

OXFORD ELGIN ST. THOMAS HEALTH UNIT

Operating as

SOUTHWESTERN PUBLIC HEALTH

Financial Statements

December 31, 2022

SOUTHWESTERN PUBLIC HEALTH

Financial Statements

For the Year Ended December 31, 2022

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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 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

April 27, 2023
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, 2022, and the statement of operations and accumulated 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, 2022, 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.



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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 27, 2023

Graham Scott Enns LLP

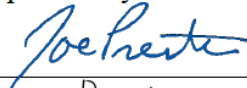
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SOUTHWESTERN PUBLIC HEALTH

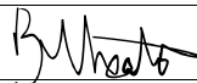
Statement of Financial Position December 31, 2022

	2022	2021
	<u>\$</u>	<u>\$</u>
FINANCIAL ASSETS		
Cash	8,167,225	4,467,481
Accounts receivable	302,365	93,536
Government remittance receivable	<u>126,255</u>	<u>131,802</u>
	<u>8,595,845</u>	<u>4,692,819</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	1,760,170	1,878,028
Deferred revenue (Note 3)	1,840,083	2,016,900
Due to Province of Ontario	4,752,223	560,244
Long-term debt (Note 5)	<u>7,170,000</u>	<u>7,402,000</u>
	<u>15,522,476</u>	<u>11,857,172</u>
NET FINANCIAL DEBT (PAGE 6)	<u>(6,926,631)</u>	<u>(7,164,353)</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	63,530	65,163
Tangible capital assets (Note 4)	<u>9,299,868</u>	<u>9,585,251</u>
	<u>9,363,398</u>	<u>9,650,414</u>
ACCUMULATED SURPLUS (PAGE 5)	<u>2,436,767</u>	<u>2,486,061</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 Accumulated Surplus For the Year Ended December 31, 2022

	(Note 13) Budget 2022 <u>\$</u>	2022 <u>\$</u>	2021 <u>\$</u>
REVENUES			
Operating grants			
Municipal:			
County of Elgin	1,187,287	1,187,287	1,093,661
City of St. Thomas	922,650	922,650	849,893
County of Oxford	2,628,966	2,628,966	2,421,570
Province of Ontario (Note 7)	26,067,378	20,516,291	24,594,350
Public Health Agency of Canada (Note 8)	244,929	262,765	39,868
Student Nutrition (Note 9)	<u>209,270</u>	<u>165,597</u>	<u>239,214</u>
Total operating grants	<u>31,260,480</u>	<u>25,683,556</u>	<u>29,238,556</u>
Other			
Other fees and recoveries	11,375	95,779	162,251
Clinics	43,000	28,916	24,363
Interest	<u>14,400</u>	<u>128,942</u>	<u>9,508</u>
Total other revenue	<u>68,775</u>	<u>253,637</u>	<u>196,122</u>
TOTAL REVENUES	31,329,255	25,937,193	29,434,678
EXPENDITURES - SCHEDULE (PAGE 21)	<u>31,329,255</u>	<u>25,986,487</u>	<u>28,987,357</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(49,294)</u>	<u>447,321</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	2,486,061	2,486,061	2,038,740
ACCUMULATED SURPLUS, END OF YEAR (NOTE 2)	<u>2,486,061</u>	<u>2,436,767</u>	<u>2,486,061</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, 2022**

	(Note 13) Budget 2022 <u> </u> \$	2022 <u> </u> \$	2021 <u> </u> \$
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	-	(49,294)	447,321
Amortization of tangible capital assets	-	754,397	693,702
Acquisition of tangible capital assets	-	(469,014)	(866,760)
Change in prepaid expenses	<u>-</u>	<u>1,633</u>	<u>(14,231)</u>
DECREASE IN NET DEBT	-	237,722	260,032
NET FINANCIAL DEBT, BEGINNING OF YEAR	<u>7,164,353</u>	<u>7,164,353</u>	<u>7,424,385</u>
NET FINANCIAL DEBT, END OF YEAR	<u><u>7,164,353</u></u>	<u><u>6,926,631</u></u>	<u><u>7,164,353</u></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, 2022

