

OXFORD ELGIN ST. THOMAS HEALTH UNIT

Operating as

SOUTHWESTERN PUBLIC HEALTH

Financial Statements

December 31, 2021

SOUTHWESTERN PUBLIC HEALTH

Financial Statements

For the Year Ended December 31, 2021

Table of Contents	PAGE
Management Responsibility for Financial Reporting	1
Independent Auditors' Report	2 - 3
Statement of Financial Position	4
Statement of Operations and Surplus	5
Statement of Change in Net Financial Debt	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 19
Schedule of Expenditures	20 - 23

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements are the responsibility of the management of Southwestern Public Health and have been prepared in accordance with Canadian public sector accounting standards.

These financial statements include:

- Independent Auditors' report
- Statement of Financial Position
- Statement of Operations and Accumulated Surplus
- Statement of Change in Net Financial Debt
- Statement of Cash Flows
- Notes to the Financial Statements
- Schedule of Segment Disclosure

The Chief Executive Officer and the Chief Financial Officer are responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing the financial statements before they are submitted to the Board for approval.

The integrity and reliability of Southwestern Public Health reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The financial statements have been audited on behalf of the Board of Health, Inhabitants and Ratepayers of Southwestern Public Health by Graham Scott Enns LLP in accordance with Canadian generally accepted auditing standards.



Cynthia St. John
Chief Executive Officer



Monica Nusink
Chief Financial Officer

April 7, 2022
St. Thomas, Ontario



GRAHAM SCOTT ENNS LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

P. 519-633-0700 · F. 519-633-7009
450 Sunset Drive, St. Thomas, ON N5R 5V1

P. 519-773-9265 · F. 519-773-9683
25 John Street South, Aylmer, ON N5H 2C1

www.grahamscottens.com

INDEPENDENT AUDITORS' REPORT

To the **Board of Health, Members of Council, Inhabitants and Ratepayers** of
the participating municipalities of the County of Oxford, County of Elgin and City of St. Thomas:

Opinion

We have audited the financial statements of **Southwestern Public Health**, which comprise the statement of financial position as at December 31, 2021, and the statement of operations and surplus, statement of changes in net debt and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the organization's financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for public sector entities.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for public sector entities, 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditors' 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.



GRAHAM SCOTT ENNS LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

P. 519-633-0700 · F. 519-633-7009
450 Sunset Drive, St. Thomas, ON N5R 5V1

P. 519-773-9265 · F. 519-773-9683
25 John Street South, Aylmer, ON N5H 2C1

www.grahamscottenns.com

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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.

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 organization'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 organization'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 organization 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.

St. Thomas, Ontario

April 7, 2022

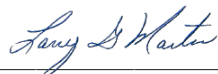
Graham Scott Enns LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

SOUTHWESTERN PUBLIC HEALTH

Statement of Financial Position December 31, 2021

	2021	2020
	<u>\$</u>	<u>\$</u>
FINANCIAL ASSETS		
Cash	4,467,481	2,586,416
Accounts receivable	93,536	279,439
Government remittance receivable	131,802	180,298
Due from Province of Ontario	<u>-</u>	<u>488,916</u>
	<u>4,692,819</u>	<u>3,535,069</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	1,878,028	2,449,487
Deferred revenue (Note 3)	2,016,900	881,967
Due to Province of Ontario	560,244	-
Long-term debt (Note 5)	<u>7,402,000</u>	<u>7,628,000</u>
	<u>11,857,172</u>	<u>10,959,454</u>
NET FINANCIAL DEBT (PAGE 6)	<u>(7,164,353)</u>	<u>(7,424,385)</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	65,163	50,932
Tangible capital assets (Note 4)	<u>9,585,251</u>	<u>9,412,193</u>
	<u>9,650,414</u>	<u>9,463,125</u>
ACCUMULATED SURPLUS (PAGE 5)	<u>2,486,061</u>	<u>2,038,740</u>

Approved by the Board:



