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Financial statements of  
Erie St. Clair Local Health  
Integration Network O/A Home and  
Community Care Support Services  
Erie St. Clair

March 31, 2024

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## Independent Auditor's Report

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To the Board of Directors of Erie St. Clair Local Health Integration Network O/A Home and Community Care Support Services Erie St. Clair

### Opinion

We have audited the financial statements of Erie St. Clair Local Health Integration Network O/A Home and Community Care Support Services Erie St. Clair (the "LHIN"), which comprise the statement of financial position as at March 31, 2024, statement of operations, statement of changes in net debt, statement of cash flows for the year then ended, 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 March 31, 2024, and its results of operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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.

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## Independent Auditor's Report (continued)

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### 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario  
June 28, 2024

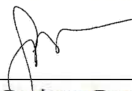
# Erie St. Clair Home and Community Care Support Services

## Statement of financial position

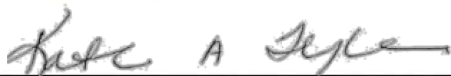
As at March 31, 2024

	Notes	2024 \$	2023 \$
<b>Assets</b>			
Current assets			
Cash		18,409,321	21,458,715
Due from Ministry of Health ("MOH")		5,814,200	685,400
Accounts receivable		676,575	649,650
Prepaid expenses		1,377,051	1,554,780
		<u>26,277,147</u>	<u>24,348,545</u>
Capital assets			
	3	150,978	254,217
		<u>26,428,125</u>	<u>24,602,762</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	10	17,563,784	14,826,863
Due to MOH	4	8,748,513	9,536,361
Deferred revenue		120,660	120,971
		<u>26,432,957</u>	<u>24,484,195</u>
Employee future benefits	5	2,775,400	2,732,300
Deferred capital contributions	6	150,978	254,217
		<u>29,359,335</u>	<u>27,470,712</u>
<b>Net Debt</b>		<u>(2,931,210)</u>	<u>(2,867,950)</u>
		<u>26,428,125</u>	<u>24,602,762</u>

Approved by the Board



Joe Parker, Board Chair



Kate Fyfe, Finance, Audit and Information Committee Chair

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

## Erie St. Clair Home and Community Care Support Services

### Statement of operations

Year ended March 31, 2024

	Notes	2024 \$	2023 \$
<b>Revenue</b>			
MOH funding - operations and initiatives		206,576,944	181,189,851
Ontario Health - Cancer Care Division		534,455	699,345
Amortization of deferred capital contributions	6	142,108	249,880
Other revenue		498,309	111,990
		<u>207,751,816</u>	<u>182,251,066</u>
Total revenue		<u>207,751,816</u>	<u>182,251,066</u>
<b>Expenses</b>			
Operations and Initiatives			
Contracted out:			
In-home/clinic services		127,013,625	108,653,829
School services		4,956,780	4,037,105
Hospice services		6,691,882	5,439,477
Salaries and benefits	5	55,023,193	50,401,236
Medical supplies		8,326,791	7,788,318
Medical equipment rental		1,559,506	1,414,629
Supplies and sundry		2,236,583	1,922,570
Equipment repairs, rental and minor equipment		412,043	860,546
Building and grounds		1,389,305	1,483,476
Amortization	6	142,108	249,880
		<u>207,751,816</u>	<u>182,251,066</u>
Total Expenses		<u>207,751,816</u>	<u>182,251,066</u>
<b>Excess (deficiency) of revenue over expenses before the undernoted</b>		-	-
Employee Future Benefits Expense		(63,260)	(64,137)
<b>Deficiency of revenue over expenses</b>		<u>(63,260)</u>	<u>(64,137)</u>

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

**Erie St. Clair Home and Community Care Support Services****Statement of changes in net debt**Year ended March 31, 2024

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			2024	2023
	Unrestricted	Employee	Total	Total
	\$	benefits	\$	\$
		\$		
<b>Net debt, beginning of year</b>	—	(2,867,950)	(2,867,950)	(2,803,813)
Deficiency of revenue over expenses	(63,260)	—	(63,260)	(64,137)
Transfer to employee benefits	63,260	(63,260)	—	
<b>Net debt, end of year</b>	—	(2,931,210)	(2,931,210)	(2,867,950)

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

**Erie St. Clair Home and Community Care Support Services****Statement of cash flows**

Year ended March 31, 2024

	Notes	2024 \$	2023 \$
<b>Operating activities</b>			
Excess of revenue over expenses		(63,260)	(64,137)
Less amounts not affecting cash			
Amortization of capital assets		142,108	249,880
Amortization of deferred capital contributions	6	(142,108)	(249,880)
		(63,260)	(64,137)
Changes in non-cash working capital items	9	(2,986,134)	7,223,300
		(3,049,394)	7,159,163
<b>Investing activity</b>			
Purchase of capital assets		(38,869)	(69,953)
<b>Financing activity</b>			
Increase in deferred contributions	6	38,869	69,953
Net change in cash		(3,049,394)	7,159,163
Cash, beginning of year		21,458,715	14,299,552
<b>Cash, end of year</b>		<b>18,409,321</b>	<b>21,458,715</b>

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



**Erie St. Clair Local Health Integration Network**  
**O/A Home and Community Care Support Services Erie St. Clair**  
**Notes to the financial statements**  
March 31, 2024

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**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 on March 28, 2006 to the Local Health System Integration Act, 2006, S.O. 2006, c. 4 – Bill 36, it was continued as the Erie St. Clair 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 Erie St. Clair Community Care Access Centre and related records, rights and obligations to be transferred from the Erie St. Clair Community Care Access Centre to the Erie St. Clair LHIN.