	2022	2021
	<u>\$</u>	<u>\$</u>
OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenditures	(49,294)	447,321
Items not involving cash:		
Amortization of tangible capital assets	754,397	693,702
Change in non-cash assets and liabilities:		
Accounts receivable	(208,829)	185,903
Government remittances receivable	5,547	48,496
Prepaid expenses	1,633	(14,231)
Accounts payable and accrued liabilities	(117,858)	(571,459)
Deferred revenue	(176,817)	1,134,933
Due to Province of Ontario	<u>4,191,979</u>	<u>1,049,160</u>
Cash provided by operating activities	<u>4,400,758</u>	<u>2,973,825</u>
CAPITAL ACTIVITIES		
Net acquisition of tangible capital assets	<u>(469,014)</u>	<u>(866,760)</u>
Cash applied to capital activities	<u>(469,014)</u>	<u>(866,760)</u>
FINANCING ACTIVITIES		
Repayment to long-term debt	<u>(232,000)</u>	<u>(226,000)</u>
Cash applied to financing activities	<u>(232,000)</u>	<u>(226,000)</u>
NET CHANGE IN CASH DURING THE YEAR	3,699,744	1,881,065
CASH, BEGINNING OF YEAR	<u>4,467,481</u>	<u>2,586,416</u>
CASH, END OF YEAR	<u><u>8,167,225</u></u>	<u><u>4,467,481</u></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, 2022

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.

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.

SOUTHWESTERN PUBLIC HEALTH

Notes to the Financial Statements For the Year Ended December 31, 2022

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, 2022

2. ACCUMULATED SURPLUS

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

	2022	2021
	<u>\$</u>	<u>\$</u>
SURPLUS		
General reserve	306,899	302,810
Invested in tangible capital assets	<u>9,299,868</u>	<u>9,585,251</u>
	9,606,767	9,888,061
AMOUNTS TO BE RECOVERED		
Net long-term debt	<u>(7,170,000)</u>	<u>(7,402,000)</u>
ACCUMULATED SURPLUS	<u>2,436,767</u>	<u>2,486,061</u>

3. DEFERRED REVENUE

	2022	2021
	<u>\$</u>	<u>\$</u>
Ontario Seniors Dental Care Program Capital: New Fixed Site	1,155,004	-
Mobile Dental Clinic - March 31, 2023 Funding	500,000	-
St. Thomas - Low German Needs Assessment	84,269	85,624
Healthy Babies Healthy Children - March 31, 2023 Funding	57,529	-
Sewage Inspection Program	17,175	17,175
Needle Exchange Program - March 31, 2023 Funding	17,039	-
Public Health Agency of Canada	9,067	9,067
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
Student Nutrition	-	68,177
Merger - March 31, 2022 Funding	-	60,609
Needle Exchange Program - March 31, 2022 Funding	<u>-</u>	<u>5,026</u>
Total Deferred Revenue	<u>1,840,083</u>	<u>2,016,900</u>

SOUTHWESTERN PUBLIC HEALTH

Notes to the Financial Statements For the Year Ended December 31, 2022

4. TANGIBLE CAPITAL ASSETS

December 31, 2022

Cost	Opening \$	Additions \$	Disposals \$	Ending \$
Land	572,909	-	-	572,909
Land improvements	161,330	-	-	161,330
Building	7,932,066	39,087	-	7,971,153
Roof	157,000	-	-	157,000
Building component equipment	1,644,296	290,548	-	1,934,844
Information technology equipment	<u>2,446,919</u>	<u>139,379</u>	<u>-</u>	<u>2,586,298</u>
	<u>12,914,520</u>	<u>469,014</u>	<u>-</u>	<u>13,383,534</u>
Accumulated Amortization	Opening \$	Amortization \$	Disposals \$	Ending \$
Land improvements	56,469	8,067	-	64,536
Building	1,312,767	198,302	-	1,511,069
Roof	54,950	7,850	-	62,800
Building component equipment	473,260	65,146	-	538,406
Information technology equipment	<u>1,431,823</u>	<u>475,032</u>	<u>-</u>	<u>1,906,855</u>
	<u>3,329,269</u>	<u>754,397</u>	<u>-</u>	<u>4,083,666</u>
Net Book Value	Opening \$			Ending \$
Land	572,909			572,909
Land improvements	104,861			96,794
Building	6,619,299			6,460,084
Roof	102,050			94,200
Building component equipment	1,171,036			1,396,438
Information technology equipment	<u>1,015,096</u>			<u>679,443</u>
	<u>9,585,251</u>			<u>9,299,868</u>

SOUTHWESTERN PUBLIC HEALTH

**Notes to the Financial Statements
For the Year Ended December 31, 2022**

4. TANGIBLE CAPITAL ASSETS (CONTINUED)

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
Computer 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
Computer 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
Computer 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, 2022

5. LONG-TERM DEBT

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

	2022	2021
	<u>\$</u>	<u>\$</u>
RBC bankers' acceptance to finance construction of new office building	<u>7,170,000</u>	<u>7,402,000</u>

