LHINs defined benefit pension plan is as follows:

	2019 $	2018 $
Accrued benefit obligation		
Accrued benefit obligation, beginning of year	**805,100**	—
Accrued benefit obligation, transferred from CCAC	**—**	967,000
Interest cost	**24,200**	23,900
Benefits paid	**(175,500)**	(300,900)
Actuarial loss	**39,200**	115,100
	693,000	805,100

	2019 $	2018 $
Plan assets		
Fair value of plan assets, beginning of year	**878,600**	—
Fair value of plan assets, transferred from CCAC	**—**	1,133,600
Actual return on plan assets	**39,600**	38,500
Contributions	**1,700**	16,800
Benefit payments	**(175,500)**	(300,900)
Actuarial loss	**(11,300)**	(9,400)
	733,100	878,600

Funded status

	2019 $	2018 $
Unamortized net actuarial loss	**210,200**	219,200
Funded status surplus	**40,100**	73,500
	250,300	292,700

7. Post employment benefits and compensated absences (continued)

(a) Pension plans (continued)

Most employees are also members of HOOPP, which is a multi-employer plan, on behalf of approximately 513 members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay. The amount contributed to HOOPP for fiscal 2019 was $3,661,014 ($2,930,989 in 2018) for current service costs and is included as an expense in the 2019 Statement of operations. The last actuarial valuation was completed for the plan as of December 31, 2018. At that time, the plan was fully funded.

(b) Other benefits

The LHIN provides for the continuation of medical benefits to most employees upon retirement. Information about the plan is as follows:

Accrued benefit liability is determined as follows:

	2019 $	2018 $
Accrued benefit obligation	**2,109,100**	1,210,000
Unamortized actuarial (loss) gain	**(106,500)**	150,900
	2,002,600	1,360,900

Continuity of benefit liability is as follows:

	2019 $	2018 $
Balance, beginning of year	**1,360,900**	—
Balance, transferred from CCAC	**—**	1,341,400
Current service cost	**111,100**	64,800
Past service cost	**681,000**	—
Immediate recognition of actuarial gains	**(134,800)**	—
Interest cost	**43,800**	28,300
Benefits paid	**(43,300)**	(43,300)
Amortization of net actuarial gains	**(16,100)**	(30,300)
Balance, end of year	**2,002,600**	1,360,900

The following significant actuarial assumptions were employed to determine the periodic benefit expense and the accrued benefit obligation:

	2019 %	2018 %
Assumptions		
Accrued benefit obligation as of March 31		
Discount rate	**3.18%**	3.37%
Health care trend rate	**8% trending down by 1% to 5%**	8% trending down by 1% to 5%

7. Post employment benefits and compensated absences (continued)

(c) Sick leave benefits

Under the sick leave benefit plan, unused sick leave for most employees can accumulate. Information about the plan is as follows:

Compensated absence liability is determined as follows:

	2019 **$**	2018 $
Accrued benefit obligation	**2,067,000**	2,496,800
Unamortized actuarial losses	**(1,723,000)**	(1,990,400)
	344,000	506,400

Continuity of benefit liability is as follows:

	2019 **$**	2018 $
Balance, beginning of year	**506,400**	—
Balance, transferred from CCAC	**—**	686,700
Curtailment gain	**(212,100)**	—
Immediate recognition of actuarial loss	**175,900**	—
Interest cost	**78,300**	45,600
Benefits paid	**(344,700)**	(282,700)
Amortization of net actuarial gains	**140,200**	56,800
Balance, end of year	**344,000**	506,400

The following significant actuarial assumptions were employed to determine the periodic benefit expense and the accrued benefit obligation:

	2019 **%**	2018 %
Assumptions		
Accrued benefit obligation as of March 31		
Discount rate	**3.18%**	3.37%
Rate of compensation increase	**2.00%**	2.00%

8. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of capital assets. The changes in the deferred capital contributions balance are as follows:

	2019 **$**	2018 $
Balance, beginning of year	**1,830,251**	142,369
Capital contributions received during the year	**136,503**	328,367
Capital contributions transferred from CCAC	**—**	1,870,831
Amortization for the year	**(595,696)**	(511,316)
Balance, end of year	**1,371,058**	1,830,251

9. Commitments

The LHIN has commitments under various operating leases expiring in 2024 as follows:

	$
2020	1,801,851
2021	1,479,466
2022	1,192,457
2023	1,149,934
2024	351,098

10. Contingencies

The LHIN enters into accountability agreements with Health Service Providers which include planned funding targets. The actual funding provided by the LHIN is contingent on the MOHLTC providing the funding.

The LHIN has been named as defendants in various claims. Based on the opinion of legal counsel as to the realistic estimates of the merits of these actions and the LHINs potential liability, management believes any liability resulting from these actions would be adequately covered by existing liability insurance.

11. Changes in non-cash working capital balances

	2019 $	2018 $
Due From Ministry of Health and Long Term Care	**(11,159,431)**	3,258,731
Due from Health Shared Services Ontario	**87,133**	(120,092)
Due from South West LHIN	**(353,134)**	—
Accounts receivable other	**(354,376)**	(237,010)
Prepaid expenses	**(276,395)**	71,967
Accounts payable and accrued liabilities	**2,251,625**	(914,443)
Due to Health Service Providers	**10,046,131**	(3,818,631)
Due to MOHLTC	**2,786,722**	3,315,752
Deferred revenue	**(27,505)**	65,396
Due to Health Shared Services Ontario	**(7,300)**	7,300
Post employment benefits and compensated absenc	**521,700**	(245,400)
Total change in non-cash working capital items	**3,515,170**	1,383,570

12. Transfer payment to HSPs

The LHIN has authorization to allocate funding of $1,082,223,070 to various HSPs in its geographic area. The LHIN approved transfer payments to various sectors in 2019 as follows:

	2019	2018
	$	$
Operations of hospitals	**712,182,729**	691,997,489
Grants to compensate for municipal taxation – public hospitals	**156,975**	156,975
Long-Term Care Homes	**233,724,875**	226,437,014
Community Care Access Centres	**—**	32,168,352
Community support services	**25,308,665**	23,678,658
Assisted living services in supportive housing	**13,029,706**	13,070,797
Community health centres	**38,035,581**	37,035,831
Community mental health addictions program	**14,136,789**	13,365,190
Community mental health program	**45,647,750**	42,912,023
	1,082,223,070	1,080,822,329

The LHIN receives funding from the MOHLTC and in turn allocates it to the HSPs. As at March 31, 2019, an amount of $10,481,000 ($434,869 in 2018) was receivable from the MOHLTC, and was payable to HSPs. These amounts have been reflected as revenue and expenses in the Statement of operations and are included in the table above.

Effective June 21, 2017 the LHIN assumed the assets, liabilities, rights and obligations of the Erie St. Clair CCAC. Prior year amounts reported in respect of the CCAC in the table above represent funding provided to the CCAC up to the date of transfer.

13. Board expenses

The following provides the details of Board expenses reported in the statement of operations and changes in net assets:

	2019	2018
	$	$
Board Chair per diem expenses	**25,175**	34,325
Other Board members' per diem expenses	**21,975**	54,150
Other governance and travel	**17,177**	49,079
Total Board costs	**64,327**	137,554

14. Financial risk

The LHIN through its exposure to financial assets and liabilities, has exposure to credit risk and liquidity risk as follows:

Credit risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and incur a financial loss. The maximum exposure to credit risk is the carrying value reported in the statement of financial position. Credit risk is mitigated through collection practices and the diverse nature of amounts with accounts receivable.

Liquidity risk is the risk that the LHIN will not be able to meet all cash flow obligations as they come due. The LHIN mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and cash flow analysis.

15. Guarantees

The LHIN is subject to the provisions of the Financial Administration Act. As a result, in the normal course of business, the LHIN may not enter into agreements that include indemnities in favor of third parties, except in accordance with the Financial Administration Act and the related Indemnification Directive.

An indemnity of the Chief Executive Officer was provided directly by the LHIN pursuant to the terms of the Local Health System Integration Act, 2006 and in accordance with s.28 of the Financial Administration Act.

16. The People's Health Care Act

On April 18, 2019, *The People's Health Care Act* (the "Act") received Royal Assent. This legislation is a key component of the government's plan to build a modern, sustainable and integrated health care system. The Act grants the Minister of Health and Long-Term Care (the "Minister") the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations, including the LHIN, into Ontario Health (a new Crown Agency created by the Act), a health service provider, or an integrated care delivery system. The Act also grants the Minister the power to dissolve these organizations.

On March 8, 2019, the members of the board of directors of Ontario Health were appointed to also constitute the board of the LHIN. The board of directors of Ontario Health is tasked with overseeing the transition process of transferring multiple provincial agencies into Ontario Health. Following the transfer the LHIN, would be dissolved.

The transition process is expected to occur over a number of years. A potential transfer and dissolution date is currently unknown. In the meantime, the LHIN continues to operate as required under the Local Health System Integration Act, 2006 and in accordance with its accountability agreement with the Minister.

Financial statements of

Hamilton Niagara Haldimand Brant Local Health Integration Network

March 31, 2019

Deloitte LLP
400 Applewood Crescent
Suite 500
Vaughan ON L4K 0C3
Canada

Tel: 416-601-6150
Fax: 416-6016151
www.deloitte.ca

Independent Auditor's Report

To the Members of the Board of Directors of the
Hamilton Niagara Halidmand Brant Local Health Integration Network

Audit Opinion

We have audited the accompanying financial statements of Hamilton Niagara Halidmand Brant Local Health Integration Network (the "LHIN"), which comprise the statement of financial position as at March 31, 2019 and the statements of operations and changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements"). We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the LHIN as at March 31, 2019, and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 LHIN 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.

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

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

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

Those charged with governance are responsible for overseeing the LHIN'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 GAAS 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 GAAS, 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 LHIN'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 LHIN'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 LHIN to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants
Licensed Public Accountants
June 14, 2019

Hamilton Niagara Haldimand Brant Local Health Integration Network

Statement of financial position

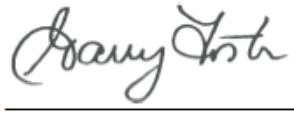
As at March 31, 2019

	Notes	2019 $	2018 $
Assets			
Current assets			
Cash		**20,216,067**	19,523,676
Due from Ministry of Health and Long-Term Care ("MOHLTC")	14	**26,198,270**	21,246,962
Accounts receivable		**8,109,813**	4,573,573
Prepaid expenses		**1,189,035**	849,511
		55,713,185	46,193,722
Capital assets	6	**1,270,589**	1,454,734
		56,983,774	47,648,456
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**24,667,609**	21,217,748
Due to Health Service Providers ("HSPs")	14	**26,198,270**	21,246,962
Due to Ministry of Health and Long-Term Care ("MOHLTC")	3	**4,478,805**	3,334,265
Deferred operating contributions	7	**368,501**	394,747
		55,713,185	46,193,722
Deferred capital contributions	8	**1,270,589**	1,454,734
Accrued non-vested sick benefits	9	**3,658,264**	3,568,327
		60,642,038	51,216,783
Commitments	10		
Net assets		**(3,658,264)**	(3,568,327)
		56,983,774	47,648,456

The accompanying notes are an integral part of the financial statements.

Approved by the Board of Directors:

William Hatanaka, Board Chair



Garry Foster, Audit Committee Chair

Hamilton Niagara Haldimand Brant Local Health Integration Network

Statement of operations

Year ended March 31, 2019

	Notes	2019 $	2018 $
Revenue			
MOHLTC funding – transfer payments	14	**2,890,070,372**	2,815,162,388
MOHLTC funding – Operations and Initiatives		**359,962,271**	310,675,744
Amortization of deferred capital contributions	8	**288,336**	362,072
Other revenue		**2,714,202**	3,514,337
		362,964,809	314,552,153
		3,253,035,181	3,129,714,541
Expenses			
HSP transfer payments	14	**2,890,070,372**	2,815,162,388
Operations and initiatives			
Contracted out			
In-home/clinic services		**226,016,539**	191,189,779
School services		**12,455,428**	10,918,475
Hospice services		**5,364,896**	5,371,228
Salaries and benefits		**89,558,763**	79,241,175
Medical supplies and equipment		**19,132,189**	15,971,651
Supplies and sundry		**10,148,658**	11,211,977
Amortization		**288,336**	362,072
		362,964,809	314,266,357
		3,253,035,181	3,129,428,745
Excess of revenue over expenses before the undernoted		**—**	285,796
Accrued non vested sick benefits		**(89,937)**	(97,313)
Net liabilities assumed on transition		**—**	(3,756,810)
		(89,937)	(3,568,327)

The accompanying notes are an integral part of the financial statements.

Hamilton Niagara Haldimand Brant Local Health Integration Network

Statement of changes in net financial assets

Year ended March 31, 2019

	Unrestricted $	Employee benefits $	2019 Total $	2018 Actual $
Net assets, beginning of year	**—**	**(3,568,327)**	**(3,568,327)**	—
Excess of (expenses over revenue) revenue over expenses before the undernoted	**—**	**(89,937)**	**(89,937)**	188,483
Net liabilities assumed on transition	**—**	**—**	**—**	(3,756,810)
Net assets, end of year	**—**	**(3,658,264)**	**(3,658,264)**	(3,568,327)

The accompanying notes are an integral part of the financial statements.

Hamilton Niagara Haldimand Brant Local Health Integration Network

Statement of cash flows

Year ended March 31, 2019

	Notes	2019 $	2018 $
Operating activities			
Excess of expenses over revenue		**(89,937)**	(3,568,327)
Cash received on transition		**—**	13,701,728
Net liabilities assumed on transition		**—**	3,756,810
Less: amounts not affecting cash			
Amortization of capital assets		**288,336**	362,072
Amortization of deferred capital contributions		**(288,336)**	(362,072)
		(89,937)	13,890,211
Changes in non-cash working capital items	12	**782,328**	4,673,144
		692,391	18,563,355
Investing activity			
Purchase of capital assets		**(104,191)**	(15,764)
Financing activity			
Increase in deferred contributions		**104,191**	15,764
Net increase in cash		**692,391**	18,563,355
Cash, beginning of year		**19,523,676**	960,321
Cash, end of year		**20,216,067**	19,523,676

The accompanying notes are an integral part of the financial statements.

1. Description of business

The Hamilton Niagara Haldimand Brant Local Health Integration Network was incorporated by Letters Patent on June 2, 2005 as a corporation without share capital. Following Royal Assent to Bill 36 on March 28, 2006, it was continued under the Local Health System Integration Act, 2006 (the "Act") as the Hamilton Niagara Haldimand Brant Local Health Integration Network (the "LHIN") and its Letters Patent were extinguished. As an agent of the Crown, the LHIN is not subject to income taxation.

The LHIN is, and exercises its powers only as, an agent of the Crown. Limits on the LHIN's ability to undertake certain activities are set out in the Act.

The mandate of the LHIN is as follows:

(a) Plan, fund and integrate the local health system within its geographic area. The LHIN spans carefully defined geographical areas and allows for local communities and health care providers within the geographical area to work together to identify local priorities, plan health services and deliver them in a more coordinated fashion. The LHIN covers the Counties of Hamilton, Niagara, Haldimand, Brant, most of the County of Norfolk and the City of Burlington. The LHIN enters into service accountability agreements with health service providers.

The LHIN has also entered into an accountability agreement with the Ministry of Health and Long Term Care ("MOHLTC"), which provides the framework for LHIN accountabilities and activities.

All funding payments to LHIN managed Health Service Providers are flowed through the LHIN's financial statements. Funding payments authorized by the LHIN to Health Service Providers, are recorded in the LHIN's Financial Statements as revenue from the MOHLTC and as transfer payment expenses to Health Service Providers.

(b) Provision of community services. These services include providing health and related social services and supplies and equipment for the care of persons in home, community and other settings and to provide goods and services to assist caregivers in the provision of care for such persons, to manage the placement of persons into long-term care homes, supportive housing programs, chronic care and rehabilitation beds in hospitals, and other programs and places where community services are provided and to provide information to the public about, and make referrals to, health and social services.

2. Significant accounting policies

The financial statements of the LHIN are the representations of management, prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations including the 4200 series standards, as issued by the Public Sector Accounting Board. Significant accounting policies adopted by the LHIN are as follows:

Revenue recognition

The LHIN follows the deferral method of accounting for contributions. Contributions from the MOHLTC represent externally restricted contributions which must be spent within the fiscal year provided. Unspent contributions from the MOHLTC are set up as repayable to the MOHLTC at the end of the year. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

2. Significant accounting policies (continued)

Ministry of Health and Long-Term Care Funding

The LHIN is funded by the Province of Ontario in accordance with the Ministry-LHIN Accountability Agreement ("MLAA"), which describes budgetary arrangements established by the MOHLTC. The Financial Statements reflect funding arrangements approved by the MOHLTC. The LHIN cannot authorize payments in excess of the budgetary allocation set by the MOHLTC. Due to the nature of the Accountability Agreement, the LHIN is economically dependent on the MOHLTC.

Transfer payment amounts to Health Service Providers are based on the terms of the Health Service Provider Accountability Agreements with the LHIN, including any amendments made throughout the year. During the year, the LHIN authorizes the transfer of cash to the Health Service Providers. The cash associated with the transfer payment flows directly from the MOHLTC and does not flow through the LHIN bank account.

LHIN Financial Statements do not include transfer payment funds not included in the Ministry-LHIN Accountability Agreement.

Capital assets

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments, which extend the estimated life of an asset, are capitalized

Capital assets are amortized on a straight-line basis based on their estimated useful life as follows:

Furniture and equipment	5 to 10 years
Computer and communications equipment	3 years
Leasehold improvements	Over the remaining lease term

Deferred capital contributions

Contributions received for the purchase of capital assets are deferred and are amortized to income at the same rate as the corresponding capital asset.

Accrued non-vested sick benefits

The LHIN provides a sick leave benefit plan to all permanent employees and accrues it obligations as the employees render the service necessary to earn the benefits. The actuarial determination of the accrued benefit obligation uses the projected benefit method prorated on service (which incorporates management's best estimate of future salary levels, retirement ages of employees and other actuarial factors). Under this method, the benefit costs are recognized over the expected average service life of the employee group. The accrued benefit obligation is equal to the present value of the cost of sick leave credits accumulated to date that are expected to be used in the future in excess of the current yearly allotment of 18 days (pro-rated accordingly for part-time employees).

The current service costs for a particular period is equal to the actuarial present value of the cost of sick leave credits earned in the year that are expected to be used in the future in excess of the yearly allotment.

Actuarial gains and losses on the accrued benefit obligation arise from the differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. Any gains or losses are amortized over the estimated average remaining service life of the employees. The most recent actuarial evaluation of the sick leave plan was as of March 31, 2019.

2. Significant accounting policies (continued)

Financial instruments

Financial assets and liabilities are measured at amortized cost, with the exception of cash that is measured at fair value. Financial instruments measured at amortized cost 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.

Write-downs 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 write-down being recognized in the Statement of Operations.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 reporting period. Significant estimates include depreciation rates for capital assets and certain accruals. Actual results could differ from those estimates.

3. Funding repayable to the MOHLTC

In accordance with the MLAA, the LHIN is required to be in a balanced position at year end. Thus, any funding received in excess of expenses incurred, is required to be returned to the MOHLTC.

The amount due to the MOHLTC at March 31 is made up as follows:

	2019	2018
	$	$
Due to MOHLTC, beginning of year	**3,334,265**	709,094
Due to MOHLTC, transferred from HNHB CCAC		100,100
Funding repaid during year	**(360,602)**	(448,590)
Funding repayable to the MOHLTC related to current year activities	**1,505,142**	2,973,661
Due to MOHLTC, end of year	**4,478,805**	3,334,265

4. Enabling Technologies for Integration Project Management Office

Effective January 31, 2014, the LHIN entered into an agreement with South West, Erie St. Clair and Waterloo Wellington LHIN's (the "Cluster") in order to enable the effective and efficient delivery of e-health programs and initiatives within the geographic area of the Cluster. Under this agreement, decisions related to the financial and operating activities of the Enabling Technologies for Integration Project Management Office are shared. No LHIN is in a position to exercise unilateral control.

The LHIN's financial statement reflects its share of the MOHLTC funding for Enabling Technologies for Integration Project Management Offices for its Cluster and related expenses. During the year, the LHIN received and expensed funding of $1,475,000 ($510,000 in 2018).

5. Related party transactions

Health Shared Services Ontario (HSSO)

HSSO is a provincial agency established January 1, 2017 by O. Reg. 456/16 made under LHSIA with objects to provide shared services to LHINs in areas that include human resources management, logistics, finance and administration and procurement. HSSO as a provincial agency is subject to legislation, policies and directives of the Government of Ontario and the Memorandum of Understanding between HSSO and the Minister of Health and Long-Term Care.

6. Capital assets

	Cost **$**	**Accumulated amortization** **$**	**2019 Net book value** **$**	2018 Net book value $
Computer equipment and software	**476,389**	**458,819**	**17,570**	60,170
Leasehold improvements	**5,836,581**	**4,634,789**	**1,201,792**	1,366,645
Furniture and equipment	**6,471,421**	**6,420,194**	**51,227**	27,919
	12,784,391	**11,513,802**	**1,270,589**	1,454,734

7. Deferred operating contributions

Deferred operating contributions represent the unamortized amount of grants and other contributions received to fund expenditures of future periods. BTI equipment leases represent the unamortized amount of grants received for the payment of computer leases under the Base Technology Infrastructure Project.

	2019 **$**	2018 $
MOHLTC/LHIN BTI equipment leases	**328,284**	342,201
Other	**40,217**	52,546
	368,501	394,747

8. Deferred Capital Contributions

The changes in the deferred capital contributions balance are as follows:

	2019 **$**	2018 $
Balance, beginning of year	**1,454,734**	73,636
Capital contributions received during the year	**104,191**	15,764
Capital contributions transferred from CCAC	**—**	1,727,406
Amortization for the year	**(288,336)**	(362,072)
Balance, end of year	**1,270,589**	1,454,734

9. Accrued non-vested sick benefits

All full-time and part-time employees are credited with 1.5 days per month (pro-rated accordingly for part-time employees) for use as paid absences in the year, due to illness or injury. Employees are allowed to accumulate unused sick day credits each year, up to a maximum of 130 days for unionized employees and 120 days for non-union employees. Accumulated credits may be used in future years if the employee's illness or injury exceeds the annual allocation of credits. Employees are not entitled to any cash payment upon retirement.