Director



Director

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

SOUTHWESTERN PUBLIC HEALTH

Statement of Operations and Surplus For the Year Ended December 31, 2021

	(Note 14) Budget 2021 <u>\$</u>	2021 <u>\$</u>	2020 <u>\$</u>
REVENUES			
Operating grants			
Municipal:			
County of Elgin	1,093,662	1,093,661	941,063
City of St. Thomas	849,893	849,893	731,307
County of Oxford	2,421,570	2,421,570	2,083,797
Province of Ontario (Note 7)	17,989,624	24,594,350	17,007,766
Public Health Agency of Canada (Note 8)	-	39,868	45,987
Student Nutrition (Note 9)	<u>121,975</u>	<u>239,214</u>	<u>239,956</u>
Total operating grants	<u>22,476,724</u>	<u>29,238,556</u>	<u>21,049,876</u>
Other			
Other fees and recoveries	-	162,251	80,111
Clinics	-	24,363	20,728
Interest	<u>36,000</u>	<u>9,508</u>	<u>25,878</u>
Total other revenue	<u>36,000</u>	<u>196,122</u>	<u>126,717</u>
TOTAL REVENUES	22,512,724	29,434,678	21,176,593
EXPENDITURES - SCHEDULE (PAGE 23)	<u>22,512,724</u>	<u>28,987,357</u>	<u>21,019,518</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>447,321</u>	<u>157,075</u>
SURPLUS, BEGINNING OF YEAR, AS PREVIOUSLY STATED	2,038,740	2,038,740	1,563,826
PRIOR PERIOD ADJUSTMENT - SETTLEMENTS (NOTE 10)	<u>-</u>	<u>-</u>	<u>317,839</u>
SURPLUS, BEGINNING OF YEAR, AS RESTATED	<u>2,038,740</u>	<u>2,038,740</u>	<u>1,881,665</u>
ACCUMULATED SURPLUS, END OF YEAR (NOTE 2)	<u>2,038,740</u>	<u>2,486,061</u>	<u>2,038,740</u>

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

SOUTHWESTERN PUBLIC HEALTH

Statement of Change in Net Financial Debt
For the Year Ended December 31, 2021

	(Note 14) Budget 2021 \$	2021 \$	2020 \$
EXCESS OF REVENUES OVER EXPENDITURES	-	447,321	157,075
Amortization of tangible capital assets	-	693,702	626,780
Acquisition of tangible capital assets	-	(866,760)	(804,655)
Change in prepaid expenses	-	(14,231)	9,205
Prior period adjustment (Note 10)	-	-	317,839
DECREASE IN NET DEBT	-	260,032	306,244
NET FINANCIAL DEBT, BEGINNING OF YEAR	<u>7,424,385</u>	<u>7,424,385</u>	<u>7,730,629</u>
NET FINANCIAL DEBT, END OF YEAR	<u>7,424,385</u>	<u>7,164,353</u>	<u>7,424,385</u>

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

SOUTHWESTERN PUBLIC HEALTH

Statement of Cash Flows For the Year Ended December 31, 2021

	2021	2020
	<u>\$</u>	<u>\$</u>
OPERATING ACTIVITIES		
Excess of revenues over expenditures	447,321	157,075
Items not involving cash:		
Amortization of tangible capital assets	693,702	626,780
Prior period adjustment (Note 10)	-	317,839
Change in non-cash assets and liabilities:		
Accounts receivable	185,903	48,889
Government remittances receivable	48,496	50,629
Prepaid expenses	(14,231)	9,205
Accounts payable and accrued liabilities	(571,459)	589,372
Deferred revenue	1,134,933	331,119
Due to Province of Ontario	<u>1,049,160</u>	<u>(668,929)</u>
Cash provided by operating activities	<u>2,973,825</u>	<u>1,461,979</u>
CAPITAL ACTIVITIES		
Net acquisition of tangible capital assets	<u>(866,760)</u>	<u>(804,655)</u>
Cash applied to capital activities	<u>(866,760)</u>	<u>(804,655)</u>
FINANCING ACTIVITIES		
Repayment to long-term debt	<u>(226,000)</u>	<u>(218,000)</u>
Cash applied to financing activities	<u>(226,000)</u>	<u>(218,000)</u>
NET CHANGE IN CASH DURING THE YEAR	1,881,065	439,324
CASH, BEGINNING OF YEAR	<u>2,586,416</u>	<u>2,147,092</u>
CASH, END OF YEAR	<u>4,467,481</u>	<u>2,586,416</u>

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

SOUTHWESTERN PUBLIC HEALTH

Notes to the Financial Statements For the Year Ended December 31, 2021

Southwestern Public Health (the "organization") provides public health services to the residents of the City of St. Thomas, County of Elgin and the County of Oxford and is accountable to the Province of Ontario as outlined in the Health Protection and Promotion Act.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the organization are prepared by management in accordance with Canadian accounting standards for public sector entities. Significant aspects of the accounting policies adopted by the organization are as follows:

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

Accounting Estimates

The preparation of these financial statements is in conformity with Canadian accounting standards for public sector entities which requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

In particular, the organization uses estimates when accounting for certain items, including:

- Useful lives of tangible capital assets
- Employee benefit plans

Financial Instruments

The organization's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and long-term debt. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency, or credit risk arising from these financial instruments.