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

	2023	2024	2025	2026	2027	Thereafter	Total
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
	<u>241,000</u>	<u>248,000</u>	<u>257,000</u>	<u>265,000</u>	<u>274,000</u>	<u>5,885,000</u>	<u>7,170,000</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 2022). 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, 2022 an additional cost of \$642,351 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

	2022	2021
	<u>\$</u>	<u>\$</u>
(Deficiency) Excess of Revenues over Expenditures	(49,294)	447,321
Reconciling items:		
Principal portion of long-term debt	(232,000)	(226,000)
Vacation and compensating time	(130,258)	(17,163)
Amortization	754,397	693,702
Eligible expenses transferred to tangible capital assets	<u>(374,498)</u>	<u>(866,760)</u>
(Deficiency) Excess of Revenues over Expenditures for Ministry of Health Purposes	<u>(31,653)</u>	<u>31,100</u>

SOUTHWESTERN PUBLIC HEALTH

Notes to the Financial Statements For the Year Ended December 31, 2022

7. PROVINCE OF ONTARIO

	2022	2021
	<u>\$</u>	<u>\$</u>
Cost shared programs		
General Public Health Programs	12,557,250	12,474,900
Other programs and one time funding		
COVID-19: Extraordinary Costs	2,818,925	8,261,632
Healthy Babies Healthy Children - Ending March 2021 Funding	-	98,845
Healthy Babies Healthy Children - Ending March 2022 Funding	152,820	346,503
Healthy Babies Healthy Children - Ending March 2023 Funding	1,182,620	-
Infection Prevention and Control Hub - Ending March 31, 2021 Funding	-	108,298
Infection Prevention and Control Hub - Ending March 31, 2022 Funding	548,744	832,958
Infection Prevention and Control Hub - Ending March 31, 2023 Funding	660,213	-
Medical Officer of Health Compensation Initiative	21,990	176,803
Merger Costs - Ending March 31, 2021 Funding	-	66,007
Merger Costs - Ending March 31, 2022 Funding	60,609	163,203
Mobile Clinic - One Time Funding - Ending March 31, 2022 Funding	-	50,000
Needle Exchange Program - Ending March 31, 2021 Funding	-	4,772
Needle Exchange Program - Ending March 31, 2022 Funding	9,818	9,182
Needle Exchange Program - Ending March 31, 2023 Funding	10,336	-
Ontario Seniors Dental Care	1,021,144	901,300
Prenatal and Postnatal Nurse Practitioner Services - March 31, 2022	-	139,008
Prenatal and Postnatal Nurse Practitioner Services - March 31, 2023	139,008	-
Public Health Case & Contact Management Solution (COVID-19)	-	4,966
Public Health Inspector Practicum Program - Ending March 31, 2021	-	2,495
Public Health Inspector Practicum Program - Ending March 31, 2022	-	10,000
Public Health Inspector Practicum Program - Ending March 31, 2023	19,606	-
School-Focused Nurses Initiative - Ending March 31, 2021	-	226,000
School-Focused Nurses Initiative - Ending March 31, 2022	204,492	695,628
School-Focused Nurses Initiative - Ending March 31, 2023	672,000	-
Temporary Retention Incentive for Nurses - March 2023 Funding	436,716	-
Vaccine Fridge - Ending March 31, 2021	-	21,850
	<u>7,959,041</u>	<u>12,119,450</u>
Total other programs and one time funding		
	<u>7,959,041</u>	<u>12,119,450</u>
Total Province of Ontario grants	<u>20,516,291</u>	<u>24,594,350</u>

SOUTHWESTERN PUBLIC HEALTH

Notes to the Financial Statements For the Year Ended December 31, 2022

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. Any unexpended funding for this program at December 31st is reported as deferred revenue on the statement of financial position.

	2022	2021
	<u>\$</u>	<u>\$</u>
Revenue		
Revenue - March 31, 2022	157,132	39,868
Revenue - March 31, 2023	<u>105,633</u>	<u>-</u>
	<u>262,765</u>	<u>39,868</u>
Expenditure		
Purchased services - March 31, 2022	56,352	22,964
Purchased services - March 31, 2023	39,321	-
Salaries - March 31, 2022	6,066	14,185
Salaries - March 31, 2023	58,322	-
Benefits - March 31, 2022	198	2,667
Benefits - March 31, 2023	7,677	-
Travel - March 31, 2022	-	52
Travel - March 31, 2023	<u>313</u>	<u>-</u>
	<u>168,249</u>	<u>39,868</u>
Capital expenditures - March 31, 2022	<u>94,516</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. This is the final year of the program, unspent funds at the year end have been included in the payables balance to the new organizer.

