

DECLARATION OF COMPLIANCE
Issued pursuant to the MSAA effective April 1, 2018

To: **The Board of Directors** of the Mississauga Halton Local Health Integration Network
 (the "LHIN").

From: **The Board of Directors** (the "Board") of the The Arthritis Society
 (the "HSP")

Date: June 14, 2019

Re: April 1, 2018 – March 31, 2019 (the "Applicable Period")

Unless otherwise defined in this declaration, capitalized terms have the same meaning as set out in the MSAA between the LHIN and the HSP effective April 1, 2018.

The Board has authorized me, by resolution dated June 14, 2019, to declare to you as follows:

After making inquiries of the Chief Executive Officer or Executive Director Janet Yale, Chief Executive Officer and other appropriate officers of the HSP and subject to any exceptions identified on Appendix 1 to this Declaration of Compliance, to the best of the Board's knowledge and belief, the HSP has fulfilled, its obligations under the service accountability agreement (the "MSAA") in effect during the Applicable Period.

Without limiting the generality of the foregoing, the HSP has complied with:

- (i) Article 4.8 of the MSAA concerning applicable procurement practices;
- (ii) The *Local Health System Integration Act, 2006*; and
- (iii) The *Public Sector Compensation Restraint to Protect Public Services Act, 2010*.

Ken Smith
Name of Board Chair


Signature of Board Chair

Schedule G – Form of Compliance Declaration Cont'd.

Appendix 1 - Exceptions

[Please identify each obligation under the MSAA that the HSP did not meet during the Applicable Period, together with an explanation as to why the obligation was not met and an estimated date by which the HSP expects to be in compliance.]

At the end of fiscal year 2018-2019, the Arthritis Society has not met the MSAA obligation on the following performance standards:

1. Day Care/Rehab Functional Centre

a) FTE and Total Cost of Functional Centre*

Human resource complement for this functional centre has been negatively impacted by the absence of annual funding to address inflationary increases in fixed program costs - MHLHIN has agreed to revisit previous requests to reduce FTE target.

Cost over run is partially offset by revenue generated through service recipient/professional development program revenues.

2. Health Promotion/Education & Development Functional Centre

a) Total Cost for Functional Centre

Cost over run is offset by revenue generated through the professional development program.

b) Not Uniquely Identified Service Recipient Interactions and Individuals Served by Functional Centre*

Categorization of data collected for these metrics is under review

3. Service Arrangement/Coordination Functional Centre

a) Individuals Served*

The appropriateness of service activity data currently collected for this metric is under review.

4. Net Surplus/Deficit - Fund Type 3

The Arthritis Society is reporting a Fund Type 3 deficit at the end of fiscal year 2018-2019, resulting in non-compliance with the percent total margin performance indicator.

Our variance reflects investments in our programs and fundraising activities that drove revenues for the achievement of our 2018-2019 business plan; it also reflected our shift in a reliance on special events revenue to the build of mid-level and major gifts and our efforts to diversify our corporate giving to include industries outside pharma.

We have continued to sustain our reserves policy which ensures that we have sufficient reserves to cover our financial obligations; these funds will be applied against the 2018-2019 deficit.

We have received updated appraisals for our buildings in BC from the property tax assessment office and they are now valued at \$24M; these are not included in our reserves amount.

* The Arthritis Society and the Mississauga Halton LHIN are working collaboratively to review and reset these targets during fiscal year 2019-2020.