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

For the period ended June 27, 2024

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Independent Auditor's Report

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 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.

BDO Canada LLP


Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario
September 25, 2024

Erie St. Clair Home and Community Care Support Services
O/A Home and Community Care Support Services Erie St. Clair
Statement of financial position
As at June 27, 2024

		June 27, 2024	March 31, 2024
	Notes	\$	\$
Assets			
Current assets			
Cash		13,385,409	18,409,321
Due from Ministry of Health ("MOH")		9,691,653	5,814,200
Accounts receivable		556,245	676,575
Prepaid expenses		1,386,267	1,377,051
		25,019,574	26,277,147
Capital assets	3	138,446	150,978
		25,158,020	26,428,125
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10	21,160,977	17,563,784
Due to MOH	4	3,539,054	8,748,513
Deferred revenue		475,353	120,660
		25,175,384	26,432,957
Employee future benefits	5	2,606,000	2,775,400
Deferred capital contributions	6	138,446	150,978
		27,919,830	29,359,335
Net Debt		(2,761,810)	(2,931,210)
		25,158,020	26,428,125

Approved by the Board



Carol Annett, Board Chair



Kate Fyfe, Vice Chair

Erie St. Clair Home and Community Care Support Services
O/A Home and Community Care Support Services Erie St. Clair
Statement of operations

Period ended June 27, 2024

(Comparative amounts for the year ended)

	Notes	June 27, 2024 \$	March 31, 2024 \$
Revenue			
MOH funding - operations and initiatives		57,583,068	206,576,944
Ontario Health - Cancer Care Division		177,176	534,455
Amortization of deferred capital contributions	6	23,572	142,108
Other revenue		29,921	498,309
		57,813,737	207,751,816
Expenses			
Operations and Initiatives			
Contracted out:			
In-home/clinic services		31,554,948	127,013,625
School services		1,595,675	4,956,780
Hospice services		1,642,119	6,691,882
Salaries and benefits	5	19,396,399	55,023,193
Medical supplies		2,057,613	8,326,791
Medical equipment rental		362,633	1,559,506
Supplies and sundry		706,230	2,236,583
Equipment repairs, rental and minor equipment		155,395	412,043
Building and grounds		319,153	1,389,305
Amortization	6	23,572	142,108
		57,813,737	207,751,816
Excess (deficiency) of revenue over expenses before the undernoted		—	—
Employee Future Benefits Recovery (expense)		169,400	(63,260)
Excess (deficiency) of revenue over expenses		169,400	(63,260)

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

Erie St. Clair Home and Community Care Support Services
O/A Home and Community Care Support Services Erie St. Clair
Statement of changes in net debt
 Period ended June 27, 2024

(Comparative amounts for the year ended)

	Unrestricted	Employee	June 27, 2024	March 31, 2024
	\$	benefits	Total	Total
	\$	\$	\$	\$
Net debt, beginning of period	—	(2,931,210)	(2,931,210)	(2,867,950)
Excess (deficiency) of revenue over expenses	169,400	—	169,400	(63,260)
Transfer to employee benefits	(169,400)	169,400	—	—
Net debt, end of period	—	(2,761,810)	(2,761,810)	(2,931,210)

Erie St. Clair Home and Community Care Support Services
O/A Home and Community Care Support Services Erie St. Clair
Statement of cash flows
Period ended June 27, 2024

(Comparative amounts for the year ended)

	Notes	June 27, 2024	March 31, 2024
		\$	\$
Operating activities			
Excess (deficiency) of revenue over expenses		169,400	(63,260)
Less amounts not affecting cash			
Amortization of capital assets		23,572	142,108
Amortization of deferred capital contributions	6	(23,572)	(142,108)
		169,400	(63,260)
Changes in non-cash working capital items	9	(5,193,312)	(2,986,134)
		(5,023,912)	(3,049,394)
Investing activity			
Purchase of capital assets		(11,040)	(38,869)
Financing activity			
Increase in deferred contributions	6	11,040	38,869
Net change in cash		(5,023,912)	(3,049,394)
Cash, beginning of period		18,409,321	21,458,715
Cash, end of period		13,385,409	18,409,321

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
June 27, 2024

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.

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.

Erie St. Clair Local Health Integration Network
O/A Home and Community Care Support Services Erie St. Clair
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 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
June 27, 2024

3. Capital assets

	Cost	Accumulated amortization	June 27, 2024 Net book value	March 31, 2024 Net book value
	\$	\$	\$	\$
Leasehold improvements	3,460,864	3,417,257	43,607	25,895
Furniture and equipment	1,905,757	1,870,152	35,605	54,141
Computer equipment	2,446,745	2,387,511	59,234	70,942
	7,813,366	7,674,920	138,446	150,978

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	8,748,513	9,536,361
Funding repaid to MOH	(5,467,110)	(4,069,250)
Interest income for the current period	257,651	1,399,169
Funding repayable to the MOH related to current period activities	—	1,882,233
Due to MOH, end of period	3,539,054	8,748,513

Erie St. Clair Local Health Integration Network
O/A Home and Community Care Support Services Erie St. Clair
Notes to the financial statements
June 27, 2024

5. Employee future benefits

The net employee future benefits liability consists of:

	June 27, 2024	March 31, 2024
	\$	\$
(a) Pension plan – accrued future benefit asset	—	—
(b) Other benefits – accrued future benefit liability	2,814,300	2,853,600
(c) Accumulated sick leave liability	(208,300)	(78,200)
Net employee future benefits	2,606,000	2,775,400

(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 June 27, 2024.

