



Finance & Facilities Standing Committee  
MS Teams Electronic Participation  
Monday, March 15, 2021  
10:30am

AGENDA			
Item	Agenda Item	Lead	Expected Outcome
<b>1.0 COVENING THE MEETING</b>			
1.1	Call to Order, Recognition of Quorum <ul style="list-style-type: none"> <li>Introduction of Committee Members and Staff and Guests</li> </ul>	Joe Preston	
1.2	Approval of Agenda	Joe Preston	Decision
1.3	Reminder to disclose Pecuniary Interest and the General nature Thereof when Item Arises	Joe Preston	
1.4	Reminder that Meetings are Recorded for Minute Taking Purposes	Joe Preston	
<b>2.0 APPROVAL OF MINUTES</b>			
2.1	Approval of Minutes from November 23, 2020	Joe Preston	Decision
<b>3.0 APPROVAL OF CONSENT AGENDA</b>			
None.			
<b>4.0 AGENDA ITEMS FOR INFORMATION.DISCUSSION.DECISION</b>			
4.1	Chief Executive Officer's Report for March 2021	Cynthia St. John	Decision
<b>5.0 NEW BUSINESS/OTHER</b>			
<b>6.0 CLOSED SESSION</b>			
<b>7.0 RISING AND REPORTING OF THE CLOSED SESSION</b>			
<b>8.0 FUTURE MEETINGS &amp; EVENTS</b>			
8.1	Finance & Facilities Standing Committee Meeting – May 17, 2021	Joe Preston	Information
<b>9.0 ADJOURNMENT</b>			



A meeting of the Finance & Facilities Standing Committee for Oxford Elgin St. Thomas Health Unit was held on Monday, November 23, 2020 via electronic means commencing at 10:30 a.m.

**PRESENT:**

Mr. T. Marks	Board Member
Mr. D. Mayberry	Board Member
Mr. S. Molnar	Board Member
Mr. J. Preston	Board Member – Chair
Mr. L. Rowden	Board Member
Ms. C. St. John	Chief Executive Officer
Ms. M. Nusink	Director, Finance (CFO)
Ms. A. Koning	Executive Assistant

**REMINDER OF DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF  
WHEN ITEM ARISES**

**1.1 AGENDA:**

**Resolution # (2020-FFSC-1123-1.2)**

Moved by D. Warden

Seconded by S. Molnar

That the November 23, 2020 agenda be approved.

Carried.

## **2.0 MINUTES:**

### **Resolution # (2020-FFSC-1123-2.1)**

Moved by T. Marks

Seconded by D. Mayberry

That the minutes from the Southwestern Public Health Finance and Facilities Standing Committee meeting held September 28, 2020 be approved.

Carried.

S. Molnar asked about an update on the insurance. J. Preston noted that the insurance was discussed at the Board of Health. There were no further actions required.

## **3.0 CONSENT AGENDA:**

None.

## **4.0 TO CLOSED SESSION:**

### **Resolution # (2020-FFSC-1123-C6)**

Moved by D. Warden

Seconded by T. Marks

That the Finance and Facilities Standing Committee moves to closed session in order to consider one or more the following as outlined in the Ontario Municipal Act:

- (a) the security of the property of the municipality or local board;
- (b) personal matters about an identifiable individual, including municipal or local board employees;
- (c) a proposed or pending acquisition or disposition of land by the municipality or local board;
- (d) labour relations or employee negotiations;
- (e) litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board;
- (f) advice that is subject to solicitor-client privilege, including communications necessary for that purpose;
- (g) a matter in respect of which a council, board, committee or other body may hold a closed meeting under another Act;
- (h) information explicitly supplied in confidence to the municipality or local board by Canada, a province or territory or a Crown agency of any of them;
- (i) a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to the municipality or local board, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization;
- (j) a trade secret or scientific, technical, commercial or financial information that belongs to the municipality or local board and has monetary value or potential monetary value; or
- (k) a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board. 2001, c. 25, s. 239 (2); 2017, c. 10, Sched. 1, s. 26.

Other Criteria:

- (a) a request under the *Municipal Freedom of Information and Protection of Privacy Act*, if the council, board, commission or other body is the head of an institution for the purposes of that Act; or
- (b) an ongoing investigation respecting the municipality, a local board or a municipally-controlled corporation by the Ombudsman appointed under the *Ombudsman Act*, an Ombudsman referred to in subsection 223.13 (1) of this Act, or the investigator referred to in subsection 239.2 (1). 2014, c. 13, Sched. 9, s. 22.

Carried.

## **5.0 RISING AND REPORTING OF CLOSED SESSION:**

### **Resolution # (2020-FFSC-1123-C7)**

Moved by S. Molnar

Seconded by D. Warden

That the Finance and Facilities Standing Committee rise with a report.

Carried.

## **6.0 AGENDA ITEMS FOR INFORMATION.DISCUSSION.DECISION**

C. St. John reviewed her report.

C. St. John noted that the report includes three sections: cost-shared programs, ongoing programs that are provincially funded, and one-time provincially funded programs.

C. St. John noted that SWPH has received our funding letter for 2021 and we know what our mitigation funding is.

C. St. John reviewed the realities and noted that the budget is informed by our staff and built on what is needed within our community. She noted that COVID-19 has illuminated the opportunities to deliver programs and services in a new and innovative way. She noted that reporting publicly on our successes will increase in 2021.

C. St. John noted the budget was developed based on what our community's needs are and what is fiscally prudent to do. She noted that the pandemic has had an effect on many of our community members' incomes which we know is the number one driver of health, and will therefore impact our focus on program and service delivery in 2021 and beyond.

C. St. John noted that she would like to see the increase in reporting to the community on the success of our program and service delivery.

C. St. John noted programs such as Chronic Disease and Injury Prevention will resume their work with municipal partners which will take time to rejuvenate the work that stopped due to the pandemic.

C. St. John noted that the decreases shown in some program areas reflect a reallocation of staffing, not a decrease in service delivery. She noted that a reallocation of nursing staff can significantly impact the budgets.

D. Warden suggested that an explanation of this decrease be added to the budget presentation. C. St. John noted that she appreciated this feedback, and it will be implemented in future budgets.

J. Preston confirmed that C. St. John will advise the committee if there are decreases in program and service delivery.

C. St. John noted that SWPH will be conducting site visits to high risk food premises. These premises are identified by a risk assessment conducted by SWPH staff. She noted that medium risk premises may be inspected, but it will be based on our pandemic response and current staffing levels.

C. St. John noted that SWPH anticipates serving 800 parents and kids. This is vital to ensure that we connect with children when we have the best chance to change their trajectory for the better.

C. St. John noted that SWPH will be playing catch-up with immunization administration.

D. Mayberry asked about the implementation of radon awareness. C. St. John noted that we will be disseminating 250 kits to our community. She noted that the awareness campaign will include an education piece and what to do when you have radon in your home.

