### Financial statements of

Waterloo Wellington Local Health Integration Network O/A Home and Community Care Support Services Waterloo Wellington

For the period ended June 27, 2024

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Tel: 289 881 1111 Fax: 905 845 8615 www.bdo.ca

### **Independent Auditor's Report**

## To the Board of Directors of Waterloo Wellington Local Health Integration Network O/A Home and Community Care Support Services Waterloo Wellington

#### Opinion

We have audited the financial statements of Waterloo Wellington Local Health Integration Network O/A Home and Community Care Support Services Waterloo Wellington (the "LHIN"), which comprise the statement of financial position as at June 27, 2024, statement of operations, statement of changes in net debt, statement of cash flows for the period from April 1, 2024 to June 27, 2024, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the LHIN as at June 27 2024, and its results of operations and its cash flows for the period then ended in accordance with Canadian public sector accounting standards.

#### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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 these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



### Independent Auditor's Report (continued)

#### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud
  or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is
  sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material
  misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve
  collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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

Oakville, Ontario September 25, 2024

BOO Canada LLP

**Statement of financial position** 

As at June 27, 2024

Notes   June 27, 2024   March 31, 2024   \$   \$   \$   \$   \$   \$   \$   \$   \$				
Assets Current assets Cash Due from Ministry of Health ("MOH") Accounts receivable Prepaid expenses  Capital assets  Capital a			June 27, 2024	March 31, 2024
Current assets       10,541,756       16,158,961         Due from Ministry of Health ("MOH")       7,916,525       10,765,397         Accounts receivable       12       2,148,754       4,786,804         Prepaid expenses       1,549,958       1,372,733         Capital assets       3       7,029       8,055         22,164,022       33,091,950         Liabilities       2       17,477,700       18,703,785         Due to MOH       4       4,161,793       14,380,110         Deferred Provincial Grants       517,500       -         Deferred capital contributions       6       7,029       8,055         Employee future benefits       5       2,338,718       2,286,826         Commitments and contingencies       7 and 8         Net liabilities       (2,338,718)       (2,286,826)		Notes	\$	\$
Current assets       10,541,756       16,158,961         Due from Ministry of Health ("MOH")       7,916,525       10,765,397         Accounts receivable       12       2,148,754       4,786,804         Prepaid expenses       1,549,958       1,372,733         Capital assets       3       7,029       8,055         22,164,022       33,091,950         Liabilities       Current liabilities         Current liabilities       Accounts payable and accrued liabilities         Due to MOH       4       4,161,793       14,380,110         Deferred Provincial Grants       517,500          22,156,993       33,083,895         Deferred capital contributions       6       7,029       8,055         Employee future benefits       5       2,338,718       2,286,826         Commitments and contingencies       7 and 8         Net liabilities       (2,338,718)       (2,286,826)				
Cash Due from Ministry of Health ("MOH")       7,916,525 10,765,397         Accounts receivable Prepaid expenses       12 2,148,754 4,786,804         Prepaid expenses       1,549,958 1,372,733         Capital assets       3 7,029 8,055         Capital issets       22,164,022 33,091,950         Liabilities         Current liabilities       12 17,477,700 18,703,785         Due to MOH       4 4,161,793 14,380,110         Deferred Provincial Grants       517,500 —         Deferred capital contributions       6 7,029 8,055         Employee future benefits       5 2,338,718 2,286,826         Commitments and contingencies       7 and 8         Net liabilities       (2,338,718) (2,286,826)	Assets			
