



Board of Health Finance Standing Committee Meeting

Monday, June 7, 2021

1:30 p.m.

Teams

APPOINTMENT OF BOARD OF HEALTH FINANCE STANDING COMMITTEE CHAIR

MOTION:

**THAT the Board of Health Finance Standing Committee appoint _____
as the Board of Health Finance Standing Committee Chair for 2021.**



**AGENDA
BOARD OF HEALTH FINANCE STANDING COMMITTEE**

**THURSDAY, JUNE 7, 2021
1:30 P.M. TO 3 P.M.
Virtual Meeting**

MEMBERS: Carolyn Thain René Lapierre Randy Hazlett
Mark Signoretti

STAFF: France Quirion Rachel Quesnel Dr. Penny Sutcliffe
Colette Barrette

GUESTS: Derek Dangelo, KPMG

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. ELECTION OF BOARD OF HEALTH FINANCE STANDING COMMITTEE CHAIR FOR 2021**

APPOINTMENT OF BOARD OF HEALTH FINANCE STANDING COMMITTEE CHAIR

MOTION:

THAT the Board of Health Finance Standing Committee appoint _____ as the Board of Health Finance Standing Committee Chair for 2021.

- 4. REVIEW OF AGENDA / DECLARATION OF CONFLICT OF INTEREST**
- 5. APPROVAL OF BOARD OF HEALTH FINANCE STANDING COMMITTEE MEETING NOTES**
 - 5.1 Board of Health Finance Standing Committee Notes dated November 2, 2020 *

APPROVAL OF MEETING NOTES

MOTION:

THAT the meeting notes of the Board of Health Finance Standing Committee meeting of November 2, 2020, be approved as distributed.

6. NEW BUSINESS

- 6.1 2020 Audited Financial Statements
 - a) Briefing Note from the Medical Officer of Health and Chief Executive Officer*
 - b) Review of the 2020 Audit Findings Report and Audited Financial Statements *
 - Derek Dangelo, KPMG
 - F. Quirion, Director, Corporate Services
 - C. Barrette, Manager, Accounting Services

2020 AUDITED FINANCIAL STATEMENTS

MOTION:

THAT the Board of Health Finance Standing Committee recommend to the Board of Health for the Sudbury and District Health Unit the adoption of the 2020 audited financial statements.

- 6.2 Year to Date Financial Statements
 - a) April 2021 Financial Statements *

7. ADJOURNMENT

ADJOURNMENT

MOTION:

That we do now adjourn. Time: _____

* Attachment



**MINUTES
BOARD OF HEALTH FINANCE STANDING COMMITTEE
MONDAY, NOVEMBER 2, 2020 – 7 P.M.
VIRTUAL MEETING – TEAMS**

BOARD MEMBERS PRESENT

Carolyn Thain
Mark Signoretti

Randy Hazlett

René Lapierre

STAFF MEMBERS PRESENT

France Quirion
Rachel Quesnel, Recorder

Colette Barrette

Dr. Penny Sutcliffe

C. THAIN PRESIDING

1. CALL TO ORDER

The meeting was called to order at 7 p.m.

2. ROLL CALL

3. REVIEW OF AGENDA/DECLARATIONS OF CONFLICTS OF INTEREST

There were no declarations of conflict of interest.

4. APPROVAL OF BOARD OF HEALTH FINANCE STANDING COMMITTEE MINUTES

4.1 Board of Health Finance Standing Committee Notes dated June 4, 2020.

04-20 APPROVAL OF MEETING NOTES

MOVED BY HAZLETT – LAPIERRE: THAT the meeting notes of the Board of Health Finance Standing Committee meeting of June 4, 2020, be approved as distributed.

CARRIED

5. NEW BUSINESS

5.1 Year-to-Date Financial Statements

a) September 2020 Financial Statements.

F. Quirion shared that the the year-to-date financial statements ending September 30, 2020, show a positive variance in mandatory cost shared programs of \$1,117,542.

Year-to-date costs relating to our COVID-19 response total \$1,398,118 resulting in a

current deficit of \$280,576. The September statements incorporate all funding received with the August 21, 2020 funding announcement.

Per Ministry guidelines, we have submitted our COVID-19 extra-ordinary expenses, including the COVID-19 expenditure projections to December 31. Extra-ordinary COVID-19 expenses continue to be tracked separately for submitting to the Ministry for reimbursement.

Variances in year-to-date expenses in comparison on same period in 2019 were summarized. The Summary of Revenue & Expenditures includes the current position as of September 30 for each 100% funded program and specifies the various fiscal period year-ends for these programs.

Question and comments were entertained. It was requested that the financial statements include brief notes in the future to explain any significant variance.

Members were reminded that PHSD undertook a risk analysis in the spring to assist with prioritizing programs depending on the need to redeploy staff to our COVID-19 response.

The September financial statements will be included in the November Board agenda package along with the MOH report.

5.2 2021 Operating Budget

a) 2020 funding announcement

The previously shared funding letter from the Deputy Premier and Minister of Health dated August 21, 2020, is included in today's agenda as background. It outlines provincial base funding as well as one-time funding.

b) Briefing Note: Context and Assumptions

The provincial context continues to be volatile as governments at all levels respond to COVID-19 while striving to keep businesses operating and the economy open. Management has been monitoring the fiscal context closely; however, the environment is unpredictable and a number of assumptions have been incorporated into the proposed budget.

Dr. Sutcliffe recapped events and associated timelines since January when we were heavily involved in the Public Health Modernization consultation which then shifted weeks later when the World Health Organization (WHO) declared that the 2019 nCoV outbreak constituted a Public Health Emergency. Our first local COVID-19 case was confirmed on March 10 and PHSD required an ongoing and significant reallocation of

resources in support of the COVID-19 response. Resources continue to be reallocated to support the required response and all COVID-19 costs are carefully tracked separately. PHSD human resources were working at 111% capacity in May and PHSD staff continues to be tremendously busy.

It was noted that we are as yet unaware of impacts on local public health, if any, of the provincial budget announcement scheduled for November 5.

c) 2021 Summary of Budget Pressures

F. Quirion carefully reviewed the summary of budget pressures and outlined how the 2020 budget has been restated to reflect Ministry funding. The restatement includes the adjustment to the one-time mitigation funding and movement of two cost-shared mandatory programs (Northern Fruit and Vegetables and Indigenous Community) to 100% funded.

F. Quirion outlined how the projected expenditures for 2021 result in a deficit of almost \$1.6M. This is offset by the \$1,179,000 Ministry mitigation fund. Two scenarios were presented with a 5% and a 4% municipal levy increase and resulting shortfalls of \$6,278 or \$87,079, respectively.

d) 3-Year Financial Projections

The 3-year financial projections, based on information known as of today, calculate the agency's financial position when factoring in the full impact of the funding formula change, removal of one time mitigation funds and no municipal levy increases. The projections show a deficit growing to \$2,333,886 by 2023. It was recognized that as the provincial policy direction for public health becomes less clear, it is increasingly difficult to present accurate predictions.

e) 2021 Recommended Operating Budget

F. Quirion provided an overview of the three documents for the recommended 2021 cost-shared budget:

- Cost-shared programs and services table summarizes the recommended 2021 budget by restating the revenues to incorporate the mitigation grant and a 5% municipal levy as well as the anticipated increase in expenditures, resulting in a deficit of \$6,278.
- The Cost-Shared Programs and Services schedule presents the recommended 2021 budget at the divisional level with an overall increase of 1.5%, incorporating a 0% provincial and a 5% municipal increase over 2020 funding levels.
- Recommended 2021 budget – Expenditures by Category presents the 2021 salaries, benefits and operating expenses. Noteworthy variances in expenses include an increase in salaries and benefits. A decrease in staff development

reflects a shift to online and virtual sessions. Given our infrastructure modernization project, we are not investing significantly in the area of building maintenance.