D. Mayberry asked about the Healthy Growth and Development program and the decrease that is shown in the budget. C. St. John noted that this decrease is based on the reallocation of staff. C. St. John noted we are not offering in-person prenatal classes currently. We believe that the in-person prenatal classes will resume in the middle of 2021 and will be offered to high-risk families.

C. St. John noted that SWPH was commended by the Ministry on our vaccine management.

C. St. John noted that our sexually transmitted disease rates are very low in our community. She noted that we are anticipating an increase in rates in 2021 as we believe that the current low rates are an indicator of lack of treatment.

C. St. John noted that she anticipates that SWPH will not be able to complete 100% completion of vendor education and inspections: this is due to the reallocation of staff due to the pandemic response.

C. St. John noted that the Chronic Disease budget includes a situational report on mental health in our community due to the pandemic. It was noted that the program and service delivery has not been decreased; it is due to the reallocation of staffing.

L. Rowden asked for clarity on the process of conducting a situational assessment. C. St. John noted that a situational assessment informs the work that our teams develop. She noted that SWPH will work with partners to gather information to inform the assessment.

C. St. John reviewed the 100% provincially funded programs. She noted that Dr. Lock's salary is offset by funding provided by the Ministry.

C. St. John noted that if the Ministry does not provide funding for COVID expenditures, we will have to drastically change our program and service delivery. She noted that she will inform the committee when the Ministry provides clarity on this matter.

C. St. John reviewed the levy scenario. She noted that the Ministry provided additional mitigation funding which resulted in an excess of funds from the Municipalities in the amount of \$303,000.

C. St. John noted that from a municipal budget perspective, if we keep the overfunded amount of \$303,000 and continue to flow the \$303,000, the levy remains the same.

M. Nusink reviewed the two levy scenarios. She noted that first scenario presented incorporates the excess funds provided by the Municipalities as part of the 2021 funding, which result in a flat 2021 budget. The second scenario represents SWPH returning the excess funds to each obligated municipality, which would result in a funding increase in 2021.

D. Mayberry noted that the total budget increase is 3.75% increase.

C. St. John and M. Nusink provided an overview of increases to supporting costs which includes increase to benefits, rent increase, loss of interest income, and 3.5 FTEs that we are in desperate need of. M. Nusink noted that these supporting costs directly support program and service delivery.

D. Mayberry asked for clarity on the increases in salaries. M. Nusink noted that the increases are a result of an Administrative Assistant, Communications Coordinator, IT Manager, and part of an FTE for an Emergency Response Manager.

S. Molnar asked if the positions noted previously could be covered through the COVID Extraordinary Expenses provided by the Ministry. C. St. John noted that these positions are required regardless of receiving funding from the Ministry. However, she notes that these positions are directly related to the pandemic response. She noted that an example of this is the IT Manager. She noted that program and service delivery can be conducted virtually in some instances, which would require the support of an IT Manager to implement.

C. St. John noted that she will be seeking reimbursement for 100% COVID related costs any opportunity she can.

J. Preston asked if there is a projected surplus in 2020. C. St. John noted that currently we are projected to have a surplus. C. St. John noted that the Ministry has indicated that they will fund extraordinary expenses that are over and above the budget.

D. Mayberry left the meeting.

C. St. John noted that we do not have confirmation from the Ministry that SWPH will be receiving COVID funding.

It was noted that the budget increase is 2%. The levy increase is 8% per municipality. The committee discussed the scenarios presented.

C. St. John and M. Nusink noted that the current amounts presented to municipalities is offset by the levy increase and the one-time Ministry funding to SWPH.

T. Marks noted that there is concern from municipalities that they will not be able to collect property taxes.

J. Preston summarized that the increase in budget would be held between 2-3% in expenditures and we are proud to be able to do this following one of the biggest years of work this organization has ever seen. He noted that the levies will be based on the increase and that the excess funds collected in 2020 will be applied to the 2021 levy amount. He noted that we do not know what the future will bring us, but we are satisfied with the budget as presented.

S. Molnar asked for rationale on the need of the FTEs. C. St. John noted that we will amend the 2021 budget presentation to include this rationale.

#### **Resolution # (2020-FFSC-1123-4.1A)**

Moved by D. Warden  
Seconded by T. Marks

That the Finance and Facilities Standing Committee recommend to the Board of Health to accept financial statements for the period ending September 30, 2020.

Carried.

#### **Resolution # (2020-FFSC-1123-4.1B)**

Moved by D. Warden  
Seconded by L. Rowden

That the Finance & Facilities Standing Committee recommend the Board of Health for SWPH approve that the Board chair sign the engagement letter and audit planning letter received from Graham Scott Enns as presented, in preparation for the upcoming 2020 financial audit.

Carried.

**Resolution # (2020-FFSC-1123-4.1C)**

Moved by D. Warden

Seconded by S. Molnar

That the Finance & Facilities Standing Committee recommend to the Board of Health to accept the 2021 Budgets for General Cost-Shared program, 100% Provincially funded ongoing initiatives, and 100% Provincially funded one-time initiatives, version two.

Carried.

S. Molnar thanked C. St. John and M. Nusink for the 2021 budget presentation and supporting documentation. He noted that it was well-presented.

**Resolution # (2020-FFSC-1123-4.1)**

Moved by S. Molnar

Seconded by T. Marks

That the Finance and Facilities Standing Committee accept the Chief Executive Officer's Report for November 23, 2020.

Carried.

**Resolution # (2020-FFSC-1123-3.1 (C))**

Moved by D. Warden

Seconded by L. Rowden

That the Finance and Facilities Standing Committee for Southwestern Public Health's Board of Health accept the Chief Executive Officer's Report for November 23, 2020.

Carried.

**7.0 NEW BUSINESS**

None.

**8.0 ADJOURNMENT**

**Resolution # (2020-FFSC-1123-9.0)**

Moved by T. Marks

Seconded by D. Warden

That the meeting adjourns at 12:10 p.m.

Carried.

**Confirmed by Mr. J. Preston** \_\_\_\_\_





# CEO REPORT

Open Session

**MEETING DATE:** March 15, 2021

**SUBMITTED BY:** Cynthia St. John, CEO

**SUBMITTED TO:** ☐ Board of Health  
☒ Finance & Facilities Standing Committee  
☐ Governance Standing Committee  
☐ Transition Governance Committee

**PURPOSE:** ☒ Decision  
☒ Discussion  
☒ Receive and File

**AGENDA ITEM #** 4.1

**RESOLUTION #** 2021-FFSC-0315-4.1

## **1) Audited Financial Statements (Decision):**

I am pleased to report that the audit of our financial records for the period ending December 31, 2020 has been completed by Graham Scott Enns. The audit was managed again this year by Jennifer Buchanan and overseen by Robert Foster.

It was an interesting experience this year given that the audit was conducted virtually. Everyone involved adapted to this new way of work without issue.

