OXFORD ELGIN ST. THOMAS HEALTH UNIT

Operating as

SOUTHWESTERN PUBLIC HEALTH

Financial Statements

December 31, 2025

SOUTHWESTERN PUBLIC HEALTH

Financial Statements

For the Year Ended December 31, 2025

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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 Remeasurement Gains and Losses
- Statement of Cash Flows
- Notes to the Financial Statements
- Schedule of Expenditures

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 the participating municipalities of the County of Oxford, County of Elgin and City of St. Thomas by Graham Scott Enns LLP in accordance with Canadian generally accepted auditing standards.

Cynthia St. John
Chief Executive Officer

Monica Nusink
Chief Financial Officer

St. Thomas, Ontario
April 23, 2026

GRAHAM SCOTT ENNS LLP
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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, 2025, and the statement of operations and accumulated surplus, statement of changes in net debt, statement of remeasurement gains and losses, 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, 2025, and the results of its operations 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 *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 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 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.

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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 23, 2026

Graham Scott Enns LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

SOUTHWESTERN PUBLIC HEALTH

Statement of Financial Position
December 31, 2025

	2025	2024
	$	$
FINANCIAL ASSETS		
Cash	**5,073,451**	5,072,976
Accounts receivable	**957,292**	799,681
Government remittance receivable	**162,306**	174,770
	6,193,049	6,047,427
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	**1,820,638**	1,673,254
Deferred revenue (Note 5)	**19,542**	98,205
Due to Province of Ontario	**2,321,158**	3,023,442
Long-term debt (Note 7)	**6,424,000**	6,681,000
Derivative (Note 8)	**348,046**	263,439
	10,933,384	11,739,340
NET FINANCIAL DEBT (PAGE 6)	**(4,740,335)**	(5,691,913)
NON-FINANCIAL ASSETS		
Prepaid expenses	**80,616**	117,343
Tangible capital assets (Note 6)	**9,272,614**	9,346,881
	9,353,230	9,464,224
TOTAL NET ASSETS	**4,612,895**	3,772,311
TOTAL NET ASSETS ARE COMPRISED OF THE FOLLOWING:		
ACCUMULATED SURPLUS (NOTE 4)	**4,960,941**	4,035,750
ACCUMULATED REMEASUREMENT GAINS AND LOSSES (PAGE 7)	**(348,046)**	(263,439)
	4,612,895	3,772,311

Approved by the Board:

Director

Director

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

SOUTHWESTERN PUBLIC HEALTH

Statement of Operations and Accumulated Surplus
For the Year Ended December 31, 2025

	(Note 14) Budget 2025 $	**2025 $**	2024 $
REVENUES			
Operating grants			
Municipal:			
County of Elgin	2,016,169	**1,954,915**	1,852,600
City of St. Thomas	1,663,829	**1,613,279**	1,528,845
County of Oxford	4,729,756	**4,586,059**	4,346,038
Province of Ontario (Note 9)	14,332,572	**16,892,123**	16,887,607
Public Health Agency of Canada (Note 10)	-	**270,113**	272,773
Climate Change and Health Capacity Building Program	-	**123,066**	-
iHEAL Program	-	**392,035**	-
Locally Driven Collaborative Projects	-	**-**	19,000
Total operating grants	22,742,326	**25,831,590**	24,906,863
Other:			
Other fees and recoveries	58,100	**145,125**	94,243
Clinics	24,000	**32,354**	25,036
Interest	81,600	**157,768**	226,962
Total other revenue	163,700	**335,247**	346,241
TOTAL REVENUES	22,906,026	**26,166,837**	25,253,104
EXPENDITURES - SCHEDULE (PAGE 24)	22,906,026	**25,241,646**	24,034,827
EXCESS OF REVENUES OVER EXPENDITURES	-	**925,191**	1,218,277
ACCUMULATED SURPLUS, BEGINNING OF YEAR	4,035,750	**4,035,750**	2,817,473
ACCUMULATED SURPLUS, END OF YEAR (NOTE 4)	4,035,750	**4,960,941**	4,035,750