The significant assumptions used are as follows:

	2019	2018
	$	$
Discount rate	**3.18%**	3.37%
Rate of compensation/inflation increases	**2.00%**	2.00%

Accrued benefit liability is determined as follows:

	2019	2018
	$	$
Accrued benefit obligation	**3,210,769**	3,058,362
Unamortized actuarial gain	**447,495**	509,965
Accrued benefit liability	**3,658,264**	3,568,327

Continuity of the accrued benefit liability is as follows:

	2019	2018
	$	$
Accrued benefit liability assumed on transition	**—**	3,471,014
Change in liability	**3,568,327**	
Benefit expense	**527,302**	605,780
Less: benefits paid	**(437,365)**	(508,467)
Accrued benefit liability, end of year	**3,658,264**	3,568,327

The accrued non-vested sick benefit expense is as follows:

	2019	2018
	$	$
Benefit cost	**446,469**	477,594
Interest on accrued benefit obligation	**110,743**	127,533
Amortization of actuarial losses	**(29,910)**	653
Accrued non-vested sick benefits expense	**527,302**	605,780

The current year expense in excess of actual benefits paid of $89,327 is recorded through the employee benefits fund.

10. Commitments

The LHIN is committed to the following operating lease payments as follows:

	$
2020	2,219,172
2021	2,098,911
2022	1,856,137
2023	1,696,468
2024	1,115,260

11. Contingencies

The LHIN enters into accountability agreements with Health Service Providers which include planned funding targets. The actual funding provided by the LHIN is contingent on the MOHLTC providing the funding.

The LHIN has been named as defendants in various claims. Management believes any liability resulting from these actions would be adequately covered by existing liability insurance.

12. Additional Information to the statement of cash flows

	2019	2018
	$	$
Due from MOHLTC	**(4,951,308)**	4,934,890
Accounts Receivable	**(3,536,240)**	695,816
Prepaid expenses	**(339,524)**	427,987
Accounts payable and accrued liabilities	**3,449,861**	7,059,268
Due to Health Service Providers	**4,951,308**	(4,934,890)
Due to MOHLTC	**1,144,540**	2,525,071
Deferred operating contributions	**(26,246)**	(6,132,311)
Accrued non-vested sick benefits	**89,937**	97,313
Total change in non-cash working capital items	**782,328**	4,673,144

13. Pension Plan

The LHIN contributes to the Healthcare of Ontario Pension Plan ("HOOPP"), which is a multi-employer plan, on behalf of approximately 1,025 members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay. The amount contributed to HOOPP for fiscal 2019 was $6,421,472 ($5,739,921 in 2018). The last actuarial valuation was completed for the plan as of December 31, 2018. At that time, the plan was fully funded.

14. Transfer Payment to HSPs

The LHIN has authorization to allocate funding of $2,890,070,372 to various HSPs in its geographic area. The LHIN approved transfer payments to various sectors in 2019 as follows:

	2019 $	2018 $
Operations of hospitals	**2,123,770,456**	2,048,229,757
Grants to compensate for municipal taxation – public hospitals	**462,750**	462,750
Long-Term Care Homes	**531,055,528**	510,852,386
Community Care Access Centres	**—**	34,037,927
Community support services	**58,846,208**	57,250,443
Acquired brain injury	**8,523,435**	7,909,740
Assisted living services in supportive housing	**38,678,565**	37,293,330
Community health centres	**32,342,414**	30,594,767
Community mental health addictions program	**96,391,016**	88,531,288
	2,890,070,372	2,815,162,388

The LHIN receives funding from the MOHLTC and in turn allocates it to the HSPs. As at March 31, 2019, an amount of $26,198,270 ($21,246,962 in 2018) was receivable from the MOHLTC, and was payable to HSPs. These amounts have been reflected as revenue and expenses in the Statement of operations and are included in the table above.

15. Financial Risk

The LHIN through its exposure to financial assets and liabilities, has exposure to credit risk and liquidity risk as follows:

Credit risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and incur a financial loss. The maximum exposure to credit risk is the carrying value reported in the statement of financial position. Credit risk is mitigated through collection practices and the diverse nature of amounts with accounts receivable.

Liquidity risk is the risk that the LHIN will not be able to meet all cash flow obligations as they come due. The LHIN mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and cash flow analysis.

16 Guarantees

The LHIN is subject to the provisions of the Financial Administration Act. As a result, in the normal course of business, the LHIN may not enter into agreements that include indemnities in favor of third parties, except in accordance with the Financial Administration Act and the related Indemnification Directive.

An indemnity of the Chief Executive Officer was provided directly by the LHIN pursuant to the terms of the Local Health System Integration Act, 2006 and in accordance with s.28 of the Financial Administration Act.

17. Board Costs

The following provides the details of Board expenses which are reported in the statement of operations:

	2019	2018
	$	$
Board Chair per diem expenses	**9,975**	28,453
Other Board members' per diem expenses	**43,275**	56,017
Other governance and travel	**5,920**	9,730
	59,170	94,200

18 The People's Health Care Act

On April 18, 2019, *The People's Health Care Act* (the "Act") received Royal Assent. This legislation is a key component of the government's plan to build a modern, sustainable and integrated health care system. The Act grants the Minister of Health and Long-Term Care (the "Minister") the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations, including the LHIN, into Ontario Health (a new Crown Agency created by the Act), a health service provider, or an integrated care delivery system. The Act also grants the Minister the power to dissolve these organizations.

On March 8, 2019, the members of the board of directors of Ontario Health were appointed to also constitute the board of the LHIN. The board of directors of Ontario Health is tasked with overseeing the transition process of transferring multiple provincial agencies into Ontario Health. Following the transfer the LHIN would be dissolved.

The transition process is expected to occur over a number of years. A potential transfer and dissolution date is currently unknown. In the meantime, the LHIN continues to operate as required under the Local Health System Integration Act, 2006 and in accordance with its accountability agreement with the Minister.

Financial statements of

Mississauga Halton Local Health Integration Network

March 31, 2019

Deloitte LLP
400 Applewood Crescent
Suite 500
Vaughan ON L4K 0C3
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Independent Auditor's Report

To the Members of the Board of Directors of the
Mississauga Halton Local Health Integration Network

Audit Opinion

We have audited the accompanying financial statements of Mississauga Halton Local Health Integration Network (the "LHIN"), which comprise the statement of financial position as at March 31, 2019 and the statements of operations and changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements"). We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the LHIN as at March 31, 2019, and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 LHIN 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.

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

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

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

Those charged with governance are responsible for overseeing the LHIN'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 GAAS 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 GAAS, 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 LHIN'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 LHIN'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 LHIN to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants
Licensed Public Accountants
June 14, 2019

Mississauga Halton Local Health Integration Network

Statement of financial position

As at March 31, 2019

	Notes	2019 $	2018 $
Assets			
Current assets			
Cash		**12,769,407**	9,020,076
Due from Ministry of Health and Long-Term Care ("MOHLTC")		**2,352,100**	1,279,900
MOHLTC transfer payments to Health Service Providers ("HSPs")	12	**7,683,933**	1,424,224
Due from other LHIN's – enabling technology		**122,213**	39,160
Accounts receivable		**823,991**	1,059,694
Prepaid expenses		**1,355,705**	1,466,461
		25,107,349	14,289,515
Capital assets	7	**2,793**	11,193
		25,110,142	14,300,708
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**14,741,164**	12,586,137
Deferred revenue		**63,451**	—
Due to Health Service Providers ("HSPs")	12	**7,683,933**	1,424,224
Due to Ministry of Health and Long-Term Care ("MOHLTC")	3	**2,618,801**	279,154
		25,107,349	14,289,515
Deferred capital contributions	7	**2,793**	11,193
		25,110,142	14,300,708
Commitments	8		
Net assets		**—**	—
		25,110,142	14,300,708

The accompanying notes are an integral part of the financial statements.

Approved by the Board

William Hatanaka, Board Chair

Garry Foster, Audit Committee Chair

Mississauga Halton Local Health Integration Network

Statement of operations and changes in net assets

Year ended March 31, 2019

	Notes	2019 $	2018 $
Revenue			
MOHLTC funding – transfer payments	12	**1,518,250,137**	1,446,667,755
MOHLTC funding – Operations and Initiatives		**217,670,658**	171,102,998
Interest income		**—**	97,269
Amortization of deferred capital contributions		**8,400**	227,287
Other revenue		**966,516**	463,685
Less:			
Funding repayable to MOHLTC	3	**(2,339,647)**	(279,154)
		216,305,927	171,612,085
Total Revenue		**1,734,556,064**	1,618,279,840
Expenses			
HSP transfer payments	12	**1,518,250,137**	1,446,667,755
Operations and Initiatives			
Contracted out			
In-home/clinic services		**135,516,892**	104,773,717
School services		**5,325,533**	4,871,043
Hospice services		**2,025,590**	1,424,433
Salaries and benefits		**56,410,194**	45,682,487
Medical professional services		**556,995**	828,719
Medical supplies		**6,653,032**	5,084,558
Medical equipment rental		**3,289,375**	2,120,338
Supplies and sundry		**3,061,149**	1,992,049
Building and ground		**2,511,030**	2,029,778
Amortization		**8,400**	227,287
Equipment repairs and maintenance		**833,194**	742,950
Board costs	13	**114,543**	73,301
		216,305,927	169,850,660
Total expenses		**1,734,556,064**	1,616,518,415
Excess of revenue over expenses before the undernoted		**—**	1,761,425
Net liabilities assumed on transition		**—**	(1,761,425)
		—	—
Net assets, beginning of year		**—**	—
Net assets, end of year		**—**	—

The accompanying notes are an integral part of the financial statements.

Mississauga Halton Local Health Integration Network

Statement of cash flows

Year ended March 31, 2019

	Notes	2019 $	2018 $
Operating activities			
Excess of revenue over expenses		**—**	—
Cash assumed on transition		**—**	7,424,939
Net liabilities assumed on transition		**—**	1,761,425
Less: amounts not affecting cash			
Amortization of capital assets		**8,400**	284,322
Amortization of deferred capital contributions		**(8,400)**	(284,322)
		—	9,186,364
Net Changes in non-cash working capital items	10	**3,749,331**	(772,002)
Net increase in cash		**3,749,331**	8,414,362
Cash, beginning of year		**9,020,076**	605,714
Cash, end of year		**12,769,407**	9,020,076

The accompanying notes are an integral part of the financial statements.

1. Description of business

The Mississauga Halton Local Health Integration Network was incorporated by Letters Patent on June 2, 2005 as a corporation without share capital. Following Royal Assent to Bill 36 on March 28, 2006, it was continued under the *Local Health System Integration Act, 2006* (the "Act") as the Mississauga Halton Local Health Integration Network (the "LHIN") and its Letters Patent were extinguished. As an agent of the Crown, the LHIN is not subject to income taxation.

The LHIN is, and exercises its powers only as, an agent of the Crown. Limits on the LHIN's ability to undertake certain activities are set out in the Act.

The mandate of the LHIN is as follows:

(a) Plan, fund and integrate the local health system within its geographic area. The LHIN spans carefully defined geographical areas and allows for local communities and health care providers within the geographical area to work together to identify local priorities, plan health services and deliver them in a more coordinated fashion. The LHIN covers a south-west portion of the City of Toronto, the south part of Peel Region and all of Halton Region except for Burlington. The LHIN enters into service accountability agreements with service providers.

The LHIN has also entered into an accountability agreement with the Ministry of Health and Long Term Care ("MOHLTC"), which provides the framework for LHIN accountabilities and activities.

All funding payments to LHIN managed Health Service Providers are flowed through the LHIN's financial statements. Funding payments authorized by the LHIN to Health Service Providers, are recorded in the LHIN's Financial Statements as revenue from the MOHLTC and as transfer payment expenses to Health Service Providers.

(b) The LHIN is responsible to provide health and related social services and supplies and equipment for the care of persons in home, community and other settings and to provide goods and services to assist caregivers in the provision of care for such persons, to manage the placement of persons into long-term care homes, supportive housing programs, chronic care and rehabilitation beds in hospitals, and other programs and places and to provide information to the public about, and make referrals to, health and social services.

2. Significant accounting policies

The financial statements of the LHIN are the representations of management, prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations including the 4200 series standards, as issued by the Public Sector Accounting Board. Significant accounting policies adopted by the LHIN are as follows:

Revenue recognition

The LHIN follows the deferral method of accounting for contributions. Contributions from the MOHLTC represent externally restricted contributions which must be spent within the fiscal year provided. Unspent contributions from the MOHLTC are set up as repayable to the MOHLTC at the end of the year. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

2. Significant accounting policies (continued)

Ministry of Health and Long-Term Care Funding

The LHIN is funded by the Province of Ontario in accordance with the Ministry-LHIN Accountability Agreement ("MLAA"), which describes budgetary arrangements established by the MOHLTC. The Financial Statements reflect funding arrangements approved by the MOHLTC. The LHIN cannot authorize payments in excess of the budgetary allocation set by the MOHLTC. Due to the nature of the Accountability Agreement, the LHIN is economically dependent on the MOHLTC.

Transfer payment amounts to Health Service Providers are based on the terms of the Health Service Provider Accountability Agreements with the LHIN, including any amendments made throughout the year. During the year, the LHIN authorizes the transfer of cash to the Health Service Providers. The cash associated with the transfer payment flows directly from the MOHLTC and does not flow through the LHIN bank account. Funding allocations for transfer payment from the MOHLTC are reflected as revenue and an equal amount of transfer payments to authorized HSPs are expensed in the LHIN's financial statements for the year ended March 31, 2019.

LHIN Financial Statements do not include transfer payment funds not included in the Ministry-LHIN Accountability Agreement.

Capital assets

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments, which extend the estimated life of an asset, are capitalized

Capital assets are amortized on a straight-line basis based on their estimated useful life as follows:

Furniture and equipment	5 years
Computer and communications equipment	3 years
Leasehold improvements	Over the remaining lease term

For assets acquired or brought into use, during the year, amortization is provided for a full year.

Deferred capital contributions

Contributions received for the purchase of capital assets are deferred and are amortized to income at the same rate as the corresponding capital asset.

Financial instruments

Financial assets and liabilities are measured at amortized cost, with the exception of cash that is measured at fair value. Financial instruments measured at amortized cost 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.

Write-downs 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 write-down being recognized in the Statement of Operations and changes in net assets.

2. Significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 reporting period. Significant estimates include depreciation rates for capital assets and certain accruals. Actual results could differ from those estimates.

3. Funding repayable to the MOHLTC

In accordance with the MLAA, the LHIN is required to be in a balanced position at year end. Thus, any funding received in excess of expenses incurred, is required to be returned to the MOHLTC.

The amount due to the MOHLTC at March 31 is made up as follows:

	2019	2018
	$	$
Due to MOHLTC, beginning of year	**279,154**	121,430
Funding repaid to MOHLTC	**—**	(121,430)
Funding repayable to the MOHLTC related to current year activities	**2,339,647**	279,154
Due to MOHLTC, end of year	**2,618,801**	279,154

4. Enabling Technologies for Integration Project Management Office

Effective February 1, 2012 the LHIN entered into an agreement with Central West, Central, Central East, Toronto Central, and North Simcoe Muskoka (the "Cluster") in order to enable the effective and efficient delivery of e-health programs and initiatives within the geographic area of the Cluster. Under the agreement, decisions related to the financial and operating activities of the Enabling Technologies for Integration Project Management Office are shared. No LHIN is in a position to exercise unilateral control.

The LHIN's financial statement reflects its share of the MOHLTC funding for Enabling Technologies for Integration Project Management Offices for its Cluster and related expenses. During the year, the LHIN received one-time funding from Central West LHIN of $435,390 ($336,969 in 2018) of which $122,213 ($39,160 in 2018) was receivable at March 31. The LHIN incurred eligible expenses of $435,390 ($336,969 in 2018).

5. Related party transactions

Health Shared Services Ontario (HSSO)

HSSO is a provincial agency established January 1, 2017 by O. Reg. 456/16 made under the *Local Health System Integration Act, 2006* with objects to provide shared services to LHINs in areas that include human resources management, logistics, finance and administration and procurement. HSSO as a provincial agency is subject to legislation, policies and directives of the Government of Ontario and the Memorandum of Understanding between HSSO and the Minister of Health and Long-Term Care.

During the year, the LHIN received Business Technology Infrastructure (BTI) funding from HSSO of $290,040 ($275,260 in 2018).

6. Capital assets

	Cost $	Accumulated amortization $	2019 Net book value $	2018 Net book value $
Computer equipment	**1,360,742**	**1,360,742**	**—**	—
Leasehold improvements	**6,422,929**	**6,422,929**	**—**	—
Furniture and equipment	**1,278,304**	**1,275,511**	**2,793**	11,193
	9,061,975	**9,059,182**	**2,793**	11,193

7. Deferred capital contributions

The changes in the deferred capital contributions balance are as follows:

	2019 $	2018 $
Balance, beginning of year	**11,193**	26,190
Capital contributions acquired	**—**	212,290
Amortization for the year	**(8,400)**	(227,287)
Balance, end of year	**2,793**	11,193

8. Commitments

The LHIN has commitments under various operating leases related to building and equipment. Minimum lease payments due in each of the next five fiscal years are as follows:

	$
2020	2,412,110
2021	2,113,871
2022	1,182,555
2023	1,182,555
2024	139,354

9. Contingencies

The LHIN enters into accountability agreements with Health Service Providers which include planned funding targets. The actual funding provided by the LHIN is contingent on the MOHLTC providing the funding.

The LHIN potential liability due to claims arising in the ordinary course of business would be adequately covered by existing liability insurance. As confirmed by HIROC, as at close of March 31, 2019, there were no claims reported by the LHIN to HIROC.

10. Net change in Non-cash working capital

	2019 $	2018 $
Due from MOHLTC	**(1,072,200)**	(1,279,900)
Accounts receivable – Includes due from LHINs	**152,650**	456,885
Accounts receivable MOHLTC transfer payments to Health Service Providers (HSPs)	**(6,259,709)**	(889,624)
Prepaid expenses	**110,756**	(155,429)
Accounts payable and accrued liabilities	**2,155,027**	48,718
Deferred revenue	**63,451**	—
Due to HSPs transfer payments	**6,259,709**	889,624
Due to MOHLTC	**2,339,647**	157,724
	3,749,331	772,002

11. Pension plan

The LHIN contributes to the Healthcare of Ontario Pension Plan ("HOOPP"), which is a multi-employer plan, on behalf of approximately 600 members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay. The amount contributed to HOOPP for fiscal 2019 was $4,061,223 ($3,250,558 in 2018). The last actuarial valuation was completed for the plan as of December 31, 2018. At that time, the plan was fully funded.

12. Transfer payment to HSPs

The LHIN has authorization to allocate funding of $1,518,250,137 to various HSPs in its geographic area. The LHIN approved transfer payments to various sectors in 2019 as follows:

	2019 $	2018 $
Operations of hospitals	**1,143,158,534**	1,065,404,135
Grants to compensate for municipal taxation – public hospitals	**168,675**	163,200
Long-term care homes	**216,713,919**	207,941,836
Community care access centres	**—**	28,465,081
Community support services	**53,062,882**	49,358,359
Assisted living services in supportive housing	**41,939,382**	40,811,937
Community mental health	**38,761,690**	36,106,179
Addictions program	**9,545,026**	8,992,401
Acquired brain injury	**6,400,003**	6,303,432
Community health centres	**8,500,026**	3,121,195
	1,518,250,137	1,446,667,755

The LHIN receives funding from the MOHLTC and in turn allocates it to the HSPs. As at March 31, 2019, an amount of $7,683,933 ($1,424,224 in 2018) was receivable from the MOHLTC, and was payable to HSPs. These amounts have been reflected as revenue and expenses in the Statement of operations and changes in net assets and are included in the table above.

13. Board costs

The following provides the details of Board expenses:

	2019	2018
	$	$
Board Chair per diem expenses	**19,750**	13,150
Other Board members' per diem expenses	**85,300**	48,350
Other governance and travel	**9,493**	11,801
	114,543	73,301

14. Financial risk

The LHIN through its exposure to financial assets and liabilities has exposure to credit risk and liquidity risk as follows:

Credit risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and incur a financial loss. The maximum exposure to credit risk is the carrying value reported in the statement of financial position. Credit risk is mitigated through collection practices and the diverse nature of amounts with accounts receivable.

Liquidity risk is the risk that the LHIN will not be able to meet all cash flow obligations as they come due. The LHIN mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and cash flow analysis.

15. Guarantees

The LHIN is subject to the provisions of the Financial Administration Act. As a result, in the normal course of business, the LHIN may not enter into agreements that include indemnities in favor of third parties, except in accordance with the Financial Administration Act and the related Indemnification Directive.

An indemnity of the Chief Executive Officer was provided directly by the LHIN pursuant to the terms of the Local Health System Integration Act, 2006 and in accordance with s.28 of the Financial Administration Act.

16. The People's Health Care Act

On April 18, 2019, *The People's Health Care Act* (the "Act") received Royal Assent. This legislation is a key component of the government's plan to build a modern, sustainable and integrated health care system. The Act grants the Minister of Health and Long-Term Care (the "Minister") the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations, including the LHIN, into Ontario Health (a new Crown Agency created by the Act), a health service provider, or an integrated care delivery system. The Act also grants the Minister the power to dissolve these organizations.

On March 8, 2019, the members of the board of directors of Ontario Health were appointed to also constitute the board of the LHIN. The board of directors of Ontario Health is tasked with overseeing the transition process of transferring multiple provincial agencies into Ontario Health. Following the transfer the LHIN would be dissolved.