The audited statements are attached for your review. There were no issues and no material errors noted. Graham Scott Enns will be presenting the financials at our meeting.

### **MOTION: (2021-FFSC-0315-4.1A)**

That the Finance & Facilities Standing Committee recommend the Board of Health for SWPH approve the audited financial statements for the period ending December 31, 2020.

## **2) Appointment of Auditors (Decision):**

Each year, the Board of Health is required to formally appoint an auditing firm for the next fiscal period. Staff are recommending that Graham Scott Enns be appointed as the auditing firm for 2021. They are a firm that is local within the geographic area serving SWPH, they have experience working with the existing public health finance staff, and they have a thorough understanding of the dozens of funding streams for public health.

### **MOTION: (2021-FFSC-0315-4.1B)**

That the Finance & Facilities Standing Committee recommend that the Board of Health appoint Graham Scott Enns as the auditing firm for the year ending December 31, 2021.

## **3) Internal Controls & Processes (Receive and File):**

Under the Ontario Public Health Standards and Accountability Framework, the Board is required to ensure that administration implements appropriate financial management and oversight including creating a process for internal financial controls. Attached is Southwestern Public Health's monthly financial control checklist which is completed to ensure all month end procedures are done accurately and timely. I can confirm that SWPH followed the internal financial control checklist without issue.

## **4) Covid-19 Extraordinary Expenses (Receive and File):**

On January 13<sup>th</sup>, we received a memo from the Ministry of Health regarding Covid-19 extraordinary costs for the fiscal year 2021. The Ministry has acknowledged the extraordinary efforts of public health to monitor, detect, and contain Covid-19 in the province. The Ministry recognizes that we will continue to incur additional expenses to support these efforts and has indicated that it will continue to have a process to allow public health units to request reimbursement of covid-19 extraordinary costs incurred in 2021, similar to the previous process in 2020.

We have ensured that all Covid-19 related costs are tracked and reported separately to ensure that in the event additional costs are incurred above and beyond our board approved 2021 budget, we can submit for reimbursement of these additional costs.

## **5) Cash Flows (Decision):**

Historically, cash flow was never an issue with SWPH due to the reserve fund established by the Board. In January 2020, the Board depleted the reserve fund to a 0 balance when it returned the reserve funds to the obligated municipalities.

As of December 31, 2020, despite spending above our approved budget, we were able to manage cash flows. The Ministry has approved our additional 2020 spending (because of Covid-19), and they will be reimbursing SWPH for these costs. As you are aware, however, the 2021 budget has \$2.1M of anticipated Covid-19 costs. Although we anticipate that the Ministry will likely assist with these costs, there is no guarantee when they will flow the money and if and when they do, there is no guarantee that the money will flow in a timely way, which may result in a cash flow issue eventually. I am working with the Ministry of Health directly to do everything we can to reiterate that funding for Covid-19 expenses must be timely to avoid cash flow issues. Other health units have also identified this concern.

Currently the 2019 surplus remains with SWPH as it was not returned to the Municipalities in the event that additional cash flows would be required due to Covid-19 expenditures. We are requesting that the Committee recommend that the Board approve that these funds remain at SWPH to assist with cash flow, should that be needed.

When the Board returned the reserve funds to obligated municipalities, it noted that those funds can still be requested when needed, as the municipalities would be encouraged to set aside the money for SWPH. By way of this report to this Committee, staff are noting that it is possible that we will have to contact municipalities for some of those funds should the Ministry not flow Covid-19 funding in a timely way.

As well, as a precaution we are recommending that our current line of credit which has a maximum limit of \$250,000 be increased to \$500,000. This would allow us at a minimum to cover one pay period which averages \$480k. The interest rate on the line of credit is currently prime 2.45% less .25% resulting in a rate of 2.20%. If we use the line of credit, the borrowing costs on this would be \$11k annually.

**MOTION: (2021-FFSC-0315-4.1C)**

That the Finance & Facilities Standing Committee recommend that the Board of Health approve the keeping of the 2019 municipal surplus to manage cash flow concerns should the Ministry not flow additional Covid-19 funding in a timely manner.

**MOTION: (2021-FFSC-0315-4.1D)**

That the Finance and Facilities Standing Committee recommend that the Board of Health approve increasing its existing line of credit from \$250,000 to \$500,000 to manage cash flow concerns that may arise.

**MOTION: (2021-FFSC-0315-4.1)**

That the Finance and Facilities Standing Committee accept the Chief Executive Officer's Report for March 15, 2021.

**OXFORD ELGIN ST. THOMAS HEALTH UNIT**

Operating as

**SOUTHWESTERN PUBLIC HEALTH**

**Financial Statements**

**December 31, 2020**

*Draft*

# **SOUTHWESTERN PUBLIC HEALTH**

## **Financial Statements**

**For the Year Ended December 31, 2020**

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*Draft*



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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, 2020, 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, 2020, 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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**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

Reporting Date

*Graham Scott Enns LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Licensed Public Accountants

# SOUTHWESTERN PUBLIC HEALTH

## Statement of Financial Position December 31, 2020

	2020 \$	2019 \$
<b>FINANCIAL ASSETS</b>		
Cash	2,586,416	2,147,092
Accounts receivable	279,439	328,328
Government remittance receivable	180,298	230,927
Due from Province of Ontario	<u>171,077</u>	<u>-</u>
	<u>3,217,230</u>	<u>2,706,347</u>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	2,449,487	1,860,115
Deferred revenue (Note 3)	881,967	550,848
Due to Province of Ontario	-	180,013
Long-term debt (Note 5)	<u>7,628,000</u>	<u>7,846,000</u>
	<u>10,959,454</u>	<u>10,436,976</u>
<b>NET FINANCIAL DEBT (PAGE 5)</b>	<u>(7,742,224)</u>	<u>(7,730,629)</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	50,932	60,137
Tangible capital assets (Note 4)	<u>9,412,193</u>	<u>9,234,318</u>
	<u>9,463,125</u>	<u>9,294,455</u>
<b>ACCUMULATED SURPLUS (PAGE 4)</b>	<u>1,720,901</u>	<u>1,563,826</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, 2020