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, 2025

	(Note 14) Budget 2025 $	**2025 $**	2024 $
EXCESS OF REVENUES OVER EXPENDITURES	-	**925,191**	1,218,277
Amortization of tangible capital assets	-	**513,689**	538,090
Acquisition of tangible capital assets	-	**(439,422)**	(503,342)
Change in prepaid expenses	-	**36,727**	(36,979)
Remeasurement (loss) gain	-	**(84,607)**	107,758
DECREASE IN NET FINANCIAL DEBT	-	**951,578**	1,323,804
NET FINANCIAL DEBT, BEGINNING OF YEAR	(5,691,913)	**(5,691,913)**	(7,015,717)
NET FINANCIAL DEBT, END OF YEAR	(5,691,913)	**(4,740,335)**	(5,691,913)

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

SOUTHWESTERN PUBLIC HEALTH

Statement of Remeasurement Gains and Losses
For the Year Ended December 31, 2025

	2025 $	2024 $
ACCUMULATED REMEASUREMENT GAINS AND (LOSSES), BEGINNING OF YEAR	**(263,439)**	(371,197)
Unrealized (losses) gains attributable to derivatives	**(84,607)**	107,758
ACCUMULATED REMEASUREMENT GAINS AND (LOSSES), END OF YEAR	**(348,046)**	(263,439)

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

SOUTHWESTERN PUBLIC HEALTH

Statement of Cash Flows
For the Year Ended December 31, 2025

	2025 $	2024 $
OPERATING ACTIVITIES		
Excess of revenues over expenditures	**925,191**	1,218,277
Items not involving cash:		
Amortization of tangible capital assets	**513,689**	538,090
	513,689	538,090
Change in non-cash working capital balances:		
Accounts receivable	**(157,611)**	(374,881)
Government remittances receivable	**12,464**	(57,261)
Prepaid expenses	**36,727**	(36,979)
Accounts payable and accrued liabilities	**147,384**	282,002
Deferred revenue	**(78,663)**	(1,725,716)
Due to Province of Ontario	**(702,284)**	1,989,235
	696,897	1,832,767
CAPITAL ACTIVITIES		
Net acquisition of tangible capital assets	**(439,422)**	(503,342)
FINANCING ACTIVITIES		
Repayment to long-term debt	**(257,000)**	(248,000)
NET CHANGE IN CASH DURING THE YEAR	**475**	1,081,425
CASH, BEGINNING OF YEAR	**5,072,976**	3,991,551
CASH, END OF YEAR	**5,073,451**	5,072,976

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

PURPOSE OF ORGANIZATION

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 Public Sector Accounting Standards. 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.

Revenue Recognition

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.

Unrestricted contributions are recognized as revenues when received or receivable if the amount to be received is reasonable estimated and collection is reasonable assured.

Accounting Estimates

The preparation of these financial statements is in conformity with Canadian Public Sector Accounting Standards 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:

Due to Province of Ontario
Useful lives of tangible capital assets

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
Building 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.

Financial Instruments

The organization's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, deferred revenues, due to Province, long-term debt, and derivatives.

The organization's financial instruments are measured as follows:

i. Cash at fair value;
ii. Portfolio investments at fair value (if any);
iii. Accounts receivable at amortized cost;
iv. Accounts payable and accrued liabilities at amortized cost;
v. Long-term debt at amortized cost;
vi. Derivative at fair value.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (continuted)

The fair value is determined as follows:

i. Level 1 - Fair value measurements are those derived from quoted prices (in active markets);
ii. Level 2 - Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
iii. Level 3 - Fair value measurements are those derived from valuation techniques that include inputs for the asset that are not based on observable data (unobservable inputs).

For financial instruments measured using amortized cost the transaction costs and any other fees are expensed as incurred.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

The organization uses derivative financial instruments, including an interest rate swap agreement, in its management of exposures to fluctuations in interest rates. An interest rate swap is a derivative financial contract between two parties who agree to exchange fixed rate interest payments for floating rate payments on a predetermined notional amount and term. Derivatives are recorded at fair value and in determining the fair value, the credit risk of both counterparts are considered.

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.

Asset retirement obligations

The organization may be exposed to obligations of remediation associated with their tangible capital assets. If a legal obligation exists of remediation for a tangible capital asset then the organization would be required to set up an estimated future cost and liability associated with these obligations. As at December 31, 2025 there were no tangible capital assets that organization has controlled, constructed, owned or used that would have a legal obligation of remediation.