The transition process is expected to occur over a number of years. A potential transfer and dissolution date is currently unknown. In the meantime, the LHIN continues to operate as required under the Local Health System Integration Act, 2006 and in accordance with its accountability agreement with the Minister.

Financial statements of

North East Local Health Integration Network

March 31, 2019

Deloitte LLP
400 Applewood Crescent
Suite 500
Vaughan ON L4K 0C3
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Independent Auditor's Report

To the Board of Directors of
North East Local Health Integration Network

Audit Opinion

We have audited the accompanying financial statements of North East Local Health Integration Network (the "LHIN"), which comprise the statement of financial position as at March 31, 2019 and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements"). We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the LHIN as at March 31, 2019, and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 LHIN 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.

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

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

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

Those charged with governance are responsible for overseeing the LHIN'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 GAAS 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 GAAS, 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 LHIN'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 LHIN'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 LHIN to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants
Licensed Public Accountants
June 14, 2019

North East Local Health Integration Network

Statement of financial position

As at March 31, 2019

	Notes	**2019** **$**	2018 $
Assets			
Current assets			
Cash		**19,906,902**	18,364,763
Due from Ministry of Health and Long-Term Care ("MOHLTC") (Transfer payments)	13	**2,675,961**	5,907,319
Accounts receivable		**920,845**	684,387
Prepaid expenses		**218,592**	222,123
		23,722,300	25,178,592
Capital assets	6	**958,839**	1,103,200
		24,681,139	26,281,792
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**20,269,974**	16,865,328
Due to Health Service Providers ("HSPs")	13	**2,675,961**	5,907,319
Due to Ministry of Health and Long-Term Care ("MOHLTC")	3	**757,472**	2,370,614
Deferred contributions		**2,715**	19,153
		23,706,122	25,162,414
Employee Future Benefits	7	**4,562,014**	4,502,210
Deferred capital contributions	8	**958,839**	1,103,200
		29,226,975	30,767,824
Commitments	9		
Net liabilities		**(4,545,836)**	(4,486,032)
		24,681,139	26,281,792

The accompanying notes are an integral part of the financial statements.

Approved by the Board

William Hatanaka, Board Chair

Garry Foster, Audit Committee Chair

North East Local Health Integration Network

Statement of operations

Year ended March 31, 2019

	Notes	2019 $	2018 $
Revenue			
MOHLTC funding - transfer payments	13	**1,442,229,069**	1,406,271,882
MOHLTC funding - operations and initiatives		**159,048,294**	132,700,585
Interest income		**—**	183,676
Amortization of deferred capital contributions		**329,484**	400,743
Other revenue		**2,045,152**	1,384,648
		161,422,930	134,669,652
Total revenue		**1,603,651,999**	1,540,941,534
Expenses			
HSP transfer payments	13	**1,442,229,069**	1,406,271,882
Operations and Initiatives			
Contracted out			
In-home/clinic services		**68,365,984**	57,886,886
School services		**2,303,838**	2,387,248
Hospice services		**4,855,640**	4,282,850
Salaries and benefits		**66,838,445**	53,288,127
Medical supplies		**5,925,199**	4,950,939
Medical equipment rental		**2,703,158**	1,765,467
Supplies and sundry		**7,752,586**	6,494,446
Building and ground		**2,251,708**	2,184,701
Amortization		**329,484**	400,743
Repairs and maintenance		**96,888**	94,914
Employee Future Benefits		**59,804**	211,871
		161,482,734	133,948,192
Total expenses		**1,603,711,803**	1,540,220,074
Excess of (expenses over revenue) revenue over expenses before the undernoted		**(59,804)**	721,460
Net liabilities assumed on transition		**—**	(5,207,492)
Excess of expenses over revenue		**(59,804)**	(4,486,032)

The accompanying notes are an integral part of the financial statements.

North East Local Health Integration Network

Statement of changes in net financial assets

Year ended March 31, 2019

	Unrestricted $	Employee benefits $	Internally restricted $	2019 Total $	2018 Actual $
Net assets, beginning of year	**—**	**(4,502,210)**	**16,178**	**(4,486,032)**	—
Excess of revenue over expenses before the undernoted	**—**	**(59,804)**	**—**	**(59,804)**	721,460
Net liabilities assumed on transition	**—**	**—**	**—**	**—**	(5,207,492)
Net assets, end of year	**—**	**(4,562,014)**	**16,178**	**(4,545,836)**	(4,486,032)

The accompanying notes are an integral part of the financial statements.

North East Local Health Integration Network

Statement of cash flows

Year ended March 31, 2019

	Notes	2019 $	2018 $
Operating activities			
Excess of expenses over revenue		**(59,804)**	(4,486,032)
Cash Received on transition		**—**	11,230,772
Net liabilities assumed on transition		**—**	5,207,492
Less amounts not affecting cash			
Amortization of capital assets		**329,484**	400,743
Amortization of deferred capital contributions		**(329,484)**	(400,743)
		(59,804)	11,952,232
Change in non-cash working capital items	11	**1,601,943**	5,847,496
		1,542,139	17,799,728
Investing activity			
Purchase of capital assets		**(185,122)**	(54,065)
Financing activity			
Increase in deferred contributions		**185,122**	54,065
Net change in cash		**1,542,139**	17,799,728
Cash, beginning of year		**18,364,763**	565,035
Cash, end of year		**19,906,902**	18,364,763

The accompanying notes are an integral part of the financial statements.

1. Description of business

The North East Local Health Integration Network was incorporated by Letters Patent on June 2, 2005 as a corporation without share capital. Following Royal Assent to Bill 36 on March 28, 2006, it was continued under the Local Health System Integration Act, 2006 (the "Act") as the North East Local Health Integration Network (the "LHIN") and its Letters Patent were extinguished. As an agent of the Crown, the LHIN is not subject to income taxation.

The LHIN is, and exercises its powers only as, an agent of the Crown. Limits on the LHIN's ability to undertake certain activities are set out in the Act.

The mandate of the LHIN is as follows:

(a) Plan, fund and integrate the local health system within its geographic area.

The LHIN spans carefully defined geographical areas and allows for local communities and health care providers within the geographical area to work together to identify local priorities, plan health services and deliver them in a more coordinated fashion. The LHIN covers most of the North East. The LHIN enters into service accountability agreements with health service providers.

The LHIN has also entered into an accountability agreement with the Ministry of Health and Long Term Care ("MOHLTC"), which provides the framework for LHIN accountabilities and activities.

All funding payments to LHIN managed Health Service Providers are flowed through the LHIN's financial statements. Funding payments authorized by the LHIN to Health Service Providers, are recorded in the LHIN's Financial Statements as revenue from the MOHLTC and as transfer payment expenses to Health Service Providers.

(b) The delivery of home and community care services

These services include health and related social services, medical supplies and equipment for the care of persons in home and community settings and to provide goods and services to assist caregivers in the provision of care for such persons, to manage the placement of persons into long-term care homes, supportive housing programs, chronic care and rehabilitation beds in hospitals, and to provide information to the public about, and make referrals to, health and social services.

2. Significant accounting policies

The financial statements of the LHIN are the representations of management, prepared in accordance with Canadian public sector accounting standards including the 4200 series for government not-for-profit organizations, as issued by the Public Sector Accounting Board. Significant accounting policies adopted by the LHIN are as follows:

Revenue recognition

The LHIN follows the deferral method of accounting for contributions. Contributions from the MOHLTC represent externally restricted contributions which must be spent within the fiscal year provided. Unspent contributions from the MOHLTC are set up as repayable to the MOHLTC at the end of the year. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collected is reasonably assured.

2. Significant accounting policies (continued)

Ministry of Health and Long-Term Care Funding

The LHIN is funded by the Province of Ontario in accordance with the Ministry-LHIN Accountability Agreement ("MLAA"), which describes budgetary arrangements established by the MOHLTC. The Financial Statements reflect funding arrangements approved by the MOHLTC. The LHIN cannot authorize payments in excess of the budgetary allocation set by the MOHLTC. Due to the nature of the Accountability Agreement, the LHIN is economically dependent on the MOHLTC.

Transfer payment amounts to Health Service Providers are based on the terms of the Health Service Provider Accountability Agreements with the LHIN, including any amendments made throughout the year. During the year, the LHIN authorizes the transfer of cash to the Health Service Providers. The cash associated with the transfer payment flows directly from the MOHLTC and does not flow through the LHIN bank account.

LHIN Financial Statements do not include transfer payment funds not included in the Ministry-LHIN Accountability Agreement.

Capital assets

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments, which extend the estimated life of an asset, are capitalized.

Capital assets are amortized on a straight-line basis based on their estimated useful life as follows:

Furniture and equipment	5 years
Computer and communications equipment	3 years
Leasehold improvement	Over the lease term

For assets acquired or brought into use, during the year, amortization is provided for a half year.

Deferred capital contributions

Contributions received for the purchase of capital assets are deferred and amortized to income at the same rate as the corresponding capital asset.

Financial instruments

Financial assets and liabilities are measured at amortized cost, with the exception of cash that is measured at fair value. Financial instruments measured at amortized cost 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.

Write-downs 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 write-down being recognized in the Statement of Operations.

2. Significant accounting policies (continued)

Employee future benefits

The LHIN accrues its obligations for sick leave and post-employment benefit plans as the employees render the services necessary to earn the benefits. The actuarial determination of the accrued benefit obligations uses the projected benefit method prorated on service (which incorporates management's best estimate of future salary levels, other cost escalation, retirement ages of employees and other actuarial factors). Under this method, the benefit costs are recognized over the expected average service life of the employee group.

Actuarial gains and losses on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The excess of the future actuarial gains and losses will be amortized over the estimated average remaining service life of the employees (7.5 to 11.6 years). The most recent actuarial valuation of the sick leave plan and the benefit plan was as of March 31, 2018.

Substantially all of the employees of the LHIN are eligible to be members of the Health Care of Ontario Pension Plan ("HOOPP"), which is a multi-employer, defined benefit, final average earnings and contributory pension plan. Defined contribution plan accounting is applied to HOOPP as the LHIN has insufficient information to apply defined benefit accounting.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 reporting period. Significant estimates include depreciation rates for capital assets and certain accruals. Actual results could differ from those estimates.

3. Funding repayable to the MOHLTC

In accordance with the MLAA, the LHIN is required to be in a balanced position at year end. Thus, any funding received in excess of expenses incurred, is required to be returned to the MOHLTC.

The amount due to the MOHLTC at March 31 is made up as follows:

	2019	2018
	$	$
Due from MOHLTC, beginning of year	**2,370,614**	—
Due from MOHLTC, transferred from NE CCAC	**—**	(439,490)
Funding received from MOHLTC	**—**	439,490
Funding repaid to MOHLTC	**(2,370,614)**	—
Funding repayable to the MOHLTC related to current year activities	**757,472**	2,370,614
Due to MOHLTC, end of year	**757,472**	2,370,614

4. Enabling Technologies for Integration Project Management Office

Effective Fiscal 2016 the LHIN entered into an agreement with South East, North West, and Champlain LHIN's (the "Cluster") in order to enable the effective and efficient delivery of e-health programs and initiatives within the geographic area of the Cluster. Under the agreement, decisions related to the financial and operating activities of the Enabling Technologies for Integration Project Management Office are shared. No LHIN is in a position to exercise unilateral control.

The LHIN's financial statement reflects its share of the MOHLTC funding for Enabling Technologies for Integration Project Management Offices for its Cluster and related expenses. During the year, the LHIN received funding from Champlain LHIN of $510,000 ($510,000 in 2018).

5. Related party transactions

Health Shared Services Ontario (HSSO)

HSSO is a provincial agency established January 1, 2017 by O. Reg. 456/16 made under LHSIA with objects to provide shared services to LHINs in areas that include human resources management, logistics, finance and administration and procurement. HSSO as a provincial agency is subject to legislation, policies and directives of the Government of Ontario and the Memorandum of Understanding between HSSO and the Minister of Health and Long-Term Care.

6. Capital assets

	Cost **$**	**Accumulated amortization** **$**	**2019 Net book value** **$**	2018 Net book value $
Furniture and equipment	**1,077,866**	**973,837**	**104,029**	94,664
Computer equipment	**1,476,624**	**1,358,271**	**118,353**	53,530
Leasehold improvements	**4,429,598**	**3,693,141**	**736,457**	955,006
	6,984,088	**6,025,249**	**958,839**	1,103,200

7. Employee future benefits

The North East Local Health Integration Network provides for the reimbursement of medical and some life insurance expenses to certain retired employees provided that specified conditions are met. The LHIN provides 50% of accumulated sick leave entitlement not taken by certain employees, on their departure, provided certain conditions are met. The LHIN provided for a non-vesting benefit where it accrues to employees. An actuarial calculation of the future liabilities thereof has been made and forms the basis for the liability reported in these financial statements.

7. Employee future benefits (continued)

The significant assumptions used are as follows (weighted-average):

	Vested and non-vested sick leave	Post-employment benefit obligation
Discount rate	**3.18%**	**3.18%**
Rate of compensation increases	**4%**	**4%**
Health care costs trend rate	**—**	**6.5% trending to 4% over a 10 year period**

Information about the LHIN's benefit plans in aggregate is as follows:

	Vested and non-vested sick leave $	Other employee future benefits $	Total $
Balance, beginning of year	2,593,725	1,908,485	4,502,210
Benefit cost	150,317	60,490	210,807
Interest cost	81,115	40,335	121,450
Benefits paid	(128,192)	(41,455)	(169,647)
Amortization of actuarial gains	(17,229)	(85,577)	(102,806)
Employee future benefit liability, March 31, 2019	**2,679,736**	**1,882,278**	**4,562,014**
Obligation	2,534,096	1,269,576	3,803,672
Unamortized net actuarial gains	145,640	612,702	758,342
Employee future benefit liability, March 31, 2019	**2,679,736**	**1,882,278**	**4,562,014**

Employee future benefits expense

	Vested and non-vested sick leave $	Other employee future benefits $	Total $
Benefit cost	**150,317**	**60,490**	**210,807**
Interest on accrued benefit obligation	**81,115**	**40,335**	**121,450**
Amortization charges	**(17,229)**	**(85,577)**	**(102,806)**
Employee future benefits expense	**214,203**	**15,248**	**229,451**

7. Employee future benefits (continued)

Employee future benefits expense (continued)

A total expense of $59,704 is included in salaries in wages in the statement of operations. The Ministry does not fund the full actuarial expense, but rather the actual payments made during the year. The funded portion of the overall expense is reported through the unrestricted fund, the unfunded portion is reported in the employment benefit fund as follows:

	Vested and non-vested sick leave $	**Other future benefits $**	**Total $**
Benefit expense	**214,203**	**15,248**	**229,451**
Funded portion of expense	**(128,192)**	**(41,555)**	**(169,747)**
Unfunded portion of expense	**86,011**	**(26,307)**	**59,704**

8. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of capital assets. Deferred capital contributions are amortized to income at the same rate as the corresponding capital asset. The changes in the deferred capital contributions balance are as follows:

	2019 $	2018 $
Balance, beginning of year	**1,103,200**	155,347
Capital contributions received during the year	**185,123**	54,065
Capital contributions transferred from NE CCAC		1,294,531
Amortization for the year	**(329,484)**	(400,743)
Balance, end of year	**958,839**	1,103,200

9. Commitments

The LHIN has commitments under various operating leases as follows:

	$
2020	1,989,381
2021	1,566,713
2022	1,425,456
2023	1,111,288
Thereafter	284,803

10. Contingencies

The LHIN enters into accountability agreements with Health Service Providers which include planned funding targets. The actual funding provided by the LHIN is contingent on the MOHLTC providing the funding.

The LHIN has been named as defendants in various claims. Based on the opinion of legal counsel as to the realistic estimates of the merits of these actions and the LHINs potential liability, management believes any liability resulting from these actions would be adequately covered by existing liability insurance.

11. Change in non-cash working capital balance

	2019	2018
	$	$
Due from MOHLTC	**3,231,358**	9,850,380
Accounts Receivable	**(236,458)**	791,420
Prepaid expenses	**3,531**	808,733
Accounts payable and accrued liabilities	**3,404,646**	2,095,411
Due to Health Service Providers	**(3,231,358)**	(9,850,380)
Due to MOHLTC	**(1,613,142)**	2,370,614
Deferred revenue	**(16,438)**	(430,553)
Employee Future benefits	**59,804**	211,871
	1,601,943	5,847,496

12. Pension Plan

The LHIN contributes to the Healthcare of Ontario Pension Plan ("HOOPP"), which is a multi-employer plan, on behalf of approximately 725 members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay. The amount contributed to HOOPP for fiscal 2019 was $4,845,083 ($3,976,864 in 2018) for current service costs and is included as an expense in the 2019 Statement of Financial Operations. The last actuarial valuation was completed for the plan as of December 31, 2018. At that time, the plan was fully funded.

13. Transfer payment to HSPs

The LHIN has authorization to allocate funding of $1,442,229,069 to various HSPs in its geographic area. The LHIN approved transfer payments to various sectors in 2019 as follows:

	2019 **$**	2018 $
Operations of hospitals	**1,008,095,806**	972,977,062
Grants to Compensate for Municipal Taxation – Public Hospitals	**211,725**	211,725
Long-Term Care Homes	**238,001,117**	230,103,100
Community Care Access Centers	**—**	23,787,521
Community Support Services	**44,315,999**	40,708,612
Acquired Brain Injury	**3,845,583**	3,779,279
Assisted Living Services in Supportive Housing	**25,044,847**	24,297,247
Community Health Centers	**24,168,612**	20,081,307
Community Mental Health	**71,025,764**	65,033,349
Substance Abuse and Gambling Problem	**27,519,616**	25,292,679
	1,442,229,069	1,406,271,881

The LHIN receives funding from the MOHLTC and in turn allocates it to the HSPs. As at March 31, 2019, an amount of $2,675,961 ($5,907,319 in 2018) was receivable from the MOHLTC, and was payable to HSPs. These amounts have been reflected as revenue and expenses in the Statement of operations and are included in the table above.

Effective May 31, 2017 the LHIN assumed the assets, liabilities, rights and obligations of the Central West Community Care Access Centre (CCAC). The 2018 comparative amount reported in respect of the CCAC in the table above represents funding provided to the CCAC up to the date of transfer.

14. Board expenses

The following provides the details of Board expenses reported in the Statement of operations:

	2019 **$**	2018 $
Board Chair per diem expenses	**57,987**	63,600
Other Board members' per diem expenses	**70,998**	65,165
Other governance and travel	**45,619**	58,784
	174,604	187,549

15. Financial risk

The LHIN through its exposure to financial assets and liabilities, has exposure to credit risk and liquidity risk as follows:

Credit risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and incur a financial loss. The maximum exposure to credit risk is the carrying value reported in the statement of financial position. Credit risk is mitigated through collection practices and the diverse nature of amounts with accounts receivable.

Liquidity risk is the risk that the LHIN will not be able to meet all cash flow obligations as they come due. The LHIN mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and cash flow analysis.

16. Accumulated non-vesting sick pay

The accumulated non-vesting sick pay comprises the sick pay benefits that accumulated but do not vest. These adjustments are not funded by the Ontario Ministry of Health and Long-Term Care.

17. Guarantees

The LHIN is subject to the provisions of the Financial Administration Act. As a result, in the normal course of business, the LHIN may not enter into agreements that include indemnities in favor of third parties, except in accordance with the Financial Administration Act and the related Indemnification Directive.

An indemnity of the Chief Executive Officer was provided directly by the LHIN pursuant to the terms of the Local Health System Integration Act, 2006 and in accordance with s.28 of the Financial Administration Act.

18. The People's Health Care Act

On April 18, 2019, *The People's Health Care Act* (the "Act") received Royal Assent. This legislation is a key component of the government's plan to build a modern, sustainable and integrated health care system. The Act grants the Minister of Health and Long-Term Care (the "Minister") the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations, including the LHIN, into Ontario Health (a new Crown Agency created by the Act), a health service provider, or an integrated care delivery system. The Act also grants the Minister the power to dissolve these organizations.

On March 8, 2019, the members of the board of directors of Ontario Health were appointed to also constitute the board of the LHIN. The board of directors of Ontario Health is tasked with overseeing the transition process of transferring multiple provincial agencies into Ontario Health. Following the transfer the LHIN would be dissolved.

The transition process is expected to occur over a number of years. A potential transfer and dissolution date is currently unknown. In the meantime, the LHIN continues to operate as required under the Local Health System Integration Act, 2006 and in accordance with its accountability agreement with the Minister.

Financial statements of

North Simcoe Muskoka Local Health Integration Network

March 31, 2019

Deloitte LLP
400 Applewood Crescent
Suite 500
Vaughan ON L4K 0C3
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Independent Auditor's Report

To the Board of Directors of
North Simcoe Muskoka Local Health Integration Network

Audit Opinion

We have audited the accompanying financial statements of North Simcoe Muskoka Local Health Integration Network (the "LHIN"), which comprise the statement of financial position as at March 31, 2019 and the statements of operations and changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements"). We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the LHIN as at March 31, 2019, and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 LHIN 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.

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

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

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

Those charged with governance are responsible for overseeing the LHIN'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 GAAS 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 GAAS, 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 LHIN'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 LHIN'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 LHIN 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 14, 2019

North Simcoe Muskoka Local Health Integration Network

Statement of financial position

As at March 31, 2019

	Notes	2019 $	2018 $
Assets			
Current assets			
Cash		**14,294,306**	12,632,344
Due from Ministry of Health and Long-Term Care ("MOHLTC")	13	**1,541,433**	4,028,807
Due from Central West LHIN	4	**39,059**	—
Accounts receivable		**736,810**	1,446,338
Prepaid expenses		**252,947**	310,136
		16,864,555	18,417,625
Rental, security and benefit deposits		**88,856**	84,414
Capital assets	6	**86,391**	149,649
		17,039,802	18,651,688
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**13,687,176**	12,343,019
Due to Health Service Providers ("HSPs")	13	**322,333**	3,606,607
Due to MOHLTC	3	**2,435,589**	2,109,646
Due to Central West LHIN	4	**—**	7,992
Due to Cancer Care Ontario		**68,010**	15,539
Deferred revenue		**84,161**	17,362
		16,597,269	18,100,165
Post-employement benefits and compensated absences	11	**1,361,200**	1,364,800
Deferred capital contributions	7	**86,391**	149,649
		18,044,860	19,614,614
Commitments	8		
Net liabilities		**(1,005,058)**	(962,926)
		17,039,802	18,651,688

The accompanying notes are an integral part of the financial statements.