Government Transfers

Government transfers are recognized in the financial statements as revenues in the financial period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met including performance and return requirements, and reasonable estimates of the amounts can be determined. Any amount received but restricted is recorded as deferred revenue in accordance with Section 3100 of the Public Sector Accounting Handbook and recognized as revenue in the period in which the resources are used for the purpose specified.

SOUTHWESTERN PUBLIC HEALTH

Notes to the Financial Statements For the Year Ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	20 years
Building	40 years
Roof	20 years
Component equipment	24 years
Computer equipment	4 years

Amortization begins the first month of the year following the year the asset is placed in service and to the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Deferred Revenue

The organization administers other public health programs funded by the Province of Ontario and reported on a Provincial fiscal year end of March 31st. Any unexpended funding for these programs at December 31st is reported as deferred revenue on the statement of financial position. Additionally the organization receives certain grants and other funding from external sources for administering public health programs and may defer funds not spent at December 31st if the respective funding agreement has a term beyond the year end.

Employee Benefit Plans

The organization accounts for its participation in the Ontario Municipal Employees Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan. The OMERS plan specifies the retirement benefits to be received by the employees based on the length of service and pay rates. Employee benefits include post employment benefits. Post employment benefits are subject to actuarial valuations and are accrued in accordance with the projected benefit method, prorated on service and management's best estimate of salary escalation and retirement ages of employees. Any actuarial gains and losses related to past service of employees are amortized over the expected average remaining service period.

Recent Accounting Pronouncements

PSAB released a standard related to Financial Instruments (PS 3450). The standard applies to all local governments for fiscal years beginning on or after April 1, 2022. The standard applies to all types of financial instruments. The new standard requires that equity and derivative instruments be measured at fair value, with changes in value being recorded in the statement of remeasurement gains/losses. The standard gives the option of cost/amortized cost vs. fair value of remaining instruments, which is elected upon by the government organization. The organization has not yet determined what, if any, financial reporting implications may arise from this standard.

SOUTHWESTERN PUBLIC HEALTH

Notes to the Financial Statements For the Year Ended December 31, 2021

2. ACCUMULATED SURPLUS

The accumulated surplus consists of the following individual fund surplus/(deficit) and reserves as follows:

	2021	2020
	<u>\$</u>	<u>\$</u>
SURPLUS		
General reserve	302,810	254,547
Invested in tangible capital assets	<u>9,585,251</u>	<u>9,412,193</u>
	9,888,061	9,666,740
AMOUNTS TO BE RECOVERED		
Net long-term debt	<u>(7,402,000)</u>	<u>(7,628,000)</u>
ACCUMULATED SURPLUS	<u>2,486,061</u>	<u>2,038,740</u>

3. DEFERRED REVENUE

	2021	2020
	<u>\$</u>	<u>\$</u>
Healthy Babies Healthy Children - March 31, 2022 Funding	893,722	
Mobile Dental Clinic - March 31, 2022 Funding	500,000	-
IPAC Hub Infection - March 31, 2022 Funding	377,500	-
St. Thomas - Low German Needs Assessment	85,624	85,624
Student Nutrition	68,177	67,523
Merger - March 31, 2022 Funding	60,609	-
Sewage Inspection Program	17,175	17,175
Public Health Agency of Canada	9,067	-
Needle Exchange Program - March 31, 2022 Funding	5,026	-
Merger - March 31, 2021 Funding	-	152,863
Healthy Babies Healthy Children - March 31, 2021 Funding	-	36,211
Municipal Prepaid Levy	-	491,004
Vaccine Fridge - March 31, 2021 Funding	-	22,500
Other	-	9,067
	<u>-</u>	<u>9,067</u>
Total Deferred Revenue	<u>2,016,900</u>	<u>881,967</u>