A table displaying the municipal levy increase at 5% compared with 4% was reviewed. As compared with a 4% municipal increase, a 5% increase represents an addition 49¢ per person per year. The total increase in municipal levy for all municipalities within PHSD service area is \$404,009 or a \$2.46 per capita rate increase at 5% or \$323,208 and \$1.97 at 4%.

It was acknowledged that there are many unknowns making it challenging for projecting into 2021, including the modernization of public health and the global pandemic. The senior management team members were thanked for their hard work in working up this budget and for clearly outlining the assumptions for the proposed 2021 budget.

Questions and comments were invited. It was observed that the break down of information and layout of the proposed budget is well done and easy to follow.

R. Lapierre shared that it appears the modernization of public health work is ramping up as he understand that Jim Pine has been reaching out for meetings.

It was noted that our provincial funding grant for cost-shared programs has been effectively flatlined since 2014 and has been rapidly outpaced by inflation.

Members agreed with the importance of continuing to invest in staff by ensuring staff development funds are available to ensure competencies and currency in professional skills and knowledge. Professional development is important also as a teaching health unit.

R. Hazlett voiced concerns regarding the recommended budget. He expressed his opinion that reserve funds should not have been used for infrastructure modernization project costs and instead could be used to offset ongoing expenses within the 2021 budget.

Board of Health Finance Committee Chair noted that reserves are an important financial tool to ensure funds are available for unbudgeted needs rather than to address operating shortfalls. Because of good governance on behalf of the Board, we are now able to fund required infrastructure work without having to raise the municipal levy for this work.

In response to an inquiry, F. Quirion noted that we have been in contact with local MP's office to inquire about recently announced federal funding programs, CIB Growth Plan and the a COVID-19 Resilience Fund which falls under the Canada Infrastructure Program. Application processes are not yet open; however, we understand we would qualify and are waiting for the opportunity for apply.

Dr. Sutcliffe clarified that provincial mitigation fund was to offset costs to municipalities associated with the funding formula change. As previously communicated, the proposed municipal increase is not a result of funding formula change.

Committee members deliberated regarding the impacts of the two scenarios increasing the municipal levy for 2021 by 4% or 5%.

The Chair concluded that given the current pandemic and unknowns, 2021 is not the time to be cutting public health. Given the variables, long term planning is also challenging and it is important to balance 2021. Despite no increases in provincial funding, staff have found cuts and are proposing a reasonable increase to the municipal levy.

05-20 IN CAMERA

MOVED BY SIGNORETTI – HAZLETT: THAT this Board of Health Finance Standing Committee goes in camera for personal matters involving one or more identifiable individuals, including employees or prospective employees. Time: 8:23 p.m.

CARRIED

06-20 RISE AND REPORT

MOVED BY HAZLETT – LAPIERRE: THAT this Board of Health Finance Standing Committee rises and reports. Time: 8:49 p.m.

CARRIED

It was reported that one agenda item relating to personal matters involving one or more identifiable individuals, including employees or prospective employees was discussed for which the following motion emanated:

07-20 APPROVAL OF MEETING NOTES

MOVED BY SIGNORETTI – HAZLETT: THAT this Board of Health approve the meeting notes of the October 30, 2019, Board in camera meeting and that these remain

confidential and restricted from public disclosure in accordance with exemptions provided in the Municipal Freedom of Information and Protection of Privacy Act.

CARRIED

A briefing note will be prepared to include in the agenda package for the November 19, 2020, Board of Health meeting.

There being no further questions regarding the operating budget, it was requested that a motion be entertained for the proposed 2021 operating budget and that there be a recorded vote.

08-20 2021 OPERATING BUDGET

MOVED BY LAPIERRE – SIGNORETTI: THAT this Board of Health Finance Standing Committee recommend the 2021 Operating Budget of \$27,419,472 to the Board of Health for approval.

Randy Hazzlett	Nay
Rene Lapierre	Yea
Mark Signoretti	Yea
Carolyn Thain	Yea

CARRIED

6. ADJOURNMENT

09-20 ADJOURNMENT

MOVED BY HAZLETT – LAPIERRE: THAT we do now adjourn. Time: 8:58 a.m.

CARRIED

(Chair)

(Secretary)

APPROVAL OF MEETING NOTES

MOTION:

THAT the meeting notes of the Board of Health Finance Standing Committee meeting of November 2, 2020, be approved as distributed.

To: Chair, Board of Health Finance Standing Committee
From: Dr. Penny Sutcliffe, Medical Officer of Health/Chief Executive Officer
Date: June 7, 2021
Re: 2020 Audited Financial Statement presented in draft

For Information

For Discussion

For a Decision

Issue:

KPMG completed the audit of the 2020 Financial Statements of the Board of Health for the Sudbury and District Health Unit operating as Public Health Sudbury & Districts which include the Independent Auditor's Report.

Recommended Action:

That the Board of Health Finance Standing Committee recommend the Audited Financial Statements for Board of Health approval at the Board's June 17, 2021 meeting.

Background:

The Ministry of Health requires each health unit to have their financial records audited by an external auditing firm annually.

The 2020 audit was completed by KPMG. This is KPMG's second and final year of the two-year extension to the three-year service agreement. The three-year service agreement provided an option to extend audit services for an additional two years.

Public Health Sudbury & Districts is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards.

The auditor's responsibility is to express an opinion on these financial statements based on their audit. The audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures include the assessment of the risks of material misstatements of the financial statements. The auditors consider internal controls relevant to the organization's preparation and fair presentation of the financial statements. The audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Based on the auditor's report, the financial statements present fairly, in all material respects,

2018–2022 Strategic Priorities:

1. Equitable Opportunities
2. Meaningful Relationships
3. Practice Excellence
4. Organizational Commitment

O: October 19, 2001
R: January 2017

the financial position of Public Health Sudbury & Districts as at December 31, 2020 and its results of operations and accumulated surplus, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

There were no recommendations received as a result of the 2020 annual audit completed by KPMG.

Financial Implications:

Audit charges as per the Audit service agreement.

Ontario Public Health Standard:

Effective Public Health Practice – Good governance

Strategic Priority:

Organizational Commitment

Contact:

France Quirion, Director, Corporate Services

1. Equitable Opportunities
2. Meaningful Relationships
3. Practice Excellence
4. Organizational Commitment

Board of Health for the Sudbury & District Health Unit (operating as Public Health Sudbury & Districts)

Audit Findings Report
for the year ended
December 31, 2020

KPMG LLP

June 7, 2021

kpmg.ca/audit



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KPMG contacts

The contacts at KPMG in connection with this report are:



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Executive Summary

Purpose of this report¹

The purpose of this Audit Findings Report is to assist you, as a member of the finance committee, in your review of the results of our audit of the financial statements as at and for the year ended December 31, 2020.