Approved by the Board of Directors:

William Hatanaka, Board Chair

Garry Foster, Audit Committee Chair

North Simcoe Muskoka Local Health Integration Network

Statement of operations

Year ended March 31, 2019

	Notes	2019 Actual $	2018 Actual $
Revenue			
MOHLTC funding – transfer payments	13	**864,106,108**	826,586,599
MOHLTC funding – Operations and Initiatives		**111,682,148**	101,841,146
Interest income		**—**	171,866
Amortization of deferred capital contributions	7	**63,257**	181,281
Other revenue		**1,662,130**	2,510,392
Total LHIN Operations, Initiatives, Amortization		**113,407,535**	104,704,685
		977,513,643	931,291,284
Expenses			
HSP transfer payments	13	**864,106,108**	826,586,599
Operations and initiatives			
Contracted out			
In-home/clinic services		**62,162,466**	58,114,577
School services		**3,461,340**	3,314,644
Hospice services		**2,255,264**	2,080,210
Other		**842,751**	783,324
Salaries and benefits		**34,495,410**	30,728,272
Medical supplies		**5,053,156**	4,029,606
Medical equipment rental		**1,680,430**	1,714,811
Supplies and sundry		**1,251,823**	1,536,983
Equipment – other		**651,872**	721,644
Building and ground		**1,183,941**	1,151,962
Amortization		**63,257**	181,281
Repairs and maintenance		**305,825**	306,548
LHIN Operations, Initiatives, Amortization		**113,407,535**	104,663,862
Total expenses		**977,513,643**	931,250,461
Excess of revenue over expenses before the undernoted		**—**	40,823
Unfunded employee benefit expense	11	**3,600**	(11,840)
Expenditures from care fund	17	**(45,732)**	(35,723)
Net liabilities assumed on transition		**—**	(956,186)
Excess of expenses over revenue		**(42,132)**	(962,926)

The accompanying notes are an integral part of the financial statements.

North Simcoe Muskoka Local Health Integration Network

Statement of changes in net financial assets

Year ended March 31, 2019

	Unrestricted	Care Fund	Employee benefits	2019 Total	2018 Actual
	$	$	$	$	$
Net assets, beginning of year	**—**	**401,874**	**(1,364,800)**	**(962,926)**	—
Excess of (expenses over revenue) revenue over expenses before the undernoted	**—**	**(45,732)**	**3,600**	**(42,132)**	(6,740)
Net liabilities assumed on transition	**—**	**—**	**—**	**—**	(956,186)
Net liabilities, end of year	**—**	**356,142**	**(1,361,200)**	**(1,005,058)**	(962,926)

The accompanying notes are an integral part of the financial statements.

North Simcoe Muskoka Local Health Integration Network

Statement of cash flows

Year ended March 31, 2019

	2019 $	2018 $
Operating activities		
Excess of expenses over revenue	**(42,132)**	(962,926)
Cash received on transition	**—**	10,919,668
Net liabilities assumed on transition	**—**	956,186
Less amounts not affecting cash		
Amortization of capital assets	**63,257**	181,281
Amortization of deferred capital contributions	**(63,257)**	(181,281)
	(42,132)	10,912,928
Changes in non-cash working capital items	**1,704,094**	1,136,206
	1,661,962	12,049,134
Investing activities		
Purchase of capital assets	**—**	(45,949)
Increase in deferred contributions	**—**	45,949
	—	—
Net increase in cash	**1,661,962**	12,049,134
Cash, beginning of year	**12,632,344**	583,210
Cash, end of year	**14,294,306**	12,632,344

The accompanying notes are an integral part of the financial statements.

1. Description of business

The North Simcoe Muskoka Local Health Integration Network was incorporated by Letters Patent on June 2, 2005 as a corporation without share capital. Following Royal Assent to Bill 36 on March 28, 2006, it was continued under the Local Health System Integration Act, 2006 (the "Act") as the North Simcoe Muskoka Local Health Integration Network (the "LHIN") and its Letters Patent were extinguished. As an agent of the Crown, the LHIN is not subject to income taxation.

The LHIN is, and exercises its powers only as, an agent of the Crown. Limits on the LHIN's ability to undertake certain activities are set out in the Act.

The mandate of the LHIN is as follows:

(a) Plan, fund and integrate the local health system within its geographic area. The LHIN spans carefully defined geographical areas and allows for local communities and health care providers within the geographical area to work together to identify local priorities, plan health services and deliver them in a more coordinated fashion. The LHIN covers the municipalities of Muskoka, most of Simcoe County, and part of Grey County. The LHIN enters into service accountability agreements with health service providers.

The LHIN has also entered into an accountability agreement with the Ministry of Health and Long-Term Care ("MOHLTC"), which provides the framework for LHIN accountabilities and activities.

All funding payments to LHIN managed Health Service Providers are flowed through the LHIN's financial statements. Funding payments authorized by the LHIN to Health Service Providers, are recorded in the LHIN's Financial Statements as revenue from the MOHLTC and as transfer payment expenses to Health Service Providers.

(b) Provision of home and community services include health and related social services, medical supplies and equipment for the care of persons in home and community settings and to provide goods and services to assist caregivers in the provision of care for such persons, to manage the placement of persons into long-term care homes, supportive housing programs, chronic care and rehabilitation beds in hospitals, and to provide information to the public about, and make referrals to, health and social services.

2. Significant accounting policies

The financial statements of the LHIN are the representations of management, prepared in accordance with Canadian public sector accounting standards including the 4200 series standards for government not-for-profit organizations as issued by the Public Sector Accounting Board. Significant accounting policies adopted by the LHIN are as follows:

Revenue recognition

The LHIN follows the deferral method of accounting for contributions. Contributions from the MOHLTC represent externally restricted contributions which must be spent within the fiscal year provided. Unspent contributions from the MOHLTC are set up as repayable to the MOHLTC at the end of the year. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Ministry of Health and Long-Term Care Funding

The LHIN is funded by the Province of Ontario in accordance with the Ministry-LHIN Accountability Agreement ("MLAA"), which describes budgetary arrangements established by the MOHLTC. The Financial Statements reflect funding arrangements approved by the MOHLTC. The LHIN cannot authorize payments in excess of the budgetary allocation set by the MOHLTC. Due to the nature of the Accountability Agreement, the LHIN is economically dependent on the MOHLTC.

2. Significant accounting policies (continued)

Transfer payment amounts to Health Service Providers are based on the terms of the Health Service Provider Accountability Agreements with the LHIN, including any amendments made throughout the year. During the year, the LHIN authorizes the transfer of cash to the Health Service Providers. The cash associated with the transfer payment flows directly from the MOHLTC and does not flow through the LHIN bank account.

LHIN Financial Statements do not include transfer payment funds not included in the Ministry-LHIN Accountability Agreement.

Capital assets

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expenses when incurred. Betterments which extend the estimated life of an asset are capitalized.

Capital assets are amortized on a straight-line basis based on their estimated useful life as follows:

Computer Equipment	4 years
Computer Software	3 years
Equipment	5 years
Leasehold improvement	Life of lease
Furniture and fixtures	10 years
Telephone system	10 years

Deferred capital contributions

Contributions received for the purchase of capital assets are deferred and amortized to income at the same rate as the corresponding capital asset.

Employment benefits and compensated absences

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

(a) The costs of post-employment future benefits are actuarially determined using management's best estimate of heath care costs, expected salary escalation, retirement ages of employees and discount rates. Adjustments to these costs arising from the changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight-line basis.

(b) The costs of multi-employer defined benefit pension are the employer's contributions due to the plan in the period.

(c) The cost of non-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.

(d) The discount rate used in the determination of the above liabilities is management's best estimate of the LHIN's cost of borrowing.

2. Significant accounting policies (continued)

Financial instruments

Financial assets and liabilities are measured at amortized cost, with the exception of cash that is measured at fair value. Financial instruments measured at amortized cost 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.

Write-downs 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 write-down being recognized in the Statement of Operations.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 reporting period. Significant estimates include depreciation rates for capital assets and certain accruals. Actual results could differ from those estimates.

3. Funding repayable to the MOHLTC

In accordance with the MLAA, the LHIN is required to be in a balanced position at year end. Thus, any funding received in excess of expenses incurred, is required to be returned to the MOHLTC.

The amount due to the MOHLTC at March 31 is made up as follows:

	2019	2018
	$	$
Due to MOHLTC, beginning of year	**2,109,646**	119,762
Due to MOHLTC acquired from NSM CCAC	**—**	2,406,743
Funding adjustment related to prior year activities	**(422,200)**	—
Funding repaid to MOHLTC during the current year	**(11,754)**	(2,266,648)
Interest earned on bank balances	**358,446**	—
Funding repayable to the MOHLTC related to current year activities	**401,451**	— 1,849,789
Due to MOHLTC, end of year	**2,435,589**	2,109,646

4. Enabling Technologies for Integration Project Management Office

Effective February 1, 2012, the LHIN entered into an agreement with Central, Central West, Central East, Toronto Central, and Mississauga Halton LHINs (the "Cluster") in order to enable the effective and efficient delivery of e-health programs and initiatives within the geographic area of the Cluster. Under the agreement, decisions related to the financial and operating activities of the Enabling Technologies for Integration Project Management Office are shared. No LHIN is in a position to exercise unilateral control.

4. Enabling Technologies for Integration Project Management Office (continued)

The LHIN's financial statement reflects its share of the MOHLTC funding for Enabling Technologies for Integration Project Management Offices for its Cluster and related expenses. During the year, the LHIN received funding from Central West LHIN of $250,378 ($379,500 in 2018). The LHIN incurred eligible expenditures related to this funding totalling $289,437 ($371,508 in 2018). The remaining amount receivable of $39,059 (payable of 7,992 in 2018) is reported as due from (to in 2018) Central West LHIN on the statement of financial position.

5. Related party transactions

Health Shared Services Ontario (HSSO)

HSSO is a provincial agency established January 1, 2017 by O. Reg. 456/16 made under the Local Health System Integration Act, 2006 with objects to provide shared services to LHINs in areas that include human resources management, logistics, finance and administration and procurement. HSSO as a provincial agency is subject to legislation, policies and directives of the Government of Ontario and the Memorandum of Understanding between HSSO and the Minister of Health and Long-Term Care.

6. Capital assets

	Cost **$**	**Accumulated depreciation** **$**	**2019 Net book value** **$**	2018 Net book value $
Computer equipment	**270,314**	**207,833**	**62,481**	84,292
Computer software	**124,147**	**124,147**	**—**	—
Equipment	**328,070**	**316,178**	**11,892**	16,648
Leasehold improvements	**2,095,831**	**2,092,898**	**2,933**	15,390
Furniture and fixtures	**1,249,230**	**1,245,251**	**3,979**	23,107
Phone system	**538,086**	**532,980**	**5,106**	10,212
	4,605,678	**4,519,287**	**86,391**	149,649

7. Deferred capital contributions

The changes in the deferred capital contributions balance are as follows:

	2019 **$**	2018 $
Balance, beginning of year	**149,648**	125,705
Capital contributions acquired from NSM CCAC	**—**	159,276
Capital contributions received during the year	**—**	45,948
Amortization for the year	**(63,257)**	(181,281)
Balance, end of year	**86,391**	149,648

8. Lease commitments

The LHIN has commitments under various operating leases expiring 2023 as follows:

	$
2020	1,281,704
2021	945,186
2022	427,214
2023	28,090
	2,682,194

9. Contingencies

The LHIN enters into accountability agreements with Health Service Providers, which include planned funding targets. The actual funding provided by the LHIN is contingent on the MOHLTC providing the funding.

The LHIN has been named as defendants in various claims. Based on the opinion of legal counsel as to the realistic estimates of the merits of these actions and the LHINs potential liability, management believes any liability resulting from these actions would be adequately covered by existing liability insurance.

10. Additional information to the statement of cash flows

	2019 **$**	2018 $
Due from MOHLTC	**2,487,374**	(3,361,016)
Due from Central West LHIN	**(39,059)**	—
Accounts receivable	**709,528**	(569,176)
Prepaid expenses	**57,189**	289,061
Rental security deposit	**(4,442)**	(84,414)
Accounts payable and accrued liabilities	**1,344,157**	1,889,807
Due to Health Service Providers ("HSP's")	**(3,284,274)**	3,455,607
Due to MOHLTC	**325,943**	(175,721)
Due to Central West LHIN	**(7,992)**	(3,838)
Due to Cancer Care Ontario	**52,471**	15,539
Deferred revenue	**66,799**	(331,483)
Employee future benefits	**(3,600)**	11,840
Total change in non-cash operating items	**1,704,094**	1,136,206

11. Post-employment benefits and compensated absences liabilities

The LHIN records estimated post-employment benefits and compensated absences in the year they are earned. These liabilities are actuarially determined.

Post-employment benefits

The LHIN extends post-employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The LHIN contributes 50% towards the premiums for these benefits for its non-union retirees. The LHIN recognizes these benefits as they are earned during the employees' tenure of service. The related benefit liability was determined by an actuarial valuation for accounting purposes as at March 31, 2019.

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

	$
Salary grid placement	**2.00%**
Health care cost escalation	**6.00%**
Dental costs escalation	**2.75%**
Discount on accrued benefit obligations	**3.10%**

Non-vesting sick leave

The LHIN allocates to certain employee groups a specified number of days each year for use as paid absences in the event of illness or injury. These days do not vest and are available immediately. Employees are permitted to accumulate their unused allocation each year, up to the allowable maximum provided in their employment agreements. Accumulated days may be used in future years to the extent that the employees' illness or injury exceeds the current year's allocation of days. Sick days are paid out at the salary in effect at the time of usage. The related benefit liability was determined by an actuarial valuation for accounting purposes as at March 31, 2019.

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

	$
Salary grid placement	**2.00%**
Discount rates	**3.10%**

The post-employment liability is determined as follows:

	Post-employment benefits $	Non-vesting sick leave $	Total liability $
Accrued employee future benefit obligations	**799,400**	**491,700**	**1,291,100**
Unamortized actuarial losses	**183,900**	**(113,800)**	**70,100**
Total liability	**983,300**	**377,900**	**1,361,200**

11. Post-employment benefits and compensated absences liabilities (continued)

Non-vesting sick leave (continued)

The benefit expense for the year is as follows:

	Post-employment benefits $	Non-vesting sick leave $	Total expense $
Current period benefit cost	**30,900**	**66,800**	**97,700**
Interest on accrued benefit obligation	**24,500**	**15,600**	**40,100**
Amortized actuarial losses/gains	**(19,000)**	**10,200**	**(8,800)**
Total actuarial expense	**36,400**	**92,600**	**129,000**

The unfunded portion of benefit expense of $(3,600), ($11,840 in 2018)

12. Pension plan

The LHIN contributes to the Healthcare of Ontario Pension Plan ("HOOPP"), which is a multi-employer plan, on behalf of approximately 430 members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay. The amount contributed to HOOPP for fiscal 2019 was $2,505,359 ($2,252,581 in 2018) for current service costs and is included as an expense in the 2018 Statement of Financial Operations. The last actuarial valuation was completed for the plan as of December 31, 2018. At that time, the plan was fully funded.

13. Transfer payment to HSPs

The LHIN has authorization to allocate funding of $864,106,108 ($826,586,599 in 2018) to various HSPs in its geographic area. The LHIN approved transfer payments to various sectors in 2018 as follows:

	2019 $	2018 $
Operations of hospitals	**493,927,605**	465,319,108
Grants to compensate for municipal taxation – public hospitals	**79,500**	77,625
Long-Term Care Homes	**156,681,645**	150,505,848
Community Care Access Centres	**—**	9,179,465
Community support services	**16,910,992**	15,614,653
Assisted living services in supportive housing	**12,372,595**	9,670,159
Community health centres	**12,394,177**	12,741,392
Community mental health	**32,729,564**	29,203,855
Addictions program	**7,077,662**	6,153,542
Specialty psychiatric hospitals	**130,700,664**	126,887,428
Grants to compensate for municipal taxation – psychiatric hospitals	**23,400**	23,400
Acquired brain injury	**1,208,304**	1,210,124
	864,106,108	826,586,599

13. Transfer payment to HSPs (continued)

The LHIN receives funding from the MOHLTC and in turn allocates it to the HSPs. As at March 31, 2019, an amount of $322,333 ($3,606,607 in 2018) was receivable from the MOHLTC and included as due from the MOHLTC in the statement of financial position. The amount of $322,333 was payable to HSPs and is included in the table above. Amounts have been reflected as revenue and expenses in the statement of operations.

Effective May 3, 2017 the LHIN assumed the assets, liabilities, rights and obligations of the North Simcoe Muskoka CCAC. The 2018 comparative amounts reported in respect of Community Care Access Centres (CCAC) in the table above represents funding provided to the CCAC up to the date of the transfer.

14. Financial risk

The LHIN through its exposure to financial assets and liabilities, has exposure to credit risk and liquidity risk as follows:

Credit risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and incur a financial loss. The maximum exposure to credit risk is the carrying value reported in the statement of financial position. Credit risk is mitigated through collection practices and the diverse nature of amounts with accounts receivable.

Liquidity risk is the risk that the LHIN will not be able to meet all cash flow obligations as they come due. The LHIN mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and cash flow analysis.

15. Guarantees

The LHIN is subject to the provisions of the Financial Administration Act. As a result, in the normal course of business, the LHIN may not enter into agreements that include indemnities in favor of third parties, except in accordance with the Financial Administration Act and the related Indemnification Directive.

An indemnity of the Chief Executive Officer was provided directly by the LHIN pursuant to the terms of the Local Health System Integration Act, 2006 and in accordance with s.28 of the Financial Administration Act.

16. Board expenses

The following provides the details of Board expenses reported in the statement of operations:

	2019	2018
	$	$
Board Chair per diem expenses	**31,850**	56,359
Other Board members' per diem expenses	**35,750**	80,504
Other governance and travel	**10,475**	28,238
	78,075	165,101

17. Care Fund

The Care Fund is an internally restricted fund. Charitable donations received by the CCAC are used to support Care Fund activities. The Care Fund is used to support patient needs including caregiver respite and the purchase of medical equipment. Funds are also used to support staff education and organizational development activities.

18. The People's Health Care Act

On April 18, 2019, *The People's Health Care Act* (the "Act") received Royal Assent. This legislation is a key component of the government's plan to build a modern, sustainable and integrated health care system. The Act grants the Minister of Health and Long-Term Care (the "Minister") the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations, including the LHIN, into Ontario Health (a new Crown Agency created by the Act), a health service provider, or an integrated care delivery system. The Act also grants the Minister the power to dissolve these organizations.

On March 8, 2019, the members of the board of directors of Ontario Health were appointed to also constitute the board of the LHIN. The board of directors of Ontario Health is tasked with overseeing the transition process of transferring multiple provincial agencies into Ontario Health. Following the transfer the LHIN would be dissolved.

The transition process is expected to occur over a number of years. A potential transfer and dissolution date is currently unknown. In the meantime, the LHIN continues to operate as required under the Local Health System Integration Act, 2006 and in accordance with its accountability agreement with the Minister.

Financial statements of

North West Local Health Integration Network

March 31, 2019

Deloitte LLP
400 Applewood Crescent
Suite 500
Vaughan ON L4K 0C3
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Independent Auditor's Report

To the Board of Directors of North West
Local Health Integration Network

Audit Opinion

We have audited the accompanying financial statements of North West Local Health Integration Network (the "LHIN"), which comprise the statement of financial position as at March 31, 2019 and the statements of operations and changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements"). We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the LHIN as at March 31, 2019, and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 LHIN 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.

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

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

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

Those charged with governance are responsible for overseeing the LHIN'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 GAAS 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 GAAS, 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 LHIN'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 LHIN'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 LHIN to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants
Licensed Public Accountants
June 14, 2019

North West Local Health Integration Network

Statement of financial position

As at March 31, 2019

	Notes	2019 $	2018 $
Assets			
Current assets			
Cash		**8,341,779**	6,935,590
Due from MOHLTC		**677,800**	—
Due from Ministry of Health and Long-Term Care ("MOHLTC") - HSP Transfer payments	13	**10,468,160**	8,016,497
Accounts receivable		**272,304**	380,052
Prepaid expenses		**100,920**	87,078
		19,860,963	15,419,217
Capital assets	6	**119,675**	178,360
		19,980,638	15,597,577
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**6,361,120**	5,604,421
Due to Health Service Providers ("HSPs")	13	**10,468,160**	8,016,497
Due to MOHLTC	3	**3,031,683**	1,798,299
		19,860,963	15,419,217
Deferred capital contributions	7	**119,675**	178,360
		19,980,638	15,597,577
Commitments	9		
Net assets		**—**	—
		19,980,638	15,597,577

The accompanying notes are an integral part of the financial statements.

Approved by the Board of Directors:

William Hatanaka, Board Chair

Garry Foster, Audit Committee Chair

North West Local Health Integration Network

Statement of operations and changes in net Assets

Year ended March 31, 2019

	Notes	2019 Actual $	2018 Actual $
Revenue			
MOHLTC funding - transfer payments	13	**672,628,693**	656,997,507
Base funding		**61,126,354**	50,016,826
One time funding		**886,819**	1,918,645
Other Ministry funding		**400,171**	319,121
Other revenue		**1,247,400**	768,984
Amortization of deferred capital contribution		**120,560**	89,252
		63,781,304	53,112,828
		736,409,997	710,110,335
Expenses			
HSP transfer payments	13	**672,628,693**	656,997,507
Purchased Client Services			
Nursing		**11,362,210**	8,914,356
Personal support		**18,875,477**	15,571,756
Residential hospice		**262,348**	167,704
Other healthcare services		**5,386,003**	4,366,250
Medical supplies and equipment		**3,457,347**	2,444,147
Salaries and benefits		**21,335,651**	18,586,581
Supplies & sundry		**1,848,506**	2,211,830
Building and ground		**1,133,202**	990,799
Amortization		**120,560**	89,252
		63,781,304	53,342,675
		736,409,997	710,340,182
Excess of expenses over revenue before the undernoted		**—**	(229,847)
Net assets assumed on transition		**—**	229,847
Excess of revenue over expenses		**—**	—
Net assets, beginning of year		**—**	—
Net assets, end of year		**—**	—

The accompanying notes are an integral part of the financial statements.