2. RECONCILIATION FOR MINISTRY OF HEALTH SETTLEMENT PURPOSES

	2025 $	2024 $
Excess of Revenues over Expenditures	**925,191**	1,218,277
Reconciling items:		
Principal portion of long-term debt	**(257,000)**	(248,000)
Vacation and compensating time change	**12,040**	(7,785)
Amortization	**513,689**	538,090
Eligible expenses transferred to tangible capital assets	**(439,422)**	(503,342)
Excess of Revenues over Expenditures for Ministry of Health Purposes	**754,498**	997,240

3. LINE OF CREDIT

The organization has a revolving line of credit with Royal Bank of Canada. The line of credit bears interest at a rate of prime plus 0.25% and are authorized to a maximum of $800,000. Amounts are advanced and repaid in increments of $5,000. At year end, the organization has been advanced $nil (2024 - $nil) on this facility.

4. ACCUMULATED SURPLUS

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

	2025	2024
	$	$
SURPLUS		
General reserve	**102,413**	120,053
General reserve, to be used in the next year	**300,000**	255,500
Contingency reserve, set aside by the Board	**1,709,914**	994,316
Invested in tangible capital assets	**9,272,614**	9,346,881
	11,384,941	10,716,750
AMOUNTS TO BE RECOVERED		
Net long-term debt	**(6,424,000)**	(6,681,000)
ACCUMULATED SURPLUS	**4,960,941**	4,035,750

Per the existing Board of Health policy concerning reserve funds and an established maximum of 10% of total operating budgets for unforeseen program and service expenditures.

5. DEFERRED REVENUE

	2025	2024
	$	$
Low German Needs Assessment	**10,542**	63,267
Community Action Network - Planet Youth	**9,000**	-
Sewage Inspection Program	**-**	17,175
Public Health Agency of Canada	**-**	9,067
Healthy Babies Healthy Children (March 31, 2025)	**-**	8,696
Total Deferred Revenue	**19,542**	98,205

6. TANGIBLE CAPITAL ASSETS

December 31, 2025

Cost	Opening	Additions	Disposals	**Ending**
	$	$	$	**$**
Land	572,909	-	-	**572,909**
Land improvements	161,330	-	-	**161,330**
Building	8,165,454	82,133	-	**8,247,587**
Roof	157,000	-	-	**157,000**
Building component equipment	2,607,056	65,919	-	**2,672,975**
Computer equipment	2,909,622	291,370	-	**3,200,992**
	14,573,371	439,422	-	**15,012,793**

Accumulated Amortization	Opening	Amortization	Disposals	**Ending**
	$	$	$	**$**
Land improvements	80,670	8,067	-	**88,737**
Building	1,909,966	204,136	-	**2,114,102**
Roof	78,500	7,850	-	**86,350**
Building component equipment	693,621	94,173	-	**787,794**
Computer equipment	2,463,733	199,463	-	**2,663,196**
	5,226,490	513,689	-	**5,740,179**

Net Book Value	**Opening**	**Ending**
	$	**$**
Land	572,909	**572,909**
Land improvements	80,660	**72,593**
Building	6,255,488	**6,133,485**
Roof	78,500	**70,650**
Building component equipment	1,913,435	**1,885,181**
Computer equipment	445,889	**537,796**
	9,346,881	**9,272,614**

6. TANGIBLE CAPITAL ASSETS (CONTINUED)

December 31, 2024

Cost	Opening	Additions	Disposals	**Ending**
	$	$	$	**$**
Land	572,909	-	-	**572,909**
Land improvements	161,330	-	-	**161,330**
Building	7,984,713	180,741	-	**8,165,454**
Roof	157,000	-	-	**157,000**
Building component equipment	2,484,109	122,947	-	**2,607,056**
Computer equipment	2,709,968	199,654	-	**2,909,622**
	14,070,029	503,342	-	**14,573,371**

Accumulated Amortization	Opening	Amortization	Disposals	**Ending**
	$	$	$	**$**
Land improvements	72,603	8,067	-	**80,670**
Building	1,710,348	199,618	-	**1,909,966**
Roof	70,650	7,850	-	**78,500**
Building component equipment	604,571	89,050	-	**693,621**
Computer equipment	2,230,228	233,505	-	**2,463,733**
	4,688,400	538,090	-	**5,226,490**

Net Book Value	**Opening**	**Ending**
	$	**$**
Land	572,909	**572,909**
Land improvements	88,727	**80,660**
Building	6,274,365	**6,255,488**
Roof	86,350	**78,500**
Building component equipment	1,879,538	**1,913,435**
Computer equipment	479,740	**445,889**
	9,381,629	**9,346,881**