	(Note 13) Budget 2020 \$	2020 \$	2019 \$
<b>REVENUES</b>			
Operating grants			
Municipal:			
County of Elgin	1,017,063	<b>941,063</b>	941,063
City of St. Thomas	790,368	<b>731,307</b>	731,307
County of Oxford	2,251,966	<b>2,083,797</b>	2,083,687
Province of Ontario (Note 7)	14,835,771	<b>17,007,766</b>	16,035,724
Public Health Agency of Canada (Note 8)	-	<b>45,987</b>	159,326
Student Nutrition (Note 9)	<u>120,745</u>	<u><b>239,956</b></u>	<u>180,046</u>
Total operating grants	<u>19,015,913</u>	<u><b>21,049,876</b></u>	<u>20,131,153</u>
Other			
Other fees and recoveries	-	<b>80,111</b>	153,333
Clinics	-	<b>20,728</b>	33,302
Interest	<u>66,500</u>	<u><b>25,878</b></u>	<u>82,034</u>
Total other revenue	<u>66,500</u>	<u><b>126,717</b></u>	<u>268,669</u>
<b>TOTAL REVENUES</b>	19,082,413	<b>21,176,593</b>	20,399,822
<b>EXPENDITURES - SCHEDULE (PAGE 18)</b>	<u>20,729,782</u>	<u><b>21,019,518</b></u>	<u>19,766,778</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>(1,647,369)</u>	<u><b>157,075</b></u>	<u>633,044</u>
<b>SURPLUS, BEGINNING OF YEAR</b>	1,563,826	<b>1,563,826</b>	2,991,911
<b>TRANSFER OF SURPLUS (NOTE 2)</b>	<u>-</u>	<u>-</u>	<u>(2,061,129)</u>
<b>ACCUMULATED SURPLUS, END OF YEAR (NOTE 2)</b>	<u>(83,543)</u>	<u><b>1,720,901</b></u>	<u>1,563,826</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, 2020

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	(Note 13) Budget 2020 \$ <u>          </u>	2020 \$ <u>          </u>	2019 \$ <u>          </u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(1,647,369)	<b>157,075</b>	633,044
Amortization of tangible capital assets	-	<b>626,780</b>	548,503
Net acquisition of tangible capital assets	-	<b>(804,655)</b>	(774,451)
Change in prepaid expenses	-	<b>9,205</b>	(15,564)
Surplus returned to municipalities	-	-	(1,081,301)
Contingent reserves returned to municipalities	<u>-</u>	<u>-</u>	<u>(979,828)</u>
<b>INCREASE IN NET DEBT</b>	(1,647,369)	<b>(11,595)</b>	(1,669,597)
<b>NET FINANCIAL DEBT, BEGINNING OF YEAR</b>	<u>7,730,629</u>	<u><b>7,730,629</b></u>	<u>6,061,032</u>
<b>NET FINANCIAL DEBT, END OF YEAR</b>	<u><b>6,083,260</b></u>	<u><b>7,742,224</b></u>	<u><b>7,730,629</b></u>

Draft

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

# SOUTHWESTERN PUBLIC HEALTH

## Statement of Cash Flows For the Year Ended December 31, 2020

	2020 <u>\$</u>	2019 <u>\$</u>
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	157,075	633,044
Items not involving cash:		
Amortization of tangible capital assets	626,780	548,503
Change in non-cash assets and liabilities:		
Accounts receivable	48,889	(121,290)
Government remittances receivable	50,629	(29,454)
Prepaid expenses	9,205	(15,564)
Accounts payable and accrued liabilities	589,372	499,059
Deferred revenue	331,119	(583,102)
Due to Province of Ontario	<u>(351,090)</u>	<u>69,943</u>
Cash provided by operating activities	<u>1,461,979</u>	<u>1,001,139</u>
<b>CAPITAL ACTIVITIES</b>		
Net acquisition of tangible capital assets	<u>(804,655)</u>	<u>(774,451)</u>
Cash applied to capital activities	<u>(804,655)</u>	<u>(774,451)</u>
<b>FINANCING ACTIVITIES</b>		
Funding returned to municipalities	-	(1,081,301)
Contingent reserves returned to municipalities	-	(979,828)
Repayment to long-term debt	<u>(218,000)</u>	<u>(211,000)</u>
Cash applied to financing activities	<u>(218,000)</u>	<u>(2,272,129)</u>
<b>NET CHANGE IN CASH DURING THE YEAR</b>	<b>439,324</b>	<b>(2,045,441)</b>
<b>CASH, BEGINNING OF YEAR</b>	<u><b>2,147,092</b></u>	<u><b>4,192,533</b></u>
<b>CASH, END OF YEAR</b>	<u><u><b>2,586,416</b></u></u>	<u><u><b>2,147,092</b></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, 2020**

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Southwestern Public Health (the "organization") provides 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, 2020**

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### **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, 2020**

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### **2. ACCUMULATED SURPLUS**

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

	<b>2020</b>	<b>2019</b>
	<b><u>\$</u></b>	<b><u>\$</u></b>
<b>SURPLUS</b>		
General reserve (deficit)	<b>(63,292)</b>	175,508
Invested in tangible capital assets	<b><u>9,412,193</u></b>	<u>9,234,318</u>
	<b>9,348,901</b>	9,409,826
<b>AMOUNTS TO BE RECOVERED</b>		
Net long-term debt	<b><u>(7,628,000)</u></b>	<u>(7,846,000)</u>
<b>ACCUMULATED SURPLUS</b>	<b><u>1,720,901</u></b>	<u>1,563,826</u>

### **3. DEFERRED REVENUE**

	<b>2020</b>	<b>2019</b>
	<b><u>\$</u></b>	<b><u>\$</u></b>
Municipal Prepaid Levy	<b>491,004</b>	-
Merger - March 31, 2021 Funding	<b>152,863</b>	413,248
St. Thomas - Low German Needs Assessment	<b>85,624</b>	85,844
Student Nutrition	<b>67,523</b>	12,146
Healthy Babies Healthy Children - March 31, 2021 Funding	<b>36,211</b>	-
Vaccine Fridge - March 31, 2021 Funding	<b>22,500</b>	-
Sewage Inspection Program	<b>17,175</b>	17,175
Other	<b>9,067</b>	5,751
Needle Exchange Program - March 31, 2020 Funding	<b><u>-</u></b>	<u>16,684</u>
Total Deferred Revenue	<b><u>881,967</u></b>	<u>550,848</u>

# SOUTHWESTERN PUBLIC HEALTH

## Notes to the Financial Statements For the Year Ended December 31, 2020

### 4. TANGIBLE CAPITAL ASSETS

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
Information technology 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
Information technology 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
Information technology 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, 2020

### 4. TANGIBLE CAPITAL ASSETS (CONTINUED)

**December 31, 2019**

<b>Cost</b>	<b>Opening \$</b>	<b>Additions \$</b>	<b>Disposals \$</b>	<b>Ending \$</b>
Land	572,909	-	-	572,909
Land improvements	161,330	-	-	161,330
Building	7,451,439	184,842	-	7,636,281
Roof	157,000	-	-	157,000
Building component equipment	833,170	106,466	-	939,636
Computer equipment	<u>1,292,806</u>	<u>483,143</u>	<u>-</u>	<u>1,775,949</u>
	<u>10,468,654</u>	<u>774,451</u>	<u>-</u>	<u>11,243,105</u>
<b>Accumulated Amortization</b>	<b>Opening \$</b>	<b>Amortization \$</b>	<b>Disposals \$</b>	<b>Ending \$</b>
Land	-	-	-	-
Land improvements	32,268	8,067	-	40,335
Building	739,348	186,286	-	925,634
Roof	31,400	7,850	-	39,250
Building component equipment	349,571	34,716	-	384,287
Computer equipment	<u>307,697</u>	<u>311,584</u>	<u>-</u>	<u>619,281</u>
	<u>1,460,284</u>	<u>548,503</u>	<u>-</u>	<u>2,008,787</u>
<b>Net Book Value</b>	<b>Opening \$</b>			<b>Ending \$</b>
Land	572,909			572,909
Land improvements	129,062			120,995
Building	6,712,091			6,710,647
Roof	125,600			117,750
Building component equipment	483,599			555,349
Computer equipment	<u>985,109</u>			<u>1,156,668</u>
	<u>9,008,370</u>			<u>9,234,318</u>