What's new in 2020

There have been significant changes in the year ending December 31, 2020 which impacted financial reporting, the Organization's internal control over financial reporting and our audit:

- COVID-19 pandemic – See pages 2
- New CAS auditing standards – See page 3

Finalizing the Audit

As of June 7, 2021, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Completing our discussions with the finance committee
- Obtaining evidence of the approval of the financial statements
- Obtaining the signed management representation letter

We will update the finance committee, and not solely the Chair, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures. Our auditors' report will be dated upon the completion of any remaining procedures.

Uncorrected differences

We did not identify differences that remain uncorrected.

Control deficiencies

We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting.

¹ This Audit Findings Report should not be used for any other purpose or by anyone other than the finance committee. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

What's New in 2020

COVID-19 pandemic

There have been revisions to our standard audit plan arising from the impacts of the COVID-19 pandemic. We adapted our audit to respond to the continued changes in your operations, including the impacts on financial reporting and internal control over financial reporting.

Area of Impact	Key Observations
Organization's financial reporting impacts	<ul style="list-style-type: none">— We considered impacts to financial reporting due to COVID 19 pandemic and the increased disclosures needed in the financial statements as a result of the significant judgements.— In areas of the financial statements where estimates involved significant judgements, we evaluated whether the method, assumptions and data used by management to derive the accounting estimates, and their related financial statement disclosures were still appropriate per the relevant financial reporting framework given the changed economic conditions and increased estimation uncertainty.— The areas of the financial statements most affected included:<ul style="list-style-type: none">○ Note disclosure has been included as Note 11 within the March 31, 2021 financial statements to detail the impacts of the COVID pandemic on the operations.
Materiality	<ul style="list-style-type: none">— We considered impacts to financial reporting on both the determination and the re-assessment of materiality for the audit of the financial statements. There was no requirement for the engagement team to revise materiality at the commencement of the audit.

What's New in 2020 (continued)

New auditing standards

The following new auditing standards that are effective for the current year had an impact on our audit.

Standard

Key observations

CAS 540, Auditing Accounting Estimates and Related Disclosures

- The new standard was applied on all estimates within the financial statements that had a risk of material misstatement due to estimation uncertainty and not just “key estimates”, “critical accounting estimates”, or “estimates with significant risk”.
- The granularity and complexity of the new standard along with our interpretation of the application of that standard necessitated more planning and discussion and increased involvement of more senior members of the engagement team.
- We performed more granular risk assessments based on the elements making up the accounting estimates such as the method, the assumptions used, the data used and the application of the method.
- We considered the potential for management bias.
- We assessed the degree of uncertainty, complexity, and subjectivity involved in making each accounting estimate to determine the level of audit response; the higher the level of response, the more persuasive the audit evidence was needed.
- Note 1 (j) to the financial statements include a summary of the estimates within the Organization’s financial statements.

Audit Risks and Results

Relevant factor affecting our risk assessment

Estimate



We highlight our significant findings in respect of significant financial reporting risks as identified below.

Significant financial reporting risk	Why is it significant?
Key management estimates	The Health Unit's financial statements include a number of assets and liabilities subject to estimates such as employee future benefits.
Our response and significant findings	
<ul style="list-style-type: none">- Assessed the reasonability of the underlying assumptions supporting the management estimate, including the accuracy of data used in the development of the estimate- Reviewed the management estimate developed in the past in comparison to actual results- No indicators of management bias noted, and retrospective review noted management's approach to the estimate was the same as in the prior year- Used actuarial reports to verify calculations, estimates and disclosures	

Audit Risks and Results (continued)

Significant financial reporting risk

Why is it significant?

Revenue recognition

The Health Unit is in receipt of funding that may be restricted in terms of use based on the amount of expenditures incurred or other considerations.

Our response and significant findings

- Reviewed funding agreements and other documentation to determine if criteria for revenue recognition was met
- Compared revenue recognized to expenditures incurred to assess the reasonability of revenue recognized
- Recognition of revenue was in accordance with the accounting policies disclosed in the notes to the financial statements

Audit Risks and Results (continued)

Significant findings from the audit regarding other areas of focus are as follows:

Other area of focus	Why are we focusing here?
Capital expenditures	Expenditures may be inappropriately classified depending on whether they meet the test of a betterment.

Our response and significant findings
<ul style="list-style-type: none">- Tested capital additions in order to ensure that they were recorded in accordance with the relevant accounting standards and the Health Unit's capital asset policies- No issues were noted

Audit Risks and Results (continued)

Significant findings from the audit regarding other areas of focus are as follows:

Other area of focus	Why are we focusing here?
Fraud risk relating to revenue recognition and management override of controls	This is a presumed fraud risk. Management may attempt to achieve certain financial results by overstating revenues.

Our response and significant findings
<ul style="list-style-type: none">- As this risk is not rebuttable, our audit methodology incorporates the required procedures as per professional standards in order to address this risk, which include, testing of journal entries, performing retrospective revenues of management estimates and evaluating the business rationale of significant unusual transactions- Journal entries tested were deemed to have appropriate approval and business rationale, no issues were noted

Uncorrected Differences and Corrected Adjustments

Differences and adjustments include disclosure differences and adjustments.

Professional standards require that we request of management and the finance committee that all identified differences be corrected. We have already made this request of management.

Uncorrected differences:

We did not identify differences that remain uncorrected.

Corrected adjustments:

We did not identify any adjustments that were communicated to management and subsequently corrected in the financial statements.

Appendices

Content

Appendix 1: Other Required communications

Appendix 2: Audit and Assurance Insights



Appendix 1: Other Required Communications

Audit Quality in Canada

The reports available through the following links were published by the Canadian Public Accountability Board to inform audit committees and other stakeholders about the results of quality inspections conducted over the past year:

- [CPAB Audit Quality Insights Report: 2020 Interim Inspection Results](#)
- [CPAB Audit Quality Insights Report: 2019 Annual Inspections Results](#)

Visit our [Audit Quality Resources page](#) for more information including access to our [Transparency report](#).

Control deficiencies

No control deficiencies have been identified during the audit the required communication to management.

Matters pertaining to independence

KPMG remains independent of the entity in accordance with the CPA Ontario Rules of Professional Conduct.

Appendix 2: Audit and Assurance Insights

Our latest thinking on the issues that matter most to audit committees, Boards and Management.

Featured insight	Summary	Reference
Audit & Assurance Insights	Curated thought leadership, research and insights from subject matter experts across KPMG in Canada.	<u>Learn more</u>
The Business implications of Coronavirus (COVID 19)	Resources to help you understand your exposure to COVID-19, and more importantly, position your business to be resilient in the face of this and the next global threat.	<u>Learn more</u>
	Financial reporting and audit considerations: The impact of COVID-19 on financial reporting and audit processes.	<u>Learn more</u>
	KPMG Global IFRS Institute - COVID-19 financial reporting resource center.	<u>Learn more</u>
Accelerate 2020	Perspective on the key issues driving the audit committee agenda.	<u>Learn more</u>
IFRS Breaking News	A monthly Canadian newsletter that provides the latest insights on international financial reporting standards and IASB activities.	<u>Learn more</u>
Momentum	A quarterly Canadian newsletter which provides a snapshot of KPMG's latest thought leadership, audit and assurance insights and information on upcoming and past audit events – keeping management and board members abreast on current issues and emerging challenges within audit.	<u>Sign-up now</u>
Current Developments	Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Securities & Auditing Matters and US Outlook reports.	<u>Learn more</u>
Board Leadership Centre	Leading insights to help board members maximize boardroom opportunities.	<u>Learn more</u>



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Financial Statements of

**BOARD OF HEALTH FOR THE
SUDBURY & DISTRICT
HEALTH UNIT**

**(OPERATING AS PUBLIC HEALTH SUDBURY
& DISTRICTS)**

And Independent Auditors' Report thereon

Year ended December 31, 2020



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INDEPENDENT AUDITORS' REPORT

To the Board Members of the Board of Health for the Sudbury & District Health Unit (operating as Public Health Sudbury & Districts), Members of Council, Inhabitants and Ratepayers of the Participating Municipalities of the Board of Health for the Sudbury & District Health Unit

Opinion

We have audited the accompanying financial statements of The Board of Health for the Sudbury & District Health Unit operating as Public Health Sudbury & Districts (the Entity), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2020, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility 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 auditors' report that includes our opinion.