On March 7, 2019, the Orders in Council appointing individuals to the Board of Directors of the Erie St. Clair LHIN were revoked, and members of the Board of Directors of Ontario Health ("OH") were cross appointed to the Erie St. Clair LHIN. The OH Board continued in this capacity until July 1, 2021 when individuals newly appointed to the Erie St. Clair 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 Erie St. Clair 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 Erie St. Clair 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. Most provisions of O. Reg. 187/22 have come into force, and some provisions are anticipated to come into force on September 1, 2022.

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

Erie St. Clair LHIN now operates under the business name Home and Community Care Support Services Erie St. Clair and is responsible for the provision of home and community services within its geographic area. The mandate of the Erie St. Clair 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 Erie St. Clair 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 Erie St. Clair LHIN's accountabilities and activities.

## **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 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 collection 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 arrangements 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:

Furniture and equipment	3 to 10 years
Computer Equipment and software	3 years
Leasehold improvements	Remaining term of lease

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 are amortized to income at the same rate as the corresponding capital asset.

## **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.

### *Employee future benefits*

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.

**Erie St. Clair Local Health Integration Network**  
**O/A Home and Community Care Support Services Erie St. Clair**  
**Notes to the financial statements**  
March 31, 2024

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**3. Capital assets**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2024 Net book value</b>	2023 Net book value
	\$	\$	\$	\$
Leasehold improvements	3,449,823	3,423,928	25,895	61,208
Furniture and equipment	1,905,757	1,851,616	54,141	127,525
Computer equipment	2,446,745	2,375,803	70,942	65,484
	<u>7,802,325</u>	<u>7,651,347</u>	<u>150,978</u>	<u>254,217</u>

**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 March 31 is made up as follows:

	<b>2024</b>	2023
	\$	\$
Due to MOH, beginning of year	9,536,361	6,560,036
Funding repaid to MOH	(4,069,250)	—
Interest Income for the current year	1,399,169	644,572
Funding repayable to the MOH related to current year activities	1,882,233	2,331,753
Due to MOH, end of year	<u><b>8,748,513</b></u>	<u>9,536,361</u>

**Erie St. Clair Local Health Integration Network**  
**O/A Home and Community Care Support Services Erie St. Clair**  
**Notes to the financial statements**  
March 31, 2024

**5. Employee future benefits**

The net employee future benefits liability consists of:

	<b>2024</b>	2023
	<b>\$</b>	\$
(a) Pension plan – accrued future benefit asset	—	—
(b) Other benefits – accrued future benefit liability	2,853,600	2,694,000
(c) Accumulated sick leave liability	(78,200)	38,300
Net employee future benefits	<b>2,775,400</b>	<b>2,732,300</b>

(a) *Pension plans*

The LHIN has a defined benefit pension plan administered by the LHIN and managed by The Manufacturers Life Insurance Company, 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, 2020. The measurement date is March 31, 2024.

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

	<b>2024</b>	2023
	<b>%</b>	%
Assumptions		
Accrued benefit obligation as of March 31		
Discount rate	3.95	4.04
Rate of compensation increase	1.50	1.50
Benefit costs for period ended March 31		
Expected long-term rate of return on plan assets	5.00	5.00
Rate of compensation increase	1.50	1.50

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

	<b>2024</b>	2023
	<b>\$</b>	\$
Accrued benefit obligation		
Accrued benefit obligation, beginning of year	324,100	338,000
Interest cost	13,100	12,800
Benefits paid	—	(16,500)
Actuarial loss (gain)	6,300	(10,200)
	<b>343,500</b>	<b>324,100</b>

**Erie St. Clair Local Health Integration Network**  
**O/A Home and Community Care Support Services Erie St. Clair**  
**Notes to the financial statements**  
March 31, 2024

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

(a) *Pension plans (continued)*

	<b>2024</b>	2023
	\$	\$
Plan assets		
Fair value of plan assets, beginning of year	518,600	535,900
Actual return on plan assets	25,900	26,400
Contributions	—	—
Benefit payments	—	(16,500)
Actuarial gain (loss)	35,200	(27,200)
Adjustment to assets	—	—
	<u>579,700</u>	<u>518,600</u>

*Funded status*

	<b>2024</b>	2023
	\$	\$
Funded status		
Unamortized net actuarial (gain) loss	<b>(195,600)</b>	(176,500)
Funded status surplus	<b>195,600</b>	176,500
	<u>—</u>	<u>—</u>

**Other Pension Plan**

The LHIN contributes to the Healthcare of Ontario Pension Plan ("HOOPP"), which is a multi-employer plan, on behalf of approximately 512 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 2024 was \$4,026,331 (\$3,688,031 in 2023) for current service costs and is included as an expense in the 2022 Statement of operations and changes in net assets. 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.