7. LONG-TERM DEBT

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

	2025	2024
	$	$
RBC bankers' acceptance to finance construction of new office building	**6,772,046**	6,944,439
Fair value of financial derivative (Note 8)	**348,046**	263,439
Long-term debt	**6,424,000**	6,681,000

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

2026	2027	2028	2029	2030	Thereafter	Total
$	$	$	$	$	$	$
257,000	265,000	274,000	283,000	292,000	5,401,046	6,772,046

On January 2, 2014 the organization converted the short term construction loan of $9,000,000 with a 30 year term into long-term financing. On April 8, 2024 the Banker's Acceptance was transitioned to CORRA as a result of the end of CDOR based lending. The organization was advanced $6,868,000, the face value of the loan at the CORRA rate of 2.56% plus a credit spread of 0.69%, for a term of 5 years due January 2029. The organization at the same time as the original loan entered into an interest rate swap contract to fix the interest rate on their long-term financing at 2.56% for a 30 year time frame (maturing 2044). As a result of these transactions, the organization had fixed their rate on this debt obligation at 2.56% plus the credit spread. The credit spread is reviewed upon renewal 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.

8. DERIVATIVES

The organization has entered into an interest rate swap agreement as a result of the debt disclosed in (Note 7). As a result if the organization were to repay the long-term debt at December 31, 2025 an additional cost of $348,046 would be incurred. The organization intends to carry the long-term debt to full maturity thereby eliminating the loss.

	2025	2024
	$	$
Fair value of Financial Derivatives Beginning of Year	**263,439**	371,197
Unrealized Losses/(Gains)	**84,607**	(107,758)
Fair Value of Financial Derivatives (Note 7)	**348,046**	263,439

Financial Derivatives are classifed as Level 3

9. PROVINCE OF ONTARIO

	2025 $	2024 $
COST SHARED PROGRAMS		
General Public Health Programs	**12,950,905**	12,822,597
OTHER PROGRAMS AND ONE TIME FUNDING		
Ministry Programs - 100% Funding		
Infection Prevention and Control Hub (March 31, 2024)	**-**	175,716
Infection Prevention and Control Hub (March 31, 2025)	**120,441**	289,859
Infection Prevention and Control Hub (March 31, 2026)	**297,559**	-
Medical Officer of Health Compensation Initiative	**147,089**	96,261
Merger Costs (March 31, 2024)	**-**	23,914
Needle Syringe Program (March 31, 2024)	**-**	36,779
Ontario Seniors Dental Care Program	**1,061,103**	1,061,100
Public Health Inspector Practicum Program (March 31, 2025)	**-**	20,000
Public Health Inspector Practicum Program (March 31, 2026)	**20,000**	-
COVID-19: Vaccine Program (March 31, 2024)	**-**	178,963
COVID-19: Vaccine Program (March 31, 2025)	**38,686**	264,665
COVID-19: Vaccine Program (March 31, 2026)	**138,466**	-
Respiratory Syncytial Virus Prevention (RSV) (March 31, 2025)	**75,994**	-
Woodstock Facility (March 31, 2026)	**68,235**	-
Total Ministry Programs- 100% Funding	**1,967,573**	2,147,257
Other Programs		
Prenatal and Postnatal Nurse Practitioner Services (March 31, 2024)	**-**	35,590
Prenatal and Postnatal Nurse Practitioner Services (March 31, 2025)	**34,742**	104,258
Prenatal and Postnatal Nurse Practitioner Services (March 31, 2026)	**103,387**	-
Healthy Babies Healthy Children (March 31, 2024)	**-**	454,893
Healthy Babies Healthy Children (March 31, 2025)	**452,605**	1,323,012
Healthy Babies Healthy Children (March 31, 2026)	**1,382,911**	-
Total other programs	**1,973,645**	1,917,753
Total Province of Ontario grants	**16,892,123**	16,887,607

10. PUBLIC HEALTH AGENCY OF CANADA

The organization receives funding from the Public Health Agency of Canada for funds to carry out the Smoking Cessation project. Any unexpended funding for this program at December 31st is reported as deferred revenue on the statement of financial position.