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 the 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 Entity's internal control.



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- 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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 represents the underlying transactions and events in a manner that achieves fair presentation.
- 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.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

June 7, 2021

BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Financial assets		
Cash and cash equivalents	\$ 17,922,732	\$ 16,710,305
Accounts receivable	301,178	358,227
Receivable from the Province of Ontario	1,784,246	286,617
	<u>20,008,156</u>	<u>17,355,149</u>
Financial liabilities		
Accounts payable and accrued liabilities	1,908,800	1,807,946
Deferred revenue	466,524	362,121
Payable to the Province of Ontario	1,401,412	532,065
Employee benefit obligations (note 2)	3,294,290	2,956,463
	<u>7,071,026</u>	<u>5,658,595</u>
Net financial assets	12,937,130	11,696,554
Non-financial assets:		
Tangible capital assets (note 3)	4,652,960	5,097,476
Prepaid expenses	351,206	325,038
	<u>5,004,166</u>	<u>5,422,514</u>
Commitments and contingencies (note 4)		
Accumulated surplus (note 5)	<u>\$ 17,941,296</u>	<u>\$ 17,119,068</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Board Member

_____ Board Member

BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Statement of Operations and Accumulated Surplus

Year ended December 31, 2020, with comparative information for 2019

	Budget 2020	Total 2020	Total 2019
(unaudited)			
Revenue (note 9):			
Provincial grants	\$ 20,829,315	\$ 22,974,240	\$ 20,934,817
Per capita revenue from municipalities (note 7)	8,080,180	8,080,191	7,345,618
Other:			
Plumbing inspections and licenses	317,000	368,509	290,514
Interest	140,000	146,802	300,985
Other	545,154	814,144	883,397
	29,911,649	32,383,886	29,755,331
Expenses (note 9):			
Salaries and wages	19,493,909	20,539,456	18,295,647
Benefits (note 6)	5,608,614	5,747,346	5,041,211
Administration (note 8)	2,353,235	2,568,680	2,287,486
Supplies and materials	1,419,232	1,321,246	1,532,008
Amortization of tangible capital assets (note 3)	-	588,011	691,091
Small operational equipment	672,322	621,401	464,669
Transportation	364,337	175,518	307,048
	29,911,649	31,561,658	28,619,160
Annual surplus	-	822,228	1,136,171
Accumulated surplus, beginning of year	17,119,068	17,119,068	15,982,897
Accumulated surplus, end of year	\$ 17,119,068	\$ 17,941,296	\$ 17,119,068

See accompanying notes to financial statements.

BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Statement of Changes in Net Financial Assets

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Annual surplus	\$ 822,228	\$ 1,136,171
Purchase of tangible capital assets	(143,496)	(547,131)
Amortization of tangible capital assets	588,011	691,091
Change in prepaid expenses	(26,167)	(12,477)
Change in net financial assets	1,240,576	1,267,654
Net financial assets, beginning of year	11,696,554	10,428,900
Net financial assets, end of year	\$ 12,937,130	\$ 11,696,554

See accompanying notes to financial statements.

BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Cash flows from operating activities:		
Annual surplus	\$ 822,228	\$ 1,136,171
Adjustments for:		
Amortization of tangible capital assets	588,011	691,091
Change in employee benefit obligations	337,827	51,385
	1,748,066	1,878,647
Changes in non-cash working capital:		
Decrease in accounts receivable	57,049	174,150
Decrease (increase) in receivable from the Province of Ontario	(1,497,629)	(110,558)
Increase in accounts payable and accrued liabilities	100,854	482,655
Increase in deferred revenue	104,403	47,385
Increase in payable to the Province of Ontario	869,347	35,604
Increase in prepaid expenses	(26,167)	(12,477)
	1,355,923	2,495,406
Cash flows from investing activity:		
Purchase of tangible capital assets	(143,496)	(547,131)
Increase in cash	1,212,427	1,948,275
Cash and cash equivalents, beginning of year	16,710,305	14,762,030
Cash and cash equivalents, end of year	\$ 17,922,732	\$ 16,710,305

See accompanying notes to financial statements.

BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Notes to Financial Statements

Year ended December 31, 2020

The Board of Health for the Sudbury & District Health Unit, (operating as Public Health Sudbury & Districts), (the "Health Unit") was established in 1956, and is a progressive, accredited public health agency committed to improving health and reducing social inequities in health through evidence informed practice. The Health Unit is funded through a combination of Ministry grants and through levies that are paid by the municipalities to whom the Health Unit provides public health services. The Health Unit works locally with individuals, families and community and partner agencies to promote and protect health and to prevent disease. Public health programs and services are geared toward people of all ages and delivered in a variety of settings including workplaces, daycare and educational settings, homes, health-care settings and community spaces.

The Health Unit is a not-for-profit public health agency and is therefore exempt from income taxes under the Income Tax Act (Canada).

1. Summary of significant accounting policies:

These financial statements are prepared by management in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board. The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of accounting:

The financial statements are prepared using the accrual basis of accounting.

The accrual basis of accounting recognizes revenues as they are earned. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include guaranteed investment certificates that are readily convertible into known amounts of cash and subject to insignificant risk of change in value.

Guaranteed investment certificates generally have a maturity of one year or less at acquisition and are held for the purpose of meeting future cash commitments.

Guaranteed investment certificates amounted to \$2,323,093 as at December 31, 2020 (2019 - \$2,303,303) and these can be redeemed for cash on demand.

(c) Employee benefit obligations:

The Health Unit accounts for its participation in the Ontario Municipal Employee Retirement Fund (OMERS), a multi-employer public sector pension fund, as a defined contribution plan.

Vacation and other compensated absence entitlements are accrued for as entitlements are earned.

Sick leave benefits are accrued where they are vested and subject to pay out when an employee leaves the Health Unit's employ.

BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Notes to Financial Statements

Year ended December 31, 2020

1. Summary of significant accounting policies (continued):

(c) Employee benefit obligations (continued):

Other post-employment benefits 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. The discount rate used to determine the accrued benefit obligation was determined with reference to the Health Unit's cost of borrowing at the measurement date taking into account cash flows that match the timing and amount of expected benefit payments.

Actuarial gains (losses) on the accrued benefit obligation arise from the difference between actual and expected experiences and from changes in actuarial assumptions used to determine the accrued benefit obligation. These gains (losses) are amortized over the average remaining service period of active employees.