SOUTHWESTERN PUBLIC HEALTH

Notes to the Financial Statements For the Year Ended December 31, 2021

4. TANGIBLE CAPITAL ASSETS

December 31, 2021

Cost	Opening \$	Additions \$	Disposals \$	Ending \$
Land	572,909	-	-	572,909
Land improvements	161,330	-	-	161,330
Building	7,849,037	83,029	-	7,932,066
Roof	157,000	-	-	157,000
Building component equipment	1,195,713	448,583	-	1,644,296
Information technology equipment	<u>2,111,771</u>	<u>335,148</u>	<u>-</u>	<u>2,446,919</u>
	<u>12,047,760</u>	<u>866,760</u>	<u>-</u>	<u>12,914,520</u>
Accumulated Amortization	Opening \$	Amortization \$	Disposals \$	Ending \$
Land improvements	48,402	8,067	-	56,469
Building	1,116,541	196,226	-	1,312,767
Roof	47,100	7,850	-	54,950
Building component equipment	423,439	49,821	-	473,260
Information technology equipment	<u>1,000,085</u>	<u>431,738</u>	<u>-</u>	<u>1,431,823</u>
	<u>2,635,567</u>	<u>693,702</u>	<u>-</u>	<u>3,329,269</u>
Net Book Value	Opening \$			Ending \$
Land	572,909			572,909
Land improvements	112,928			104,861
Building	6,732,496			6,619,299
Roof	109,900			102,050
Building component equipment	772,274			1,171,036
Information technology equipment	<u>1,111,686</u>			<u>1,015,096</u>
	<u>9,412,193</u>			<u>9,585,251</u>

SOUTHWESTERN PUBLIC HEALTH

Notes to the Financial Statements For the Year Ended December 31, 2021

4. TANGIBLE CAPITAL ASSETS (CONTINUED)

December 31, 2020

Cost	Opening \$	Additions \$	Disposals \$	Ending \$
Land	572,909	-	-	572,909
Land improvements	161,330	-	-	161,330
Building	7,636,281	212,756	-	7,849,037
Roof	157,000	-	-	157,000
Building component equipment	939,636	256,077	-	1,195,713
Computer equipment	<u>1,775,949</u>	<u>335,822</u>	<u>-</u>	<u>2,111,771</u>
	<u>11,243,105</u>	<u>804,655</u>	<u>-</u>	<u>12,047,760</u>
Accumulated Amortization	Opening \$	Amortization \$	Disposals \$	Ending \$
Land improvements	40,335	8,067	-	48,402
Building	925,634	190,907	-	1,116,541
Roof	39,250	7,850	-	47,100
Building component equipment	384,287	39,152	-	423,439
Computer equipment	<u>619,281</u>	<u>380,804</u>	<u>-</u>	<u>1,000,085</u>
	<u>2,008,787</u>	<u>626,780</u>	<u>-</u>	<u>2,635,567</u>
Net Book Value	Opening \$			Ending \$
Land	572,909			572,909
Land improvements	120,995			112,928
Building	6,710,647			6,732,496
Roof	117,750			109,900
Building component equipment	555,349			772,274
Computer equipment	<u>1,156,668</u>			<u>1,111,686</u>
	<u>9,234,318</u>			<u>9,412,193</u>

SOUTHWESTERN PUBLIC HEALTH

Notes to the Financial Statements For the Year Ended December 31, 2021

5. LONG-TERM DEBT

a) The balance of long-term debt reported on the Statement of Financial Position is made up of the following:

	2021	2020
	<u>\$</u>	<u>\$</u>
RBC bankers' acceptance to finance construction of new office building	<u>7,402,000</u>	<u>7,628,000</u>

Principal payments relating to the long-term debt outstanding are due as follows:

2022	2023	2024	2025	2026	Thereafter	Total
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>232,000</u>	<u>241,000</u>	<u>248,000</u>	<u>257,000</u>	<u>265,000</u>	<u>6,159,000</u>	<u>7,402,000</u>

On January 2, 2014 the former Elgin St. Thomas Health Unit converted the short term construction loan into long-term financing. The former organization was advanced \$9,000,000 in a 32 day banker acceptance notes at the CDOR rate of 1.22% plus a stamping fee of 0.40%. The former organization at the same time entered into an interest rate swap contract to fix the interest rate on their long-term financing at 2.85% for a 30 year time frame. As a result of these transactions, the former organization had fixed their rate on this debt obligation at 2.85% plus the stamping fee (for a total of 3.25% for 2021). The stamping fee is reviewed every fifteen years to determine if the risk assessment of the organization has changed from the last review at which point the rate could increase if additional risk is determined. As a result of the interest swap agreement, if the organization were to repay the long-term debt at December 31, 2021 an additional cost of \$658,279 would be incurred. An additional \$800,000 can be borrowed at any time and added to this swap agreement.