# SOUTHWESTERN PUBLIC HEALTH

## Notes to the Financial Statements For the Year Ended December 31, 2020

### 5. LONG-TERM DEBT

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

	2020 \$	2019 \$
RBC bankers' acceptance to finance construction of new office building	<u>7,628,000</u>	<u>7,846,000</u>

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

2021 \$	2022 \$	2023 \$	2024 \$	2025 \$	Thereafter \$	Total \$
<u>226,000</u>	<u>232,000</u>	<u>241,000</u>	<u>248,000</u>	<u>257,000</u>	<u>6,424,000</u>	<u>7,628,000</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 2020). 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, 2020 an additional cost of \$1,261,622 would be incurred. An additional \$250,000 can be borrowed at any time and added to this swap agreement.

### 6. RECONCILIATION FOR MINISTRY OF HEALTH SETTLEMENT PURPOSES

	2020 \$	2019 \$
<b>Excess of Revenues over Expenditures</b>	<b>157,075</b>	<b>633,044</b>
<b>Reconciling items:</b>		
Principal portion of long-term debt	(218,000)	(211,000)
Vacation and compensating time	161,119	6,711
Amortization	626,780	548,503
Eligible expenses transferred to tangible capital assets	<u>(804,655)</u>	<u>(774,451)</u>
<b>(Deficiency) Excess of Revenues over Expenditures for Ministry of Health Purposes</b>	<u><b>(77,681)</b></u>	<u><b>202,807</b></u>

# SOUTHWESTERN PUBLIC HEALTH

## Notes to the Financial Statements For the Year Ended December 31, 2020

### 7. PROVINCE OF ONTARIO

	2020 <u>\$</u>	2019 <u>\$</u>
Cost shared programs		
General Public Health Programs	12,474,900	9,017,400
<i>The following were 100% funded in the prior year and are now cost-shared and included in the General Public Health Programs amount above:</i>		
Healthy Smiles Ontario	-	938,145
Smoke-Free Ontario	-	642,865
Infectious Disease Control Initiative	-	389,000
Public Health Nurse Initiative	-	361,000
Harm Reduction Program Enhancement	-	300,000
Chief Nursing Officer	-	243,000
Infection Prevention and Control Nurses Initiative	-	180,200
Vector Borne Diseases	-	119,600
Needle Exchange Program	-	56,595
Enhanced Food Safety - Haines Initiative	-	50,000
Enhanced Safe Water Initiative	-	31,000
Small Drinking Water Systems	-	30,700
	<u>12,474,900</u>	<u>12,359,505</u>
Total cost shared programs		
Other programs and one-time funding		
Healthy Babies Healthy Children	1,618,364	1,652,494
Ontario Senior Dental Care	901,300	637,663
Merger Costs - March 31, 2020 Funding	511,847	852,963
Ontario Seniors Dental - Capital One Time - March 31, 2020 Funding	428,075	-
School-Focused Nurses Initiative (COVID-19)	376,880	-
Medical Officer of Health Compensation Initiative	186,451	166,826
Merger Costs - March 31, 2021 Funding	147,137	-
HVAC - One Time Funding	146,971	-
Prenatal and Postnatal Nurse Practitioner Services	139,003	139,000
Needle Exchange Program - March 31, 2021 Funding	39,228	-
Public Health Case & Contact Management Solution (COVID-19)	21,934	-
Public Health Inspector Practicum Placement - One Time Funding	10,000	5,489
Pandemic Pay (COVID-19)	5,676	-
Healthy Smiles Ontario - One Time Funding	-	100,637
School Health Screening - One Time Funding	-	65,068
Electronic Cigarettes Act Protection and Enforcement - One Time Funding	-	24,190
Needle Exchange Program - March 31, 2020 Funding	-	26,400
Merger Costs - March 31, 2019 Funding	-	5,489
	<u>4,532,866</u>	<u>3,676,219</u>
Total other programs and one-time funding		
Total Province of Ontario grants	<u>17,007,766</u>	<u>16,035,724</u>

# **SOUTHWESTERN PUBLIC HEALTH**

## **Notes to the Financial Statements For the Year Ended December 31, 2020**

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### **8. PUBLIC HEALTH AGENCY OF CANADA**

The organization receives funding from the Public Health Agency of Canada for funds to carry out the 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.

	<b>2020</b>	<b>2019</b>
	<b><u>\$</u></b>	<b><u>\$</u></b>
<b>Revenue</b>	<b><u>45,987</u></b>	<b><u>159,326</u></b>
<b>Expenditure</b>		
Purchased services	<b>27,853</b>	132,046
Salaries	<b>14,507</b>	21,760
Benefits	<b><u>3,627</u></b>	<b><u>5,440</u></b>
<b>Program excess of revenue over expenditures</b>	<b><u>-</u></b>	<b><u>80</u></b>

### **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.

	<b>2020</b>	<b>2019</b>
	<b><u>\$</u></b>	<b><u>\$</u></b>
<b>Revenue</b>	<b><u>239,956</u></b>	<b><u>180,046</u></b>
<b>Expenditure</b>		
Program supplies	<b>229,258</b>	180,046
Included in capital asset additions	<b><u>10,698</u></b>	<b><u>-</u></b>
<b>Program excess of revenue over expenditures</b>	<b><u>-</u></b>	<b><u>-</u></b>

### **10. OPERATING LEASES**

The organization leases two buildings from the County of Oxford at \$45,860 per month plus HST on an ongoing monthly basis to April 30, 2022. 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 two years in respect of operating leases are as follows:

	<b><u>\$</u></b>
2021	550,318
2022	183,439

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# **SOUTHWESTERN PUBLIC HEALTH**

## **Notes to the Financial Statements For the Year Ended December 31, 2020**

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### **11. CASH FLOW FROM THE PROVINCE OF ONTARIO MINISTRIES OF HEALTH AND LONG-TERM CARE AND CHILDREN AND YOUTH SERVICES**

The organization receives funding from the Province of Ontario Ministry of Health and Long-Term Care, Public Health Division and Health Promotion Division, 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, 2020 is as follows:

	Public Health Division \$	MCCSS \$
General Public Health Programs	12,474,900	-
Ontario Senior Dental Care Program	901,300	-
Ontario Senior Dental - Capital Funding March 31, 2020	525,000	-
School-Focused Nurses Initiative (COVID-19)	376,880	-
Merger Costs - March 31, 2021	300,006	-
Medical Officer of Health Compensation Initiative	166,570	-
Pandemic Pay (COVID-19)	133,100	-
Public Health Case and Contact Management Solution (COVID-19)	18,408	-
New Purpose-Built Vaccine Refrigerators	22,500	-
Needle Exchange Program - One Time Funding March 31, 2021	20,544	-
Public Health Inspector Practicum Placement - March 31, 2021	10,000	-
Healthy Babies Healthy Children	-	1,653,539
Prenatal and Postnatal Nurse Practitioner Services	-	139,003
	<u>14,949,208</u>	<u>1,792,542</u>

# **SOUTHWESTERN PUBLIC HEALTH**

## **Notes to the Financial Statements For the Year Ended December 31, 2020**

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### **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, 2020, and the results of this valuation disclosed actuarial liabilities of \$111.8 billion in respect of benefits accrued for service with actuarial assets at that date of \$108.6 billion leaving an actuarial deficit of \$3.2 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, 2020 was \$1,110,024. OMERS contribution rates for 2020 and 2019 depending on income level and retirement dates ranged from 9.0% to 15.8%.

### **13. BUDGET FIGURES**

The operating budgets approved by the organization and the Province of Ontario for 2020 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 and Long-Term Care for disclosure on the public website at [www.fin.gov.on.ca](http://www.fin.gov.on.ca).

# **SOUTHWESTERN PUBLIC HEALTH**

## **Notes to the Financial Statements For the Year Ended December 31, 2020**

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### **15. 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.

### **16. 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 2021.

# SOUTHWESTERN PUBLIC HEALTH

## Schedule of Expenditures For the Year Ended December 31, 2020

	(Note 13) Budget 2020 \$	2020 \$	2019 \$
<b>GENERAL PUBLIC HEALTH PROGRAMS</b>			
<b>SALARIES AND WAGES</b>			
Clerical and support	832,708	359,849	811,362
Management	2,142,830	1,735,979	2,079,909
Nursing	2,973,725	956,799	2,847,837
Inspection and environment	927,687	333,689	870,910
Nutrition and health promotion	518,755	136,044	432,795
Maintenance and security	78,000	76,285	116,796
COVID-19	-	5,565,542	-
	<u>7,473,705</u>	<u>9,164,187</u>	<u>7,159,609</u>
<b>FRINGE BENEFITS</b>			
Group pension	1,257,000	1,110,024	1,091,807
Medical insurance	403,350	469,883	360,326
Canada pension plan	415,250	425,139	393,173
Long term disability	283,300	280,969	258,455
Employer health tax	228,619	233,217	213,305
Employment insurance	164,200	179,997	176,373
Dental plan	164,300	152,913	149,391
Workplace safety insurance	104,550	103,054	93,729
Group life insurance	53,790	51,258	47,845
Supplementary unemployment benefits	52,000	44,215	43,511
Part-time benefits	22,000	10,043	14,505
Employee assistance programs	8,500	7,858	7,858
Benefits to other programs	(912,305)	(1,955,300)	(883,354)
COVID-19	-	1,167,266	-
	<u>2,244,554</u>	<u>2,280,536</u>	<u>1,966,924</u>
<b>FEES AND HONORARIA</b>			
Audit and legal	89,000	56,199	121,618
Labour relations	29,607	37,186	11,364
Honorarium	-	12,360	-
Board	35,700	11,614	27,931
Meeting expense	13,000	4,043	10,729
Clinical services	-	-	15,459
	<u>167,307</u>	<u>121,402</u>	<u>187,101</u>
<b>COVID-19 EXPENSES OTHER THAN PAYROLL</b>	-	578,957	-

# SOUTHWESTERN PUBLIC HEALTH

## Schedule of Expenditures For the Year Ended December 31, 2020

	(Note 13) Budget 2020 \$	2020 \$	2019 \$
<b>TRAVEL</b>	<u>198,981</u>	<u>71,740</u>	<u>182,748</u>
<b>EQUIPMENT</b>	<u>705,327</u>	<u>578,073</u>	<u>359,070</u>
<b>PROGRAM SUPPLIES</b>	<u>230,248</u>	<u>79,991</u>	<u>245,213</u>
<b>AMORTIZATION</b>	<u>-</u>	<u>626,780</u>	<u>548,503</u>
<b>RENT AND UTILITY SERVICES</b>			
Building and facilities rental	556,880	581,692	558,356
Interest on long-term debt	252,000	239,446	256,352
Maintenance and supplies	210,850	166,455	224,670
Utilities	<u>101,000</u>	<u>92,651</u>	<u>87,751</u>
	<u>1,120,730</u>	<u>1,080,244</u>	<u>1,127,129</u>
<b>ADMINISTRATIVE</b>			
Telephone	115,000	143,966	89,376
Public awareness and promotion	-	45,848	36,223
Engagement strategies	30,000	3,386	35,936
Insurance	61,500	74,545	56,367
Fees and subscriptions	21,000	21,379	37,284
Printing and supplies	51,000	15,721	44,631
Professional development	24,000	15,049	102,065
Postage and courier	12,000	11,627	8,380
Equipment maintenance and rental	14,000	-	12,457
Staff recruitment	<u>6,000</u>	<u>-</u>	<u>4,084</u>
	<u>334,500</u>	<u>331,521</u>	<u>426,803</u>
<b>VECTOR-BORNE DISEASES PROGRAM</b>	<u>-</u>	<u>-</u>	<u>157,588</u>
<b>SMALL DRINKING WATER SYSTEMS PROGRAM</b>	<u>-</u>	<u>-</u>	<u>40,933</u>



# SOUTHWESTERN PUBLIC HEALTH

## Schedule of Expenditures For the Year Ended December 31, 2020

	(Note 13) Budget 2020 \$	2020 \$	2019 \$
<b>MINISTRY FUNDED PROGRAMS - AT 100% IN THE PRIOR YEAR</b>			
Healthy Smiles Ontario	1,008,100	<b>843,697</b>	938,145
Smoke-Free Ontario	684,000	<b>315,828</b>	661,871
Harm Reduction	300,000	<b>247,750</b>	300,000
Health Equity (previously Social Determinants of Health Nurses Initiative)	603,800	<b>112,283</b>	361,000
Infectious Diseases Control	389,000	<b>94,562</b>	389,000
Needle Exchange Program	60,900	<b>59,338</b>	56,595
Infection Prevention and Control Nurses Initiative	180,200	<b>44,252</b>	180,200
Enhanced Food Safety - Haines Initiative	50,000	<b>9,492</b>	50,000
Enhanced Safe Water Initiative	31,000	<b>2,967</b>	31,000
Chief Nursing Officer	-	-	243,000
Total Ministry Programs - Previously 100% Funded	<u>3,307,000</u>	<u><b>1,730,169</b></u>	<u>3,210,811</u>
<b>TOTAL COST SHARED PROGRAM EXPENDITURES</b>	<u>15,782,352</u>	<u><b>16,643,600</b></u>	<u>15,612,432</u>