	2025	2024
	$	$
Revenue		
Revenue (March 31, 2024)	**-**	105,072
Revenue (March 31, 2025)	**70,224**	167,701
Revenue (March 31, 2026)	**199,889**	-
	270,113	272,773
Expenditure		
Purchased services (March 31, 2024)	**-**	78,562
Purchased services (March 31, 2025)	**48,436**	83,203
Purchased services (March 31, 2026)	**109,278**	-
Salaries (March 31, 2024)	**-**	20,098
Salaries (March 31, 2025)	**20,768**	67,677
Salaries (March 31, 2026)	**67,179**	-
Benefits (March 31, 2024)	**-**	6,411
Benefits (March 31, 2025)	**999**	16,689
Benefits (March 31, 2026)	**23,230**	-
Travel (March 31, 2025)	**21**	133
Travel (March 31, 2026)	**202**	-
	270,113	272,773
Program excess of revenue over expenditures	**-**	-

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

The organization receives annual funding and one time funding ("OTF") 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, 2025 is as follows:

	MOH $	MCCSS $
COVID - Vaccination (March 31, 2025)	413,500	-
General Public Health Programs	12,950,905	-
Infection Prevention and Control Hub (March 31, 2025)	410,300	-
Infection Prevention and Control Hub (March 31, 2026)	153,868	-
Medical Officer of Health Compensation Initiative	178,705	-
Ontario Senior Dental Care Program	1,061,103	-
Public Health Inspector Practicum Program OTF (March 31, 2025)	20,000	-
Respiratory Syncytial Virus Prevention (RSV) (March 31, 2025)	111,900	-
Healthy Babies Healthy Children (March 31, 2025)	-	443,901
Healthy Babies Healthy Children (March 31, 2026)	-	1,331,716
Prenatal and Postnatal Nurse Practitioner (March 31, 2025)	-	34,752
Prenatal and Postnatal Nurse Practitioner (March 31, 2026)	-	104,248
	15,300,281	1,914,617

12. 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.ontario.ca/page/public-sector-salary-disclosure.

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, 2025, and the results of this valuation disclosed actuarial liabilities of $151.4 billion in respect of benefits accrued for service with actuarial assets at that date of $150 billion leaving an actuarial deficit of $1.3 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, 2025 was $1,468,438 (2024 - $1,368,453). OMERS contribution rates for 2025 and 2024 depending on income level and retirement dates ranged from 9% to 15.8%.

14. BUDGET FIGURES

The operating budgets approved by the board on November 28, 2024 for the organization and the Province of Ontario for 2025 are reflected on the statement of operations and are presented for comparative purposes.

15. OPERATING LEASES

The organization leases two buildings from the County of Oxford at $49,007 per month plus HST on an ongoing monthly basis to April 30, 2024. The organization signed new lease extensions for the two buildings with the County of Oxford at $52,149 per month plus HST on an ongoing monthly basis to April 30, 2026. Both leases are currently under negotiations to be approved subsequent to the year end.

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

	$
2026	244,931
2027	30,217
2028	31,123
2029	21,160

16. 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 doesn't believe that liquidity risk is a significant risk as no financial liabilities of the is organization were in default during the period and was no subject to any covenants during the period.

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. At year end, the organization has no significant risk as the organization does not expect any issues with the collections of these balances.

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. This is risk is offset by the use of the interest swap derivative.