6. RECONCILIATION FOR MINISTRY OF HEALTH SETTLEMENT PURPOSES

	2021	2020
	<u>\$</u>	<u>\$</u>
Excess of Revenues over Expenditures	447,321	157,075
Reconciling items:		
Principal portion of long-term debt	(226,000)	(218,000)
Vacation and compensating time	(17,163)	161,119
Amortization	693,702	626,780
Eligible expenses transferred to tangible capital assets	<u>(866,760)</u>	<u>(804,655)</u>
Excess (Deficiency) of Revenues over Expenditures for Ministry of Health Purposes	<u>31,100</u>	<u>(77,681)</u>

SOUTHWESTERN PUBLIC HEALTH

Notes to the Financial Statements For the Year Ended December 31, 2021

7. PROVINCE OF ONTARIO

	2021	2020
	<u>\$</u>	<u>\$</u>
Cost shared programs		
General Public Health Programs	12,474,900	12,474,900
Other programs and one-time funding		
COVID-19: Extraordinary Costs	8,261,632	-
HVAC - One Time Funding	-	146,971
Healthy Babies Healthy Children - Ending March 2021 Funding	98,845	1,618,364
Healthy Babies Healthy Children - Ending March 2022 Funding	346,503	-
IPAC Hub Infection - Ending March 31, 2021 Funding	108,298	-
IPAC Hub Infection - Ending March 31, 2022 Funding	832,958	-
Medical Officer of Health Compensation Initiative	176,803	186,451
Merger Costs - Ending March 31, 2020 Funding	-	511,847
Merger Costs - Ending March 31, 2021 Funding	66,007	147,137
Merger Costs - Ending March 31, 2022 Funding	163,203	-
Mobile Clinic - One Time Funding - Ending March 31, 2022 Funding	50,000	-
Needle Exchange Program - Ending March 31, 2021 Funding	4,772	39,228
Needle Exchange Program - Ending March 31, 2022 Funding	9,182	-
Ontario Seniors Dental Care	901,300	901,300
Ontario Seniors Dental - Capital One Time - Ending March 31, 2020 Funding	-	428,075
Prenatal and Postnatal Nurse Practitioner Services	139,008	139,003
Public Health Case & Contact Management Solution (COVID-19)	4,966	21,934
Public Health Inspector Practicum Placement - Ending March 31, 2021	2,495	10,000
Public Health Inspector Practicum Placement - Ending March 31, 2022	10,000	-
School-Focused Nurses Initiative (COVID-19) - Ending March 31, 2021	226,000	376,880
School-Focused Nurses Initiative (COVID-19) - Ending March 31, 2022	695,628	-
Temporary Pandemic Pay Initiative (COVID-19) - Ending March 31, 2021	-	5,676
Vaccine Fridge - Ending March 31, 2021	21,850	-
Total other programs and one-time funding	<u>12,119,450</u>	<u>4,532,866</u>
Total Province of Ontario grants	<u>24,594,350</u>	<u>17,007,766</u>

SOUTHWESTERN PUBLIC HEALTH

Notes to the Financial Statements For the Year Ended December 31, 2021

8. PUBLIC HEALTH AGENCY OF CANADA

The organization receives funding from the Public Health Agency of Canada for funds to carry out the Smoking Cessation (previously Creating Connections) project. The organization and local developers will partner to improve walkability in the City of St. Thomas. Any unexpended funding for this program at December 31st is reported as deferred revenue on the statement of financial position.

	2021	2020
	<u>\$</u>	<u>\$</u>
Revenue	<u>39,868</u>	<u>45,987</u>
Expenditure		
Purchased services	22,964	27,853
Salaries	14,185	14,507
Benefits	2,667	3,627
Travel	<u>52</u>	<u>-</u>
Program excess of revenue over expenditures	<u>-</u>	<u>-</u>

9. STUDENT NUTRITION

The organization receives funding from a number of external agencies including the United Way and VON to provide healthy foods to participating schools in Oxford County. Any unexpended funding for this program at December 31st is reported as deferred revenue on the statement of financial position.