North West Local Health Integration Network

Statement of cash flows

Year ended March 31, 2019

	Notes	2019 $	2018 $
Operating activities			
Excess of revenue over expenses		**—**	—
Cash received on transition		**—**	2,758,941
Net assets assumed on transition		**—**	(229,847)
Less amounts not affecting cash			
Amortization of capital assets		**120,560**	89,252
Amortization of deferred capital contributions		**(120,560)**	(89,252)
		—	2,529,094
Changes in non-cash working capital items	11	**1,406,189**	3,961,999
		1,406,189	6,491,093
Investing activity			
Purchase of capital assets		**(61,875)**	(107,911)
Financing activity			
Deferred capital contributions received		**61,875**	107,911
Net increase in cash		**1,406,189**	6,491,093
Cash, beginning of year		**6,935,590**	444,497
Cash, end of year		**8,341,779**	6,935,590

The accompanying notes are an integral part of the financial statements.

1. Description of Business

The North West Local Health Integration Network was incorporated by Letters Patent on June 16, 2005 as a corporation without share capital. Following Royal Assent to Bill 36 on March 28, 2006, it was continued under the Local Health System Integration Act, 2006 (the "Act") as the North West Local Health Integration Network (the "LHIN") and its Letters Patent were extinguished. As an agent of the Crown, the LHIN is not subject to income taxation.

The LHIN is, and exercises its powers only as, an agent of the Crown. Limits on the LHIN's ability to undertake certain activities are set out in the Act.

The mandate of the LHIN is as follows:

(a) Plan, fund and integrate the local health system within its geographic area. The LHIN spans carefully defined geographical areas and allows for local communities and health care providers within the geographical area to work together to identify local priorities, plan health services and deliver them in a more coordinated fashion. The LHIN covers the Districts of Thunder Bay, Rainy River and most of Kenora. The LHIN enters into service accountability agreements with health service providers.

The LHIN has also entered into an accountability agreement with the Ministry of Health and Long Term Care ("MOHLTC"), which provides the framework for LHIN accountabilities and activities.

All funding payments to LHIN managed Health Service Providers are flowed through the LHIN's financial statements. Funding payments authorized by the LHIN to Health Service Providers, are recorded in the LHIN's Financial Statements as revenue from the MOHLTC and as transfer payment expenses to Health Service Providers.

(b) Provision of community services within its geographic area. These services include health and related social services, medical supplies and equipment for the care of persons in home and community settings and to provide goods and services to assist caregivers in the provision of care for such persons, to manage the placement of persons into long-term care homes, supportive housing programs, chronic care and rehabilitation beds in hospitals, and to provide information to the public about, and make referrals to, health and social services.

2. Significant accounting policies

The financial statements of the LHIN are the representations of management, prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations including the 4200 series standards, as issued by the Public Sector Accounting Board. Significant accounting policies adopted by the LHIN are as follows:

Revenue recognition

The LHIN follows the deferral method of accounting for contributions. Contributions from the MOHLTC represent externally restricted contributions which must be spent within the fiscal year provided. Unspent contributions from the MOHLTC are set up as repayable to the MOHLTC at the end of the year. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Ministry of Health and long-term care Funding

The LHIN is funded by the Province of Ontario in accordance with the Ministry-LHIN Accountability Agreement ("MLAA"), which describes budgetary arrangements established by the MOHLTC. The Financial Statements reflect funding arrangements approved by the MOHLTC. The LHIN cannot authorize payments in excess of the budgetary allocation set by the MOHLTC. Due to the nature of the Accountability Agreement, the LHIN is economically dependent on the MOHLTC.

2. Significant accounting policies (continued)

Ministry of Health and long-term care Funding (continued)

Transfer payment amounts to Health Service Providers are based on the terms of the Health Service Provider Accountability Agreements with the LHIN, including any amendments made throughout the year. During the year, the LHIN authorizes the transfer of cash to the Health Service Providers. The cash associated with the transfer payment flows directly from the MOHLTC and does not flow through the LHIN bank account.

LHIN Financial Statements do not include transfer payment funds not included in the Ministry-LHIN Accountability Agreement.

Capital assets

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments, which extend the estimated life of an asset, are capitalized

Capital assets are amortized on a straight-line basis based on their estimated useful life as follows:

Furniture and equipment	5 years
Computer equipment	3 years
Leasehold improvements	5 years

For assets acquired or brought into use, during the year, amortization is provided for a full year.

Deferred capital contributions

Contributions received for the purchase of capital assets are deferred and amortized to income at the same rate as the corresponding capital asset.

Financial instruments

Financial assets and liabilities are measured at amortized cost, with the exception of cash that is measured at fair value. Financial instruments measured at amortized cost 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.

Write-downs 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 write-down being recognized in the statement of operations and changes in net assets.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 reporting period. Significant estimates include depreciation rates for capital assets and certain accruals. Actual results could differ from those estimates.

3. Funding repayable to the MOHLTC

In accordance with the MLAA, the LHIN is required to be in a balanced position at year end. Thus, any funding received in excess of expenses incurred, is required to be returned to the MOHLTC.

3. Funding repayable to the MOHLTC (continued)

The amount due to the MOHLTC at March 31 is made up as follows:

	2019 **$**	2018 $
Due to MOHLTC, beginning of year	**1,798,299**	95,247
Funding repaid to MOHLTC	**—**	(95,247)
Funding repayable to the MOHLTC related to current year activities	**1,233,384**	1,798,299
Due to MOHLTC, end of year	**3,031,683**	1,798,299

4. Enabling technologies for integration project management office

Effective February 1, 2012 the LHIN entered into an agreement with the South East LHIN, North East LHIN and Champlain LHIN (the "Cluster") in order to enable the effective and efficient delivery of e-health programs and initiatives within the geographic area of the Cluster. Under the agreement, decisions related to the financial and operating activities of the Enabling Technologies for Integration Project Management Office are shared. No LHIN is in a position to exercise unilateral control.

The LHIN's financial statement reflects its share of the MOHLTC funding for Enabling Technologies for Integration Project Management Offices for its Cluster and related expenses. During the year, the LHIN received and expensed funding from Champlain LHIN of $479,415 ($510,000 in 2018) and incurred eligible expenses of $479,415 ($510,000 in 2018).

5. Related party transactions

Health Shared Services Ontario (HSSO)

HSSO is a provincial agency established January 1, 2017 by O. Reg. 456/16 made under LHSIA with objects to provide shared services to LHINs in areas that include human resources management, logistics, finance and administration and procurement. HSSO as a provincial agency is subject to legislation, policies and directives of the Government of Ontario and the Memorandum of Understanding between HSSO and the Minister of Health and Long-Term Care.

6. Capital assets

	Cost **$**	**Accumulated amortization** **$**	**2019 Net book value** **$**	2018 Net book value $
Computer equipment	**641,611**	**636,747**	**4,864**	17,364
Leasehold improvements	**940,742**	**931,929**	**8,813**	33,627
Furniture and equipment	**2,141,782**	**2,035,784**	**105,998**	127,369
	3,724,135	**3,604,460**	**119,675**	178,360

7. Deferred capital contributions

The changes in the deferred capital contributions balance are as follows:

	2019	2018
	$	$
Balance, beginning of year	**178,360**	80,215
Capital contributions transferred from CCAC	**—**	79,486
Capital contributions received during the year	**61,875**	107,911
Amortization for the year	**(120,560)**	(89,252)
Balance, end of year	**119,675**	178,360

8. Board costs

The following provides the details of Board expenses reported in the statement of operations and changes in net assets:

	2019	2018
	$	$
Board Chair per diem expenses	**19,025**	32,060
Other Board members' per diem expenses	**45,946**	76,965
Other governance and travel costs	**19,555**	64,321
	84,526	173,346

9. Commitments

The LHIN has commitments under various operating leases related to building and equipment extending to 2023 as follows:

	$
2020	1,127,674
2021	344,197
2022	84,062
2023	42,817
	1,598,750

The LHIN also has funding commitments to HSPs associated with accountability agreements. Minimum commitments to HSPs related to the next three years, based on the current accountability agreements, are as follows:

	$
2020	644,542,113
2021	182,931,195
2022	182,897,495

10. Contingencies

The LHIN enters into accountability agreements with Health Service Providers which include planned funding targets. The actual funding provided by the LHIN is contingent on the MOHLTC providing the funding.

11. Change in non-cash working capital balances

	2019	2018
	$	$
Due from MOHLTC	**(677,800)**	—
Due from MOHLTC - HSP transfer payment	**(2,451,663)**	(3,147,104)
Accounts receivable	**107,748**	893,640
Prepaid expenses	**(13,842)**	330
Accounts payable and accrued liabilities	**756,699**	1,377,286
Due to health service providers	**2,451,663**	3,147,104
Due to MOHLTC	**1,233,384**	1,703,052
Due to Health Shares Services Ontario	**—**	(12,309)
Total change in non-cash working capital items	**1,406,189**	3,961,999

12. Pension plan

The LHIN contributes to the Healthcare of Ontario Pension Plan ("HOOPP"), which is a multi-employer plan, on behalf of approximately 235 members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay. The amount contributed to HOOPP for fiscal 2019 was $1,675,923 ($1,404,676 in 2018) for current service costs and is included as an expense in the Statement of Financial Operations. The last actuarial valuation was completed for the plan as of December 31, 2018. At that time, the plan was fully funded.

13. Transfer payment to HSPs

The LHIN has authorization to allocate funding of $656,997,507 to various HSPs in its geographic area. The LHIN approved transfer payments to various sectors in 2017 as follows:

	2019	2018
	$	$
Operations of hospitals	**483,782,555**	469,865,639
Grants to compensate for municipal taxation – public hospitals	**105,375**	105,375
Long-Term care Homes	**83,419,461**	80,359,399
Community care access centres	**0**	11,881,866
Community support services	**16,730,518**	17,024,946
Acquired brain injury	**1,038,082**	1,039,811
Assisted living services in supportive housing	**14,772,406**	13,761,572
Community health centres	**12,368,809**	10,672,463
Community mental health program	**38,290,882**	34,098,267
Addictions program	**22,120,605**	18,188,169
	672,628,693	656,997,507

13. Transfer payment to HSPs (continued)

The LHIN receives funding from the MOHLTC and in turn allocates it to the HSPs. As at March 31, 2019, an amount of $10,468,160 ($8,016,497 in 2018) was receivable from the MOHLTC, and was payable to HSPs. These amounts have been reflected as revenue and expenses in the Statement of operations and are included in the table above.

Effective June 21, 2017 the LHIN assumed the assets, liabilities, rights and obligations of the North West Community Care Access Centre (CCAC). The 2018 comparative amounts reported in respect of the CCAC in the table above represents funding provided to the CCAC up to the date of transfer.

14. Financial risk

The LHIN through its exposure to financial assets and liabilities, has exposure to credit risk and liquidity risk as follows:

Credit risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and incur a financial loss. The maximum exposure to credit risk is the carrying value reported in the statement of financial position. Credit risk is mitigated through collection practices and the diverse nature of amounts with accounts receivable.

Liquidity risk is the risk that the LHIN will not be able to meet all cash flow obligations as they come due. The LHIN mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and cash flow analysis.

15. Guarantees

The LHIN is subject to the provisions of the Financial Administration Act. As a result, in the normal course of business, the LHIN may not enter into agreements that include indemnities in favor of third parties, except in accordance with the Financial Administration Act and the related Indemnification Directive.

An indemnity of the Chief Executive Officer was provided directly by the LHIN pursuant to the terms of the Local Health System Integration Act, 2006 and in accordance with s.28 of the Financial Administration Act.

16. The People's Health Care Act

On April 19, 2019, *The People's Health Care Act* (the "Act") received Royal Assent. This legislation is a key component of the government's plan to build a modern, sustainable and integrated health care system. The Act grants the Minister of Health and Long-Term Care (the "Minister") the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations, including the LHIN, into Ontario Health (a new Crown Agency created by the Act), a health service provider, or an integrated care delivery system. The Act also grants the Minister the power to dissolve these organizations.

On March 8, 2019, the members of the board of directors of Ontario Health were appointed to also constitute the board of the LHIN. The board of directors of Ontario Health is tasked with overseeing the transition process of transferring multiple provincial agencies into Ontario Health. Following the transfer the LHIN would be dissolved.

The transition process is expected to occur over a number of years. A potential transfer and dissolution date is currently unknown. In the meantime, the LHIN continues to operate as required under the Local Health System Integration Act, 2006 and in accordance with its accountability agreement with the Minister.

Financial statements of

South East Local Health Integration Network

March 31, 2019

Deloitte LLP
100 Queen street
Suite 1600
Ottawa ON K1P 5T8
Canada

Tel: 613-236-2442
Fax: 613-236-2195
www.deloitte.ca

Independent Auditor's Report

To the Members of the Board of Directors of the
South East Local Health Integration Network

Opinion

We have audited the accompanying financial statements of the South East Local Health Integration Network (the "LHIN"), which comprise the statement of financial position as at March 31, 2019, and the statements of operations and changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the LHIN as at March 31, 2019, and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 LHIN 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.

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

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

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

Those charged with governance are responsible for overseeing the LHIN'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 GAAS 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 GAAS, 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 LHIN'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 LHIN'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 LHIN 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 14, 2019

South East Local Health Integration Network

Statement of financial position

As at March 31, 2019

	Notes	2019 $	2018 $
Assets			
Current assets			
Cash		**20,383,312**	16,442,157
Due from Ministry of Health and Long-Term Care (MOHLTC)		**3,155,700**	1,605,381
Accounts receivable		**1,467,632**	1,879,271
Prepaid expenses		**439,346**	393,828
		25,445,990	20,320,637
Capital assets	6	**114,364**	164,409
		25,560,354	20,485,046
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**16,950,052**	14,729,345
Due to Health Service Providers (HSP)	13	**1,536,400**	1,374,710
Due to MOHLTC	3	**6,484,668**	3,639,109
Due to Champlain LHIN	4	**62,230**	65,674
Deferred revenue		**338,845**	402,215
Current portion of obligations under capital leases	7	**37,621**	35,789
		25,409,816	20,246,842
Obligations under capital leases	7	**36,174**	73,795
Deferred capital contributions	8	**114,364**	164,409
		25,560,354	20,485,046
Contingencies and commitments	9 and 10		
Net assets		**25,560,354**	20,485,046

The accompanying notes are an integral part of the financial statements.

Approved by the Board

William Hatanaka, Board Chair

Garry Foster, Audit Committee Chair

South East Local Health Integration Network

Statement of operations and changes in net assets

Year ended March 31, 2019

	Notes	2019 $	2018 $
Revenue			
MOHLTC funding – transfer payments	13	**1,090,206,013**	1,064,235,812
MOHLTC funding – Operations and initiatives		**137,882,037**	118,397,062
Interest income		**—**	207,117
Amortization of deferred capital contributions		**108,083**	180,555
Amortization of deferred restricted contributions		**59,845**	35,264
Other revenue		**2,187,416**	1,241,660
		140,237,381	120,061,658
		1,230,443,394	1,184,297,470
Expenses			
HSP transfer payments	13	**1,090,206,013**	1,064,235,812
Operations and initiatives			
Contracted out			
In-home and clinic services		**82,937,885**	70,798,260
School services		**3,848,189**	3,894,726
Hospice services		**767,939**	378,026
Salaries and benefits		**39,759,337**	33,464,048
Medical supplies		**6,693,739**	5,723,923
Medical equipment rental		**1,383,814**	1,250,195
Supplies and sundry		**3,246,651**	2,644,143
Buildings and grounds		**1,491,744**	1,290,488
Amortization		**108,083**	180,555
		140,237,381	119,624,364
		1,230,443,394	1,183,860,176
Excess of revenue over expenses before the undernoted		**—**	437,294
Net liabilities assumed on transition		**—**	(437,294)
Excess of revenue over expenses		**—**	—
Net assets, beginning of year		**—**	—
Net assets, end of year		**—**	—

The accompanying notes are an integral part of the financial statements.

South East Local Health Integration Network

Statement of cash flows

Year ended March 31, 2019

	Notes	2019 $	2018 $
Operating activities			
Excess of revenue over expenses		**—**	—
Cash received on transition		**—**	14,489,718
Net liabilities assumed on transition		**—**	437,294
Less amounts not affecting cash			
Amortization of capital assets		**108,083**	180,555
Amortization of deferred capital contributions	8	**(108,083)**	(180,555)
		—	14,927,012
Changes in non-cash operaring working capital items	11	**3,976,944**	463,779
		3,976,944	15,390,791
Investing activity			
Purchase of capital assets		**(58,038)**	(23,119)
Financing activities			
Increase in deferred capital contributions	8	**58,038**	23,119
Repayment of capital lease obligations	7	**(35,789)**	(34,048)
		22,249	(10,929)
Net increase in cash		**3,941,155**	15,356,743
Cash, beginning of year		**16,442,157**	1,085,414
Cash, end of year		**20,383,312**	16,442,157

The accompanying notes are an integral part of the financial statements.

1. Description of business

The South East Local Health Integration Network was incorporated by letters patent on June 2, 2005, as a corporation without share capital. Following Royal Assent to Bill 36 on March 28, 2006, it was continued under the *Local Health System Integration Act, 2006* (the "Act") as the South East Local Health Integration Network (the "LHIN") and its letters patent were extinguished. As an agent of the Crown, the LHIN is not subject to income taxation.

The LHIN is, and exercises its powers only as an agent of the Crown. Limits on the LHIN's ability to undertake certain activities are set out in the Act.

The mandate of the LHIN is as follows:

(a) Plan, fund and integrate the local health system within its geographic area. The LHIN spans carefully defined geographical areas and allows for local communities and health care providers within the geographical area to work together to identify local priorities, plan health services and deliver them in a more coordinated fashion. The LHIN covers most of the areas of Hastings, Prince Edward, Lennox and Addington, Frontenac, Leeds and Grenville Counties, the cities of Kingston, Belleville and Brockville, the towns of Smith Falls and Prescott, and part of Lanark and Northumberland Counties. The LHIN enters into service accountability agreements with Health Service Providers (HSP).

The LHIN has also entered into an accountability agreement with the Ministry of Health and Long Term Care (MOHLTC), which provides the framework for LHIN accountabilities and activities.

All funding payments to LHIN managed HSP are flowed through the LHIN's financial statements. Funding payments authorized by the LHIN to HSP are recorded in the LHIN's Financial Statements as revenue from the MOHLTC and as transfer payment expenses to HSP.

(b) Provision of community services: These services include health and related social services and supplies and equipment for the care of persons in home, community and other settings and to provide goods and services to assist caregivers in the provision of care for such persons, to manage the placement of persons into long-term care homes, supportive housing programs, chronic care and rehabilitation beds in hospitals, and to provide information to the public about, and make referrals to, health and social services.

2. Significant accounting policies

The financial statements of the LHIN are the representations of management and are prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations including the 4200 series standards, as issued by the Public Sector Accounting Board. Significant accounting policies adopted by the LHIN are as follows:

Revenue recognition

The LHIN follows the deferral method of accounting for contributions. Contributions from the MOHLTC represent externally restricted contributions which must be spent within the fiscal year provided. Unspent contributions from the MOHLTC are set up as repayable to the MOHLTC at the end of the year. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collected is reasonably assured.

2. Significant accounting policies (continued)

Ministry of Health and Long-Term Care Funding

The LHIN is funded by the Province of Ontario in accordance with the Ministry-LHIN Accountability Agreement (MLAA), which describes budgetary arrangements established by the MOHLTC. The financial statements reflect funding arrangements approved by the MOHLTC. The LHIN cannot authorize payments in excess of the budgetary allocation set by the MOHLTC. Due to the nature of the MLAA, the LHIN is economically dependent on the MOHLTC.

Transfer payment amounts to HSP are based on the terms of the Health Service Provider Accountability Agreements with the LHIN, including any amendments made throughout the year. During the year, the LHIN authorizes the transfer of cash to the HSP. The cash associated with the transfer payment flows directly from the MOHLTC and does not flow through the LHIN bank account.

LHIN financial statements do not include transfer payment funds not included in the MLAA.

Capital assets

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments, which extend the estimated life of an asset, are capitalized.

Capital assets are amortized on a straight-line basis based on their estimated useful life as follows:

Furniture and equipment	5 years
Computer equipment	3 years
Leasehold improvements	Over the lease term

For assets acquired or brought into use, during the year, amortization is provided for a full year.

Deferred capital contributions

Contributions received for the purchase of capital assets are deferred and amortized to income at the same rate as the corresponding capital asset.

Financial instruments

Financial assets and liabilities are measured at amortized cost, with the exception of cash that is measured at fair value. Financial instruments measured at amortized cost 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.

Write-downs 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 write-down being recognized in the statement of operations and changes in net assets.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 reporting period. Significant estimates include depreciation rates for capital assets and certain accruals. Actual results could differ from those estimates.

3. Funding repayable to the MOHLTC

In accordance with the MLAA, the LHIN is required to be in a balanced position at year end. Thus, any funding received in excess of expenses incurred, is required to be returned to the MOHLTC.