# SOUTHWESTERN PUBLIC HEALTH

## Schedule of Expenditures For the Year Ended December 31, 2020

	(Note 13) Budget 2020 \$	2020 \$	2019 \$
<b>OTHER PROGRAMS AND ONE-TIME EXPENDITURES</b>			
<b>MINISTRY PROGRAMS - 100% FUNDED</b>			
Ontario Senior Dental Care Program	901,300	657,730	637,663
Ontario Seniors Dental Care Program - Capital	825,000	419,259	-
Merger Costs (March 31, 2020)	548,808	393,584	111,748
School-Focused Nurses Initiative (COVID-19)	-	376,880	-
Medical Officer of Health Compensation Initiative	156,963	186,451	320,871
HVAC Replacement (March 31, 2021)	149,000	100,544	-
Needle Exchange Program Initiative (March 31, 2020)	43,075	39,228	-
Merger Costs (March 31, 2021)	400,000	147,143	-
Public Health Inspector Practicum Program (March 31, 2021)	10,000	10,000	-
Public Health Case and Contact Management Solution (COVID-19)	-	7,148	-
Temporary Pandemic Pay Initiative (COVID-19)	-	5,676	-
Merger Costs (March 31, 2019)	-	-	746,704
Healthy Smiles Ontario: Dental Equipment & Software	-	-	107,494
Needle Exchange Program Initiative (March 31, 2019)	-	-	21,198
School Health Screening (December 31, 2019)	-	-	18,015
Public Health Inspector Practicum Program (March 31, 2020)	-	-	9,523
Total Ministry Programs - 100% Funded	<u>3,034,146</u>	<u>2,343,643</u>	<u>1,973,216</u>
<b>OTHER PROGRAMS</b>			
Healthy Babies Healthy Children	1,653,539	1,617,809	1,652,494
Student Nutrition	120,745	229,258	180,046
Prenatal and Postnatal Nurse Practitioner Services	139,000	139,000	139,000
Public Health Agency Canada	-	45,988	159,246
Low German Partnership	-	220	33,733
Sewage Inspection Program	-	-	16,611
Total other programs	<u>1,913,284</u>	<u>2,032,275</u>	<u>2,181,130</u>
<b>TOTAL EXPENDITURES</b>	<u><u>20,729,782</u></u>	<u><u>21,019,518</u></u>	<u><u>19,766,778</u></u>

**Southwestern Public Health (SWPH)**

**January 2021**

Control	Description	Completed at Month End Y/N/NA	Responsibility
<b>CASH</b>			
Deposit of cheques/cash	Mail is opened by the Executive Assistant (to Director of Finance). Any cash payments are processed in the cash register by frontline staff. Daily closing of the cash register is processed by the Payroll & Benefits Administered (St. Thomas) and the Administrative Assistant (Woodstock). the Accounting Supervisor prepares the deposits and Journal Entry summary which is approved by the Director of Finance.		Acct Supervisor
Bank Reconciliations	Bank reconciliations are prepared monthly by the Accounting Supervisor for all accounts. The Director of Finance reviews the reconciliations to identify any unusual reconciling items. Director of Finance reviews and initials the bank deposits.		Acct Supervisor
Cheques	the Accounting Supervisor ensures all outstanding cheques less than six months old. the Director of Finance reviews all outstanding cheques along with the bank reconciliations.		Acct Supervisor
Petty Cash	the Accounting Supervisor reconciles petty cash monthly if used (Petty cash on hand + reimbursement vouchers = Balance per G/L) and the Director of Finance initials the reconciliation.		Acct Supervisor
<b>ACCOUNTS RECEIVABLE</b>			
Receivables	Receivables are tracked in excel monthly by the Accounting Supervisor and are supported by detailed schedules that reflect all transactions that have occurred in the month (includes taxes, employees etc.) The Director of Finance agrees to financials monthly.		Acct Supervisor
Sub ledger	No subledger exists; therefore no reconciliation performed		Director of Finance
<b>INVENTORY</b>			
Inventory	Inventory is currently maintained in central supply. Access is restricted by use of a FOB and access is granted only to managers and Program Assistants. A perpetual inventory control system is in place.		Director of Finance
<b>PREPAIDS</b>			
Prepays	All prepaids are tracked monthly by the Accounting Supervisor and are amortized over their remaining useful life. All prepaids are agreed to supporting invoices. The Director of Finance agrees to financials monthly.		Acct Supervisor
<b>FIXED ASSETS</b>			
Fixed assets subledger	The Office Manager maintains the fixed asset listing. the Director of Finance reviews the fixed asset subledger quarterly for accuracy and completeness. All transactions are tracked in an excel spreadsheet and agreed to invoices and compared to the budgeted amounts.		Director of Finance
Write-offs	All assets that have been sold, damaged or are no longer in use are written off by the Director of Finance when informed by the manager after having received approval from CEO.		Director of Finance
Repairs & maintenance	the Director of Finance reviews the repair and maintenance accounts monthly to ensure all expenditures have been accounted for in accordance with SWPH's capital policy.		Director of Finance
<b>ACCOUNTS PAYABLE</b>			
Processing Accounts Payable	POs are generated for all purchases in accordance with SWPH's procurement policy (see "Procurement Policy") for authorization levels. Goods that are received must have an initial on the purchase order/ paper requisition (if applicable). All invoices whether attached to a packing slip or not are sent to the appropriate personnel and signed to verify the goods were received and the pricing terms are correct. Invoices are then sent to the Accounting Supervisor who codes the invoices and sends them to the Director of Finance for review. The Director of Finance reviews the allocation to the G/L, pricing, terms, ensures authorized approval and initials them.		Acct Supervisor
Payment of Accounts Payable	Cheque runs are printed twice a month – on the 5th and 20th of the month and additional runs, as required. The Accounting Supervisor processes the cheques/EFTs to be signed and attaches a copy of each cheque/EFT to the appropriate invoice and sends it to be signed. The Director of Finance reviews and signs the cheques/EFTs and ensures again that the invoices have been approved for payment. She also reviews the cheque register provided with the cheque run. Once the Director of Finance has reviewed, the cheques and invoices are sent to CEO for review and signature. The CEO sets aside any unusual items if she feels they need a further explanation. All cheques require dual signatures (one of which must be CEO). Cheques are kept in a locked cabinet accessible only by the Accounting Supervisor or the Director of Finance. The computer processes the numbers on the cheques and does not allow for duplication.		Acct Supervisor
Sub ledger	The Accounts Payable subledger is reviewed monthly by the Director of Finance and agreed to the Accounts Payable balance.		Director of Finance