	2021	2020
	<u>\$</u>	<u>\$</u>
Revenue	<u>239,214</u>	<u>239,956</u>
Expenditure		
Program supplies	239,214	229,258
Included in capital asset additions	<u>-</u>	<u>10,698</u>
Program excess of revenue over expenditures	<u>-</u>	<u>-</u>

SOUTHWESTERN PUBLIC HEALTH

Notes to the Financial Statements For the Year Ended December 31, 2021

10. PRIOR PERIOD ADJUSTMENT - SETTLEMENTS

In January 2022, the organization finalized a of couple of historical settlements with the Ministry. The result of finalizing the 2019 settlements increased the assets and and surplus of the organization. The 2020 increases in the financial position were as follows:

Due from Province of Ontario	<u>317,839</u>
Decrease in net financial debt	<u>317,839</u>
Accumulated surplus	<u><u>317,839</u></u>

11. OPERATING LEASES

The organization leases two buildings from the County of Oxford at \$49,066 per month plus HST on an ongoing monthly basis to April 30, 2024. On an annual basis the landlord increases the annual rent by the percentage increase of the Consumer Price Index.

The minimum annual lease payments required in the next three years in respect of operating leases are as follows:

	<u>\$</u>
2022	575,496
2023	588,084
2024	196,028

SOUTHWESTERN PUBLIC HEALTH

Notes to the Financial Statements For the Year Ended December 31, 2021

12. CASH FLOW FROM THE PROVINCE OF ONTARIO MINISTRIES OF HEALTH AND CHILDREN, COMMUNITY AND SOCIAL SERVICES

The organization receives funding from the Province of Ontario Ministry of Health ("MOH") and the Ministry of Children, Community and Social Services ("MCCSS") to carry out general public health programs and related health programs and services. Funding provided from the Ministry for the year ended December 31, 2021 is as follows:

	Ministry of Health \$	MCCSS \$
COVID - Extra Ordinary Costs	8,364,100	-
General Public Health Programs	12,474,900	-
HVAC - One Time Funding	149,000	-
Infection Prevention and Control - Hub - March 31, 2021	805,000	-
Infection Prevention and Control - Hub - March 31, 2022	513,756	-
Medical Officer of Health Compensation Initiative	174,612	-
Merger Costs - March 31, 2021	99,994	-
Mobile Clinic - One Time Funding	550,000	-
Needle Exchange Program - One Time Funding March 31, 2021	4,772	-
Needle Exchange Program - One Time Funding March 31, 2022	14,208	-
New Purpose-Built Vaccine Refrigerators	7,500	-
Ontario Senior Dental Care Program	901,300	-
Public Health Case and Contact Management Solution (COVID-19)	8,492	-
School-Focused Nurses Initiative (COVID-19) - March 31, 2021	226,120	-
School-Focused Nurses Initiative (COVID-19) - March 31, 2022	673,800	-
Student Practicum - One Time Funding - March 31, 2021	2,494	-
Student Practicum - One Time Funding - March 31, 2022	7,536	-
Healthy Babies Healthy Children - March 31, 2021	-	413,382
Healthy Babies Healthy Children - March 31, 2022	-	1,240,149
Prenatal and Postnatal Nurse Practitioner Services	-	139,008
	<u>24,977,584</u>	<u>1,792,539</u>

SOUTHWESTERN PUBLIC HEALTH

Notes to the Financial Statements For the Year Ended December 31, 2021

13. PENSION AGREEMENTS

The organization makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Each year, an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits the members have earned to date. The most recent actuarial valuation of the Plan was conducted December 31, 2021, and the results of this valuation disclosed actuarial liabilities of \$120.8 billion in respect of benefits accrued for service with actuarial assets at that date of \$117.7 billion leaving an actuarial deficit of \$3.1 billion.

Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the organization does not recognize any share of the OMERS Pension surplus or deficit in these financial statements.

The amount contributed to OMERS for the year ended December 31, 2021 was \$1,232,401. OMERS contribution rates for 2021 and 2020 depending on income level and retirement dates ranged from 9.0% to 15.8%.

14. BUDGET FIGURES

The operating budgets approved by the organization and the Province of Ontario for 2021 are reflected on the statement of operations and are presented for comparative purposes.

15. PUBLIC SECTOR SALARY DISCLOSURE ACT 1996

The Public Sector Salary Disclosure Act, 1996 (the "Act") requires the disclosure of the salaries and benefits of employees in the public sector who are paid a salary of \$100,000 or more in a year. The organization complies with the Act by providing the information to the Ontario Ministry of Health for disclosure on the public website at www.fin.gov.on.ca.