(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:

	<b>2024</b>	2023
	\$	\$
Accrued benefit obligation	2,078,900	2,049,000
Unamortized actuarial gain	774,700	645,000
	<u>2,853,600</u>	<u>2,694,000</u>

**Erie St. Clair Local Health Integration Network**  
**O/A Home and Community Care Support Services Erie St. Clair**  
**Notes to the financial statements**  
 March 31, 2024

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

*(b) Other Benefits (continued)*

Continuity of benefit liability is as follows:

	<b>2024</b>	2023
	<b>\$</b>	<b>\$</b>
Balance, beginning of year	2,694,000	2,602,900
Current service cost	170,100	144,600
Interest cost	89,000	72,500
Benefits paid	(33,000)	(34,800)
Amortization of net actuarial (gains) loss	(66,500)	(91,200)
Balance, end of year	<u>2,853,600</u>	<u>2,694,000</u>

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

	<b>2024</b>	2023
	<b>%</b>	<b>%</b>
Assumptions		
Accrued benefit obligation as of March 31		
Discount rate	3.95%	4.04%
Health care trend rate	7% trending down by 1% to 5%	6% trending down by 1% to 5%

*(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:

	<b>2024</b>	2023
	<b>\$</b>	<b>\$</b>
Accrued benefit obligation	2,365,300	2,234,893
Unamortized actuarial losses	(2,443,500)	(2,196,593)
	<u>(78,200)</u>	<u>38,300</u>

Continuity of benefit liability is as follows:

	<b>2024</b>	2023
	<b>\$</b>	<b>\$</b>
Balance, beginning of year	38,300	84,900
Interest cost	83,300	81,200
Benefits paid	(347,200)	(273,200)
Amortization of net actuarial gains	147,400	145,400
Balance, end of year	<u>(78,200)</u>	<u>38,300</u>

**Erie St. Clair Local Health Integration Network**  
**O/A Home and Community Care Support Services Erie St. Clair**  
**Notes to the financial statements**  
 March 31, 2024

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

(c) *Sick leave benefits (continued)*

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

	<b>2024</b>	2023
	%	%
Assumptions		
Accrued benefit obligation as of March 31		
Discount rate	3.95	4.04
Rate of compensation increase	1.50	1.50

**6. 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:

	<b>2024</b>	2023
	\$	\$
Balance, beginning of year	254,217	434,144
Capital contributions received during the year	38,869	69,953
Amortization for the year	(142,108)	(249,880)
Balance, end of year	<b>150,978</b>	254,217

**7. Commitments**

The LHIN has commitments under various operating leases extending to 2026 as follows:

2025	1,576,722
2026	411,144
	<u>\$ 1,987,866</u>



**Erie St. Clair Local Health Integration Network**  
**O/A Home and Community Care Support Services Erie St. Clair**  
**Notes to the financial statements**  
 March 31, 2024

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**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 March 31, 2024.

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

**9. Changes in non-cash working capital items**

	<b>2024</b>	2023
	<b>\$</b>	<b>\$</b>
Due from MOH	(5,128,800)	5,685,786
Accounts receivable	(26,925)	(197,623)
Prepaid expenses	177,729	(975,591)
Accounts payable and accrued liabilities	2,736,922	(316,989)
Due to MOH	(787,848)	2,976,325
Deferred revenue	(311)	6,892
Employee future benefits	43,100	44,500
Total change in non-cash working capital items	<b>(2,986,134)</b>	<b>7,223,300</b>

**10. Related party balances and transactions**

The Erie St. Clair LHIN is related to other LHIN entities by virtue of having a common Controlling board of Directors and CEO. ESC LHIN had incurred expenses totaling \$180,544 during fiscal 2024 (\$74,707 in 2023) relating to other LHINs (North East = \$171,179, South West \$5,245, and Champlain \$4,120) during the year for shared cost recoveries. These transactions were incurred in the normal course of operations and were measured at exchange amounts. Included in Accounts Payable is \$82,088 (\$51,295 in 2023) due to other LHINS (North East \$82,088).

**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.

## **12. The Convenient Care at Home Act**

On December 4th, 2023, the Convenient Care at Home Act, 2023 received royal assent. When proclaimed on a day named by the Lieutenant Governor, it will amend the Connecting Care at Home Act, 2019 (the "CCA") and consolidate the 14 Local Health Integration Networks into a new service organization named Ontario Health atHome. LHINs would no longer exist, and the Local Health System Integration Act, 2006 (LHSIA), would be repealed.

Ontario Health atHome would assume all staff, service contracts with Service Provider Organizations (SPOs), and assets, liabilities, rights, and obligations of the LHINs. Ontario Health (OH) would be responsible for funding and overseeing Ontario Health atHome, and Ontario Health atHome would be a Crown agency, a subsidiary of Ontario Health and a health service provider (HSP) under the CCA.