(d) Non-financial assets:

Tangible capital assets and prepaid expenses are accounted for as non-financial assets by the Health Unit. Non-financial assets are not available to discharge liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(e) Tangible capital assets:

Tangible capital assets are recorded at cost, and include amounts that are directly related to the acquisition of the assets. The Health Unit provides for amortization using the straight-line method designed to amortize the cost, less any residual value, of the tangible capital assets over their estimated useful lives. The annual amortization periods are as follows:

Asset	Basis	Rate
Building	Straight-line	2.5%
Land improvements	Straight-line	10%
Computer hardware	Straight-line	30%
Leasehold improvements	Straight-line	10%
Website design	Straight-line	20%
Vehicles and equipment	Straight-line	10%
Equipment – vaccine refrigerators	Straight-line	20%
Computer software	Straight-line	100%

(f) Prepaid expenses:

Prepaid expenses are charged to expenses over the periods expected to benefit from them.

BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Notes to Financial Statements

Year ended December 31, 2020

1. Summary of significant accounting policies (continued):

(g) Accumulated surplus:

Certain amounts, as approved by the Board of Directors, are set aside in accumulated surplus for future operating and capital purposes. Transfers to/from funds and reserves are an adjustment to the respective fund when approved.

The accumulated surplus consists of the following surplus accounts:

- Invested in tangible capital assets:

This represents the net book value of the tangible capital assets the Health Unit has on hand.

- Unfunded employee benefit obligations:

This represents the unfunded future employee benefit obligations comprised of the accumulated sick leave benefits, other post-employment benefits and vacation pay and other compensated absences.

The accumulated surplus consists of the following reserves:

- Working capital reserve:

This reserve is not restricted and is utilized for the operating activities of the Health Unit.

- Public health initiatives:

This reserve is restricted and can only be used for public health initiatives.

- Corporate contingencies:

This reserve is restricted and can only be used for corporate contingencies.

- Facility and equipment repairs and maintenance:

This reserve is restricted and can only be used for facility and equipment repairs and maintenance.

- Sick leave and vacation:

This reserve is restricted and can only be used for future sick leave and vacation obligations.

- Research and development:

This reserve is restricted and can only be used for research and development activities.

BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Notes to Financial Statements

Year ended December 31, 2020

1. Summary of significant accounting policies (continued):

(h) Revenue recognition:

Revenue from government grants and from municipalities is recognized in the period in which the events giving rise to the government transfer have occurred as long as: the transfer is authorized; the eligibility criteria, if any, have been met except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the recipient government; and the amount can reasonably be estimated. Funding received under a funding arrangement, which relates to a subsequent fiscal period and the unexpended portions of contributions received for specific purposes, is reflected as deferred revenue in the year of receipt and is recognized as revenue in the period in which all the recognition criteria have been met.

Other revenues including certain user fees, rents and interest are recorded on the accrual basis, when earned and when the amounts can be reasonably estimated and collection is reasonably assured.

(i) Budget figures:

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Board of Directors. The budget figures are unaudited.

(j) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are estimated amounts for uncollectible accounts receivable, employee benefit obligations and the estimated useful lives and residual values of tangible capital assets.

BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Notes to Financial Statements

Year ended December 31, 2020

2. Employee benefit obligations:

An actuarial estimate of future liabilities has been completed using the most recent actuarial valuation dated December 31, 2017 and forms the basis for the estimated liability reported in these financial statements. The next full valuation of the plan will be as of December 31, 2020.

	2020	2019
Accumulated sick leave benefits	\$ 667,497	\$ 710,365
Other post-employment benefits	1,475,123	1,348,868
	2,142,620	2,059,233
Vacation pay and other compensated absence	1,151,670	897,230
	\$ 3,294,290	\$ 2,956,463

The significant actuarial assumptions adopted in measuring the Health Unit's accumulated sick leave benefits and other post-employment benefits are as follows:

	2020	2019
Discount	4.00%	4.00%
Health-care trend rate		
Initial	6.42%	6.42%
Ultimate	3.75%	3.75%
Salary escalation factor	2.75%	2.75%

The Health Unit has established reserves in the amount of \$675,447 (2019 - \$675,447) to mitigate the future impact of these obligations. The accrued benefit obligations as at December 31, 2020 are \$2,202,391 (2019 - \$2,112,718).

	2020	2019
Benefit plan expenses:		
Current service costs	\$ 177,271	\$ 169,489
Interest	8,461	81,336
Amortization of actuarial loss	(6,286)	(6,282)
	\$ 179,446	\$ 244,543

Benefits paid during the year were \$172,209 (2019 - \$173,515). The net unamortized actuarial loss of \$59,771 (2019 - \$53,485) will be amortized over the expected average remaining service period.

BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Notes to Financial Statements

Year ended December 31, 2020

3. Tangible capital assets:

Cost:

	Land	Building	Leasehold Improvements	Computer Hardware	Computer Software	Website Design	Furniture and Equipment	Parking Lot Resurfacing	2020 Total
Balance, January 1, 2020	\$ 26,938	7,153,834	396,739	2,686,438	410,602	69,845	2,580,217	252,346	13,576,959
Additions	-	-	-	121,407	4,605	-	17,483	-	143,495
Balance, December 31, 2020	\$ 26,938	7,153,834	396,739	2,807,845	415,207	69,845	2,597,700	252,346	13,720,454

Accumulated amortization:

	Land	Building	Leasehold Improvements	Computer Hardware	Computer Software	Website Design	Furniture and Equipment	Parking Lot Resurfacing	Total
Balance, January 1, 2020	\$ -	3,109,063	396,739	2,122,827	410,602	69,845	2,219,717	150,690	8,479,483
Amortization	-	178,846	-	263,410	4,605	-	115,915	25,235	588,011
Balance, December 31, 2020	\$ -	3,287,909	396,739	2,386,237	415,207	69,845	2,335,632	175,925	9,067,494

Net book value

	Land	Building	Leasehold Improvements	Computer Hardware	Computer Software	Website Design	Furniture and Equipment	Parking Lot Resurfacing	Total
At December 31, 2019	\$ 26,938	4,044,771	-	563,611	-	-	360,500	101,656	5,097,476
At December 31, 2020	26,938	3,865,925	-	421,608	-	-	262,068	76,421	4,652,960

BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Notes to Financial Statements

Year ended December 31, 2020

3. Tangible capital assets (continued):

Cost:

	Land	Building	Leasehold Improvements	Computer Hardware	Computer Software	Website Design	Furniture and Equipment	Parking Lot Resurfacing	2019 Total
Balance, January 1, 2019	\$ 26,939	7,068,782	396,739	2,363,856	374,825	69,845	2,486,251	242,596	13,029,833
Additions	-	85,053	-	322,585	35,777	-	93,966	9,750	547,131
Balance, December 31, 2019	\$ 26,939	7,153,835	396,739	2,686,441	410,602	69,845	2,580,217	252,346	13,576,964

Accumulated amortization:

	Land	Building	Leasehold Improvements	Computer Hardware	Computer Software	Website Design	Furniture and Equipment	Parking Lot Resurfacing	Total
Balance, January 1, 2019	\$ -	2,932,343	396,739	1,788,440	374,825	69,845	2,099,775	126,430	7,788,397
Amortization	-	176,720	-	334,391	35,777	-	119,943	24,260	691,091
Balance, December 31, 2019	\$ -	3,109,063	396,739	2,122,831	410,602	69,845	2,219,718	150,690	8,479,488

Net book value

	Land	Building	Leasehold Improvements	Computer Hardware	Computer Software	Website Design	Furniture and Equipment	Parking Lot Resurfacing	Total
At December 31, 2018	\$ 26,939	4,136,439	-	575,416	-	-	386,476	116,166	5,241,436
At December 31, 2019	26,939	4,044,772	-	563,610	-	-	360,499	101,656	5,097,476

BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Notes to Financial Statements

Year ended December 31, 2020

4. Commitments and contingencies:

(a) Line of credit:

The Health Unit has available an operating line of credit of \$500,000 (2019 - \$500,000). There is \$Nil balance outstanding on the line of credit at year end (2019 - \$Nil).