Due from Ministry of Health ("MOH")       7,916,525       10,765,397         Accounts receivable Prepaid expenses       12       2,148,754       4,786,804         Prepaid expenses       1,549,958       1,372,733         22,156,993       33,083,895         Capital assets       3       7,029       8,055         22,164,022       33,091,950         Liabilities       3       1,7477,700       18,703,785         Our to MOH       4       4,161,793       14,380,110         Deferred Provincial Grants       517,500       —         Deferred capital contributions       6       7,029       8,055         Employee future benefits       5       2,338,718       2,286,826         Commitments and contingencies       7 and 8         Net liabilities       (2,286,826)	Current assets			
Due from Ministry of Health ("MOH")       7,916,525       10,765,397         Accounts receivable Prepaid expenses       12       2,148,754       4,786,804         Prepaid expenses       1,549,958       1,372,733         22,156,993       33,083,895         Capital assets       3       7,029       8,055         22,164,022       33,091,950         Liabilities       3       1,7477,700       18,703,785         Current liabilities       4       4,161,793       14,380,110         Deferred Provincial Grants       517,500       —         Deferred capital contributions       6       7,029       8,055         Employee future benefits       5       2,338,718       2,286,826         Commitments and contingencies       7 and 8         Net liabilities       (2,286,826)	Cash		10,541,756	16,158,961
Accounts receivable Prepaid expenses 12 2,148,754 1,549,958 1,372,733 22,156,993 33,083,895 22,164,022 33,091,950 22,164,022 33,091,	Due from Ministry of Health ("MOH")			
Prepaid expenses         1,549,958   1,372,733   22,156,993   33,083,895   33,083,895   22,156,993   33,083,895   22,164,022   33,091,950   22,164,022   33,091,950   22,164,022   33,091,950   22,164,022   33,091,950   22,164,022   33,091,950   22,164,022   33,091,950   22,164,022   33,091,950   22,164,022   33,091,950   22,164,022   33,091,950   22,164,022   33,091,950   22,164,022   33,091,950   22,164,022   33,091,950   22,164,022   33,091,950   22,164,022   33,091,950   22,164,022   33,091,950   22,164,022   33,091,950   22,164,022   31,091,950   22,164,022   22		12		
22,156,993       33,083,895         Capital assets       3       7,029       8,055         22,164,022       33,091,950         Liabilities       Current liabilities         Current liabilities       12       17,477,700       18,703,785         Due to MOH       4       4,161,793       14,380,110         Deferred Provincial Grants       517,500       —         22,156,993       33,083,895         Deferred capital contributions       6       7,029       8,055         Employee future benefits       5       2,338,718       2,286,826         Commitments and contingencies       7 and 8         Net liabilities       (2,338,718)       (2,286,826)			· · · · · · · · · · · · · · · · · · ·	· · ·
Capital assets         3         7,029         8,055           Liabilities         Current liabilities           Accounts payable and accrued liabilities         12         17,477,700         18,703,785           Due to MOH         4         4,161,793         14,380,110           Deferred Provincial Grants         517,500         —           Deferred capital contributions         6         7,029         8,055           Employee future benefits         5         2,338,718         2,286,826           Commitments and contingencies         7 and 8           Net liabilities         (2,338,718)         (2,286,826)	Trepara expenses			
Liabilities       22,164,022       33,091,950         Current liabilities       32       17,477,700       18,703,785         Accounts payable and accrued liabilities       12       17,477,700       18,703,785         Due to MOH       4       4,161,793       14,380,110         Deferred Provincial Grants       517,500       —         22,156,993       33,083,895         Employee future benefits       5       2,338,718       2,286,826         Commitments and contingencies       7 and 8         Net liabilities       (2,338,718)       (2,286,826)			22/130/333	33,003,033
Liabilities       22,164,022       33,091,950         Current liabilities       32       17,477,700       18,703,785         Accounts payable and accrued liabilities       12       17,477,700       18,703,785         Due to MOH       4       4,161,793       14,380,110         Deferred Provincial Grants       517,500       —         22,156,993       33,083,895         Employee future benefits       5       2,338,718       2,286,826         Commitments and contingencies       7 and 8         Net liabilities       (2,338,718)       (2,286,826)	Canital assets	3	7 029	8.055