The amount due to the MOHLTC at March 31, 2019 and 2018 is made up as follows:

	2019	2018
	$	$
Due to MOHLTC, beginning of year	**3,639,109**	137,594
Funding repaid to MOHLTC	**—**	(243,159)
Funding repayable to the MOHLTC related to current year activities	**2,845,559**	3,860,984
Funding repayable to MOHLTC related to CCAC prior year activities	**—**	(116,310)
Due to MOHLTC, end of year	**6,484,668**	3,639,109

4. Enabling Technologies for Integration Project Management Office

Effective fiscal 2014 the LHIN entered into an agreement with Champlain, North East and North West LHIN's (the "Cluster") in order to enable the effective and efficient delivery of e-health programs and initiatives within the geographic area of the Cluster. Under the agreement, decisions related to the financial and operating activities of the Enabling Technologies for Integration Project Management Office are shared. No LHIN is in a position to exercise unilateral control.

The LHIN's financial statement reflects its share of the MOHLTC funding for Enabling Technologies for Integration Project Management Offices for its Cluster and related expenses. During the year, the LHIN received funding from Champlain LHIN of $510,000 ($510,000 in 2018) and incurred eligible expenditures of $463,270 ($444,326 in 2018). The unspent portion of $46,730 ($65,674 in 2018) has been set as up as repayable to the Champlain LHIN. In addition to the unspent funding, the LHIN also owes the Champlain LHIN $15,500 (nil in 2018) for translation services, bringing the total amount due the Champlain LHIN to $62,230 as at March 31, 2019 ($65,674 as at March 31, 2018).

5. Related party transactions

Health Shared Services Ontario (HSSO)

HSSO is a provincial agency established January 1, 2017, by O. Reg. 456/16 made under LHSIA with objectives to provide shared services to LHINs in areas that include human resources management, logistics, finance and administration and procurement. As a provincial agency, HSSO is subject to legislation, policies and directives of the Government of Ontario and the Memorandum of Understanding between HSSO and the Minister of Health and Long-Term Care.

6. Capital assets

	Cost $	Accumulated amortization $	2019 Net book value $	2018 Net book value $
Furniture and equipment	**2,409,519**	**2,403,146**	**6,373**	11,711
Computer equipment	**1,124,642**	**1,072,111**	**52,531**	42,910
Leasehold improvements	**1,702,067**	**1,646,607**	**55,460**	109,788
	5,236,228	**5,121,864**	**114,364**	164,409

7. Obligations under capital lease

The LHIN has a lease under the provision of capital lease of leasehold improvements. The cost of this lease is included in capital assets and the related liabilities are included in liabilities to reflect the effective acquisition and financing of these items. The lease on the building expires in February, 2021.

The present value of future minimum payments is as follows:

	2019 $	2018 $
2019	**—**	35,789
2020	**37,621**	37,621
2021	**36,174**	36,174
	73,795	109,584
Less: current portion	**37,621**	35,789
Long-term portion of capital lease obligation	**36,174**	73,795

Pledged as security for the above borrowings are the leasehold improvements under capital lease.

The minimum payments over the remaining terms of the leases are as follows:

	2019 $	2018 $
2019	**—**	40,456
2020	**40,456**	40,456
2021	**37,085**	37,084
Total minimum payment	**77,541**	117,996
Less: amount representing interest	**3,746**	8,412
	73,795	109,584

8. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of capital assets. Deferred capital contributions are amortized to income at the same rate as the corresponding capital asset. The changes in the deferred capital contributions balance are as follows:

	2019	2018
	$	$
Balance, beginning of year	**164,409**	152,410
Capital contributions received during the year	**58,038**	23,119
Capital contributions transferred from SE CCAC	**—**	169,435
Amortization for the year	**(108,083)**	(180,555)
Balance, end of year	**114,364**	164,409

9. Commitments

The LHIN has commitments under various operating leases expiring as follows:

	$
2020	922,098
2021	720,581
2022	480,782
2023	74,509
Thereafter	41,187
	2,239,157

10. Contingencies

The LHIN enters into accountability agreements with HSP which include planned funding targets. The actual funding provided by the LHIN is contingent on the MOHLTC providing the funding.

The LHIN has been named as defendants in various claims. Based on the opinion of legal counsel as to the realistic estimates of the merits of these actions and the LHINs potential liability, management believes any liability resulting from these actions would be adequately covered by existing liability insurance.

11. Additional information to the statement of cash flows

	2019 $	2018 $
Changes in non-cash operating working capital items		
Due from MOHLTC	**(1,550,319)**	(1,605,381)
Accounts receivable	**411,639**	(691,240)
Prepaid expenses	**(45,518)**	14,050
Accounts payable and accrued liabilities	**2,220,707**	(784,930)
Due to HSP	**161,690**	1,374,710
Due to MOHLTC	**2,845,559**	1,996,339
Due to Champlain LHIN	**(3,444)**	65,674
Deferred revenue	**(63,370)**	94,557
	3,976,944	463,779

12. Pension Plan

The LHIN contributes to the Healthcare of Ontario Pension Plan (HOOPP), which is a multi-employer plan, on behalf of approximately 450 members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay. The amount contributed to HOOPP for fiscal 2019 was $2,896,414 ($2,527,953 in 2018) for current service costs and is included as an expense in the 2019 statement of operations. The last actuarial valuation was completed for the plan as of December 31, 2018. At that time, the plan was fully funded.

13. Transfer payment to HSP

The LHIN has authorization to allocate funding of $1,090,206,013 to various HSP in its geographic area. The LHIN approved transfer payments to various sectors in 2019 as follows:

	2019 $	2018 $
Operations of hospitals	**724,935,917**	699,707,780
Grants to compensate for municipal taxation – public hospitals	**190,725**	190,725
Long-Term care homes	**201,230,078**	194,576,238
Community care access centers	**—**	15,978,856
Community support services	**42,166,850**	40,367,491
Assisted living services in supportive housing	**2,315,726**	2,236,697
Community health centers	**35,297,308**	32,058,457
Community mental health	**84,069,409**	79,119,568
	1,090,206,013	1,064,235,812

The LHIN receives funding from the MOHLTC and in turn allocates it to the HSP. As at March 31, 2019, an amount of $1,536,400 ($1,374,710 in 2018) was receivable from the MOHLTC, and was payable to HSPs. These amounts have been reflected as revenue and expenses in the statement of operations and changes in net assets and are included in the table above.

14. Board expenses

The following table provides the details of Board expenses reported in the statement of operations and changes in net assets:

	2019	2018
	$	$
Board Chair per diem expenses	**25,725**	27,025
Other Board members' per diem expenses	**50,550**	70,450
Other governance and travel	**100,557**	162,986
	176,832	260,461

15. Financial risks

The LHIN through its exposure to financial assets and liabilities has exposure to credit risk and liquidity risk as follows:

Credit risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and incur a financial loss. The maximum exposure to credit risk is the carrying value reported in the statement of financial position. Credit risk is mitigated through collection practises and the diverse nature of amounts with accounts receivable.

Liquidity risk is the risk that the LHIN will not be able to meet all cash flow obligations as they come due. The LHIN mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and cash flow analysis.

16. Guarantees

The LHIN is subject to the provisions of the *Financial Administration Act*. As a result, in the normal course of business, the LHIN may not enter into agreements that include indemnities in favour of third parties, except in accordance with the *Financial Administration Act* and the related Indemnification Directive.

An indemnity of the Chief Executive Officer was provided directly by the LHIN pursuant to the terms of the *Local Health System Integration Act, 2006* and in accordance with chapter 28 of the *Financial Administration Act*.

17. The People's Health Care Act

On April 18, 2019, *The People's Health Care Act* (the "Act") received Royal Assent. This legislation is a key component of the government's plan to build a modern, sustainable and integrated health care system. The Act grants the Minister of Health and Long-Term Care (the "Minister") the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations, including the LHIN, into Ontario Health (a new Crown Agency created by the Act), a health service provider, or an integrated care delivery system. The Act also grants the Minister the power to dissolve these organizations.

On March 8, 2019, the members of the board of directors of Ontario Health were appointed to also constitute the board of the LHIN. The board of directors of Ontario Health is tasked with overseeing the transition process of transferring multiple provincial agencies into Ontario Health. Following the transfer the LHIN would be dissolved.

The transition process is expected to occur over a number of years. A potential transfer and dissolution date is currently unknown. In the meantime, the LHIN continues to operate as required under the Local Health System Integration Act, 2006 and in accordance with its accountability agreement with the Minister.

Financial statements of

South West Local Health Integration Network

March 31, 2019

Deloitte LLP
400 Applewood Crescent
Suite 500
Vaughan ON L4K 0C3
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Independent Auditor's Report

To the Board of Directors of
South West Local Health Integration Network

Audit Opinion

We have audited the accompanying financial statements of South West Local Health Integration Network (the "LHIN"), which comprise the statement of financial position as at March 31, 2019 and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements"). We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the LHIN as at March 31, 2019, and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 LHIN 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.

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

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

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

Those charged with governance are responsible for overseeing the LHIN'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 GAAS 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 GAAS, 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 LHIN'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 LHIN'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 LHIN to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants
Licensed Public Accountants
June 14, 2019

South West Local Health Integration Network

Statement of financial position

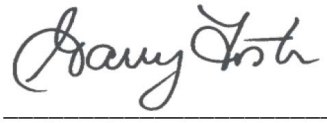
As at March 31, 2019

	Notes	2019 $	2018 $
Assets			
Current assets			
Cash		**47,186,469**	33,795,044
Due from Ministry of Health Long-Term Care ("MOHLTC")	13	**10,624,345**	6,216,698
Harmonized Sales Tax receivable		**768,983**	749,387
Accounts receivable – other		**491,256**	559,524
Prepaid expenses		**1,268,174**	863,448
		60,339,227	42,184,101
Capital assets	6	**1,903,251**	2,758,535
		62,242,478	44,942,636
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	16	**29,926,686**	24,192,933
Due to Health Service Providers ("HSPs")	13	**8,606,952**	6,216,698
Due to Ministry of Health Long-Term Care ("MOHLTC")	3	**22,031,229**	11,654,347
Due to Erie St. Clair LHIN	4	**353,134**	—
Current portion of obligations under capital leases	7	**306,553**	450,746
		61,224,554	42,514,724
Obligations under capital leases	7	**74,867**	300,518
Deferred capital contributions	8	**1,585,301**	2,646,961
		62,884,722	45,462,203
Commitments	9		
Net assets		**(642,244)**	(519,567)
		62,242,478	44,942,636

The accompanying notes are an integral part of the financial statements.

Approved by the Board of Directors:

William Hatanaka, Board Chair



Garry Foster, Audit Committee Chair

South West Local Health Integration Network

Statement of operations

Year ended March 31, 2019

	Notes	2019 Actual $	2018 Actual $
Revenue			
MOHLTC funding – transfer payments	13	**2,216,982,370**	2,177,164,119
MOHLTC funding – operations and initiatives		**239,670,725**	202,344,217
Interest income		**—**	364,532
Amortization of deferred capital contributions		**1,447,172**	1,728,850
Other revenue		**1,227,425**	1,313,297
		2,459,327,692	2,382,915,015
Enabling Technologies ETI PMO allocated to other LHIN's	4	**—**	(1,530,000)
Total revenue		**2,459,327,692**	2,381,385,015
Expenses			
HSP transfer payments	13	**2,216,982,370**	2,177,164,119
Operations and Initiatives			
Contracted out			
In-home/clinic services		**131,445,865**	112,489,356
School services		**8,305,925**	6,866,801
Hospice services		**4,130,000**	2,898,226
Salaries and benefits		**72,280,937**	58,674,067
Medical supplies		**10,337,505**	8,660,433
Medical equipment rental		**1,267,332**	1,213,936
Supplies and sundry		**8,602,110**	7,307,969
Building and ground		**2,750,479**	2,678,481
Amortization		**1,375,457**	2,205,514
Repairs and maintenance		**1,972,389**	1,217,486
		242,467,999	204,212,269
Total expenses		**2,459,450,369**	2,381,376,388
Excess of revenue over expenses before the undernoted		**(122,677)**	8,627
Net liabilities assumed on transition		**—**	(528,194)
Excess of revenue over expenses		**(122,677)**	(519,567)

The accompanying notes are an integral part of the financial statements.

South West Local Health Integration Network

Statement of changes in net financial assets

Year ended March 31, 2019

	Unrestricted $	Employee benefits $	2019 Total $	2018 Total $
Net assets, beginning of year	**—**	**(519,567)**	**(519,567)**	—
Excess of expenses over revenue before the undernoted	**—**	**(122,677)**	**(122,677)**	8,627
Net liabilities assumed on transition	**—**	**—**	**—**	(528,194)
Net assets, end of year	**—**	**(642,244)**	**(642,244)**	(519,567)

The accompanying notes are an integral part of the financial statements.

South West Local Health Integration Network

Statement of cash flows

Year ended March 31, 2019

	Notes	2019 $	2018 $
Operating activities			
Excess of revenue over expenses		**(122,677)**	(519,567)
Cash received on transition		**—**	23,827,333
Net liabilities assumed on transition		**—**	528,194
Less amounts not affecting cash			
Amortization of capital assets		**1,375,457**	2,205,514
Amortization of deferred capital contributions		**(1,447,172)**	(1,728,850)
		(194,392)	24,312,624
Changes in non-cash working capital items	11	**14,090,322**	8,945,202
		13,895,930	33,257,826
Investing activity			
Purchase of capital assets		**(520,173)**	(500,617)
Financing activities			
Capital lease obligations incurred		**151,574**	—
Repayment of capital lease obligations		**(521,418)**	(451,363)
Increase in deferred contributions		**385,512**	840,920
		15,668	389,557
Net change in cash		**13,391,425**	33,146,766
Cash, beginning of year		**33,795,044**	648,278
Cash, end of year		**47,186,469**	33,795,044

The accompanying notes are an integral part of the financial statements.

1. Description of business

The South West Local Health Integration Network was incorporated by Letters Patent on June 2, 2005 as a corporation without share capital. Following Royal Assent to Bill 36 on March 28, 2006, it was continued under the Local Health System Integration Act, 2006 (the "Act") as the South West Local Health Integration Network (the "LHIN") and its Letters Patent were extinguished. As an agent of the Crown, the LHIN is not subject to income taxation.

The LHIN is, and exercises its powers only as, an agent of the Crown. Limits on the LHIN's ability to undertake certain activities are set out in the Act.

The mandate of the LHIN is as follows:

a) Plan, fund and integrate the local health system within its geographic area. The LHIN spans carefully defined geographical areas and allows for local communities and health care providers within the geographical area to work together to identify local priorities, plan health services and deliver them in a more coordinated fashion. The LHIN covers approximately 22,000 square kilometers from Tobermory in the north to Long Point in the south. The LHIN enters into service accountability agreements with health service providers.

   The LHIN has also entered into an accountability agreement with the Ministry of Health and Long Term Care ("MOHLTC"), which provides the framework for LHIN accountabilities and activities.

   All funding payments to LHIN managed Health Service Providers are flowed through the LHIN's financial statements. Funding payments authorized by the LHIN to Health Service Providers, are recorded in the LHIN's Financial Statements as revenue from the MOHLTC and as transfer payment expenses to Health Service Providers.

b) Provision of community services. These services include health and related social services, medical supplies and equipment for the care of persons in home and community settings and to provide goods and services to assist caregivers in the provision of care for such persons, to manage the placement of persons into long-term care homes, supportive housing programs, chronic care and rehabilitation beds in hospitals, and to provide information to the public about, and make referrals to, health and social services.

2. Significant accounting policies

The financial statements of the LHIN are the representations of management, prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations including the 4200 series standards, as issued by the Public Sector Accounting Board. Significant accounting policies adopted by the LHIN are as follows:

Revenue recognition

The LHIN follows the deferral method of accounting for contributions. Contributions from the MOHLTC represent externally restricted contributions which must be spent within the fiscal year provided. Unspent contributions from the MOHLTC are set up as repayable to the MOHLTC at the end of the year. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Ministry of Health and Long-Term Care Funding

The LHIN is funded by the Province of Ontario in accordance with the Ministry-LHIN Accountability Agreement ("MLAA"), which describes budgetary arrangements established by the MOHLTC. The Financial Statements reflect funding approved by the MOHLTC to support LHIN managed Health Services Providers and the operations of the LHIN. The LHIN cannot authorize payments in excess of the budgetary allocation set by the MOHLTC in the MLAA. Due to the nature of the Accountability Agreement, the LHIN is economically dependent on the MOHLTC.

2. Significant accounting policies (continued)

Ministry of Health and Long-Term Care Funding (continued)

Transfer payment amounts to Health Service Providers are based on the terms of the Health Service Provider Accountability Agreements with the LHIN, including any amendments made throughout the year. During the year, the LHIN authorizes the transfer of cash to the Health Service Providers. The cash associated with the transfer payment flows directly from the MOHLTC to the Health Service Provider and does not flow through the LHIN bank account.

LHIN Financial Statements includes only transfer payment funds and LHIN operating funds included in the Ministry-LHIN Accountability Agreement.

Financial instruments

Financial assets and liabilities are measured at amortized cost, with the exception of cash that is measured at fair value. Financial instruments measured at amortized cost 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.

Write-downs 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 write-down being recognized in the Statement of Operations.

Deferred capital contributions

Any amounts received that are used to fund expenses that are recorded as tangible capital assets, are recorded as deferred capital revenue and are recognized as revenue over the useful life of the asset reflective of the provision of its services. The amount recorded under "revenue" in the statement of operations, is in accordance with the amortization policy applied to the related tangible capital asset recorded.

Capital assets

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments, which extend the estimated life of an asset, are capitalized.

Capital assets are amortized on a straight-line basis based on their estimated useful life as follows:

Computer equipment	3 years straight-line method
Computer software	3 years straight-line method
Equipment capital lease	Life of lease straight-line method
Leasehold improvements	Life of lease straight-line method
Furniture and equipment	10 years straight-line method
Phone system	5 years straight-line method

2. Significant Accounting Policies (continued)

Capital assets (continued)

For assets acquired or brought into use, during the year, amortization is provided for a full year.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 reporting period. Significant estimates include depreciation rates for capital assets and certain accruals. Actual results could differ from those estimates.

3. Funding repayable to the MOHLTC

In accordance with the MLAA, the LHIN is required to be in a balanced position at year end. Thus, any funding received in excess of expenses incurred, is required to be returned to the MOHLTC.

The amount due to the MOHLTC at March 31 is made up as follows:

	2019	2018
	$	$
Due to MOHLTC, beginning of year	**11,654,347**	96,316
Funding repaid to MOHLTC	**(479,967)**	(96,316)
Funding repayable to the MOHLTC related to current year activities	**10,856,849**	9,622,028
Funding repayable to the MOHLTC assumed on transition	**—**	2,032,319
Due to MOHLTC, end of year	**22,031,229**	11,654,347

4. Enabling Technologies for Integration Project Management Office

Effective February 12, 2012, the LHIN entered into an agreement with Erie St Clair, Waterloo Wellington and Hamilton Niagara Haldimand Brant LHINs (the "Cluster") in order to enable the effective and efficient delivery of e-health programs and initiatives within the geographic area of the Cluster. Under the agreement, decisions related to the financial and operating activities of the Enabling Technologies for Integration Project Management Office are shared. No LHIN is in a position to exercise unilateral control.

The LHIN's financial statement reflects its share of the MOHLTC funding for Enabling Technologies for Integration Project Management Offices for its Cluster and related expenses. During the year, the LHIN received funding from Erie St Clair LHIN of $1,000,000 and incurred eligible expenses of $646,866. The unspent amount of $353,134 has been set up as repayable to the Erie St. Clair LHIN. In 2018 South West LHIN was the cluster lead and distributed funding to the three other parties in the cluster.

5. Related party transactions

Health Shared Services Ontario ("HSSO")

HSSO is a provincial agency established January 1, 2017 by O. Reg. 456/16 made under LHSIA with objects to provide shared services to LHINs in areas that include human resources management, logistics, finance and administration and procurement. HSSO as a provincial agency is subject to legislation, policies and directives of the Government of Ontario and the Memorandum of Understanding between HSSO and the Minister of Health and Long-Term Care.