Invoices compared to PO's	Each time EFT's/cheques are issued the Payroll Coordinator will randomly select 5 invoices and ensure there is an approved PO attached, ensure the PO is dated prior to the invoice date, and that the purchase was with the approved authority schedule and limits		AA
Vendor Purchase Summary	Bi-annually the Acct Supervisor/Payroll Coordinator will summarize total purchases by vendor and ensure the value of the purchases fall in line with the procurement policy.		AA
<b>ACCRUED LIABILITIES</b>			
Accrued liabilities	the Accounting Supervisor tracks all accrued liabilities monthly in an excel spreadsheet and agrees to the GL. The Director of Finance verifies to monthly financial statements.		Acct Supervisor/Payroll Admin
<b>PAYROLL</b>			
Processing Payroll	All employees must record their time daily in Dayforce. Authorized Directors and Managers have access to the Dayforce system and can view time reports at any time. Directors/Managers must approve each of their assigned staffs timesheets. If the timesheets are not approved, the Payroll & Benefits Administrator will follow-up with the director/manager to ensure hours are correctly recorded. At the end of the pay period the Payroll & Benefits Administrator reviews all the time entries to ensure all are approved and identify any issues. The Payroll & Benefits Administrator then makes any necessary adjustments to payroll such as mileage claims, expenses, etc.		Payroll Admin
Payroll Approval	Once all payroll information is entered, the Payroll & Benefits Administrator provides the Director of Finance with a copy of the preview for review. Once approved, the Payroll & Benefits Administrator processes the payroll and completes the required journal entries monthly. The Director of Finance reviews the manual information and signs off on the final submitted payroll register.		Payroll Admin
Payroll Approval - One-Offs	Whenever there is a special pay (e.g. overtime payout, responsibility pay), the appropriate Laserfiche form must be completed and signed by the CEO. Any large payouts must also be reviewed and initialed by a second person (either the Accounting Supervisor or the Director of Finance).		Payroll Admin
Source Deductions	All Source deductions are remitted after each payroll by "Ceridian Dayforce", the company used to process our payroll. The Director of Finance receives and reviews the monthly statement provided by the Government confirming remittance (online).		Payroll Admin
Pension Filings	The Payroll & Benefits Administrator prepares and submits the pension filings monthly. The amounts are reconciled by employee to the payroll register and submitted via EFT.		Payroll Admin
Benefits Reconciliations	The Payroll & Benefits Administrator reconciles the benefits invoice from Sunlife monthly to ensure only active employees are included and each employee is correctly categorized.		Payroll Admin
<b>MISCELLANEOUS</b>			
HST	The HST return is completed quarterly by the Accounting Supervisor and reviewed and initialed by the Director of Finance after the Accounting Supervisor files. The Accounting Supervisor then books the necessary journal entries when the funds are received.		Acct Supervisor
Corporate Credit Cards	There are three corporate credit cards. The Accounting Supervisor reconciles them monthly and processes them the same as accounts payable (see AP above for detailed procedures).		Acct Supervisor
Staff Expenses	All staff expenses are processed through payroll. Staff must complete an expense form which is signed and approved by their supervisor. The form is then submitted to the Payroll & Benefits Administrator for processing with payroll. The Director of Finance reviews along with the payroll register.		Payroll Admin
Settlement Forms	Settlement forms are completed annually by the auditors. Upon completion the forms are reviewed by the Director of Finance, approved by CEO before providing to the Board for final approval.		Director of Finance
<b>FINANCIAL STATEMENTS</b>			
Monthly internals	Financial statements are generated monthly and are compared to budget. The financials are provided to the appropriate Directors/Managers to review their financials and note any reasons for variances to budget. The internals along with summary notes are provided to the CEO monthly to review as well and discuss with direct reports.		Acct Supervisor
Board Statements	Financial statements are generated Quarterly and provided to Finance and Facilities Standing Committee and the Board of Health. Cynthia reviews them at the FFSC meeting and highlights any discrepancies. The FFSC make the recommendation for the Board to approve the statements. During the Board meeting any additional questions are asked and the statements are approved.		Director of Finance
Mandatory Quarterly Reporting to the Ministry	Quarterly financial reports are completed by the Director of Finance in the template provided by the Ministry. Once complete, the CEO reviews and approves before the forms are electronically submitted to the Ministry.		Director of Finance
HBHC, PPNP, and HKCC Quarterly Reporting	Quarterly financial reports are completed by the Director of Finance and then reviewed by the Program Manager. Once complete, the CEO reviews and approves before the forms are electronically submitted to the Ministry.		Director of Finance

**Ministry of Health**

Office of the Deputy Premier  
and Minister of Health

777 Bay Street, 5<sup>th</sup> Floor  
Toronto ON M7A 1N3  
Telephone: 416 327-4300  
Facsimile: 416 326-1571  
www.ontario.ca/health

**Ministère de la Santé**

Bureau du vice-premier ministre  
et du ministre de la Santé

777, rue Bay, 5<sup>e</sup> étage  
Toronto ON M7A 1N3  
Téléphone: 416 327-4300  
Télécopieur: 416 326-1571  
www.ontario.ca/sante



January 13, 2021

**MEMORANDUM**

**TO:** Chairpersons, Boards of Health  
Medical Officers of Health, Public Health Units  
Chief Executive Officers, Public Health Units

**RE: 2021 COVID-19 Extraordinary Costs**

Ontario's public health system has demonstrated remarkable responsiveness to COVID-19, as the outbreak has evolved locally and globally. The government acknowledges the extraordinary and continuing efforts of the public health sector, including public health units, to monitor, detect, and contain COVID-19 in the province.

For the 2021 funding year, public health units are expected to take all necessary measures to continue to respond to COVID-19 in their catchment areas, support the Ministry of Health in the provincial roll-out of the COVID-19 Vaccine Program, and continue to maintain critical public health programs and services as identified in Board of Health approved pandemic plans.

As the COVID-19 response continues, we do anticipate that many public health units will continue to incur additional expenses to support these efforts. In recognition of these unique circumstances, we want to assure you that there will be a process for public health units to request reimbursement of COVID-19 extraordinary costs incurred in 2021. Similar to previous processes, we ask that these costs be those over and above what can be managed from within the budget of the Board of Health, and that you continue to track these costs separately.

Thank you for the important service that your public health unit provides to Ontarians, and your ongoing dedication and commitment to addressing the public health needs of Ontarians.

Sincerely,

A handwritten signature in black ink, reading 'Christine Elliott'.

Christine Elliott  
Deputy Premier and Minister of Health

c: Dr. David Williams, Chief Medical Officer of Health  
Associate Medical Officers of Health, Public Health Units  
Business Administrators, Public Health Units