Liabilities         Current liabilities         Accounts payable and accrued liabilities       12       17,477,700       18,703,785         Due to MOH       4       4,161,793       14,380,110         Deferred Provincial Grants       517,500       —         22,156,993       33,083,895         Deferred capital contributions       6       7,029       8,055         Employee future benefits       5       2,338,718       2,286,826         Commitments and contingencies       7 and 8         Net liabilities       (2,338,718)       (2,286,826)	Capital assets	3		
Current liabilities       12       17,477,700       18,703,785         Due to MOH       4       4,161,793       14,380,110         Deferred Provincial Grants       517,500       —         Deferred capital contributions       6       7,029       8,055         Employee future benefits       5       2,338,718       2,286,826         Commitments and contingencies       7 and 8         Net liabilities       (2,338,718)       (2,286,826)			22,104,022	33,091,930
Current liabilities       12       17,477,700       18,703,785         Due to MOH       4       4,161,793       14,380,110         Deferred Provincial Grants       517,500       —         Deferred capital contributions       6       7,029       8,055         Employee future benefits       5       2,338,718       2,286,826         Commitments and contingencies       7 and 8         Net liabilities       (2,338,718)       (2,286,826)	Liphilities			
Accounts payable and accrued liabilities  Due to MOH  Deferred Provincial Grants  Deferred capital contributions  Employee future benefits  Deferred Provincial Grants  12  17,477,700  18,703,785  4,161,793  14,380,110  517,500  —  22,156,993  33,083,895  And 8  Parallel Commitments and contingencies  7 and 8  Net liabilities  12  17,477,700  18,703,785  14,380,110  517,500  —  22,156,993  33,083,895  And 8  2,286,826  24,502,740  35,378,776  Commitments and contingencies  7 and 8  (2,286,826)				
Due to MOH       4       4,161,793       14,380,110         Deferred Provincial Grants       517,500       —         22,156,993       33,083,895         Deferred capital contributions       6       7,029       8,055         Employee future benefits       5       2,338,718       2,286,826         Commitments and contingencies       7 and 8         Net liabilities       (2,338,718)       (2,286,826)		12	17 477 700	10 702 705
Deferred Provincial Grants         517,500         —           22,156,993         33,083,895           Deferred capital contributions         6         7,029         8,055           Employee future benefits         5         2,338,718         2,286,826           Commitments and contingencies         7 and 8           Net liabilities         (2,338,718)         (2,286,826)	· ·			
Deferred capital contributions       6       7,029       8,055         Employee future benefits       5       2,338,718       2,286,826         Commitments and contingencies       7 and 8         Net liabilities       (2,338,718)       (2,286,826)		4		14,380,110
Deferred capital contributions 6 7,029 8,055 2,338,718 2,286,826 24,502,740 35,378,776  Commitments and contingencies 7 and 8  Net liabilities (2,338,718) (2,286,826)	Deferred Provincial Grants			
Employee future benefits 5 2,338,718 2,286,826  24,502,740 35,378,776  Commitments and contingencies 7 and 8  Net liabilities (2,338,718) (2,286,826)			22,156,993	33,083,895
Employee future benefits 5 2,338,718 2,286,826  24,502,740 35,378,776  Commitments and contingencies 7 and 8  Net liabilities (2,338,718) (2,286,826)				
Employee future benefits 5 2,338,718 2,286,826  24,502,740 35,378,776  Commitments and contingencies 7 and 8  Net liabilities (2,338,718) (2,286,826)				
24,502,740 35,378,776  Commitments and contingencies 7 and 8  Net liabilities (2,338,718) (2,286,826)	·		·	•
Commitments and contingencies 7 and 8  Net liabilities (2,338,718) (2,286,826)	Employee future benefits	5	2,338,718	2,286,826
Commitments and contingencies 7 and 8  Net liabilities (2,338,718) (2,286,826)				
Commitments and contingencies 7 and 8  Net liabilities (2,338,718) (2,286,826)				
Net liabilities (2,286,826)			24,502,740	35,378,776
Net liabilities (2,286,826)				
(=,===,===)	Commitments and contingencies	7 and 8		
(=,===,===)				
	Net liabilities		(2,338,718)	(2,286,826)
			22,164,022	33,091,950