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

	June 27, 2024	March 31, 2024
	%	%
Assumptions		
Accrued benefit obligation		
Discount rate	3.95	3.95
Rate of compensation increase	1.50	1.50
Benefit costs		
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:

	June 27, 2024	March 31, 2024
	\$	\$
Accrued benefit obligation		
Accrued benefit obligation, beginning of the period	343,500	324,100
Interest cost	3,400	13,100
Benefits paid	—	—
Actuarial loss	—	6,300
	346,900	343,500

Erie St. Clair Local Health Integration Network
O/A Home and Community Care Support Services Erie St. Clair
Notes to the financial statements
June 27, 2024

5. Employee future benefits (continued)

(a) Pension plans (continued)

	June 27, 2024	March 31, 2024
	\$	\$
Plan assets		
Fair value of plan assets, beginning of the period	579,700	518,600
Actual return on plan assets	7,200	25,900
Contributions	—	—
Benefits payments	—	—
Actuarial gain (loss)	(3,400)	35,200
Adjustment to assets	—	—
	583,500	579,700

Funded status

	June 27, 2024	March 31, 2024
	\$	\$
Funded status		
Unamortized net actuarial (gain) loss	(203,800)	(195,600)
Funded status surplus	203,800	195,600
	—	—

Other Pension Plan

The LHIN contributes to the Healthcare of Ontario Pension Plan ("HOOPP"), which is a multi-employer plan, on behalf of approximately 532 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 period ended June 27, 2024 was \$998,902 (March 31, 2024 - \$4,026,331) for current service costs and is included as an expense in the April 1 – June 27, 2024 Statement of operations and changes in net assets. The last actuarial valuation was completed by HOOPP as at December 31, 2023 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:

	June 27, 2024	March 31, 2024
	\$	\$
Accrued benefit obligation	2,059,400	2,078,900
Unamortized actuarial gain	754,900	774,700
	2,814,300	2,853,600

Erie St. Clair Local Health Integration Network
O/A Home and Community Care Support Services Erie St. Clair
Notes to the financial statements
June 27, 2024

5. Employee future benefits (continued)

(b) Other Benefits (continued)

Continuity of benefit liability is as follows:

	June 27, 2024	March 31, 2024
	\$	\$
Balance, beginning of period	2,853,600	2,694,000
Current service cost	40,400	170,100
Interest cost	20,500	89,000
Benefits paid	(80,400)	(33,000)
Amortization of net actuarial gains	(19,800)	(66,500)
Balance, end of period	2,814,300	2,853,600

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

	June 27, 2024	March 31, 2024
	%	%
Assumptions		
Accrued benefit obligation as of March 31		
Discount rate	3.95%	3.95%
Health care trend rate	7% trending down by 1% to 5%	7% 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:

	June 27, 2024	March 31, 2024
	\$	\$
Accrued benefit obligation	2,193,900	2,365,300
Unamortized net actuarial gain	(2,402,200)	(2,443,500)
	(208,300)	(78,200)

Continuity of benefit liability is as follows:

	June 27, 2024	March 31, 2024
	\$	\$
Balance, beginning of period	(78,200)	38,300
Interest cost	22,400	83,300
Benefits paid	(193,800)	(347,200)
Amortization of net actuarial gains	41,300	147,400
Balance, end of period	(208,300)	(78,200)

Erie St. Clair Local Health Integration Network
O/A Home and Community Care Support Services Erie St. Clair
Notes to the financial statements
June 27, 2024

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:

	June 27, 2024	March 31, 2024
	%	%
Assumptions		
Accrued benefit obligation as of March 31		
Discount rate	3.95	3.95
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:

	June 27, 2024	March 31, 2024
	\$	\$
Balance, beginning of period	150,978	254,217
Capital contributions received during the period	11,040	38,869
Amortization for the period	(23,572)	(142,108)
Balance, end of period	138,446	150,978

7. Commitments

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

	\$
2025	1,169,622
2026	411,144
	<u>1,580,766</u>

Erie St. Clair Local Health Integration Network
O/A Home and Community Care Support Services Erie St. Clair
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. Changes in non-cash working capital items

	June 27, 2024	March 31, 2024
	\$	\$
Due from MOH	(3,877,453)	(5,128,800)
Accounts receivable	120,330	(26,925)
Prepaid expenses	(9,216)	177,729
Accounts payable and accrued liabilities	3,597,193	2,736,921
Due to MOH	(5,209,459)	(787,848)
Deferred revenue	354,693	(311)
Employee future benefits	(169,400)	43,100
Total change in non-cash working capital items	(5,193,312)	(2,986,134)

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 incurred expenses totaling \$86,044 during the period from April 1, 2024 to June 27, 2024 (March 31, 2024 - \$180,544) relating to North East LHIN for shared cost recoveries. These transactions were incurred in the normal course of operations and were measured at exchange amounts. Included in accounts payable and accrued liabilities is \$Nil (March 31, 2024 - \$82,088) due to North East LHIN.

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. 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.