(b) Lease commitments:

The Health Unit enters into operating leases in the ordinary course of business, primarily for lease of premises and equipment. Payments for these leases are contractual obligations as scheduled per each agreement. Commitments for minimum lease payments in relation to non-cancellable operating leases at December 31, 2020 are as follows:

No later than one year	\$	250,042
Later than one year and no later than 5 years		1,007,868
Later than five years		1,194,143
	\$	2,452,053

(c) Contingencies:

The Health Unit is involved in certain legal matters and litigation, the outcomes of which are not presently determinable. The loss, if any, from these contingencies will be accounted for in the periods in which the matters are resolved. Management is of the opinion that these matters are mitigated by adequate insurance coverage.

BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Notes to Financial Statements

Year ended December 31, 2020

5. Accumulated surplus:

The accumulated surplus consists of individual fund surplus accounts and reserves as follows:

	Balance, Beginning of Year	Annual Surplus (Deficit)	Purchase of Tangible Capital Assets	Balance, End of Year
Invested in tangible capital assets	\$ 5,097,476	(588,011)	143,496	\$ 4,652,961
Unfunded employee benefit obligation	(2,956,463)	(337,827)	-	(3,294,290)
Working capital reserve	5,745,748	1,748,066	(143,496)	7,350,318
Public health initiatives	2,500,000	-	-	2,500,000
Corporate contingencies	500,000	-	-	500,000
Facility and equipment repairs and maintenance	5,500,000	-	-	5,500,000
Sick leave and vacation	675,447	-	-	675,447
Research and development	56,860	-	-	56,860
	\$ 17,119,068	822,228	-	\$ 17,941,296

6. Pension agreements:

The Health Unit makes contributions to OMERS, which is a multi-employer plan, on behalf of its members. The plan is a defined contribution 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.

The amount contributed to OMERS for 2020 was \$1,822,937 (2019 - \$1,766,045) for current service and is included within benefits expense on the statement of operations and accumulated surplus.

BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Notes to Financial Statements

Year ended December 31, 2020

7. Per capita revenue from municipalities:

	2020	2019
Township of Assiginack	\$ 37,093	\$ 33,720
Township of Baldwin	24,811	22,555
Township of Billings (and part of Allan)	24,650	22,408
Township of Burpee	13,418	12,198
Township of Central Manitoulin	84,201	76,545
Municipality of St. Charles	56,890	51,717
Township of Chapleau	94,220	85,654
Municipality of French River	116,764	106,148
Town of Espanola	214,534	195,030
Township of Gordon (and part of Allan)	22,064	20,057
Town of Gore Bay	36,366	33,059
Municipality of Markstay-Warren	114,501	104,091
Township of Northeastern Manitoulin & The Islands	104,724	95,203
Township of Nairn & Hyman	19,478	17,707
Municipality of Killarney	17,053	15,503
Township of Sable and Spanish River	131,792	119,811
City of Greater Sudbury	6,949,771	6,317,974
Township of Tehkummah	17,861	16,238
	\$ 8,080,191	\$ 7,345,618

8. Administration expenses:

	Budget 2020 (unaudited)	2020	2019
Professional fees	\$ 624,803	\$ 720,798	\$ 527,202
Advertising	135,950	404,592	231,679
Building maintenance	379,925	445,072	525,514
Staff education	258,118	57,771	167,605
Utilities	225,249	183,264	181,854
Rent	306,712	267,000	262,925
Liability insurance	117,849	115,712	109,903
Postage	64,972	57,113	59,469
Telephone	200,686	281,783	188,322
Memberships and subscriptions	38,971	35,575	32,980
Strategic planning		-	33
	\$ 2,353,235	\$ 2,568,680	\$ 2,287,486

BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Notes to Financial Statements

Year ended December 31, 2020

9. Revenues and expenses by funding sources:

	OLHA	UIIP	Men C	HPV	Unorganized Territories	Ontario Sr. Dental Care Program	MOH/ AMOH	MCCSS: HBHC & PNP	HIV-Aids Anonymous Testing	Non-Ministry	2019-20 One-time Funding		Sub-Total	
											Public Health Inspector Practicum	Needle Exchange Program		
Revenue:														
Provincial grants														
Operation	\$ 16,534,825	-	-	-	-	340,463	34,871	1,559,762	61,017	-	-	-	-	18,530,938
Mitigation grant	1,179,500	-	-	-	-	-	-	-	-	-	-	-	-	1,179,500
One-time	-	-	-	-	-	-	-	-	-	-	6,432	26,618	-	33,050
Unorganized territories	-	-	-	-	1,058,082	-	-	-	-	-	-	-	-	1,058,082
Municipalities	8,080,191	-	-	-	-	-	-	-	-	-	-	-	-	8,080,191
Plumbing and inspections	368,509	-	-	-	-	-	-	-	-	-	-	-	-	368,509
Interest	146,802	-	-	-	-	-	-	-	-	-	-	-	-	146,802
Other	359,098	13,170	6,248	10,515	-	-	-	-	-	425,113	-	-	-	814,144
	26,668,925	13,170	6,248	10,515	1,058,082	340,463	34,871	1,559,762	61,017	425,113	6,432	26,618	-	30,211,216
Expenses:														
Salaries and wages	16,975,597	11,328	5,680	9,134	644,927	60,183	34,871	1,229,450	49,646	278,331	5,683	-	-	19,304,830
Benefits	5,017,234	1,125	568	913	168,104	18,285	-	293,095	11,286	39,541	663	-	-	5,550,814
Transportation	23,527	-	-	-	118,052	652	-	27,639	-	58	86	-	-	170,014
Administration (note 8)	1,741,670	-	-	-	8,330	211,354	-	3,280	85	63,973	-	-	-	2,028,692
Supplies and materials	847,236	-	-	-	118,669	45,319	-	6,298	-	43,210	-	-	26,618	1,087,350
Small operational equipment	483,001	-	-	-	-	4,670	-	-	-	-	-	-	-	487,671
Amortization of tangible capital assets	588,011	-	-	-	-	-	-	-	-	-	-	-	-	588,011
	25,676,276	12,453	6,248	10,047	1,058,082	340,463	34,871	1,559,762	61,017	425,113	6,432	26,618	-	29,217,382
Annual surplus	\$ 992,649	717	-	468	-	-	-	-	-	-	-	-	-	993,834

OLHA - MOH Mandatory Cost-Shared

UIIP - Universal Influenza Immunization Program

Men C - Meningococcal Vaccine Program

HPV - Human Papilloma Virus

MOH/AMOH - Ministry of Health/Associate Medical Officer of Health

MCCSS - Ministry of Children, Community and Social Services: Health Babies Healthy Children/Prenatal Postnatal Nurse Practitioner