Approved by the Board

Carol Annett, Board Chair

Kate Fyfe, Vice Chair

**Statement of operations** 

F	Period	ended	June	27,	2024		
7	Como	arativo	2000	unto	fortho	1/02F	000

(Comparative amounts for the year ended)			
		June 27, 2024	March 31, 2024
		Actual	Actual
	Notes	\$	\$
Revenue			
MOH funding - operations and initiatives		57,263,154	215,739,214
Ontario Health Cancer Care Division		7,288	46,807
Amortization of deferred capital contributions	6	1,026	4,104
Other revenue		258,596	1,017,030
		57,530,064	216,807,155
Expenses			
Contracted out			
In-home/clinic services		38,081,002	143,039,890
School services		1,871,377	6,189,247
Hospice services		1,558,550	6,304,468
Salaries and benefits	10	12,353,767	47,439,942
Medical supplies		1,938,529	7,029,688
Medical equipment rental		757,328	2,795,613
Supplies and sundry		578,232	2,258,238
Building and ground		390,253	1,745,965
Amortization		1,026	4,104
		57,530,064	216,807,155
Excess of revenue over expenses before			
the undernoted		_	<del>-</del>
Employee future benefits expense		(51,892)	(134,269)
Expenditures from donations fund		_	
Deficiency of revenue over expenses		(51,892)	(134,269)

Statement of changes in net debt

Period ended June 27, 2024

(Comparative amounts for the year ended)

Net debt, beginning of period
Deficiency of revenue over expenses
Transfer to employee benefits
Net debt, end of period

Unrestricted \$	Employee benefits \$	Jun 27, 2024 Total \$	Mar 31, 2024 Total \$
_ (54.002)	(2,286,826)	(2,286,826)	(2,152,557)
(51,892) <u>51,892</u>	 (51,892)	(51,892) —	(134,269) —
	(2,338,718)	(2,338,718)	(2,286,826)

**Statement of cash flows** 

Period ended June 27, 2024

(Comparative amounts for the year ended)

		June 27, 2024	March 31, 2024
	Notes	<b>\$</b>	\$
Operating activities Excess of expenses over revenue Add amounts not affecting cash		(51,892)	(134,269)
Amortization of capital assets		1,026	4,104
Amortization of deferred capital contributions	6	(1,026)	(4,104)
·		(51,892)	(134,269)
Changes in non-cash working capital items	9	(5,565,313)	(4,072,627)
		(5,617,205)	(4,206,896)
Net decrease in cash Cash, beginning of period		(5,617,205) 16,158,961	(4,206,896) 20,365,857
Cash, end of period		10,541,756	16,158,961

Notes to the financial statements

June 27, 2024

#### 1. Description of business

The Waterloo Wellington Health Integration Network was incorporated by letters patent on June 2, 2005 as a corporation without share capital. Following Royal Assent on March 28, 2006 to the *Local Health System Integration Act, 2006, S.O. 2006, c. 4 - Bill 36*, it was continued as the Waterloo Wellington Local Health Integration Network ("LHIN") and the letters patent issued to constitute the corporation continued by this Act were extinguished.

Effective June 21, 2017, the Minister of Health and Long-Term Care issued a transfer order under section 34.2 of the *Local Health System Integration Act, 2006* ("LHSIA") and ordered all assets, liabilities, rights and obligations, and all records relating thereto, and all employees of the Waterloo Wellington Community Care Access Centre and related records, rights and obligations to be transferred from the Waterloo Wellington Community Care Access Centre to the Waterloo Wellington LHIN.

On March 7, 2019, the Orders in Council appointing individuals to the Board of Directors of the Waterloo Wellington LHIN were revoked, and members of the Board of Directors of Ontario Health ("OH") were cross-appointed to the Waterloo Wellington LHIN. The OH Board continued in this capacity until July 1, 2021 when individuals newly appointed to the Waterloo Wellington LHIN Board of Directors took effect.