16. COMPARATIVE FIGURES

Certain comparative figures presented in the financial statements have been reclassified to conform to the presentation adopted in the current year.

SOUTHWESTERN PUBLIC HEALTH

Notes to the Financial Statements For the Year Ended December 31, 2021

17. FINANCIAL INSTRUMENTS

Risks and Concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the statement of financial position date.

Liquidity Risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risk relate to its accounts receivable.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Given the current composition of long-term debt (proportion of debt at a fixed interest rate compared to a floating interest rate), fixed-rate instruments subject the organization to a fair value risk while the floating-rate instruments subject it to a cash flow risk.

It is management's opinion that the entity is not exposed to any significant market, foreign currency or price risk.

No financial liabilities of the organization were in default during the period.

The organization was not subject to any covenants during the period.

There have been no changes to the assessed levels of these risks in the year.

18. SIGNIFICANT EVENT - COVID-19

During and subsequent to the year end, the organization was exposed to economic risks associated with the coronavirus pandemic. These risks are beyond the organization's control. Due to the nature of the organization's operations, it is anticipated that COVID-19 related expenditures will be financed by the Province of Ontario. Various revenues amounts relating to COVID-19 were received during the year and will continue in 2022.

SOUTHWESTERN PUBLIC HEALTH

Schedule of Expenditures For the Year Ended December 31, 2021

	(Note 14) Budget 2021 <u> \$ </u>	2021 <u> \$ </u>	2020 <u> \$ </u>
GENERAL PUBLIC HEALTH PROGRAMS			
SALARIES AND WAGES			
Management	3,052,176	850,975	1,735,979
Nursing	2,741,026	777,281	956,799
Clerical and support	653,737	328,323	359,849
Inspection and environment	971,430	325,315	333,689
Maintenance and security	80,880	82,788	76,285
Health promotion	515,029	38,769	136,044
COVID-19	744,732	11,736,632	5,565,542
	<u>8,759,010</u>	<u>14,140,083</u>	<u>9,164,187</u>
FRINGE BENEFITS			
Group pension	1,375,000	1,232,401	1,110,024
Canada pension plan	501,000	657,017	425,139
Extended health care	620,800	543,622	469,883
Long term disability	381,700	349,234	280,969
Employer health tax	260,500	329,063	233,217
Employment insurance	188,400	270,650	179,997
Dental plan	207,300	191,665	152,913
Workplace safety insurance	120,700	142,297	103,054
Part-time benefits	22,500	105,730	10,043
Group life insurance	74,950	60,301	51,258
Supplementary unemployment benefits	40,000	49,307	44,215
Employee assistance programs	8,900	7,858	7,858
Benefits to other programs	(3,046,192)	(2,797,200)	(1,955,300)
COVID-19	-	2,192,482	1,167,266
	<u>755,558</u>	<u>3,334,427</u>	<u>2,280,536</u>
FEES AND HONORARIA			
Audit and legal	90,000	28,754	56,199
Labour relations	110,700	25,547	37,186
Honorarium	20,000	15,440	12,360
Services fees	5,400	4,905	-
Meeting expense	-	-	4,043
Board	13,950	1,022	11,614
	<u>240,050</u>	<u>75,668</u>	<u>121,402</u>
COVID-19 EXPENSES OTHER THAN PAYROLL	<u>-</u>	<u>3,362,794</u>	<u>578,957</u>

SOUTHWESTERN PUBLIC HEALTH

Schedule of Expenditures For the Year Ended December 31, 2021

	(Note 14) Budget 2021 \$	2021 \$	2020 \$
TRAVEL	<u>188,303</u>	<u>43,577</u>	<u>71,740</u>
EQUIPMENT	<u>668,900</u>	<u>608,479</u>	<u>578,073</u>
PROGRAM SUPPLIES	<u>256,647</u>	<u>75,553</u>	<u>158,486</u>
AMORTIZATION	<u>-</u>	<u>693,702</u>	<u>626,780</u>
RENT AND UTILITY SERVICES			
Building and facilities rental	801,485	587,619	581,692
Maintenance and supplies	137,010	165,630	87,960
Interest on long-term debt	252,000	244,547	239,446
Utilities	<u>96,500</u>	<u>88,638</u>	<u>92,651</u>
	<u>1,286,995</u>	<u>1,086,434</u>	<u>1,001,749</u>
ADMINISTRATIVE			
Public awareness, promotion and engagement strategies	168,475	210,262	49,234
Telephone	144,200	149,933	143,966
Insurance	82,350	92,688	74,545
Fees and subscriptions	34,375	30,211	21,379
Professional development	66,125	13,218	15,049
Printing and postage	<u>45,000</u>	<u>14,846</u>	<u>27,348</u>
	<u>540,525</u>	<u>511,158</u>	<u>331,521</u>