Non-Ministry - Non-Ministry Funded Initiatives

BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Notes to Financial Statements

Year ended December 31, 2020

9. Revenues and expenses by funding sources (continued):

	2020-21 One-time Funding								
	COVID-19 Infection Prevention and Control Hub	COVID-19 Extraordinary Cost	COVID-19 Case and Contact Management	COVID-19 School Focused Nurses	MOH/AMOH Compensation	Ontario Senior Dental Care Program Capital	Temprary Pandemic Pay	Capital Infrastructure	Total
Revenue:									
Provincial grants									
Operation	\$ -	-	-	-	-	-	-	-	18,530,938
Mitigation grant	-	-	-	-	-	-	-	-	1,179,500
One-time	99	1,644,008	9,911	418,117	10,900	70,464	19,171	-	2,205,720
Unorganized territories	-	-	-	-	-	-	-	-	1,058,082
Municipalities	-	-	-	-	-	-	-	-	8,080,191
Plumbing and inspections	-	-	-	-	-	-	-	-	368,509
Interest	-	-	-	-	-	-	-	-	146,802
Other	-	-	-	-	-	-	-	-	814,144
	99	1,644,008	9,911	418,117	10,900	70,464	19,171	-	32,383,886
Expenses:									
Salaries and wages	-	853,174	-	353,343	9,621	-	18,488	-	20,539,456
Benefits	-	129,796	-	64,774	1,279	-	683	-	5,747,346
Transportation	-	5,504	-	-	-	-	-	-	175,518
Administration (note 8)	99	364,262	-	-	-	70,464	-	105,163	2,568,680
Supplies and materials	-	233,896	-	-	-	-	-	-	1,321,246
Small operational equipment	-	57,376	9,911	-	-	-	-	66,443	621,401
Amortization of tangible capital assets	-	-	-	-	-	-	-	-	-
	99	1,644,008	9,911	418,117	10,900	70,464	19,171	171,606	31,561,658
Annual surplus	\$ -	-	-	-	-	-	-	(171,606)	822,228

OLHA - MOH Mandatory Cost-Shared

UIIP - Universal Influenza Immunization Program

Men C - Meningococcal Vaccine Program

MOH/AMOH - Ministry of Health/Associate Medical Officer of Health

MCCSS - Ministry of Children, Community and Social Services: Health Babies Healthy Children/Prenatal Postnatal Nurse Practitioner

Non-Ministry - Non-Ministry Funded Initiatives

BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Notes to Financial Statements

Year ended December 31, 2020

10. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect the prior year surplus.

11. Financial risks:

The Health Unit's main sources of revenue are government operation grants, municipal levies and other service fees. In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This resulted in the Canadian, Provincial and Municipal governments enacting emergency measures to combat the spread of the virus. The Health Unit realigned its resources in support of the COVID-19 response. In doing so, programs and services were adapted. Some programs were temporarily suspended while others were adjusted and delivered ensuring COVID-19 safe measures were put in place.

Significant resources were required to respond to the pandemic. The provincial government has provided financial relief in the form of grants totaling \$2,183,612. Of the provincial funding received, \$92,880 has been deferred and \$1,638,900 of provincial funding is to be received after year end.

The impact of COVID-19 is expected to negatively impact normal operations for a duration that cannot be reasonably predicted. The further overall operational and financial impact is highly dependent on the duration of COVID-19, including the potential occurrence of additional waves of the pandemic, and could be affected by other factors that are currently not known at this time. The Provincial government has made a commitment to fund the extraordinary expenses required to respond to COVID-19. Management is actively monitoring the effect of the pandemic on its financial condition, liquidity, operations, suppliers, and workforce. Given the daily evolution of the pandemic and the global responses to curb its spread, the Agency is not able to fully estimate the effects of the pandemic on its results of operations, financial condition, or liquidity at this time.

2020 AUDITED FINANCIAL STATEMENTS

MOTION:

THAT the Board of Health Finance Standing Committee recommend to the Board of Health for the Sudbury and District Health Unit the adoption of the 2020 audited financial statements.

Public Health Sudbury & Districts

STATEMENT OF REVENUE & EXPENDITURES

For the 4 Periods Ending April 30, 2021

Cost Shared Programs

	Annual Budget	Budget YTD	Current Expenditures YTD	Variance YTD (over)/under	Balance Available
Revenue:					
MOH - General Program	14,983,563	4,994,521	4,994,521	0	9,989,042
MOH - Other Related Program	1,806,221	605,591	605,591	0	1,200,630
MOH - One Time Revenue	1,179,500	393,167	393,167	0	786,333
MOH - Unorganized Territory	826,000	275,333	275,333	0	550,667
Municipal Levies	8,484,189	2,828,063	2,828,063	0	5,656,126
Interest Earned	140,000	46,667	22,905	23,762	117,095
Total Revenues:	\$27,419,473	\$9,143,342	\$9,119,580	\$23,762	\$18,299,893
Expenditures:					
Corporate Services:					
Corporate Services	4,584,516	1,569,085	1,729,879	(160,794)	2,854,637
Office Admin.	115,350	38,450	18,568	19,882	96,782
Espanola	119,440	40,714	39,899	815	79,541
Manitoulin	129,622	44,226	44,961	(735)	84,661
Chapleau	102,536	35,075	41,465	(6,390)	61,071
Sudbury East	18,104	6,035	5,793	242	12,311
Intake	345,062	119,444	132,883	(13,439)	212,179
Facilities Management	574,599	191,533	303,835	(112,302)	270,764
Volunteer Resources	3,850	1,283	0	1,283	3,850
Total Corporate Services:	\$5,993,078	\$2,045,845	\$2,317,283	\$(271,438)	\$3,675,795
Health Protection:					
Environmental Health - General	1,297,270	445,872	451,198	(5,326)	846,072
Environmental	2,574,848	895,197	712,844	182,353	1,862,004
Vector Borne Disease	88,162	29,936	5,124	24,812	83,038
Small Drinking Water Systems	181,995	62,998	15,298	47,700	166,697
CID	1,322,036	458,619	399,181	59,438	922,855
Districts - Clinical	227,749	78,772	78,214	558	149,535
Risk Reduction	185,942	61,981	20,548	41,433	165,394
Sexual Health	1,064,344	367,335	406,569	(39,234)	657,775
MOHLTC - Influenza	0	613	(1,709)	2,322	1,709
MOHLTC - Meningitis	(0)	165	0	165	(0)
MOHLTC - HPV	0	239	0	239	0
SFO: E-Cigarettes Protection and Enforcement	0	0	0	0	0
SFO: Protection and Enforcement	296,500	89,268	72,078	17,190	224,422
Infectious Diseases Contol Initiatives	389,000	134,654	118,761	15,893	270,239
Food Safety: Haines Funding	36,500	6,083	0	6,083	36,500
	\$7,664,347	\$2,631,732	\$2,278,106	\$353,626	\$5,386,241
Health Promotion:					
Health Promotion - General	954,735	328,806	329,446	(640)	625,289
Districts - Espanola / Manitoulin	333,954	115,521	96,374	19,147	237,580
Nutrition & Physical Activity	1,279,188	442,084	286,986	155,098	992,202
Districts - Chapleau / Sudbury East	219,598	75,937	73,776	2,161	145,822
Injury Prevention	27,874	9,291	36,557	(27,266)	(8,683)
Tobacco, Vaping, Cannabis & Alcohol	344,382	118,545	80,411	38,134	263,971
Family Health	791,330	273,850	171,156	102,694	620,174
Reproductive & Child Health	43,700	14,567	106,991	(92,424)	(63,291)
Mental Health and Addictions	372,600	128,526	186,721	(58,195)	185,879
Dental	538,539	186,028	128,749	57,279	409,790
Healthy Smiles Ontario	70,486	24,104	0	24,104	70,486
Vision Health	612,200	211,296	204,423	6,873	407,777
SFO: TCAN Prevention	0	0	0	0	0
SFO: TCAN Coordination	383,000	130,789	62,404	68,385	320,596
SFO: Tobacco Control Coordination	100,000	34,615	6,899	27,716	93,101
SFO: Youth Tobacco Use Prevention	80,001	27,644	25,981	1,663	54,020
Harm Reduction Program Enhancement	150,000	51,849	32,675	19,174	117,325
Diabetes Prevention	175,000	59,660	514	59,146	174,486
Total Health Promotion:	\$6,476,589	\$2,233,112	\$1,830,064	\$403,049	\$4,646,525
School Health, Vaccine Preventable Diseases and COVID Prevention					
School Health, VPD, COVID Prevention - General	366,674	126,925	299,905	(172,980)	66,769
School Health and Behavior Change	1,746,304	604,196	259,443	344,753	1,486,861
VPD and COVID CCM	2,120,790	734,120	659,784	74,335	1,461,006
Total School Health, VPD and COVID Prevention:	\$4,233,768	\$1,465,241	\$1,219,132	\$246,108	\$3,014,636
Knowledge and Strategic Services:					
Knowledge and Strategic Services	2,611,414	902,159	795,364	106,795	1,816,050
Workplace Capacity Development	23,507	7,836	936	6,900	22,571
Health Equity Office	14,440	4,813	2,138	2,675	12,302
Social Determinants of Health Nurses Initiatives	392,100	135,726	38,501	97,225	353,599
Strategic Engagement	10,232	3,411	0	3,411	10,232
Total Knowledge and Strategic Services:	\$3,051,693	\$1,053,945	\$836,939	\$217,006	\$2,214,754
Total Expenditures:	\$27,419,475	\$9,429,875	\$8,481,524	\$948,351	\$18,937,951
COVID-19					
Pandemic - Case and Contact Management / Admin			1,515,070	(1,515,070)	
Mass Immunization Project			1,471,496	(1,471,496)	
Total COVID-19			\$2,986,567	\$(2,986,567)	
Net Surplus/(Deficit)		\$(286,533)	\$(2,348,510)	\$(2,061,977)	