On March 17, 2021, the Ontario Minister of Health issued a transfer order under subsection 40(1) of the *Connecting Care Act, 2019*, in which the Minister ordered specific assets, liabilities, rights and obligations to be transferred from Waterloo Wellington LHIN to Ontario Health. The items transferred were primarily associated with health system planning, funding, and integration of the local health system in its geographic area. In addition, certain staff positions of the Waterloo Wellington LHIN were transferred to Ontario Health.

On July 8, 2020, the *Connecting People to Home and Community Care Act, 2020* received Royal Assent. This Act made legislative amendments to the *Connecting Care Act, 2019* relating to home and community care and, on May 1, 2022, O. Reg. 187/22 Home and Community Care Services under the *Connecting Care Act, 2019* was proclaimed into force. On the same day, the *Home Care and Community Services Act, 1994* and regulations thereunder were repealed and are no longer in force.

The Waterloo Wellington LHIN is a Crown agent and may exercise its powers only as an agent of the Crown. Limits on the Waterloo Wellington LHIN's ability to undertake certain activities are set out in LHSIA. As an agent of the Crown, the Waterloo Wellington LHIN is not subject to income taxation.

The Waterloo Wellington LHIN now operates under the business name Home and Community Care Support Services Waterloo Wellington and is responsible for the provision of home and community care services within its geographic area.

The mandate of the Waterloo Wellington LHIN includes the following:

Provision of community services:

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

The Waterloo Wellington LHIN has entered into an Accountability Agreement with the Ministry of Health ("MOH"), as required under section 18 of LHSIA, and a Memorandum of Understanding, which provides the framework for Waterloo Wellington LHIN's accountabilities and activities.

**Notes to the financial statements** 

June 27, 2024

#### 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 MOH represent externally restricted contributions which must be spent within the fiscal year provided. Unspent contributions from the MOH are set up as repayable to the MOH 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 and is reasonably assured.

#### Ministry of Health 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 MOH. The Financial Statements reflect funding approved by the MOH for the operations of the LHIN. Due to the nature of the Accountability Agreement, the LHIN is economically dependent on the MOH.

LHIN Financial Statements include LHIN operating funds included in the Ministry-LHIN Accountability Agreement and as amended by Ministry of Health funding letters.

#### 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 and software 3 years
Furniture and equipment 3-10 years
Leasehold improvements Over the term of the lease

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.

#### Employee Future Benefits

The LHIN accrues its obligations for the 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.

Notes to the financial statements

June 27, 2024

#### 2. Significant accounting policies (continued)

Employee Future Benefits (continued)

Actuarial gains and losses on the accrued benefit obligation arise from differences between actual and expected experience and from changes to 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 benefit plan was as of March 31, 2024.

#### 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, certain accruals and employee future benefits. Actual results could differ from those estimates.

#### 3. Capital assets

_	Cost \$	Accumulated amortization \$	June 27, 2024 Net book value \$	March 31, 2024 Net book value \$
Computer equipment and software Furniture and equipment Leasehold improvements	76,097	72,209	3,888	4,665
	263,144	260,003	3,141	3,390
	716,748	716,748	—	—
	1,055,989	1,048,960	7,029	8,055

Notes to the financial statements

June 27, 2024

#### 4. Due to MOH

In accordance with the MLAA, the LHIN is required to be in a balanced position at year end. Any funding received from the MOH in excess of expenses incurred, is required to be returned to the MOH. The MOH requires any deficits incurred to be remediated by the LHIN generating a surplus equal to the deficit, in the following fiscal year. All interest income earned by the LHIN is payable to the MOH.

The amount due to the MOH at June 27 is made up as follows:

	June 27, 2024 \$	March 31, 2024 \$
Due to MOH, beginning of period Funding repaid to MOH Funding repayable to MOH related to	14,380,110 (10,380,593)	10,372,533 —
current period activities Interest income for the current period	33,772 128,504	2,740,723 1,266,854
Due to MOH, end of period	4,161,793	14,380,110

#### 5. Employee future benefits

The LHIN has a defined early retirement benefit plan that provides benefits to employees 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 June 27, 2024 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, 2024.