SOUTHWESTERN PUBLIC HEALTH

Schedule of Expenditures For the Year Ended December 31, 2021

	(Note 14) Budget 2021 <u>\$</u>	2021 <u>\$</u>	2020 <u>\$</u>
MINISTRY FUNDED PROGRAMS			
Healthy Smiles Ontario	1,008,100	690,074	843,697
Smoke-Free Ontario	689,484	92,838	315,828
Harm Reduction	324,999	175,120	247,750
Health Equity (previously Social Determinants of Health Nurses Initiative)	604,000	-	112,283
Infectious Diseases Control	390,463	34,333	94,562
Needle Exchange Program	60,900	60,900	59,338
Infection Prevention and Control Nurses Initiative	180,200	11,769	44,252
Enhanced Food Safety - Haines Initiative	50,000	-	9,492
Enhanced Safe Water Initiative	<u>31,000</u>	<u>-</u>	<u>2,967</u>
 Total Ministry Programs	 <u>3,339,146</u>	 <u>1,065,034</u>	 <u>1,730,169</u>
TOTAL COST SHARED PROGRAM EXPENDITURES	<u>16,035,134</u>	<u>24,996,909</u>	<u>16,643,600</u>

SOUTHWESTERN PUBLIC HEALTH

Schedule of Expenditures For the Year Ended December 31, 2021

	(Note 14) Budget 2021 \$	2021 \$	2020 \$
OTHER PROGRAMS AND ONE-TIME EXPENDITURES			
MINISTRY PROGRAMS - 100% FUNDED			
HVAC Replacement (March 31, 2021)	-	-	100,544
IPAC Hub Infection (March 31, 2021)	125,000	108,298	-
IPAC Hub Infection (March 31, 2022)	1,365,000	832,958	-
Medical Officer of Health Compensation Initiative	176,576	176,803	186,451
Merger Costs (March 31, 2020)	-	-	393,584
Merger Costs (March 31, 2021)	200,000	44,455	147,143
Merger Costs (March 31, 2022)	200,000	113,220	-
Needle Exchange Program Initiative (March 31, 2020)	-	-	39,228
Needle Exchange Program Initiative (March 31, 2021)	-	4,825	-
Needle Exchange Program Initiative (March 31, 2022)	19,100	9,128	-
Ontario Senior Dental Care Program	901,300	897,315	657,730
Ontario Seniors Dental Care Program - Capital (March 31, 2021)	-	-	419,259
Public Health Case and Contact Management Solution (March 31, 2021)	26,900	4,966	7,148
Public Health Inspector Practicum Program (March 31, 2021)	-	-	10,000
Public Health Inspector Practicum Program (March 31, 2022)	10,000	10,000	-
School-Focused Nurses Initiative (March 31, 2021)	603,000	226,200	376,880
School-Focused Nurses Initiative (March 31, 2022)	900,000	695,427	-
Temporary Pandemic Pay Initiative (COVID-19) (August 13, 2020)	-	-	5,676
Vaccine Refridgerator (March 31, 2021)	<u>30,000</u>	<u>2,701</u>	<u>-</u>
Total Ministry Programs - 100% Funded	<u>4,556,876</u>	<u>3,126,296</u>	<u>2,343,643</u>
OTHER PROGRAMS			
Healthy Babies Healthy Children	1,659,739	446,060	1,617,809
Student Nutrition	121,975	239,213	229,258
Prenatal and Postnatal Nurse Practitioner Services	139,000	139,011	139,000
Public Health Agency Canada	-	39,868	45,988
Low German Partnership	<u>-</u>	<u>-</u>	<u>220</u>
Total other programs	<u>1,920,714</u>	<u>864,152</u>	<u>2,032,275</u>
TOTAL EXPENDITURES	<u><u>22,512,724</u></u>	<u><u>28,987,357</u></u>	<u><u>21,019,518</u></u>