6. Capital assets

	Cost	**Accumulated depreciation**	**2019 Net book value**	2018 Net book value
	$	**$**	**$**	$
Computer equipment	**4,941,537**	**4,339,241**	**602,296**	700,949
Computer software	**2,231,898**	**2,204,315**	**27,583**	63,548
Equipment capital lease	**2,631,713**	**2,178,320**	**453,393**	840,852
Leasehold improvements	**5,145,820**	**4,611,482**	**534,338**	681,338
Furniture and equipment	**5,067,139**	**4,818,487**	**248,652**	413,294
Phone system	**1,342,568**	**1,305,579**	**36,989**	58,554
	21,360,675	**19,457,424**	**1,903,251**	2,758,535

7. Obligations under Capital Leases

	2019	2018
	$	$
Computer lease maturing in April 2019. Annual combined interest and principal payments of $18,927 plus applicable taxes are required until maturity	**—**	19,146
Equipment lease maturing in April 2019. Monthly combined interest and principal payments of $10,442 plus applicable taxes are required until maturity	**—**	127,208
Computer lease maturing in September 2019. Annual combined interest and principal payments of $10,948 plus applicable taxes are required until maturity	**—**	11,091
Computer lease maturing in January 2020. Annual combined interest and principal payments of $27,803 plus applicable taxes are required until maturity	**—**	28,166
Computer lease maturing in March 2020. Annual combined interest and principal payments of $21,480 plus applicable taxes are required until maturity	**—**	21,760
Computer lease maturing in March 2021. Annual combined interest and principal payments of $16,554 plus applicable taxes are required until maturity	**16,795**	49,189
Computer lease maturing in March 2021. Annual combined interest and principal payments of $2,425 plus applicable taxes are required until maturity	**2,460**	7,205
Computer lease maturing in June 2021. Annual combined interest and principal payments of $2,237 plus applicable taxes are required until maturity	**4,485**	6,647
Computer lease maturing in July 2021. Annual combined interest and principal payments of $23,017 plus applicable taxes are required until maturity	**46,144**	68,392
Computer lease maturing in July 2019. Annual combined interest and principal payments of $4,773 plus applicable taxes are required until maturity		4,483
Computer lease maturing in September 2019. Annual combined interest and principal payments of $3,458 plus applicable taxes are required until maturity	**—**	3,508
Computer lease maturing in November 2019. Annual combined interest and principal payments of $1,056 plus applicable taxes are required until maturity	**—**	1,071
Computer lease maturing in December 2019. Annual combined interest and principal payments of $4,341 plus applicable taxes are required until maturity	**—**	4,404
Computer lease maturing in March 2020. Annual combined interest and principal payments of $20,996 plus applicable taxes are required until maturity	**20,443**	40,380
Subtotal	**90,327**	392,650

7. Obligations under Capital Leases (continued)

	2019	2018
	$	$
Balance forward	**90,327**	392,650
Computer lease maturing in June 2020. Annual combined interest and principal payments of $30,591 plus applicable taxes are required until maturity	**29,787**	58,791
Computer lease maturing in August 2020. Annual combined interest and principal payments of $103,065 plus applicable taxes are required until maturity	**100,356**	198,073
Computer lease maturing in October 2020. Annual combined interest and principal payments of $37,602 plus applicable taxes are required until maturity	**36,614**	72,264
Computer lease maturing in January 2021. Annual combined interest and principal payments of $7,074 plus applicable taxes are required until maturity	**6,888**	13,596
Computer lease maturing in January 2021. Annual combined interest and principal payments of $2,283 plus applicable taxes are required until maturity	**2,223**	4,387
Computer lease maturing in February 2021. Annual combined interest and principal payments of $9,280 plus applicable taxes are required until maturity	**9,036**	17,835
Computer lease maturing in March 2021. Annual combined interest and principal payments of $4,304 plus applicable taxes are required until maturity	**4,191**	8,271
Computer lease maturing in March 2021. Annual combined interest and principal payments of $2,364 plus applicable taxes are required until maturity	**2,302**	4,543
Computer lease maturing in June 2021. Annual combined interest and principal payments of $48,162 plus applicable taxes are required until maturity	**92,559**	—
Computer lease maturing in March 2022. Annual combined interest and principal payments of $3,714 plus applicable taxes are required until maturity	**7,138**	—
Balance carry forward	**381,420**	770,409

Pledged as security for the above borrowings are the equipment under capital lease.
The minimum payments over the remaining terms of the leases are as follows:

	$
2020	313,668
2021	77,130
Total minimum payment	390,798
Less: amount representing interest	9,378
	381,420

8. Deferred capital contributions

The changes in the deferred capital contributions balance are as follows:

	2019	2018
	$	$
Balance, beginning of year	**2,646,961**	44,290
Capital contributions received during the year	**385,512**	3,490,601
Capital contributions transferred from CCAC	**—**	840,920
Amortization of deferred contributions recognized as revenue for the year	**(1,447,172)**	(1,728,850)
Long-term deferred capital contributions balance, end of year	**1,585,301**	2,646,961

9. Commitments

The LHIN has commitments under various operating leases expiring in 2023 as follows:

	$
2019	1,424,284
2020	1,297,983
2021	1,249,823
2022	905,950
2023	268,650

10. Contingencies

The LHIN enters into accountability agreements with Health Service Providers ("HSPs") which include planned funding targets. The actual funding provided by the LHIN is contingent on the MOHLTC providing the funding.

11. Additional Information to the statement of cash flows

	2019	2018
	$	$
Due from MOHLTC HSP transfer payments	**(4,407,647)**	1,440,002
Accounts receivable	**68,268**	(830,117)
Harmonized Sales Tax receivable	**(19,596)**	262,862
Prepaid expenses	**(404,726)**	(222,898)
Accounts payable and accrued liabilities	**5,733,753**	3,402,964
Due to Health Service Providers	**2,390,254**	(1,440,002)
Due to MOHLTC	**10,376,882**	6,332,391
Due to Erie St. Clair LHIN	**353,134**	—
Total change in non-cash working capital items	**14,090,322**	8,945,202

12. Pension plan

The LHIN contributes to the Healthcare of Ontario Pension Plan ("HOOPP"), which is a multi-employer plan, on behalf of approximately 881 members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay. The amount contributed to HOOPP for fiscal 2019 was $5,084,665 ($4,502,622 in 2018) for current service costs and is included as an expense in the statement of operations. The last actuarial valuation was completed for the plan as of December 31, 2018. At that time, the plan was fully funded.

13. Transfer payment to HSPs

The LHIN has authorization to allocate funding of $2,216,982,370 ($2,177,164,119 in 2018) to various HSPs in its geographic area. The LHIN approved transfer payments to various sectors in 2019 as follows:

	2019 $	2018 $
Operations of hospitals	**1,665,840,578**	1,619,917,047
Grants to compensate for municipal taxation – public hospitals	**385,575**	385,575
Long-Term care homes	**364,817,291**	348,392,647
Community care access centres	**—**	32,525,467
Community support services	**43,584,053**	42,447,240
Assisted living services in supportive housing	**27,452,467**	26,882,147
Community health centres	**25,174,163**	22,914,143
Acquired brain injury	**9,330,016**	8,780,344
Community mental health addictions program	**80,398,227**	74,919,509
	2,216,982,370	2,177,164,119

The LHIN receives funding from the MOHLTC and in turn allocates it to the HSPs. As at March 31, 2019, an amount of $8,606,952 ($6,216,698 in 2018) was receivable from the MOHLTC, and was payable to HSPs. These amounts have been reflected as revenue and expenses in the statement of operations and are included in the table above.

Effective May 24, 2017 the LHIN assumed the assets, liabilities, rights and obligations of the South West Community Care Access Centre (CCAC). The 2018 comparative amount reported in respect of the CCAC in the table above represents funding provided to the CCAC up to the date of transfer.

14. Board costs

The following provides the details of Board expenses reported in the statement of operations and changes in net assets:

	2019 $	2018 $
Board Chair per diem expenses	**62,608**	47,631
Other Board members' per diem expenses	**88,720**	77,565
Other governance and travel	**19,166**	55,260
Balance, end of year	**170,494**	180,456

15. Financial risk

The LHIN through its exposure to financial assets and liabilities, has exposure to credit risk and liquidity risk as follows:

Credit risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and incur a financial loss. The maximum exposure to credit risk is the carrying value reported in the statement of financial position. Credit risk is mitigated through collection practices and the diverse nature of amounts with accounts receivable.

Liquidity risk is the risk that the LHIN will not be able to meet all cash flow obligations as they come due. The LHIN mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and cash flow analysis.

16. Accumulated non-vesting sick pay

Accumulated non-vesting sick pay of $642,244 ($519,567 in 2018) is included in accounts payable and accrued liabilites. The amounts are not funded by the Ontario Ministry of Health and Long-Term Care until they are paid.

17. Guarantees

The LHIN is subject to the provisions of the Financial Administration Act. As a result, in the normal course of business, the LHIN may not enter into agreements that include indemnities in favor of third parties, except in accordance with the Financial Administration Act and the related Indemnification Directive.

An indemnity of the Chief Executive Officer was provided directly by the LHIN pursuant to the terms of the Local Health System Integration Act, 2006 and in accordance with s.28 of the Financial Administration Act.

18. The People's Health Care Act

On April 18, 2019, *The People's Health Care Act* (the "Act") received Royal Assent. This legislation is a key component of the government's plan to build a modern, sustainable and integrated health care system. The Act grants the Minister of Health and Long-Term Care (the "Minister") the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations, including the LHIN, into Ontario Health (a new Crown Agency created by the Act), a health service provider, or an integrated care delivery system. The Act also grants the Minister the power to dissolve these organizations.

On March 8, 2019, the members of the board of directors of Ontario Health were appointed to also constitute the board of the LHIN. The board of directors of Ontario Health is tasked with overseeing the transition process of transferring multiple provincial agencies into Ontario Health. Following the transfer the LHIN would be dissolved.

The transition process is expected to occur over a number of years. A potential transfer and dissolution date is currently unknown. In the meantime, the LHIN continues to operate as required under the Local Health System Integration Act, 2006 and in accordance with its accountability agreement with the Minister.

Financial statements of

Toronto Central Local Health Integration Network

March 31, 2019

Deloitte LLP
400 Applewood Crescent
Suite 500
Vaughan ON L4K 0C3
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Independent Auditor's Report

To the Members of the Board of Directors of the
Toronto Central Local Health Integration Network

Audit Opinion

We have audited the accompanying financial statements of Toronto Central Local Health Integration Network (the "LHIN"), which comprise the statement of financial position as at March 31, 2019 and the statements of operations and changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements"). We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the LHIN as at March 31, 2019, and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 LHIN 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.

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

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

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

Those charged with governance are responsible for overseeing the LHIN'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 GAAS 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 GAAS, 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 LHIN'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 LHIN'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 LHIN to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants
Licensed Public Accountants
June 14, 2019

Toronto Central Local Health Integration Network

Statement of financial position

As at March 31, 2019

	Notes	2019 $	2018 $
Assets			
Current assets			
Cash		**25,080,671**	18,245,200
Due from Ministry of Health and Long-Term Care ("MOHLTC") regarding operations		**3,671,900**	1,281,400
Due from MOHLTC regarding HSP transfer payments	11	**7,563,372**	17,461,797
Due from Health Shared Services Ontario ("HSSOntario")		**210,785**	337,700
Accounts receivable		**496,005**	1,391,167
Prepaid expenses		**318,746**	338,477
		37,341,479	39,055,741
Rental and security deposits		**107,501**	107,501
Capital assets	6	**477,907**	570,887
		37,926,887	39,734,129
Liabilities			
Current liabilities			
Accounts payable and accrued charges		**28,873,743**	21,367,069
Due to Health Service Providers ("HSPs")	11	**7,563,372**	17,461,797
Due to MOHLTC	3	**1,011,865**	334,376
		37,448,980	39,163,242
Deferred capital contributions	7	**477,907**	570,887
		37,926,887	39,734,129
Commitments	8		
Net assets		**—**	—
		37,926,887	39,734,129

The accompanying notes are an integral part of the financial statements.

Approved by the Board

William Hatanaka, Board Chair

Garry Foster, Audit Committee Chair

Toronto Central Local Health Integration Network

Statement of operations and changes in net assets

Year ended March 31, 2019

	Notes	2019 $	2018 $
Revenues			
MOHLTC - Transfer payments	11	**4,946,686,488**	4,844,923,299
MOHLTC funding - Operations and initiatives		**284,810,269**	225,896,238
Amortization of deferred capital contributions		**92,980**	2,003,047
Other revenues		**1,740,788**	1,181,989
		286,644,037	229,081,274
eHealth-Enabling Technologies for Integration allocated to Central LHIN	5	**(510,000)**	—
Total revenues		**5,232,820,525**	5,074,004,573
Expenses			
HSP transfer payments	11	**4,946,686,488**	4,844,923,299
Operations and initiatives			
Contracted out			
In-home/clinic services		**184,377,609**	146,082,690
School services		**5,213,343**	4,679,809
Hospice services		**3,595,213**	2,152,076
Salaries and benefits		**69,225,024**	53,088,680
Medical supplies		**9,561,325**	7,590,514
Medical equipment rental		**2,602,608**	2,693,060
Supplies and sundry		**7,740,364**	6,229,687
Building and ground		**3,087,363**	1,972,437
Amortization		**92,980**	2,003,047
Repairs and maintenance		**638,208**	420,484
		286,134,037	226,912,484
Total expenses		**5,232,820,525**	5,071,835,783
Excess of revenues over expenses before the undernoted		**—**	2,168,790
Net liabilities assumed on transition		**—**	(2,168,790)
		—	—
Net assets, beginning of year		**—**	—
Net assets, end of year		**—**	—

The accompanying notes are an integral part of the financial statements.

Toronto Central Local Health Integration Network

Statement of cash flows

Year ended March 31, 2019

	Notes	2019 $	2018 $
Operating activities			
Excess of revenues over expenses		**—**	—
Cash received on transition		**—**	16,468,992
Net liabilities assumed on transition		**—**	2,168,790
Less amounts not affecting cash			
Amortization of capital assets		**92,980**	2,003,047
Amortization of deferred capital contributions		**(92,980)**	(2,003,047)
		—	18,637,782
Changes in non-cash working capital items	9	**6,835,471**	(1,489,068)
		6,835,471	17,148,714
Investing activity			
Purchase of capital assets		**—**	(429,140)
Financing activity			
Increase in deferred capital contributions		**—**	429,140
Net increase in cash		**6,835,471**	17,148,714
Cash, beginning of year		**18,245,200**	1,096,486
Cash, end of year		**25,080,671**	18,245,200

The accompanying notes are an integral part of the financial statements.

1. Description of business

The Toronto Central Local Health Integration Network was incorporated by Letters Patent on June 2, 2005 as a corporation without share capital. Following Royal Assent to Bill 36 on March 28, 2006, it was continued under the Local Health System Integration Act, 2006 (the "Act") as the Toronto Central Local Health Integration Network (the "LHIN") and its Letters Patent were extinguished. As an agent of the Crown, the LHIN is not subject to income taxation.

The LHIN is, and exercises its powers only as, an agent of the Crown. Limits on the LHIN's ability to undertake certain activities are set out in the Act.

The LHIN has also entered into an accountability agreement with the Ministry of Health and Long Term Care ("MOHLTC"), which provides the framework for LHIN accountabilities and activities.

On June 7, 2017 the LHIN assumed the assets, liabilities, rights and obligations of the Toronto Central Community Care Access Centre. The comparative amounts include transactions for ten months to March 31, 2018.

The mandate of the LHIN is as follows:

(a) Plan, fund and integrate the local health system within its geographic area. The LHIN spans carefully defined geographical areas and allows for local communities and health care providers within the geographical area to work together to identify local priorities, plan health services and deliver them in a more coordinated fashion. The LHIN covers most of City of Toronto. The LHIN enters into service accountability agreements with health service providers.

All funding payments to LHIN managed Health Service Providers are flowed through the LHIN's financial statements. Funding payments authorized by the LHIN to Health Service Providers, are recorded in the LHIN's Financial Statements as revenue from the MOHLTC and as transfer payment expenses to Health Service Providers.

(b) Provision of community services. The LHIN has the responsibility to provide health and related social services and supplies and equipment for the care of persons in home, community and other settings and to provide goods and services to assist caregivers in the provision of care for such persons, to manage the placement of persons into long-term care homes, supportive housing programs, chronic care and rehabilitation beds in hospitals, and other programs and places where community services are provided under the Home Care and Community Services Act, 1994 and to provide information to the public about, and make referrals to, health and social services.

2. Significant accounting policies

The financial statements of the LHIN are the representations of management, prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations including the 4200 series standards, as issued by the Public Sector Accounting Board. Significant accounting policies adopted by the LHIN are as follows:

Revenue recognition

The LHIN follows the deferral method of accounting for contributions. Contributions from the MOHLTC represent externally restricted contributions which must be spent within the fiscal year provided. Unspent contributions from the MOHLTC are set up as repayable to the MOHLTC at the end of the year. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

2. Significant accounting policies (continued)

Ministry of Health and long-term care funding

The LHIN is funded by the Province of Ontario in accordance with the Ministry-LHIN Accountability Agreement ("MLAA"), which describes budgetary arrangements established by the MOHLTC. The Financial Statements reflect funding arrangements approved by the MOHLTC. The LHIN cannot authorize payments in excess of the budgetary allocation set by the MOHLTC. Due to the nature of the Accountability Agreement, the LHIN is economically dependent on the MOHLTC.

Transfer payment amounts to Health Service Providers are based on the terms of the Health Service Provider Accountability Agreements with the LHIN, including any amendments made throughout the year. During the year, the LHIN authorizes the transfer of cash to the Health Service Providers. The cash associated with the transfer payment flows directly from the MOHLTC and does not flow through the LHIN bank account.

LHIN Financial Statements do not include transfer payment funds not included in the Ministry-LHIN Accountability Agreement.

Capital assets

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments, which extend the estimated lives of an asset, are capitalized.

Capital assets are amortized on a straight-line basis based on their estimated useful lives as follows:

Furniture and equipment	5 years
Computer and communications equipment	3 years
Client serving equipment	5 years
Leasehold improvements	Life of lease

For assets acquired or brought into use, during the year, amortization is provided for a full year.

Deferred capital contributions

Contributions received for the purchase of capital assets are deferred and are amortized to income at the same rate as the corresponding capital asset.

Financial instruments

Financial assets and liabilities are measured at amortized cost, with the exception of cash that is measured at fair value. Financial instruments measured at amortized cost 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.

Write-downs 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 write-down being recognized in the Statement of operations and changes in net assets.

2. Significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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. Significant estimates include depreciation rates for capital assets and certain accruals. Actual results could differ from those estimates.

3. Due to MOHLTC

In accordance with the MLAA, the LHIN is required to be in a balanced position at year end. Thus, any funding received in excess of expenses incurred, is required to be returned to the MOHLTC.

The amount due to the MOHLTC at March 31 is made up as follows:

	2019	2018
	$	$
Due to MOHLTC, beginning of year	**(334,376)**	(28,217)
Funding repaid to MOHLTC	**—**	28,217
Funding repayable to the MOHLTC related to current year activities	**(677,489)**	(334,376)
Due to MOHLTC, end of year	**(1,011,865)**	(334,376)

4. Related party transactions

Health Shared Services Ontario ("HSSOntario")

HSSOntario is a provincial agency established January 1, 2017 by O. Reg. 456/16 made under the Local Health System Integration Act with objects to provide shared services to LHINs in areas that include human resources management, logistics, finance and administration and procurement. HSSOntario as a provincial agency is subject to legislation, policies and directives of the Government of Ontario and the Memorandum of Understanding between HSSOntario and the Minister of Health and Long-Term Care.

5. Enabling technologies for integration project management office

Effective April 1, 2018, the LHIN entered into an agreement with Central LHIN (the "Cluster") in order to enable the effective and efficient delivery of e-health programs and initiatives within the geographic area of the Cluster. Under the agreement, decisions related to the financial and operating activities of the Enabling Technologies for Integration Project Management Office are shared. No LHIN is in a position to exercise unilateral control.

Toronto Central LHIN is designated the Lead LHIN with this agreement and as such holds the accountability over the distribution of the funds and manages the shared Project Management Office. In the event that the Cluster experiences a surplus, the Lead LHIN is responsible for returning those funds to the MOHLTC.

5. Enabling technologies for integration project management office (continued)

Total Cluster funding received for the year ended March 31, 2019 was $1,510,000, of which $510,000 was allocated to Central LHIN. The following provides condensed financial information for the ETI PMO funding and expenses for the Cluster:

	Funding allocated $	**Eligible expenses $**	**2019 Excess funding $**
Toronto Central LHIN	**1,000,000**	**1,000,000**	**—**
Central LHIN	**510,000**	**510,000**	**—**
	1,510,000	**1,510,000**	**—**

In the prior year the LHIN was in a Cluster where Central West LHIN was the cluster lead. In 2018 the LHIN received $423,000 in relation to ETI PMO funding of $423,000 and incurred eligible expenses of $423,000.

6. Capital assets

	Cost $	**Accumulated depreciation $**	**2019 Net book value $**	2018 Net book value $
Computer and communication equipment	**13,802,756**	**(13,802,756)**	**—**	—
Leasehold improvements	**4,304,402**	**(3,920,042)**	**384,360**	429,140
Furniture and equipment	**2,160,107**	**(2,160,107)**	**—**	1,427
Client serving equipment	**233,866**	**(140,319)**	**93,547**	140,320
	20,501,131	**(20,023,224)**	**477,907**	570,887

7. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of capital assets. Deferred capital contributions are amortized to income at the same rate as the corresponding capital asset. The changes in the deferred capital contributions balance are as follows:

	2019 $	2018 $
Balance, beginning of year	**570,887**	200,031
Capital contributions received during the year	**—**	429,140
Capital contributions assumed on transition	**—**	1,944,763
Amortization for the year	**(92,980)**	(2,003,047)
Balance, end of year	**477,907**	570,887

8. Commitments

The LHIN has commitments under various operating leases as follows:

	$
2020	2,853,508
2021	2,364,225
2022	1,832,023
2023	1,849,991
2024	1,730,942
Thereafter	6,204,769
	16,835,458

9. Change in non-cash working capital items

	2019 $	2018 $
Due from HSSOntario	**126,915**	(312,571)
Due from MOHLTC regarding operations	**(2,390,500)**	(1,281,400)
Due from MOHLTC regarding HSP transfer payments	**9,898,425**	4,351,828
Accounts receivable	**895,162**	890,703
Prepaid expenses	**19,731**	489,120
Rental and security deposits	**—**	(107,501)
Accounts payable and accrued charges	**7,506,674**	(1,473,578)
Due to HSPs	**(9,898,425)**	(4,351,828)
Due to MOHLTC	**677,489**	306,159
Total change in non-cash working capital items	**6,835,471**	(1,489,068)

10. Pension Plan

The LHIN contributes to the Healthcare of Ontario Pension Plan ("HOOPP"), which is a multi-employer plan, on behalf of approximately 669 members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay. The amount contributed to HOOPP for fiscal 2019 was $4,810,292 ($4,331,114 in 2018) for current service costs and is included as an expense in the statement of operations and changes in net assets. The last actuarial valuation was completed for the plan as of December 31, 2018. At that time, the plan was fully funded.

11. Transfer payment to HSPs

The LHIN has authorization to allocate funding of $4,946,686,488 to various HSPs in its geographic area. The LHIN approved transfer payments to various sectors as follows:

	2019	2018
	$	$
Operations of hospitals	**3,861,233,854**	3,762,942,504
Grants to compensate for municipal taxation – public hospitals	**715,275**	715,050
Long-term care homes	**297,080,950**	286,436,318
Community care access centres	**—**	45,672,039
Community support services	**129,612,303**	121,219,547
Assisted living services in supportive housing	**64,830,980**	61,296,702
Community health centres	**108,627,486**	101,968,489
Community mental health	**157,391,369**	146,069,582
Addictions program	**41,200,121**	39,665,607
Acquired brain injury	**3,102,707**	3,096,818
Specialty psychiatric hospital	**282,842,393**	275,791,593
Grants to compensate for municipal taxation – psychiatric hospital	**49,050**	49,050
	4,946,686,488	4,844,923,299

The LHIN receives funding from the MOHLTC and in turn allocates it to the HSPs. As at March 31, 2019, an amount of $7,563,372 ($17,461,797 in 2018) was receivable from the MOHLTC, and was payable to HSPs. These amounts have been reflected as revenue and expenses in the statement of operations and changes in net assets and are included in the table above.