Public Health Sudbury & Districts

Cost Shared Programs

STATEMENT OF REVENUE & EXPENDITURES
 Summary By Expenditure Category
 For The 4 Periods Ending April 31, 2021

	BOH Annual Budget	Budget YTD	Current Expenditures YTD	COVID-19 Expenditures YTD	Variance YTD (over) /under	Budget Available
Revenues & Expenditure Recoveries:						
Funding	27,506,573	9,172,543	9,212,626		(40,083)	18,293,947
Other Revenue/Transfers	783,954	261,317	238,189		23,128	545,765
Total Revenues & Expenditure Recoveries:	28,290,527	9,433,860	9,450,816		(16,955)	18,839,711
Expenditures:						
Salaries	18,506,504	6,394,829	5,801,182	2,192,315	(1,598,668)	10,513,007
Benefits	5,478,755	1,896,392	1,696,744	225,785	(26,137)	3,556,226
Travel	300,108	100,036	20,907	19,664	59,465	259,537
Program Expenses	1,126,997	370,114	101,321	55,611	213,182	970,065
Office Supplies	67,334	22,445	26,812	3,701	(8,068)	36,821
Postage & Courier Services	64,972	21,657	15,947	356	5,354	48,669
Photocopy Expenses	31,367	10,456	9,778	38,499	(37,821)	(16,910)
Telephone Expenses	65,266	21,756	19,547	53,711	(51,502)	(7,992)
Building Maintenance	372,135	124,045	240,924	56,978	(173,857)	74,233
Utilities	225,827	75,276	50,980		24,296	174,847
Rent	325,160	108,386	120,468		(12,082)	204,692
Insurance	121,234	40,412	123,631		(83,219)	(2,397)
Employee Assistance Program (EAP)	35,000	11,667	22,850		(11,183)	12,150
Memberships	29,889	9,963	18,008		(8,045)	11,881
Staff Development	157,773	52,593	5,462		47,131	152,311
Books & Subscriptions	9,345	3,113	2,944		169	6,401
Media & Advertising	133,535	43,981	10,587	17,347	16,047	105,601
Professional Fees	413,324	137,775	106,847	28,936	1,992	277,541
Translation	49,440	16,481	5,713	52,420	(41,652)	(8,693)
Furniture & Equipment	21,270	7,090	14,669	3,039	(10,618)	3,562
Information Technology	755,292	251,766	397,273	238,205	(383,712)	119,813
Total Expenditures	28,290,527	9,720,233	8,812,594	2,986,567	(2,078,928)	16,491,367
Net Surplus (Deficit)	0	(286,372)	638,222	(2,986,567)	(2,061,972)	

Public Health Sudbury & Districts
SUMMARY OF REVENUE & EXPENDITURES
For the Period Ended April 30, 2021

Program	FTE	Annual Budget	Current YTD	Balance Available	% YTD	Program Year End	Expected % YTD
100% Funded Programs							
Indigenous Communities	703	90,400	23,759	66,641	26.3%	<i>Dec 31</i>	33.3%
Pre/Postnatal Nurse Practitioner	704	139,000	11,714	127,286	8.4%	<i>Mar 31/2021</i>	8.3%
CGS - Local Poverty Reduction Evaluation	707	67,771	14,357	53,414	21.2%	<i>Mar. 31/2021</i>	40.0%
WOKE Age: Youth Driven Racial Equity	708	199,937	60,955	138,982	30.5%	<i>Mar 31/2021</i>	8.3%
Opioid Poisoning Surveillance System	710	24,489	-	24,489	0.0%	<i>Dec 31</i>	33.3%
LHIN - Falls Prevention Project & LHIN Screen	736	100,000	78,475	21,525	78.5%	<i>Mar 31/21</i>	8.3%
Northern Fruit and Vegetable Program	743	176,100	28,022	148,078	15.9%	<i>Dec 31</i>	33.3%
Triple P Co-Ordination	766	46,580	15,339	31,241	32.9%	<i>Dec 31</i>	33.3%
Supervised Consumption Study	770	12,920	-	12,920	0.0%	<i>Dec 31</i>	33.3%
Healthy Babies Healthy Children	778	1,476,897	122,995	1,353,902	8.3%	<i>Mar 31/21</i>	8.3%
IPAC Congregate CCM	780	839,901	71,890	768,011	8.6%	<i>Dec 31</i>	33.3%
Ontario Senior Dental Care Program	786	810,200	358,553	451,647	44.3%	<i>Dec 31</i>	33.3%
Anonymous Testing	788	61,193	-	61,193	0.0%	<i>Mar 31/21</i>	8.3%
Total		4,045,388	786,058	3,259,330			

ADJOURNMENT

MOTION:

THAT we do now adjourn. Time: _____