	2022	2021
	<u>\$</u>	<u>\$</u>
Revenue	<u>165,597</u>	<u>239,214</u>
Expenditure		
Program supplies	<u>165,597</u>	<u>239,214</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, 2022

10. 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. 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:

	\$
2023	588,084
2024	196,028

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, 2022 is as follows:

	MOH \$	MCCSS \$
COVID - Extra Ordinary Costs - March 31, 2023	7,104,100	-
General Public Health Programs	12,557,250	-
Infection Prevention and Control Hub - March 31, 2022	171,244	-
Infection Prevention and Control Hub - March 31, 2023	513,756	-
Medical Officer of Health Compensation Initiative	175,971	-
Needle Exchange Program - OTF - March 31, 2022	4,792	-
Needle Exchange Program - OTF - March 31, 2023	27,375	-
Ontario Senior Dental Care Program	1,021,144	-
Ontario Seniors Dental Care Program Capital:		
New Fixed Site - OTF - March 31, 2023	1,155,004	-
Public Health Inspector Practicum Program OTF - March 31, 2022	2,464	-
Public Health Inspector Practicum Program OTF - March 31, 2023	14,997	-
School-Focused Nurses Initiative - March 31, 2022	226,120	-
School-Focused Nurses Initiative - March 31, 2023	672,000	-
Space Needs Assessment - OTF - March 31, 2023	20,000	-
Temporary Retention Incentive for Nurses - March 31, 2023	675,494	-
Healthy Babies Healthy Children - March 31, 2022	-	413,382
Healthy Babies Healthy Children - March 31, 2023	-	1,240,149
Prenatal and Postnatal Nurse Practitioner - March 31, 2022	-	34,752
Prenatal and Postnatal Nurse Practitioner - March 31, 2023	-	104,256
	24,341,711	1,792,539

SOUTHWESTERN PUBLIC HEALTH

Notes to the Financial Statements For the Year Ended December 31, 2022

12. 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, 2022, and the results of this valuation disclosed actuarial liabilities of \$130.3 billion in respect of benefits accrued for service with actuarial assets at that date of \$123.6 billion leaving an actuarial deficit of \$6.7 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, 2022 was \$1,189,987. OMERS contribution rates for 2022 and 2021 depending on income level and retirement dates ranged from 9.2% to 15.8%.

13. BUDGET FIGURES

The operating budgets approved by the organization and the Province of Ontario for 2022 are reflected on the statement of operations and are presented for comparative purposes.

14. 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.

15. 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, 2022

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 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.

SOUTHWESTERN PUBLIC HEALTH

Schedule of Expenditures For the Year Ended December 31, 2022

	(Note 13) Budget	2022	2021
	2022	2022	2021
	<u>\$</u>	<u>\$</u>	<u>\$</u>
GENERAL PUBLIC HEALTH PROGRAMS			
SALARIES AND WAGES			
Management	3,135,637	3,425,822	966,565
Nursing	2,886,628	2,858,884	1,041,895
Inspection and environment	1,227,401	1,129,003	334,690
Clerical and support	707,408	808,059	485,193
Health promotion	624,698	609,941	48,791
COVID-19	<u>6,995,886</u>	<u>4,175,339</u>	<u>11,736,632</u>
	<u>15,577,658</u>	<u>13,007,048</u>	<u>14,613,766</u>
FRINGE BENEFITS			
Group pension	1,303,000	1,407,479	1,380,873
Canada pension plan	524,000	664,368	657,017
Extended health care	622,500	505,861	543,622
Long term disability	381,000	336,817	349,234
Employer health tax	251,000	310,418	329,063
Employment insurance	184,000	228,982	270,650
Dental plan	208,000	190,792	191,665
Part-time benefits	5,000	102,285	105,730
Workplace safety insurance	116,500	95,202	142,297
Supplementary unemployment benefits	32,000	81,987	49,307
Group life insurance	63,500	56,233	60,301
Employee assistance programs	9,260	7,858	7,858
Benefits to other programs	(3,169,046)	(1,594,411)	(2,797,200)
COVID-19	<u>1,762,603</u>	<u>876,706</u>	<u>2,192,482</u>
	<u>2,293,317</u>	<u>3,270,577</u>	<u>3,482,899</u>
FEES AND HONORARIA			
Labour relations	117,000	156,815	25,547
Audit and legal	92,700	45,528	28,754
Honorarium	20,000	15,618	15,440
Services fees	5,210	6,429	4,905
Meeting expense	<u>19,400</u>	<u>12,454</u>	<u>1,022</u>
	<u>254,310</u>	<u>236,844</u>	<u>75,668</u>
COVID-19 EXPENSES OTHER THAN PAYROLL	<u>5,336,875</u>	<u>646,660</u>	<u>3,480,335</u>