The valuation was based on assumptions about future events. The economic assumptions used in these valuations are management's best estimates of expected rates of:

	<u> </u>
Inflation	2.00
Discount on accrued benefit obligation	3.95
Compensation increase	3.00
Dental cost trends	4.00
Health care cost trends	5.50

**Notes to the financial statements** June 27, 2024

#### 5. Employee future benefits (continued)

Information about the employee future benefit plan is as follows:

	June 27, 2024 \$	March 31, 2024 \$
Accrued benefit liability, beginning of period Current service cost	2,286,826	2,152,557
Interest on obligation Amortization of actuarial losses Benefits paid	66,822 30,175 28,295 (73,400)	198,921 95,133 66,915 (226,700)
Accrued benefit liability, end of period	2,338,718	2,286,826
Accrued benefit obligation Umamortized actuarial losses	2,507,206 (168,488)	3,073,954 (787,128)
Accrued benefit liability, end of period	2,338,718	2,286,826

#### 6. 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:

	June 27, 2024	March 31, 2024
	\$	\$
Balance, beginning of period	8,055	12,159
Amortization for the period	(1,026)	(4,104)
Balance, end of period	7,029	8,055

#### 7. Commitments

The LHIN has commitments under various operating leases extending to 2028 as follows:

	\$_
2025	269,158
2026	90,032
2027	79,857
2028	20,185
	459,232

**Notes to the financial statements** 

June 27, 2024

#### 8. Contingencies

The LHIN has been named as defendants in various claims due to the nature of its operations as well as grievances filed by its various unions. Management has recorded its best estimate of the outcome of these claims in these financial statements.

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 June 27, 2024.

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

#### 9. Change in non-cash working capital items

e 27, 2024 \$	March 31, 2024 \$
2,848,872 2,638,050 (177,225) 1,226,085) 0,218,317) 517,500 51,892	3,336,737
5	17,500

#### 10. Pension plan

The LHIN contributes to the Healthcare of Ontario Pension Plan ("HOOPP"), which is a multi-employer plan, on behalf of approximately 523 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 period ended June 27, 2024 was \$860,029 (March 31, 2024 - \$3,187,863) for current service costs and is included as an expense in salaries and benefits in the statement of operations. The last actuarial valuation was completed by HOOPP as at December 31, 2023 disclosed net assets available for benefits of \$112,635,000,000 with pension obligations of \$102,454,000,000, resulting in a surplus of \$10,181,000,000.

#### 11. Financial risk

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

- (i) 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.
- (ii) 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.

Notes to the financial statements June 27, 2024

#### 12. Related party balances and transactions

The Waterloo Wellington LHIN is related to other LHINs by virtue of having a common controlling board of Directors and CEO. The Waterloo Wellington LHIN incurred costs totaling \$46,722 during the period ended June 27, 2024 (March 31, 2024 - \$183,116) which are payable to North East LHIN for shared cost recoveries. The Waterloo Wellington LHIN incurred costs totalling \$Nil during the period ended June 27, 2024 (March 31, 2024 - \$43,840) which are receivable from Central LHIN. These transactions were incurred in the normal course of operations and were measured at exchange amount. Included in accounts payable and accrued liabilities is \$11,034 (March 31, 2024 - \$89,905) due to other LHINs and included in accounts receivable is \$Nil (March 31, 2024 - \$43,840) due from other LHINs.

#### 13. Subsequent Event

The Convenient Care at Home Act, 2023 was proclaimed into force on June 28, 2024, resulting in the 14 local health integration networks, each operating as Home and Community Care Support Services organizations being amalgamated to form a single new service organization named Ontario Health atHome.

Ontario Health atHome is a Crown agency and a subsidiary of Ontario Health with its own board of directors and chief executive officer. It is directly accountable to Ontario Health and, indirectly accountable to the Minister of Health through Ontario Health.

Ontario Health atHome will continue to support the coordination of home care services across the province, and support Ontario Health Teams as they take on responsibility for home care.

All employees of Home and Community Care Support Services organizations immediately before amalgamation, by operation of law, automatically became employees of Ontario Health atHome as of June 28, 2024.