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

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

SOUTHWESTERN PUBLIC HEALTH

Schedule of Expenditures
For the Year Ended December 31, 2025

	(Note 14) Budget 2025 $	**2025 $**	2024 $
GENERAL PUBLIC HEALTH PROGRAMS			
SALARIES AND WAGES			
Nursing	4,597,435	**4,621,320**	4,283,885
Management	4,462,496	**4,187,239**	4,112,990
Inspection and environment	1,465,590	**1,451,393**	1,363,899
Clerical and support	1,090,875	**1,207,289**	1,118,664
Health promotion	1,045,495	**940,881**	989,564
COVID-19	180,750	**-**	-
	12,842,641	**12,408,122**	11,869,002
FRINGE BENEFITS			
Group pension	1,923,920	**1,756,026**	1,684,270
Extended health care	1,047,000	**927,639**	773,034
Canada pension plan	683,000	**688,374**	646,171
Long term disability	531,500	**451,989**	417,842
Employer health tax	292,500	**291,168**	277,550
Dental plan	321,500	**282,942**	252,300
Employment insurance	225,000	**229,080**	197,328
Workplace safety insurance	193,000	**(14,776)**	162,622
Supplementary unemployment benefits	62,000	**85,219**	117,090
Group life insurance	74,500	**66,025**	64,502
Part-time benefits	73,275	**64,255**	55,239
Employee assistance programs	5,300	**4,585**	4,585
Benefits to other programs	(1,029,530)	**(990,987)**	(893,769)
COVID-19	66,340	**-**	-
	4,469,305	**3,841,539**	3,758,764
FEES AND HONORARIA			
Audit and legal	78,500	**163,382**	88,629
Labour relations	111,900	**68,842**	61,480
Honorarium	25,875	**23,675**	18,600
Meeting expense	40,310	**32,394**	12,182
Services fees	8,100	**8,262**	7,573
	264,685	**296,555**	188,464
COVID-19 EXPENSES OTHER THAN PAYROLL	139,900	**-**	-

SOUTHWESTERN PUBLIC HEALTH

Schedule of Expenditures
For the Year Ended December 31, 2025

	(Note 14) Budget 2025 $	**2025 $**	2024 $
TRAVEL	180,370	**194,554**	160,730
EQUIPMENT	850,320	**911,321**	753,739
PROGRAM SUPPLIES	510,740	**386,446**	581,779
AMORTIZATION	-	**513,689**	538,090
RENT AND UTILITY SERVICES			
Building and facilities rental	1,256,780	**1,037,062**	936,162
Interest on long-term debt	214,000	**209,646**	186,637
	1,470,780	**1,246,708**	1,122,799
ADMINISTRATIVE			
Public awareness, promotion and engagement strategies	165,775	**189,487**	119,122
Telephone	204,700	**184,618**	202,129
Insurance	161,700	**147,180**	145,055
Fees and subscriptions	86,715	**76,311**	98,982
Professional development	131,705	**70,015**	142,855
Printing and postage	34,900	**20,004**	24,215
	785,495	**687,615**	732,358
TOTAL COST SHARED PROGRAM EXPENDITURES	21,514,236	**20,486,549**	19,705,725

SOUTHWESTERN PUBLIC HEALTH

Schedule of Expenditures
For the Year Ended December 31, 2025

	(Note 14) Budget 2025 $	**2025 $**	2024 $
OTHER PROGRAMS AND ONE TIME EXPENDITURES			
MINISTRY PROGRAMS - 100% FUNDED			
COVID Vaccine Program (March 31, 2024)	-	**-**	178,963
COVID Vaccine Program (March 31, 2025)	-	**38,686**	264,665
COVID Vaccine Program (March 31, 2026)	-	**138,466**	-
Infection Prevention and Control Hub (March 31, 2024)	-	**-**	175,716
Infection Prevention and Control Hub (March 31, 2025)	-	**120,441**	289,859
Infection Prevention and Control Hub (March 31, 2026)	-	**297,559**	-
Medical Officer of Health Compensation Initiative	97,390	**155,031**	85,590
Strengthening Public Health: Merger Planning (March 31, 2024)	-	**753**	23,914
Woodstock Facility (March 31, 2025)	-	**45,196**	-
Needle Syringe Program Initiative (March 31, 2025)	-	**-**	36,779
Ontario Senior Dental Care Program	1,294,400	**1,061,100**	1,039,965
Public Health Inspector Practicum Program (March 31, 2025)	-	**-**	20,000
Public Health Inspector Practicum Program (March 31, 2026)	-	**20,000**	-
Respiratory Syncytial Virus Prevention (RSV) (March 31, 2025)	-	**75,994**	-
Total Ministry Programs - 100% Funded	1,391,790	**1,953,226**	2,115,451
OTHER PROGRAMS			
Healthy Babies Healthy Children	-	**1,835,516**	1,777,905
Public Health Agency Canada	-	**270,114**	272,772
Prenatal and Postnatal Nurse Practitioner Services	-	**138,130**	139,848
Locally Driven Collaborative Projects (March 31, 2024)	-	**-**	19,001
Low German Partnership	-	**52,725**	4,125
HeatADAPT	-	**123,066**	-
IHEAL	-	**382,320**	-
Total other programs	-	**2,801,871**	2,213,651
TOTAL EXPENDITURES	22,906,026	**25,241,646**	24,034,827

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