SOUTHWESTERN PUBLIC HEALTH

Schedule of Expenditures For the Year Ended December 31, 2022

	(Note 13) Budget 2022 \$	2022 \$	2021 \$
TRAVEL	<u>192,883</u>	<u>92,478</u>	<u>45,592</u>
EQUIPMENT	<u>714,383</u>	<u>645,736</u>	<u>611,933</u>
PROGRAM SUPPLIES	<u>240,907</u>	<u>457,339</u>	<u>286,975</u>
AMORTIZATION	<u>-</u>	<u>754,397</u>	<u>693,702</u>
RENT AND UTILITY SERVICES			
Building and facilities rental	1,060,216	774,814	852,796
Interest on long-term debt	<u>239,000</u>	<u>262,604</u>	<u>244,547</u>
	<u>1,299,216</u>	<u>1,037,418</u>	<u>1,097,343</u>
ADMINISTRATIVE			
Telephone	167,950	164,173	245,101
Insurance	123,100	112,296	92,688
Professional development	98,315	68,795	13,718
Fees and subscriptions	38,580	53,533	30,211
Public awareness, promotion and engagement strategies	180,075	61,291	212,132
Printing and postage	<u>40,425</u>	<u>24,398</u>	<u>14,846</u>
	<u>648,445</u>	<u>484,486</u>	<u>608,696</u>
TOTAL COST SHARED PROGRAM EXPENDITURES	<u>23,615,570</u>	<u>20,632,983</u>	<u>24,996,909</u>

SOUTHWESTERN PUBLIC HEALTH

Schedule of Expenditures For the Year Ended December 31, 2022

	(Note 13) Budget	2022	2021
	2022	2022	2021
	<u>\$</u>	<u>\$</u>	<u>\$</u>
OTHER PROGRAMS AND ONE TIME EXPENDITURES			
MINISTRY PROGRAMS - 100% FUNDED			
Infection Prevention and Control Hub (March 31, 2021)	-	-	108,298
Infection Prevention and Control Hub (March 31, 2022)	1,365,000	548,745	832,958
Infection Prevention and Control Hub (March 31, 2023)	685,000	660,213	-
Medical Officer of Health Compensation Initiative	176,576	21,990	176,803
Merger Costs (March 31, 2021)	-	-	44,455
Merger Costs (March 31, 2022)	200,000	60,610	113,220
Needle Exchange Program Initiative (March 31, 2021)	-	-	4,825
Needle Exchange Program Initiative (March 31, 2022)	20,000	9,818	9,128
Needle Exchange Program Initiative (March 31, 2023)	-	10,335	-
Ontario Senior Dental Care Program	901,300	899,204	897,315
Public Health Case and Contact Management Solution (March 31, 2021)	-	-	4,966
Public Health Inspector Practicum Program (March 31, 2022)	-	-	10,000
Public Health Inspector Practicum Program (March 31, 2023)	20,000	19,607	-
School-Focused Nurses Initiative (March 31, 2021)	-	-	226,200
School-Focused Nurses Initiative (March 31, 2022)	900,000	204,492	695,427
School-Focused Nurses Initiative (March 31, 2023)	672,000	672,000	-
Temporary Retention Incentive for Nurses (March 31, 2022)	386,000	-	-
Temporary Retention Incentive for Nurses (March 31, 2023)	386,000	436,715	-
Vaccine Refrigerator (March 31, 2021)	-	-	2,701
Total Ministry Programs - 100% Funded	<u>5,711,876</u>	<u>3,543,729</u>	<u>3,126,296</u>
OTHER PROGRAMS			
Healthy Babies Healthy Children	1,653,539	1,335,575	446,060
Public Health Agency Canada	-	168,248	39,868
Student Nutrition	209,270	165,597	239,213
Prenatal and Postnatal Nurse Practitioner Services	139,000	139,000	139,011
Low German Partnership	-	1,355	-
Total other programs	<u>2,001,809</u>	<u>1,809,775</u>	<u>864,152</u>
TOTAL EXPENDITURES	<u><u>31,329,255</u></u>	<u><u>25,986,487</u></u>	<u><u>28,987,357</u></u>