12 Financial risk

The LHIN through its exposure to financial assets and liabilities, has exposure to credit risk and liquidity risk as follows:

Credit risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and incur a financial loss. The maximum exposure to credit risk is the carrying value reported in the statement of financial position. Credit risk is mitigated through collection practices and the diverse nature of amounts with accounts receivable.

Liquidity risk is the risk that the LHIN will not be able to meet all cash flow obligations as they come due. The LHIN mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and cash flow analysis.

13 Guarantees

The LHIN is subject to the provisions of the Financial Administration Act. As a result, in the normal course of business, the LHIN may not enter into agreements that include indemnities in favor of third parties, except in accordance with the Financial Administration Act and the related Indemnification Directive.

An indemnity of the Chief Executive Officer was provided directly by the LHIN pursuant to the terms of the Local Health System Integration Act, 2006 and in accordance with s.28 of the Financial Administration Act.

14 Board Costs

The following provides the details of Board expenses reported in the statement of operations and changes in net assets:

	2019	2018
	$	$
Board Chair per diem expenses	**10,850**	14,700
Other Board members' per diem expenses	**33,600**	52,100
Other governance and travel	**1,644**	509
	46,094	67,309

15 Contingencies

The LHIN enters into accountability agreements with Health Service Providers which include planned funding targets. The actual funding provided by the LHIN is contingent on the MOHLTC providing the funding.

The LHIN has been named as defendants in various claims. Based on the opinion of legal counsel as to the realistic estimates of the merits of these actions and the LHINs potential liability, management believes any liability resulting from these actions would be adequately covered by existing liability insurance.

16 The People's Health Care Act

On April 18, 2019, *The People's Health Care Act* (the "Act") received Royal Assent. This legislation is a key component of the government's plan to build a modern, sustainable and integrated health care system. The Act grants the Minister of Health and Long-Term Care (the "Minister") the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations, including the LHIN, into Ontario Health (a new Crown Agency created by the Act), a health service provider, or an integrated care delivery system. The Act also grants the Minister the power to dissolve these organizations.

On March 8, 2019, the members of the board of directors of Ontario Health were appointed to also constitute the board of the LHIN. The board of directors of Ontario Health is tasked with overseeing the transition process of transferring multiple provincial agencies into Ontario Health. Following the transfer, the LHIN would be dissolved.

The transition process is expected to occur over a number of years. A potential transfer and dissolution date is currently unknown. In the meantime, the LHIN continues to operate as required under the Local Health System Integration Act, 2006 and in accordance with its accountability agreement with the Minister.

Financial statements of

Waterloo Wellington Local Health Integration Network

March 31, 2019

Deloitte LLP
400 Applewood Crescent
Suite 500
Vaughan ON L4K 0C3
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Independent Auditor's Report

To the Members of the Board of Directors of the
Waterloo Wellington Local Health Integration Network

Audit Opinion

We have audited the accompanying financial statements of the Waterloo Wellington Local Health Integration Network (the "LHIN"), which comprise the statement of financial position as at March 31, 2019 and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements"). We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the LHIN as at March 31, 2019, and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 LHIN 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.

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

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

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

Those charged with governance are responsible for overseeing the LHIN'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 GAAS 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 GAAS, we exercised professional judgment and maintained 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 LHIN'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 LHIN'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 LHIN to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants
Licensed Public Accountants
June 14, 2019

Waterloo Wellington Local Health Integration Network
Statement of financial position
As at March 31, 2019

	Notes	2019 $	2018 $
Assets			
Current assets			
Cash		**22,075,280**	11,708,066
Due from Ministry of Health and Long-Term Care ("MOHLTC")	13	**7,615,600**	8,071,353
Accounts receivable		**1,843,558**	2,593,872
Prepaid expenses		**520,013**	759,711
		32,054,451	23,133,002
Rental, security and benefit deposits		**48,799**	41,650
Capital assets	6	**447,101**	555,009
		32,550,351	23,729,661
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**20,298,491**	15,979,710
Due to Health Service Providers ("HSPs")	13	**5,791,000**	6,800,553
Due to Ministry of Health and Long-Term Care ("MOHLTC")	3	**5,994,665**	362,828
Deferred revenue		**4,101**	4,743
		32,088,257	23,147,834
Post employment benefits	7	**1,540,720**	1,311,825
Deferred capital contributions	8	**447,101**	555,009
Commitments	9		
		34,076,078	25,014,668
Net liabilities		**(1,525,727)**	(1,285,007)
		32,550,351	23,729,661

The accompanying notes are an integral part of the financial statements.

Approved by the Board of Directors:

William Hatanaka, Board Chair

Garry Foster, Audit Committee Chair

Waterloo Wellington Local Health Integration Network

Statement of operations

Year ended March 31, 2019

	Notes	2019 Actual $	2018 Actual $
Revenue			
MOHLTC funding - transfer payments	13	**1,006,100,776**	985,588,120
MOHLTC funding - operations and initiatives		**168,307,090**	147,962,830
Interest income		**—**	161,458
Amortization of deferred capital contributions		**137,277**	127,445
Other revenue		**1,913,277**	2,013,083
		170,357,644	150,264,816
Total revenue		**1,176,458,420**	1,135,852,936
Expenses			
HSP transfer payments	13	**1,006,100,776**	985,588,120
Operations and initiatives			
Contracted out			
In-home/clinic services		**103,102,571**	90,191,630
School services		**5,575,588**	4,871,672
Hospice services		**2,988,570**	2,624,347
Salaries and benefits		**46,376,131**	39,358,220
Medical supplies		**5,037,822**	4,071,510
Medical equipment rental		**1,730,768**	1,301,943
Supplies and sundry		**1,287,547**	1,242,462
Building and ground		**1,909,047**	1,866,234
Amortization		**137,277**	127,445
Repairs and maintenance		**24,667**	73,149
Other operating expenses		**2,187,656**	3,571,855
		170,357,644	149,300,467
Total expenses		**1,176,458,420**	1,134,888,587
Excess of revenue over expenses before the undernoted		**—**	964,349
Post employment benefits expenses		**(228,895)**	(172,864)
Expenditures from donations fund		**(11,825)**	(24,146)
Net liabilities assumed on transition		**—**	(2,052,346)
Excess of expenses over revenue		**(240,720)**	(1,285,007)

The accompanying notes are an integral part of the financial statements.

Waterloo Wellington Local Health Integration Network

Statement of changes in net assets

Year ended March 31, 2019

	Unrestricted $	Donations Fund $	Employee benefits $	2019 Total $	2018 Actual $
Net assets, beginning of year	**—**	**26,818**	**(1,311,825)**	**(1,285,007)**	—
Excess of revenue over expenses before the undernoted	**—**	**(11,825)**	**(228,895)**	**(240,720)**	767,339
Net liabilities assumed on transition	**—**	**—**	**—**	**—**	(2,052,346)
Net assets (liabilities), end of year	**—**	**14,993**	**(1,540,720)**	**(1,525,727)**	(1,285,007)

The accompanying notes are an integral part of the financial statements.

Waterloo Wellington Local Health Integration Network

Statement of cash flows

Year ended March 31, 2019

	Notes	2019 $	2018 $
Operating activities			
Excess of expenses over revenue		**(240,720)**	(1,285,007)
Cash received on transition		**—**	9,483,705
Net liabilities assumed on transition		**—**	2,052,346
Add amounts not affecting cash			
Amortization of capital assets		**137,277**	127,445
Amortization of deferred capital contributions		**(137,277)**	(127,445)
		(240,720)	10,251,044
Changes in non-cash working capital items	11	**10,607,934**	743,215
		10,367,214	10,994,259
Investing activity			
Purchase of capital assets		**(29,369)**	(169,438)
Financing activity			
Increase in deferred capital contributions	8	**29,369**	169,438
Net increase in cash		**10,367,214**	10,994,259
Cash, beginning of year		**11,708,066**	713,807
Cash, end of year		**22,075,280**	11,708,066

The accompanying notes are an integral part of the financial statements.

1. Description of business

The Waterloo Wellington Local Health Integration Network was incorporated by Letters Patent on June 2, 2005 as a corporation without share capital. Following Royal Assent to Bill 36 on March 28, 2006, it was continued under the Local Health System Integration Act, 2006 (the "Act") as the Waterloo Wellington Local Health Integration Network (the "LHIN") and its Letters Patent were extinguished. As an agent of the Crown, the LHIN is not subject to income taxation.

The LHIN is, and exercises its powers only as, an agent of the Crown. Limits on the LHIN's ability to undertake certain activities are set out in the Act.

The mandate of the LHIN is as follows:

a. Plan, fund and integrate the local health system within its geographic area. The LHIN spans carefully defined geographical areas and allows for local communities and health care providers within the geographical area to work together to identify local priorities, plan health services and deliver them in a more coordinated fashion. The LHIN covers most of Regions of Waterloo Wellington. The LHIN enters into service accountability agreements with health service providers.

   The LHIN has also entered into an accountability agreement with the Ministry of Health and Long Term Care ("MOHLTC"), which provides the framework for LHIN accountabilities and activities.

   All funding payments to LHIN managed Health Service Providers are flowed through the LHIN's financial statements. Funding payments authorized by the LHIN to Health Service Providers, are recorded in the LHIN's Financial Statements as revenue from the MOHLTC and as transfer payment expenses to Health Service Providers.

b. Provision of community services. These services include health and related social services, medical supplies and equipment for the care of persons in home and community settings and to provide goods and services to assist caregivers in the provision of care for such persons, to manage the placement of persons into long-term care homes, supportive housing programs, chronic care and rehabilitation beds in hospitals, and to provide information to the public about, and make referrals to, health and social services.

2. Significant accounting policies

The financial statements of the LHIN are the representations of management, prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations including the 4200 series standards, as issued by the Public Sector Accounting Board. Significant accounting policies adopted by the LHIN are as follows:

Revenue recognition

The LHIN follows the deferral method of accounting for contributions. Contributions from the MOHLTC represent externally restricted contributions which must be spent within the fiscal year provided. Unspent contributions from the MOHLTC are set up as repayable to the MOHLTC at the end of the year. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Ministry of Health and Long-Term Care Funding

The LHIN is funded by the Province of Ontario in accordance with the Ministry-LHIN Accountability Agreement ("MLAA"), which describes budgetary arrangements established by the MOHLTC. The Financial Statements reflect funding arrangements approved by the MOHLTC. The LHIN cannot authorize payments in excess of the budgetary allocation set by the MOHLTC. Due to the nature of the Accountability Agreement, the LHIN is economically dependent on the MOHLTC.

2. Significant accounting policies (continued)

Ministry of Health and Long-Term Care Funding (continued)

Transfer payment amounts to Health Service Providers are based on the terms of the Health Service Provider Accountability Agreements with the LHIN, including any amendments made throughout the year. During the year, the LHIN authorizes the transfer of cash to the Health Service Providers. The cash associated with the transfer payment flows directly from the MOHLTC and does not flow through the LHIN bank account.

LHIN Financial Statements do not include transfer payment funds not included in the Ministry-LHIN Accountability Agreement.

Capital assets

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments, which extend the estimated life of an asset, are capitalized

Capital assets are amortized on a straight-line basis based on their estimated useful life as follows:

Computer and communications equipment	3 years
Computer software	3 years
Leasehold improvements	5 years
Furniture and equipment	10 years

For assets acquired or brought into use, during the year, amortization is provided for at one half of the annual rate.

Deferred capital contributions

Contributions received for the purchase of capital assets are deferred and are amortized to income at the same rate as the corresponding capital asset.

Employee future benefits

The LHIN accrues its obligations for sick leave and post-employment benefit plans as the employees render the services necessary to earn the benefits. The actuarial determination of the accrued benefit obligations uses the projected benefit method prorated on service (which incorporates management's best estimate of future salary levels, other cost escalation, and other actuarial factors). Under this method, the benefit costs are recognized over the expected average service life of the employee group.

Actuarial gains and losses on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The excess of the future actuarial gains and losses will be amortized over the estimated average remaining service life of the employees. The most recent actuarial valuation of the sick leave plan and the benefit plan was as of March 31, 2018.

Financial instruments

Financial assets and liabilities are measured at amortized cost, with the exception of cash that is measured at fair value. Financial instruments measured at amortized cost 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.

Write-downs 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 write-down being recognized in the statement of operations.

2. Significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 reporting period. Significant estimates include depreciation rates for capital assets and certain accruals. Actual results could differ from those estimates.

3. Funding repayable to the MOHLTC

In accordance with the MLAA, the LHIN is required to be in a balanced position at year end. Thus, any funding received in excess of expenses incurred, is required to be returned to the MOHLTC.

The amount due to the MOHLTC at March 31 is made up as follows:

	2019	2018
	$	$
Due to MOHLTC, beginning of year	**362,828**	154,472
Funding repaid to MOHLTC	**(362,828)**	(154,472)
Funding repayable to the MOHLTC from WWCCAC transition	**—**	793
Funding repayable to the MOHLTC related to current year activities	**5,994,665**	362,035
Due to MOHLTC, end of year	**5,994,665**	362,828

4. Enabling Technologies for Integration Project Management Office

Effective January 31, 2014, the WWLHIN entered into an agreement with Erie St. Clair, Hamilton Niagara Haldimand Brant and South West (the "Cluster") in order to enable the effective and efficient delivery of e-health programs and initiatives within the geographic area of the Cluster. Under the agreement, decisions related to the financial and operating activities of the Enabling Technologies for Integration Project Management Office are shared. No LHIN is in a position to exercise unilateral control.

The WWLHIN's financial statement reflects its share of the MOHLTC funding for Enabling Technologies for Integration Project Management Offices for its Cluster and related expenses. During the year, the LHIN received funding from the Erie St. Clair LHIN of $1,000,000 ($510,000 in 2018 from South West LHIN).

5. Related party transactions

Health Shared Services Ontario (HSSO)

HSSO is a provincial agency established January 1, 2017 by O. Reg. 456/16 made under LHSIA with objects to provide shared services to LHINs in areas that include human resources management, logistics, finance and administration and procurement. HSSO as a provincial agency is subject to legislation, policies and directives of the Government of Ontario and the Memorandum of Understanding between HSSO and the Minister of Health and Long-Term Care.

6. Capital assets

	Cost $	Accumulated depreciation $	2019 Net book value $	2018 Net book value $
Computer equipment	**742,566**	**728,575**	**13,991**	23,318
Computer software	**21,678**	**3,613**	**18,065**	—
Leasehold improvements	**1,104,203**	**702,019**	**402,184**	521,010
Furniture and equipment	**848,275**	**835,414**	**12,861**	10,681
	2,716,722	**2,269,621**	**447,101**	555,009

7. Post employment benefits

The LHIN has a defined early retirement benefit plan that provides benefits to employee who are 55 years of age, have retired and are withdrawing funds from the pension plan. The early retirement benefits cease when the individual reaches 65 years of age.

The accrued benefit obligation for early retirement benefits as at March 31, 2019 is based on an actuarial valuation for accounting purposes using the projected benefit method pro-rated on service. The most recent actuarial valuation of the early retirement benefits obligation was completed March 31, 2018.

This valuation was based on assumptions about future events. The economic assumptions used in these valuations are management's best estimates of expected rates of:

	2019 %
Inflation	**2.0**
Discount on accrued benefit obligation	**3.4**
Compensation increase	**3.0**
Dental cost trends	**4.0**
Health care cost trends	**6.0**

Information about the post employment benefit plan is as follows:

	2019 $	2018 $
Accrued benefit liability, beginning of year	**1,311,825**	—
Accrued benefit liability, transferred from Waterloo Wellington CCAC	**—**	1,138,960
Current service cost	**210,390**	172,058
Interest on obligation	**69,214**	64,549
Amortization of actuarial losses	**76,291**	60,858
Benefits paid	**(127,000)**	(124,600)
Accrued benefit liability, end of year	**1,540,720**	1,311,825
Accrued benefit obligation	**2,236,216**	2,042,125
Unamortized actuarial losses	**(695,496)**	(730,300)
Accrued benefit liability, end of year	**1,540,720**	1,311,825

8. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of capital assets. Deferred capital contributions are amortized to income at the same rate as the corresponding capital asset. The changes in the deferred capital contributions balance are as follows:

	2019	2018
	$	$
Balance, beginning of year	**555,009**	149,390
Capital contributions assumed on transition	**—**	363,626
Capital contributions received during the year	**29,369**	169,438
Amortization for the year	**(137,277)**	(127,445)
Balance, end of year	**447,101**	555,009

9. Commitments

The LHIN has commitments under various operating leases as follows:

	$
2019	1,439,060
2020	1,153,955
2021	1,040,539
2022	484,568
2023	80,101

10. Contingencies

The LHIN enters into accountability agreements with Health Service Providers which include planned funding targets. The actual funding provided by the LHIN is contingent on the MOHLTC providing the funding.

The LHIN has been named as defendants in various claims. Based on the opinion of legal counsel as to the realistic estimates of the merits of these actions and the LHINs potential liability, management believes any liability resulting from these actions would be adequately covered by existing liability insurance.

11. Additional information to the statement of cash flows

	2019	2018
	$	$
Due from MOHLTC	**455,753**	(5,622,081)
Accounts Receivable	**750,314**	(1,094,237)
Prepaid Expenses	**239,698**	887,608
Deposits	**(7,149)**	(41,650)
Accounts payable and accrued liabilities	**4,318,781**	2,288,562
Due to HSP	**(1,009,553)**	4,351,281
Due to MOHLTC	**5,631,837**	205,386
Deferred revenue	**(642)**	(404,518)
Post employment benefits	**228,895**	172,864
	10,607,934	743,215

12. Pension plan

The LHIN contributes to the Healthcare of Ontario Pension Plan ("HOOPP"), which is a multi-employer plan, on behalf of approximately 459 members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay. The amount contributed to HOOPP for fiscal 2019 was $2,941,496 ($2,692,122 in 2018) for current service costs and is included as an expense in the 2019 statement of operations. The last actuarial valuation was completed for the plan as of December 31, 2018. At that time, the plan was fully funded.

13. Transfer payment to HSPs

The LHIN has authorization to allocate funding of $1,006,776 to various HSPs in its geographic area. The LHIN approved transfer payments to various sectors in 2019 as follows:

	2019	2018
	$	$
Operations of hospitals	**637,611,859**	617,197,091
Grants to compensate for municipal taxation – public hospitals	**159,225**	159,225
Long-Term Care Homes	**211,333,362**	202,450,016
Community Care Access Centres	**—**	17,453,771
Community support services	**30,727,836**	29,490,832
Assisted living services in supportive housing	**6,471,004**	6,471,004
Community health centres	**26,128,549**	24,210,476
Community mental health addictions program	**93,668,941**	88,155,705
	1,006,100,776	985,588,120

The LHIN receives funding from the MOHLTC and in turn allocates it to the HSPs. As at March 31, 2019, an amount of $5,791,000 ($6,800,553 in 2018) was receivable from the MOHLTC, and was payable to HSPs. These amounts have been reflected as revenue and expenses in the statement of operations and are included in the table above.

Effective May 17, 2017 the LHIN assumed the assets, liabilities, rights and obligations of the Waterloo Wellington Community Care Access Centre (CCAC). The 2018 comparative amount reported in respect of the CCAC in the table above represents funding provided to the CCAC up to the date of transfer.

14. Financial risk

The LHIN through its exposure to financial assets and liabilities, has exposure to credit risk and liquidity risk as follows:

Credit risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and incur a financial loss. The maximum exposure to credit risk is the carrying value reported in the statement of financial position. Credit risk is mitigated through collection practices and the diverse nature of amounts with accounts receivable.

Liquidity risk is the risk that the LHIN will not be able to meet all cash flow obligations as they come due. The LHIN mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and cash flow analysis.

15. Accumulated non-vesting sick pay

The accumulated non-vesting sick pay comprises the sick pay benefits that accumulated but do not vest. These adjustments are not funded by the Ontario Ministry of Health and Long-Term Care.

16. Guarantees

The LHIN is subject to the provisions of the Financial Administration Act. As a result, in the normal course of business, the LHIN may not enter into agreements that include indemnities in favor of third parties, except in accordance with the Financial Administration Act and the related Indemnification Directive.

An indemnity of the Chief Executive Officer was provided directly by the LHIN pursuant to the terms of the Local Health System Integration Act, 2006 and in accordance with s.28 of the Financial Administration Act.

17. Board expenses

The following provides the details of Board expenses reported in the statement of operations and changes in net assets:

	2019	2018
	$	$
Board Chair per diem expenses	**50,125**	11,625
Other Board members' per diem expenses	**2,088**	58,150
Other governance and travel	**3,095**	17,065
	55,308	86,840

18. The People's Health Care Act

On April 18, 2019, *The People's Health Care Act* (the "Act") received Royal Assent. This legislation is a key component of the government's plan to build a modern, sustainable and integrated health care system. The Act grants the Minister of Health and Long-Term Care (the "Minister") the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations, including the LHIN, into Ontario Health (a new Crown Agency created by the Act), a health service provider, or an integrated care delivery system. The Act also grants the Minister the power to dissolve these organizations.

On March 8, 2019, the members of the board of directors of Ontario Health were appointed to also constitute the board of the LHIN. The board of directors of Ontario Health is tasked with overseeing the transition process of transferring multiple provincial agencies into Ontario Health. Following the transfer the LHIN, would be dissolved.

The transition process is expected to occur over a number of years. A potential transfer and dissolution date is currently unknown. In the meantime, the LHIN continues to operate as required under the Local Health System Integration Act, 2006 and in accordance with its accountability agreement with the Minister.

19. Comparative figures

Certain of prior year's figures have been reclassified to conform with current years presentation.